

[Translation]

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Corporate Governance

CORPORATE GOVERNANCE

TOMY COMPANY, LTD.

Last updated June 27, 2025

TOMY COMPANY, LTD.

Akio Tomiyama

Representative Director and President

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Securities identification code: 7867

www.takaratomy.co.jp

The status of corporate governance at TOMY COMPANY, LTD. (“TOMY”) is as follows:

I. TOMY’s Basic Policy on Corporate Governance and Capital Structure, Business Attributes and Other Basic Information

1. Basic Policy

The TOMY Group celebrated its 100th anniversary in February 2024 and embarked on a new journey toward the next 100 years. Taking this new milestone as an opportunity, the TOMY Group has reexamined the significance of our place in society, and defined a new Purpose. Under such Purpose, we have also newly established a Business Vision that pursues economic value, and a Sustainability Vision that seeks to increase social value. Based on these Visions, our diverse and varied brand palette is executing our business strategies under a unified vision. In addition, through our corporate strategy supporting our business strategy, we will operate our business which has both safety and proactiveness.

One of the most important management issues for the TOMY Group today is maintaining the trust of our stakeholders, while offering continual improvements in corporate value and building on sound and transparent management practices. We will make every effort to achieve this through strong corporate governance, including enhanced self-check functions, risk management and compliance system, even as we improve operational efficiency.

<Purpose>

Quality asobi can inspire and delight the world.

For the corporate philosophy of the TOMY Group and details of its corporate governance, please see TOMY’s website.

TOMY Group Corporate Philosophy <https://www.takaratomy.co.jp/english/company/philosophy/>

Corporate governance www.takaratomy.co.jp/english/company/company/governance.html

[Reason for not implementing each principle of the Corporate Governance Code]

TOMY implements all the individual principles of the Corporate Governance Code.

[Disclosure based on each principle of the Corporate Governance Code]

[Principle 1.4] Cross-Shareholdings

(1) Policy for cross-shareholdings

TOMY has a policy of holding shares of other companies when it determines that they are necessary as part of management strategies, such as sustained business alliances, or in order to develop good relationships with its business partners and facilitate the smooth operation of business. The Board of Directors annually examines

the degree of contribution to the enhancement of the Company's corporate value through the stabilization of business development based on the Company's IP strategy and distribution strategy with the concerned company, and the maintenance of business relationships with financial institutions, for, each individual cross-shareholding, from a medium- to long-term perspective, taking into account the significance of the acquisition or holding and the economic rationality, and any cross-shareholdings of which the Board of Directors does not recognize the reasonableness are to be reduced, taking its market value, etc. into account.

(2) Exercise of voting rights

For voting rights as to the cross-shareholdings, TOMY determines whether it will vote for or against each proposal after comprehensively considering the following points: whether the company that issued the shares has established an appropriate corporate governance system; whether such company has made the proposal to improve its corporate value in the medium- and long-term; and the effects on the Company. TOMY makes a careful decision especially in the case of a long-term decline in earnings, a serious scandal or a proposal that damages shareholder value.

[Principle 1.7] Related Party Transactions

When TOMY engages in transactions with its Directors, Audit & Supervisory Board members or major shareholders, to ensure that such transactions do not harm the interests of the Company or the common interests of its shareholders, and to prevent any concerns with respect to such harm, the Board of Directors monitors the transactions through appropriate procedures, including approval and reporting at the Board of Directors meetings in accordance with laws and regulations or the Regulations of the Board of Directors of the Company, in proportion to the importance and characteristics of the transaction.

[Supplementary Principle 2.4.1] Approach to and Target for Ensuring Diversity, Policy for Human Resource Development, and Policy for Internal Environmental Improvement

Under our Sustainability Vision 2030 of "A creator of quality asobi that promotes the sustainable well-being of society," the TOMY Group will build an environment where employees can be absorbed in creating asobi as an organization capable of self-driven and sustainable growth. To this end, we believe that "improving employee wellbeing" and "employee growth" are essential. We will work to foster an organizational climate that respects the individuality, skills, backgrounds, life stages, and diverse values of each employee; create working environments where diverse human resources can work with a sense of fulfillment, continue to grow, and maximize their performance while respecting their own individuality; and develop human resources who can be active on a global scale.

1. The TOMY Group respects human rights, never engages in unfair discrimination, tries to offer fair treatment and work opportunities, and promotes the education and appointment of human resources in consideration of diversity.

2. The TOMY Group promotes the fair education and appointment of human resources regardless of their nationality and employment category, while taking diversity into consideration. Accordingly, the Group does not set numerical targets, particularly for hiring foreign nationals or mid-career persons.

The policy for human resource development, policy for a work environment and the approach to and numerical targets for appointment of female employees to managerial positions are presented on TOMY's website.

The TOMY Group Diversity Policy

(www.takaratomy.co.jp/english/company/csr/work_style_reform/)

Policy for human resources development

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

Policy for a work environment

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

[Principle 2.6] Roles of Corporate Pension Funds as Asset Owners

TOMY has introduced a defined benefit corporate pension plan and periodically monitors the management of plan assets and reviews the policy composition of plan assets when necessary. In addition, TOMY provided the basic policy on asset management and the asset management guidelines to asset managers and comprehensively assesses them by conducting quantitative assessment as well as qualitative assessment of

their investment policies, asset management processes and compliance. The Human Resources Department of TOMY reviews their management of assets and periodically exchanges information with them. In addition, we introduced a defined contribution pension plan from October 2016. In order to help employees build assets, we select investment products from multiple perspectives, provide employees with education on investment management, and receive regular reports from the investment management institution on the products and investment performance, thereby conducting monitoring.

[Principle 3.1] Full Disclosure

(1) Corporate philosophy, management strategies, and management plan

For the corporate philosophy, please see TOMY's website.

TOMY Group Corporate Philosophy (<https://www.takaratomy.co.jp/english/company/philosophy/>)

In May 2024, we announced the TOMY Group "Medium- to Long-Term Management Strategy 2030" as our management strategy. Please see TOMY's website for details.

Notice Concerning Formulation of the TOMY Group "Medium- to Long-Term Management Strategy 2030" (https://www.takaratomy.co.jp/english/release/pdf/i240514_04_en.pdf)

"Medium- to Long-term Management Strategy 2030" (www.takaratomy.co.jp/ir/plan/pdf/20250414.pdf)

We disclose information in accordance with the Financial Instruments and Exchange Act and the "Rules on Timely Disclosure of Corporate Information by Issuers of Listed Securities" stipulated by the Tokyo Stock Exchange in order to promote understanding of the Group among shareholders and investors and contribute to their proper evaluation of the Group.

IR Policy (<https://www.takaratomy.co.jp/english/ir/etc/policy.html>)

(2) Basic policy and guidelines on corporate governance

Please see "I. 1. Basic Policy" of this report.

(3) Policy and procedures for determining remuneration for senior management and Directors

<Basic policy regarding remuneration for Directors>

1. It should be a system that is effectively linked to corporate performance and the medium- to long-term growth of corporate value, and one that allows such value to be shared with shareholders
2. It should be a system that maintains compensation levels that are determined based on comprehensive consideration of those of other companies
3. It should be a system determined through a process that is objective and transparent to stakeholders

<Policy for determining the amount of remuneration for Directors>

- The amount and other conditions of remuneration for individual Directors are deliberated by the Remuneration Committee, which is chaired by an outside Director and composed of outside Directors and/or outside Audit & Supervisory Board members, and determined based on reports submitted to the Board of Directors.

- The compensation amount of each Audit & Supervisory Board member is determined through discussions among the members within the total amount of remuneration determined by resolution of the meeting of shareholders.

<Composition and structure of remuneration for Directors>

- The remuneration of Directors (excluding outside Directors) is made up of three categories, namely, fixed basic compensation, performance-linked compensation provided as officer bonuses and stock-based compensation provided as non-monetary remuneration.

- For officer bonuses, an amount equal to profit attributable to owners of parent multiplied by a set rate is paid as a cash bonus each year. This rate will be set at 1.2% from the fiscal year ending March 31, 2025 onward, based on the position composition and number of Directors eligible for payment as of June 30, 2024. The maximum amount to be paid shall be 200% of the amount of fixed remuneration (annual amount).

- The stock-based compensation stock option system was eliminated and performance-linked stock-based compensation using a trust was introduced by a resolution of the 70th Annual Shareholders Meeting held on June 23, 2021. The performance-linked indicator is consolidated ROE as specified in the Medium-term Management Plan. This system will be extended for three years from the fiscal year ending March 31, 2025 onward, with the same details.

- From the perspective of their roles, and in the interests of independence, remuneration for outside Directors is paid only basic compensation.

The details are disclosed in the Securities Report for the fiscal year ended March 31, 2025.

(4) Policy and procedures for appointment/dismissal of senior management and nomination of candidates for Officers by the Board of Directors

<Policy for nominating candidates for Directors and Audit & Supervisory Board members>

Please refer to [Supplementary Principle 4.11.1] Views on the Composition of the Board of Directors, and Skill Matrix of the Board for the policy for nominating candidates for Directors and Audit & Supervisory Board members.

<Director Qualifications and Appointment/Dismissal and Nomination Procedures>

1) As for Directors of TOMY, we will appoint multiple persons from inside and outside the Company who have high ethical standards as well as an excellent personality, insight, ability, and abundant experience.

2) Regarding the nomination of Directors, the Board Director Nominating Committee, which is made up of outside Directors and/or 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 TOMY 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 Director Nominating Committee and being discussed at the General Meeting of Shareholders.

4) To ensure that Directors of TOMY have a good understanding of TOMY's business, we will select persons who can sympathize with the TOMY Group Corporate Philosophy.

5) If there are illegalities or serious violations of laws and regulations in the execution of duties by Directors, or if it is deemed difficult for them to properly perform their duties, the Board Director Nominating Committee explains the reasons for their 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 & Supervisory Board Member Qualifications and Appointment/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) With regard to the appointment/dismissal of Audit & Supervisory Board Member candidates, after obtaining the consent of the Audit & Supervisory Board, their nomination is resolved by the Board of Directors and submitted to the General Meeting of Shareholders.

(5) Explanations with respect to individual appointment/dismissal and nominations

TOMY states reasons for the appointment/dismissal of each Officer in the "Notice of Convocation of General Meeting of Shareholders."

[Supplementary Principle 3.1.3] Sustainability Initiatives, Investment, etc. in Human Capital and Intellectual Property, and Climate-change Related Risks and Opportunities

<Sustainability Initiatives>

The TOMY Group celebrated its 100th anniversary in February 2024 and embarked on a new journey toward the next 100 years. Taking this new milestone as an opportunity, the TOMY Group has reexamined the significance of our place in society, and defined a new Purpose. We have also newly established a Business Vision that pursues economic value, and a Sustainability Vision that seeks to increase social value. We believe that not only improving the economic value of the Group, but also seeking to increase social value through efforts to realize a sustainable society as a member of global society will make the Group's business more sustainable and lead to sustainable growth and medium- to long-term enhancement of corporate value.

Sustainability Vision 2030 (Enhancing Social Value)

We are committed to providing high quality asobi by developing an environment where our employees are able passionately to devote themselves for it in order to realize our Vision of "A creator of quality asobi that promotes the sustainable well-being of society." We believe it is our responsibility not only to consider customer confidence and safety, but also give thought toward the global environment, respect for human rights and our sound management system. We will strive to attain both a sustainable society and the Group's growth, and provide value for the world.

TOMY has disclosed the details of these initiatives on the Sustainability website (www.takaratomy.co.jp/english/company/csr/).

<Investment, etc. in Human Capital and Intellectual Property>

The TOMY Group has identified “Improving employee wellbeing” and “Employee growth” as materialities (material issues) and is promoting efforts under a cross-functional DE&I Task Force overseen by the Sustainability Committee.

Regarding intellectual property, we have identified “Governance that supports the creation of asobi” and “Risk management that supports the creation of asobi” as materialities and are promoting an intellectual property strategy.

Please see TOMY’s Sustainability website for details.

Active participation of diverse personnel (www.takaratomy.co.jp/english/company/csr/work_style_reform/)
Intellectual property strategies

(www.takaratomy.co.jp/english/company/csr/products/intellectual_property.html)

<Initiatives Regarding Climate-change Related Risks and Opportunities>

The TOMY Group has identified “Responding to climate change” as one of its materialities and is promoting the understanding of climate change and actions to address it by reducing the environmental impact of our business activities, planning and developing eco-friendly products such as eco-toys, and supporting next-generation education to educate children about green purchasing through these activities.

In addition, the TOMY Group is promoting information disclosure on “Governance,” “Strategies (Risks and Opportunities),” “Risk Management,” and “Indicators and Targets” based on the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

“Responding to Climate Change”

www.takaratomy.co.jp/english/company/csr/environment/climate_change.html

[Supplementary Principle 4.1.1] Scope of Matters to Be Resolved by the Board of Directors and Scope of Matters Delegated to Management

TOMY has set the Regulations of the Board of Directors and “TOMY Approval Standard,” which specify the scope of important matters to be discussed at Board of Directors meetings, in addition to matters specified by laws and regulations.

To increase agility and flexibility in the execution of business, the Board of Directors delegates to Directors decision-making on the execution of business, except for the matters provided by laws and regulations, the Articles of Incorporation, Regulations of the Board of Directors, and TOMY Approval Standard.

[Principle 4.9] Independence Standards and Qualification for Independent Outside Directors

TOMY has not established its own independence standards for appointing outside Directors, but in appointing them, it applies the independence standards established by Tokyo Stock Exchange, Inc. (criteria for independence set out in accordance with the “Guidelines concerning Listed Company Compliance, etc.” III 5. (3)-2).

[Supplementary Principle 4.10.1] Independence, Authority and Roles of the Nominating and Remuneration Committees

TOMY is a company with an Audit & Supervisory Board, a majority of the members of the Board of Directors are independent outside Directors. Moreover, the Board Director Nominating Committee and the Remuneration Committee were established as advisory bodies to the Board of Directors and consist of one internal Director and four independent outside officers. The Board Director Nominating Committee deliberates on Directors and Director positions, and nominates Directors. The Remuneration Committee deliberates on Director remuneration based on the policy for determining the amount of remuneration for Directors. Both committees ensure independence and objectivity as stated above.

[Supplementary Principle 4.11.1] Views on the Composition of the Board of Directors, and Skill Matrix of the Board

(1) Policy for nominating candidates for Directors and Audit & Supervisory Board members

TOMY considers that management from diverse perspectives is indispensable for developing its business, promoting globalization, and advancing appropriate supervision/audits. As such, in principle, TOMY nominates candidates for Directors and Audit & Supervisory Board members from among persons who have

management capability and the diverse experience required for management decision making, while satisfying the following requirements, taking into consideration the diversification and balance of TOMY's human resources. In addition, in order to ensure independence and transparency, the majority of the members of both bodies shall be independent officers.

(2) Requirements for candidates for Directors and Audit & Supervisory Board members

[Directors] The Board Director Nominating Committee selects Executive Directors, taking into consideration their administrative experience in marketing, sales, production, and administration, including global knowledge and management experience necessary for appropriately drawing up, deliberating and making decisions on business policies and strategies, and whether they have a good understanding of the TOMY Group Corporate Philosophy. The Board Director Nominating Committee proposes the candidates for outside Directors, prioritizing their diverse experience and deep insight that are required for deliberation and decision making on management policies and cannot be provided solely by Executive Directors, while taking into consideration their independence.

[Audit & Supervisory Board members] The Audit & Supervisory Board nominates Audit & Supervisory Board members, taking into consideration their high degree of professionalism and deep insight as an attorney, certified public accountant, or other professional, and experience and qualification necessary for deliberation of management policies and management strategies, and whether they have a good understanding of the TOMY Group Corporate Philosophy. The Audit & Supervisory Board selects one of the members based on his/her work experience in administrative divisions, such as accounting and finance, and knowledge gained from such experience and capability of maintaining independence from Executive Directors.

Please see [Expertise and experience of Directors] presented later in this report for the skill matrix of Directors of TOMY.

[Supplementary Principle 4.11.2] Concurrent Positions Held by Officers

The concurrent positions held at listed companies by the respective Officers of TOMY are as follows:

- Mariko Mimura
Outside Director and Member of the Audit and Supervisory Committee of Suntory Beverage & Food Limited
- Miwako Iyoku
Outside Director of GAKKEN HOLDINGS CO., LTD.
Outside Director of giftee, Inc.
Outside Director and Audit & Supervisory Board member of Bewith, Inc.
Outside Director of Kuze Co., Ltd.
- Reiko Yasue
External Director of Lion Corporation
Outside Director of DENTSU SOKEN INC.
- Masato Arisawa
Outside Director (Audit and Supervisory Committee Member) of Fuji Latex Co., Ltd.
- Natsuyo Hara
Outside Director (Audit and Supervisory Committee Member) of LIFENET INSURANCE COMPANY
Outside Directors, Audit & Supervisory Committee Member of CASIO COMPUTER CO., LTD.

[Supplementary Principle 4.11.3] Analysis and Evaluation of Effectiveness of the Board of Directors as a Whole

<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 a system has been developed to approve key management matters and oversee business execution appropriately; that TOMY has formulated and is managing the progress of its medium- to long-term management strategy that helps enhance corporate value; and that active information disclosure is being carried out. Furthermore, the results indicate that the pre-briefing sessions for Board of Directors meeting proposals have taken root, allowing appropriate time for deliberation and active exchange of opinions at Board of Directors meetings.

While improvements have been observed in areas such as increasing the ratio of female executives and establishing succession plans to secure new management personnel, there is a need to further enhance the diversity of members of the Board of Directors, strengthen discussion of medium- to long-term management strategies at Board of Directors meetings (monitoring of new and overseas businesses, risk management including compliance and business continuity planning (BCP), and the development and promotion of management executives including those in overseas Group companies), as well as the thorough implementation of well-organized meeting operations.

The Company will continue to advance initiatives to further enhance the effectiveness of the Board of Directors in light of these issues.

[Supplementary Principle 4.14.2] Training Programs for Directors and Audit & Supervisory Board Members
TOMY will continue to provide training opportunities necessary for Directors and Audit & Supervisory Board Members to fulfill their respective roles and responsibilities (including the training specified below).

TOMY also arranges opportunities for newly appointed outside Directors to receive an explanation of TOMY's industry, history, and business outline for their further understanding of the Company.

- Explanatory session on the Companies Act and corporate governance, etc. provided by professionals, voluntary training sessions on sustainability, lectures by executives of other companies and experts on useful information, etc., about management, including ethical training
- Compliance training

[Principle 5.1] Policy for Constructive Dialogue with Shareholders

(1) Basic views

TOMY considers shareholders and investors as an important stakeholder, and places an emphasis on constructive dialogue to improve our corporate value. To deepen mutual understanding of values and standpoints, and take appropriate action based on such understanding, the Company engages in dialogue with its shareholders as follows.

(2) Dialogue with institutional investors

TOMY's IR Unit, Finance Department, Accounting & Finance Division is in charge of measures for dialogue with institutional investors under the supervision of CFO. In collaboration with the Corporate Planning Division, Sustainability Promotion Division and other related departments, the department holds regular meetings with institutional investors in and outside Japan and explains the outline and progress of management strategies, performance, business situation and shareholder returns, etc. of the Company to those investors. Moreover, the Company arranges opportunities to have direct dialogues with institutional investors that allow for exchanging opinions from a long-term point of view to increase its corporate value and takes responsive action to a reasonable extent. The outcome of such dialogues is reported to Representative Director and President, etc. as needed.

(3) Dialogue with individual investors

At TOMY, General Affairs Unit, General Affairs Department and IR Unit, Finance Department, Accounting & Finance Division are in charge of measures regarding dialogue with individual investors and shareholders under the supervision of CFO. These departments aim to communicate clearly to a reasonable extent. TOMY also introduces its business overview, business models and the current situation, etc. at explanatory sessions for individual investors. Since dialogue with shareholders is a valuable and important opportunity to introduce our business overview, the Company aims to take sufficient time for Q&A at the General Meeting of Shareholders, and when necessary, provides an explanation of its medium- to long-term policy, etc. In addition, efforts are being made to enhance shareholder newsletters and the IR website so they are useful to individual investors and shareholders in making investment decisions.

(4) Implementation status of dialogue

In the fiscal year ended March 31, 2025, TOMY held financial results briefings, small meetings, and individual meetings with institutional investors. The Company also held meetings for individual investors sponsored by securities companies and actively provided opportunities for dialogue with a wide range of institutional investors (analysts, fund managers, those in charge of exercising voting rights, etc.) and individual investors in Japan and overseas to promote their understanding of the Company.

(5) Main themes of dialogue and matters of interest to shareholders

Financial results overview and outlook, progress of the medium- to long-term management strategy, performance trends of Group companies, trends in the toy market, ESG and sustainability initiatives, etc.

(6) Appropriate management of insider information and quiet periods

TOMY actively engages in the disclosure of statutory information, as well as other information related to the Company, for constructive dialogue with shareholders and investors towards the enhancement of corporate value. During “quiet periods,” four weeks prior to the announcement of the financial results of each fiscal period, the Company refrains from making comments and answering questions related to financial results. However, if, during the quiet periods, the possibility arises that the financial results will deviate significantly from the earnings forecast, shareholders and investors will be updated as needed. In addition, the Company has established regulations concerning disclosure and the prevention of insider trading, expressly stating that it discloses information in a fair manner, does not make selective disclosure, and protects the confidentiality of insider information. In order to ensure this, all officers and employees are provided with training periodically.

[Principle 5.2] Formulation and Announcement of Management Strategy and Management Plan

[Implementation Status of Dialogue with Shareholders, etc.]

Please refer to [Principle 5.1] Policy for Constructive Dialogue with Shareholders for the implementation status of dialogue with shareholders.

[Action on Management Conscious of Cost of Capital and Stock Price]

Content of Disclosure	Disclosure of initiatives (Initial)
Availability of English Disclosure	Available

Explanation of Actions

TOMY announced its “Medium- to Long-Term Management Strategy 2030” and “Changes to Shareholder Return Policy” on May 14, 2024.

By expanding the scale of business and focusing on business that generate returns that exceed cost of capital, the Company aims to achieve net sales of ¥300 billion and an operating profit margin of 10% in the fiscal year ending March 31, 2030. In addition, from the three perspectives of improving profitability, improving asset efficiency, and sound financial position, the Company will continue to maintain a return on equity (ROE) of 11% or higher.

In addition to the implementation of stable return of profits to shareholders, TOMY has decided to adopt a shareholder return policy of continuously improving shareholder value, specifically adopting the total payout ratio, which is the sum of dividends and purchase of treasury shares, as an indicator of shareholder returns, with a total payout ratio of 50% in principle. The Company will work to further enhance shareholder returns, improve capital efficiency, and execute a flexible capital policy in response to the business environment to increase corporate value even more.

Notice Concerning Formulation of the TOMY Group “Medium- to Long-Term Management Strategy 2030”
(https://www.takaratomy.co.jp/english/release/pdf/i240514_04_en.pdf)

Notice Concerning Changes to Shareholder Return Policy
(https://www.takaratomy.co.jp/english/release/pdf/i240514_01_en.pdf)

2. Capital Composition

Percentage of Shares Held by Foreign Investors	Greater than or equal to 20%, less than 30%
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[Translation]

[Major Shareholders]

Name/Company Name	Number of Shares Held (shares)	%
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 (Custodian: Mizuho Bank, Settlement & Clearing Services Department)	1,249,750	1.39
JP MORGAN CHASE BANK 385781 (Custodian: Mizuho Bank, Settlement & Clearing Services Department)	1,247,931	1.39
STATE STREET BANK AND TRUST COMPANY 505001 (Custodian: Mizuho Bank, Settlement & Clearing Services Department)	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 (Custodian: Mizuho Bank, Settlement & Clearing Services Department)	968,920	1.08
STATE STREET BANK AND TRUST COMPANY 505103 (Custodian: Mizuho Bank, Settlement & Clearing Services Department)	967,349	1.08

Existence of Controlling Shareholders (excluding parent company)	—
Existence of Parent Company	None

Supplementary Information

1. TOMY owns 3,639,595 shares as treasury stock, but is excluded from the above list of [Major Shareholders].
2. The percentages shown under [Major Shareholders] are calculated excluding treasury stock.
3. TOMY has adopted “Stock-Granting Trust for Officers” and “Stock-Granting Trust for Executive Officers,” 326,236 shares of which are owned by Custody Bank of Japan, Ltd. (Trust Account). The number of shares owned by Trust Account is not included in the number of shares of treasury stock.
4. The number of shares of treasury stock and the information set forth in the description of [Major Shareholders] are as of March 31, 2025.

[Translation]

3. Business Attributes

Stock exchange and section	Tokyo Prime Market
Fiscal year end	End of March
Type of business	Other Products
Number of employees at the end of the previous fiscal year (consolidated)	Greater than or equal to 1,000 persons
Sales during the previous fiscal year (consolidated)	Greater than or equal to ¥100 billion, less than ¥1 trillion
Number of consolidated subsidiaries at the end of the previous fiscal year	Greater than or equal to 10, less than 50

4. Guidelines for Measures to Protect Minority Shareholders in the Event of Transactions with Controlling Shareholders

—

5. Other Particular Conditions That May Materially Affect Corporate Governance

—

II. Corporate Governance System of Business Management Organization, Etc. for Management Decision-Making, Execution of Duties and Management Supervision

1. Matters Pertaining to Organizational Structures and Organizational Management

Organizational form	Company with an Audit & Supervisory Board
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[Directors]

Maximum number of Directors stipulated in the Articles of Incorporation	14 persons
Term of Directors pursuant to the Articles of Incorporation	1 year
Chairperson of the Board of Directors	President
Number of Directors	9 persons
Election of outside Directors	Elected
Number of outside Directors	5 persons
Number of Outside Directors Designated as Independent Officers	5 persons

Relationship with the Company (1)

Name	Attribute	Relationship with the Company (*)										
		a	b	c	d	e	f	g	h	i	j	k
Mariko Mimura	Lawyer								△			
Shinichi Tonomura	From another company											
Miwako Iyoku	From another company											
Reiko Yasue	From another company								△			
Masato Arisawa	From another company						○		○			

* Selection of the relevant “Relationship with the Company”

* ○ indicates that the person currently falls under or has recently fallen under the relevant item. △ indicates that the person fell under the relevant item in the past.

* ● indicates that the person’s close family member currently falls under or has recently fallen under the relevant item. ▲ indicates that the person’s close family member fell under the relevant item in the past.

a. An executive officer of the Company or its subsidiary

b. An executive officer or non-executive Director of a parent company of the Company

c. An executive officer of a fellow subsidiary of a parent company of the Company

d. A person who has a significant business relationship with the Company or who is an executive officer of an entity which has such significant business relationship

e. A person with whom the Company has a significant business relationship or who is an executive officer of an entity with whom the Company has a significant business relationship

f. A consultant, accounting expert or legal expert who receives significant remuneration or other assets from the Company other than officer compensation

g. A major shareholder of the Company (if a major shareholder is a legal entity, an executive officer of such legal entity)

h. An executive officer of an entity with whom the Company has a business relationship (does not fall under d, e, and f) (only with respect to the person)

[Translation]

- i. An executive officer of a company whose outside officer assumes such post on a reciprocal basis at the Company (only with respect to the person)
- j. An executive officer of an entity to which the Company makes donations (only with respect to the person)
- k. Other

Relationship with the Company (2)

Name	Independent Officer	Supplementary Information	Reasons for Appointment
Mariko Mimura	○	Ms. Mariko Mimura served as a partner at Nishimura & Asahi until she resigned in 2004.	TOMY elected Ms. Mimura as outside Director in order to have her utilize her extensive knowledge and experience as a lawyer and a corporate manager. TOMY designated her as an independent officer of TOMY because there is no risk of conflicts of interest developing between her and general shareholders of TOMY in light of the stock exchange independence standards.
Shinichi Tonomura	○	—	TOMY elected Mr. Tonomura as outside Director in order to have him utilize his extensive knowledge and experience as a business operator and a corporate manager. TOMY designated him as an independent officer of TOMY because there is no risk of conflicts of interest developing between him and general shareholders of TOMY in light of the stock exchange independence standards.
Miwako Iyoku	○	—	TOMY elected Ms. Miwako Iyoku as outside Director in order to have her utilize her extensive knowledge and experience as an in-house entrepreneur and a corporate manager. TOMY designated her as an independent officer of TOMY because there is no risk of conflicts of interest developing between her and general shareholders of TOMY in light of the stock exchange independence standards.
Reiko Yasue	○	Ms. Reiko Yasue served as President and Chief Executive Officer of Cybernet Systems Co. Ltd. until she resigned in March 2024. Although TOMY has business relationships with the company, there are no specific business relationships that may affect the management of TOMY.	TOMY elected Ms. Yasue as outside Director in order to have her utilize her extensive knowledge and experience in global business and as a corporate manager. TOMY designated her as an independent officer of TOMY because there is no risk of conflicts of interest developing between her and general shareholders of TOMY in light of the stock exchange independence standards.

[Translation]

Name	Independent Officer	Supplementary Information	Reasons for Appointment
Masato Arisawa	○	Mr. Masato Arisawa is an Executive Officer, Chief Human Resources Officer (CHRO), and Executive Vice President (EVP) of the Human Resources Division at Isuzu Motors Limited, with which the Company has a business relationship. In addition, there were business relationships between Mr. Arisawa and TOMY for outsourcing from March 2024 to June 2025, but there are no specific business relationships that may affect the management of TOMY.	TOMY elected Mr. Masato Arisawa as outside Director in order to have him utilize his extensive knowledge and experience in global corporate management across multiple industries including MBA, and human capital strategy. TOMY designated him as an independent officer of TOMY because there is no risk of conflicts of interest developing between him and general shareholders of TOMY in light of the stock exchange independence standards.

Voluntary establishment or non-establishment of a committee that corresponds to a Nominating Committee or Remuneration Committee	Established
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Status of establishment of voluntary committee, members of the committee, and attributes of the chairperson of the committee

	Voluntary committee corresponding to Nominating Committee	Voluntary committee corresponding to Remuneration Committee
Name of the committee	Board Director Nominating Committee	Remuneration Committee
Total number of members	5	5
Number of full-time members	0	0
Number of internal Directors	1	1
Number of outside Directors	3	2
Number of outside experts	0	0
Number of other members	1	2
Committee chairperson	Outside Director	Outside Director

Supplementary Information

- (1) Board Director Nominating Committee: Role, authority, and member composition, etc.
 The Company's Board Director Nominating Committee provides proposals and counsel to the Board of Directors regarding the evaluation and appointment of Directors. The Committee consists of the Representative Director and Chairman, who is also the officer in charge of governance, and four Outside Directors, with the chair decided by mutual election of the Outside Directors. The Manager of the Human Resources Strategy Division serves as the committee secretariat.
- (2) Member composition and activity status (including attendance rates) of the Board Director Nominating Committee from the 73rd Annual Shareholders Meeting held on June 26, 2024 until May 2025
 The Committee composition, attendance rates, and activity status are as follows.
 Committee chair: Mr. Shinichi Tonomura (Outside Director, 100%)
 Members: Ms. Mariko Mimura (Outside Director, 100%), Ms. Miwako Iyoku (Outside Director, 100%), Mr. Yuji Yamaguchi (Outside Audit & Supervisory Board member, 89%), and Mr. Kazuhiro Kojima (Representative Director and Chairman, Internal, 100%)
 Number of meetings: 9 times
 Main matters for discussion: Interviews with candidates for Board Director nomination and discussion of director positions.
 Note that the composition of the Committee following the 74th Annual Shareholders Meeting to be held on June 26, 2025 will be as follows.
 Chair: Mr. Shinichi Tonomura (Outside Director)
 Members: Ms. Mariko Mimura (Outside Director), Ms. Miwako Iyoku (Outside Director), Ms. Natsuyo Hara (Outside Audit & Supervisory Board member), and Mr. Akio Tomiyama (Representative Director and President, Internal)
- (3) Remuneration Committee: Role, authority, and member composition, etc.
 The Company's Remuneration Committee provides proposals and counsel to the Board of Directors regarding basic policies on the details of individual remuneration for Directors. The committee consists of the Representative Director and Chairman, who is also the officer in charge of governance, and four Outside Directors, with the chair decided by mutual election of the Outside Directors. The Manager of the Human Resources Strategy Division serves as the committee secretariat.
- (4) Member composition and activity status (including attendance rates) of the Remuneration Committee from the 73rd Annual Shareholders Meeting held on June 26, 2024 until May 2025
 The Committee composition, attendance rates, and activity status are as follows.
 Chair: Ms. Reiko Yasue (Outside Director, 100%)
 Members: Mr. Fumitoshi Sato (Outside Director, 80%), Mr. Yuji Yamaguchi (Outside Audit & Supervisory Board Member, 100%), Mr. Michihiro Nishi (Outside Audit & Supervisory Board Member, 80%), Representative Director and Chairman Mr. Kazuhiro Kojima (Internal, 100%)
 Number of meetings: 5 times
 Main matters for discussion: Remuneration for Officers, Officer bonuses for Directors, granting performance-linked stock-based compensation using a trust for Directors, and revision of the Officer remuneration system.
 Note that the composition of the Remuneration Committee following the 74th Annual Shareholders Meeting to be held on June 26, 2025, will be as follows.
 Chair: Ms. Reiko Yasue (Outside Director)
 Members: Mr. Masato Arisawa (Outside Director), Mr. Yuji Yamaguchi (Outside Audit & Supervisory Board Member), Mr. Michihiro Nishi (Outside Audit & Supervisory Board Member), and Representative Director and President Akio Tomiyama (Inside Director).

[Audit & Supervisory Board Members]

Establishment of Audit & Supervisory Board	Established
Maximum Number of Audit & Supervisory Board Members Stipulated in the Articles of Incorporation	6 persons
Number of Audit & Supervisory Board Members	4 persons

Cooperation among Audit & Supervisory Board Members, Accounting Auditors, and Internal Audit Departments

- (1) The Audit & Supervisory Board and board members closely exchange opinions and information with Accounting Auditors as follows.
- 1) The Audit & Supervisory Board receives briefings from the Accounting Auditor on the audit plan on an annual basis.
 - 2) The Audit & Supervisory Board receives briefings from the Accounting Auditor on the semi-annual and third-quarter review and year-end audit reports (three times per year).
 - 3) The Audit & Supervisory Board and board members receive briefings on priority audit items, the status of internal control systems and risk assessment identified by the Accounting Auditor, and exchange opinions whenever necessary.
- (2) Audit & Supervisory Board members work together by exchanging opinions and information with Internal Control & Audit Group, etc. on priority audit issues, the status of internal control systems (including J-SOX-related issues) and risk assessment whenever necessary. Internal audit results are reported whenever necessary.

Election of Outside Audit & Supervisory Board Members	Elected
Number of Outside Audit & Supervisory Board Members	3 persons
Number of Outside Audit & Supervisory Board Members Designated as Independent Officers	3 persons

Relationship with the Company (1)

Name	Attribute	Relationship with the Company (*)												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Yuji Yamaguchi	Certified tax accountant										△			
Michihiro Nishi	Lawyer													
Natsuyo Hara	Certified public accountant													

* Selection of the relevant "Relationship with the Company"

* ○ indicates that the person currently falls under or has recently fallen under the relevant item. △ indicates that the person fell under the relevant item in the past.

* ● indicates that the person's close family member currently falls under or has recently fallen under the relevant item. ▲ indicates that the person's close family member fell under the relevant item in the past.

a. An executive officer of a listed company or its subsidiary

b. A non-executive Director or an accounting advisor of a listed company or its subsidiary

c. An executive officer or non-executive Director of a parent company of a listed company

d. An Audit & Supervisory Board member of a parent company of a listed company

e. An executive officer of a fellow subsidiary of a parent company of a listed company

[Translation]

- f. A person who has a significant business relationship with a listed company or who is an executive officer of an entity which has such significant business relationship
- g. A person with whom a listed company has a significant business relationship or who is an executive officer of an entity with whom a listed company has a significant business relationship
- h. A consultant, accounting expert or legal expert who receives significant remuneration or other assets from a listed company other than officer compensation
- i. A major shareholder of a listed company (if a major shareholder is a legal entity, an executive officer of such legal entity)
- j. An executive officer of an entity with whom a listed company has a business relationship (does not fall under f, g, and h) (only with respect to the person)
- k. An executive officer of a company whose outside officer assumes such post on a reciprocal basis at a listed company (only with respect to the person)
- l. An executive officer of an entity to which a listed company makes donations (only with respect to the person)
- m. Other

Relationship with the Company (2)

Name	Independent Officer	Supplementary Information	Reasons for Appointment
Yuji Yamaguchi	○	Mr. Yuji Yamaguchi served as a partner at KPMG Tax Corporation until he resigned in December 2021.	TOMY elected Mr. Yamaguchi as outside Audit & Supervisory Board member in order to have him utilize his abundant experience in tax operations and accounting audit support operations, and his extensive knowledge gained through overseas operations at an overseas office, aiming to enhance the effectiveness of audits. TOMY designated him as an independent officer of TOMY because there is no risk of conflicts of interest developing between him and general shareholders of TOMY in light of the stock exchange independence standards.
Michihiro Nishi	○	—	TOMY elected Mr. Nishi as outside Audit & Supervisory Board member in order to have him utilize his expert knowledge on overall corporate legal affairs as a lawyer and abundant experience in international transactions and business development overseas, aiming to enhance the effectiveness of audits. TOMY designated him as an independent officer of TOMY because there is no risk of conflicts of interest developing between him and general shareholders of TOMY in light of the stock exchange independence standards.

[Translation]

Name	Independent Officer	Supplementary Information	Reasons for Appointment
Natsuyo Hara	○	—	TOMY elected Ms. Natsuyo Hara as outside Audit & Supervisory Board member in order to have her utilize her expert knowledge as a certified public accountant and extensive experience in auditing and audit-related services at a major audit firm, as well as enhancing group governance, aiming to enhance the effectiveness of audits. TOMY designated her as an independent officer of TOMY because there is no risk of conflicts of interest developing between her and general shareholders of TOMY in light of the stock exchange independence standards.

[Independent Officers]

Number of Independent Officers	8 persons
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Other Matters Relating to Independent Officers

<Views on the independence of TOMY's outside Directors/Audit & Supervisory Board members>

TOMY elects as outside Directors/Audit & Supervisory Board members persons who have abundant experience and deep insight as corporate managers, and those who have expert knowledge and experience as lawyers, tax accountants, public accountant, management consultants, and other professions in order to ensure equal and fair decision making that considers the interests of general shareholders in the decision-making process, etc. of the Board of Directors, etc. regarding the execution of material operations. All outside Directors/Audit & Supervisory Board members who qualify as independent officers have been designated as independent officers.

[Incentives]

Implementation of Measures for Providing Incentives to Directors	Adoption of performance-based remuneration plan and stock option plan
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Supplementary Information

TOMY believes that these plans can be expected to promote corporate management by emphasizing a sense of contribution to consolidated earnings growth and the interests of shareholders. The remuneration of Directors is disclosed in the Securities Report and the Business Report for the fiscal year ended March 31, 2025. The stock-based compensation stock option system was eliminated and performance-linked stock-based compensation using a trust was introduced by a resolution of the 70th Annual Shareholders Meeting held on June 23, 2021. The performance-linked indicator is consolidated ROE as specified in the Medium-term Management Plan. This system will be extended for three years from the fiscal year ending March 31, 2025 onward, with the same details.

Grantees of Stock Options	Internal Directors
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Supplementary Information

Stock-based compensation stock options to be allotted to the Company's internal Directors have not been issued since the fiscal year ended March 31, 2020. Stock options that have already been allotted will be valid until the expiration of the exercise period.

[Remuneration for Directors]

Disclosure Status (of individual director remuneration)

Only a portion of remuneration is individually disclosed.

Supplementary Information

The number of grantees and the total amount of remuneration paid based on a grantee's status, including Directors (excluding outside Directors), Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members), outside Directors, and outside Audit & Supervisory Board members, are disclosed in the Securities Report and the Business Report for the fiscal year ended March 31, 2025. Individual disclosure is made for Directors whose total amount of consolidated remuneration, etc. is ¥100 million or more.

Existence of Guidelines for the Amount and Calculation Method of Remuneration

Yes

Information Regarding Guidelines for the Amount and Calculation Method of Remuneration

<Basic policy regarding remuneration for Directors>

1. It should be a system that is effectively linked to corporate performance and the medium- to long-term growth of corporate value, and one that allows such value to be shared with shareholders
2. It should be a system that maintains compensation levels that are determined based on comprehensive consideration of those of other companies
3. It should be a system determined through a process that is objective and transparent to stakeholders

<Policy for determining the amount of remuneration for Directors>

- The amount and other conditions of remuneration for individual Directors are deliberated by the Remuneration Committee, which is chaired by an outside Director and composed of outside Directors, outside Audit & Supervisory Board members and/or other members, and determined based on reports submitted to the Board of Directors.

- The compensation amount of each Audit & Supervisory Board member is determined through discussions among the members within the total amount of remuneration determined by resolution of the meeting of shareholders.

<Composition and structure of remuneration for Directors>

- The remuneration of Directors (excluding outside Directors) is made up of three categories, namely, fixed basic compensation, performance-linked compensation provided as officer bonuses and stock-based compensation provided as non-monetary remuneration.

- For officer bonuses, an amount equal to profit attributable to owners of parent multiplied by a set rate is paid as a cash bonus each year. This rate will be set at 1.2% from the fiscal year ending March 31, 2025 onward, based on the position composition and number of Directors eligible for payment as of June 30, 2024. The maximum amount to be paid shall be 200% of the amount of fixed remuneration (annual amount).

- The stock-based compensation stock option system was eliminated and performance-based stock-based compensation was introduced by a resolution of the 70th Annual Shareholders Meeting held on June 23, 2021. The performance-linked indicator is consolidated ROE as specified in the Medium-term Management Plan.

- From the perspective of their roles, and in the interests of independence, remuneration for outside Directors are paid only basic compensation.

The details are disclosed in the Securities Report for the fiscal year ended March 31, 2025.

[Outside Director (Outside Audit & Supervisory Board Member) Support System]

Corporate Planning Division staff inform outside Directors and outside Audit & Supervisory Board members of Board of Directors meetings, provide advance briefings on outlines of proposals to the extent possible and provide other necessary information.

[Status of Those Retired from the Position of Representative Director and President, etc.]

Names, etc. of advisors, counselors, etc. who formerly served as Representative Director and President, etc.

Name	Position/Status	Description of Duties	Type and Conditions of Service (Full-time/Part-time, With/Without Remuneration, etc.)	Date of Retirement as President, etc.	Term of Office
Kantaro Tomiyama	Honorary Chairman	External activities such as industry associations, etc. Guidance on the handing down of corporate culture, including lectures on the Company's history/ Founding Philosophy and compilation of company history, and other matters	Part-time, with remuneration	June 26, 2024	1 year (1 year renewal)

Total Number of Advisors, Counselors, etc. Who Formerly Served as Representative Director and President, etc.

1 person

Other Matters

The Honorary Chairman does not attend meetings of the Board of Directors or the Management Committee, nor does he receive regular monthly reports. He does not have any authority to participate in management decision-making and is not involved in any management decisions.

The appointment of an Honorary Chairman is a matter to be resolved by the Board of Directors and will therefore be decided by the Board of Directors.

2. Matters Pertaining to Functions Relating to the Execution of Duties, Audit and Supervision, Appointment, and Decisions Regarding Remuneration, etc. (Outline of the Current Corporate Governance System)

[Outline of the current system]

The TOMY Group's basic policies regarding corporate governance are "continual improvements in corporate value" and "building on sound and transparent management practices," and the Board of Directors plays a central role in overseeing and making decisions regarding Group management.

For a diagram of the Company's corporate governance system, please see "Corporate Governance System" at the end of this document.

Board of Directors

• The Board of Directors consists of nine Directors and four Audit & Supervisory Board Members (including eight Outside Directors), and a Representative Director serves as the chair.

- The Board of Directors determines basic policies and strategies for the TOMY Group as a whole, as well as to issue decisions concerning the execution of important business operations, audit and supervise operational execution.

- A regular Board of Directors meeting is held once a month and extraordinary Board of Directors meetings are convened as necessary. Since the 73rd Annual Shareholders Meeting held on June 26, 2024 until May 2025, the number of meetings held was 15 times. The attendance rate for both Outside Directors and Outside Audit & Supervisory Board Members is 100%.

Audit & Supervisory Board

- The Audit & Supervisory Board consists of four Audit & Supervisory Board Members (including three Outside Audit & Supervisory Board Members).

- Audit & Supervisory Board Members hold a meeting of the Audit & Supervisory Board once a month in principle to discuss and decide on important matters necessary for supervision and auditing the execution of duties by Directors.

In addition, they attend regular important meetings and ad hoc irregular meetings to receive reports on the state of management, the status of business operations, the financial situation, the implementation of internal audits, risk management, and the status of compliance, etc.

- The Audit & Supervisory Board meets monthly prior to Board of Directors meetings and at other times as necessary. Since the 73rd Annual Shareholders Meeting held on June 26, 2024 until May 2025, the number of meetings held was 14 times. The attendance rate of Outside Audit & Supervisory Board Members was 100%.

Board Director Nominating Committee/Remuneration Committee

- The Company has established voluntary committees corresponding to the Board Director Nominating Committee and the Remuneration Committee. For information on these committees, please refer to the supplementary explanation on “Voluntary establishment or non-establishment of a committee that corresponds to a Nominating Committee or Remuneration Committee.”

Risk/Compliance Committee

- To both enhance and achieve greater thoroughness for the TOMY Group’s compliance system and risk management system, an arrangement has been adopted in which the Risk/Compliance Committee, which is chaired by a Representative Director and composed of outside Directors, Audit & Supervisory Board members, etc., has been established to deliberate on important issues concerning risk and compliance, and report upon the results of those discussions to the Board of Directors.

Advisory bodies to Representative Director and President

1. Executive Officer Assessment Committee

The TOMY Group is working to speed up and streamline the execution of business operations in individual groups and divisions in charge, based on the policies, strategies, and supervision of the Board of Directors by delegating authority, among others, through the adoption of an Executive Officer system. The Group has established the Executive Officer Assessment Committee composed of full-time Directors and is seeking a wide range of advice on evaluation of the Company’s Executive Officers.

2. Advisory Committee

We have established an “Advisory Committee” composed of outside Directors and outside Audit & Supervisory Board Members, seeking a wide range of advice regarding the effectiveness of business execution of the Company and the Group.

3. Sustainability Committee

The Sustainability Committee provides advice and recommendations to the Representative Director and President on matters related to the Group’s sustainability and ESG issues.

Discussions by the Sustainability Committee are reported and referred to the Board of Directors or the Executive Committee as necessary.

4. Disciplinary Committee

In the event of employee misconduct or fraud that warrants disciplinary action, the Committee reviews the matter in accordance with the Company’s regulations and provides advice and recommendations to the Representative Director and President.

<Actions aimed at enhancing functions of Audit & Supervisory Board members>

- (1) With respect to internal audits, officers (five persons) in charge of internal audits in the department responsible for internal audits audit the execution status of operation and compliance status of individual departments of TOMY and report to Directors in charge and the Audit & Supervisory Board as needed.

The assignment, reassignment and other matters concerning the employees assisting in the duties of the Audit & Supervisory Board shall be conducted with the prior consent of Audit & Supervisory Board members, and such employees execute their operations under the directions and orders of the Audit & Supervisory Board members to ensure the independence of such employees from Directors. The Audit & Supervisory Board and Audit & Supervisory Board members engage in exchanges of opinions and information with Accounting Auditors, the department responsible for internal control, the department responsible for internal audits and the Group Companies' audit divisions with regard to important themes pertaining to auditing and other matters, mutually collaborating to monitor the TOMY Group's internal control conditions.

- (2) TOMY has established and enhanced a Company-wide risk management system integrated with internal control. The system is comprised of the Risk/Compliance Committee and the department responsible for internal control. To deal with the occurrence of unexpected circumstances, Risk Management Task Forces are promptly established, with prompt and precise actions taken to minimize losses and damages and effective measures devised to prevent recurrences of such situations.

The Safety & Quality Assurance Division has been established as an organization to deal exclusively with product safety, with efforts being advanced to strengthen the process of offering outstanding products that can be used with confidence.

- (3) The accounting audit of TOMY is implemented in an efficient manner by KPMG AZSA & Co., which was appointed at the General Meeting of Shareholders.

Please note that the continuous audit period is at least 28 years (number of years listed on the left includes the audit period under the former TOMY Co., Ltd. However, due to the significant difficulty in conducting investigations prior to 1996, the number of years may exceed the number of years listed on the left). The certified public accountants who performed the audit work for the previous fiscal year (ended March 31, 2025) are as follows.

Yasuhisa Yajima, Designated Limited Liability Partner and Engagement Partner at KPMG AZSA & Co.

Tamaki Hamada, Designated Limited Liability Partner and Engagement Partner at KPMG AZSA & Co.

Composition of assistants relating to accounting audits:

45 persons, consisting of 6 certified public accountants and 39 others.

<Outline of limited liability agreements>

TOMY has entered into limited liability agreements with Directors (excluding Executive Directors, etc.) and Audit & Supervisory Board members pursuant to Article 427, paragraph (1) of the Companies Act to limit the amount of their liabilities stipulated in Article 423, paragraph (1) of the Companies Act to the amount stipulated by laws and regulations. This is to have Directors and Audit & Supervisory Board members fulfil their expected roles efficiently in the execution of duties.

TOMY has entered into a limited liability agreement with KPMG AZSA & Co. pursuant to Article 427, paragraph (1) of the Companies Act to limit the amount of its liabilities stipulated in Article 423, paragraph (1) of the Companies Act to the amount stipulated in Article 425, paragraph (1) of the Companies Act. This is to have KPMG AZSA & Co. fulfil its expected role efficiently in the execution of duties.

<Outline of liability insurance agreements for officers, etc. with officers, etc. as the insured>

TOMY has entered into liability insurance agreements for officers, etc. with an insurance company with Directors, managers, and other employees of TOMY and its subsidiaries as the insured.

Premiums are borne by the Company and there is no substantial premium burden on the insured. Said insurance agreements provide for compensation for damages and dispute expenses and other losses to be

borne by the insured in the event that a claim for damages is made against the insured due to wrongful acts committed by the insured in their capacity as an insured. However, there are certain exclusions of liability, such as damages caused by acts committed with knowledge that said acts were in violation of laws and regulations.

3. Reasons for the Selection of the Current Corporate Governance System

As a company with an Audit & Supervisory Board, TOMY has appointed multiple outside Directors and Audit & Supervisory Board members who are independent from executive management and promotes a wide range of measures for enhanced corporate governance. The Company believes that the current system will be effective in achieving and ensuring its corporate governance (Please see “1. Basic Policy” in page 1.), which would allow for appropriate and efficient corporate management.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Initiatives to Vitalize General Shareholders Meetings and Facilitate the Exercise of Voting Rights

	Supplementary Information
Early distribution of convocation notice of the General Meeting of Shareholders	<p>TOMY distributes and posts on its website the convocation notice of the General Meeting of Shareholders three weeks prior to the date of the meeting (the legal deadline was two weeks prior).</p> <p>Distribution of convocation notice: June 4, 2025 Posting of convocation notice on the proprietary website of Tokyo Stock Exchange: June 3, 2025 * English translation was posted on June 3, 2025 Posting of convocation notice on TOMY corporate website: June 4, 2025</p>
Scheduling the General Meeting of Shareholders to avoid overlap	The General Meeting of Shareholders for June 2025 was held on June 26, 2025.
Exercise of voting rights by electronic means	TOMY has enabled shareholders to exercise voting rights by electronic means since 2014.
Measures aimed at participation in electronic voting platforms and other improvements in the voting environment geared towards institutional investors	TOMY has participated in an electronic voting platform since 2016 (both in Japanese and English).
Provision of an English-language summary of convocation notices	TOMY has prepared English-language translations of narrowly-defined convocation notices and posted it on the website of Tokyo Stock Exchange, Inc. since 2016.
Other	<p>1) A business report presentation is delivered at the General Meeting of Shareholders with graphics and narration in order to explain the report well.</p> <p>2) Sufficient time for questions and answers is secured to hold the Meeting in an interactive manner in order to provide an environment where shareholders feel free to make statements.</p> <p>3) The General Meeting of Shareholders will be live-streamed to allow as many shareholders as possible to participate.</p>

2. IR Activities

	Supplementary Information	Explanation by representative personnel
Create and disclose the disclosure policy	Has created an IR policy to disclose disclosure standards and methods on www.takaratomy.co.jp/english/ir/etc/policy.html .	
Hold periodic briefings for individual investors	Holds individual investor briefings sponsored by securities firms to explain our business, business model, and current situation.	No
Hold periodic briefings for analysts and institutional investors	Holds business briefings concerning the summary of financial results and the basic direction of the business, etc. for analysts and institutional investors quarterly. Of these, briefings by the Representative Director and President are held semiannually.	Yes
Disclosure of IR materials on the website	IR-related materials are posted at www.takaratomy.co.jp/english/ir/index.html . Financial results, timely disclosure documents other than financial results, securities reports, shareholder newsletters, and financial results presentation materials are disclosed.	
Department related to IR (personnel)	TOMY maintains IR personnel in the IR Unit, Finance Department, Accounting & Finance Division to strengthen IR activities and ensure fair and timely disclosure.	

3. Activities Concerning Respect for Stakeholders

	Supplementary Information
Setting forth provisions in the internal regulations concerning respect for stakeholders	Respect for stakeholders is the underlying concept of the TOMY Group Corporate Philosophy, including its Purpose.

<p>Promotion of environmental preservation activities and CSR activities</p>	<p>■ The TOMY Group's Sustainability initiatives Sustainability Vision 2030 (Enhancing Social Value) "A creator of quality asobi that promotes the sustainable well-being of society."</p> <p>In order to realize our Sustainable Vision, we are committed to providing high quality asobi by developing an environment where our employees are able passionately to devote themselves for it. We believe it is the responsibility of the TOMY Group not only to consider customer confidence and safety, but also give thought toward the global environment, respect for human rights and our sound management system. We will strive to attain both a sustainable society and the Group's growth, and provide value for the world.</p> <p>The TOMY Group has specified five themes and 11 materialities for the realization of our Sustainability Vision.</p> <p>Our Passion</p> <p>I. Through asobi, contribute to a healthy society that has dreams</p> <ol style="list-style-type: none"> 1. Contribute to a prosperous society through asobi <p>II. A workplace where employees can get absorbed in the work of creating asobi that is noticed and loved all over the world.</p> <ol style="list-style-type: none"> 2. Improving employee wellbeing 3. Employee growth <p>Our Responsibilities</p> <p>III. Ensuring high quality</p> <ol style="list-style-type: none"> 4. Safe, secure, high-quality asobi 5. Connecting with customers <p>IV. Coexistence with the global environment</p> <ol style="list-style-type: none"> 6. Responding to climate change 7. Promoting eco-design of packaging and products <p>V. Sound management</p> <ol style="list-style-type: none"> 8. Respect for human rights 9. Sustainable procurement 10. Governance that supports the creation of asobi 11. Risk management that supports the creation of asobi <p>The TOMY Group is promoting measures to achieve medium-term sustainability targets and KPIs in accordance with these materialities (material issues). The Group will strive for greater social contribution through its business.</p> <p>■ Sustainability promotion system</p> <p>The TOMY Group will establish the Sustainability Committee as an advisory body to the Representative Director and President from July 2024 in order to more proactively promote sustainability management as well as proceed with initiatives for sustainability issues.</p> <p>The Sustainability Committee will comprehensively assess the Group's sustainability initiatives and deliberate on issues and the direction of initiatives from a broad and diverse perspective.</p> <p>For medium-term sustainability targets and KPIs with themes that particularly require cross-sectional action, we have established a theme-specific task force supervised by the Sustainability Committee, where executive officers in charge and various members across various sections engage in execution, promotion, and making proposals for relevant initiatives.</p>
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	Supplementary Information
	<p>The progress of the theme-based task forces will be reported to the Sustainability Committee, which meets twice a year, and initiatives will be strengthened through instructions and monitoring by the Sustainability Committee.</p> <p>Discussions by the Sustainability Committee are reported and referred to the Board of Directors or the Executive Committee as necessary.</p> <p>For TOMY's Sustainability-related governance system, please see [Chart of Sustainability Promotion System] shown later.</p> <p>Details of TOMY's Sustainability initiatives are disclosed through the Sustainability website, integrated report, securities reports, etc.</p> <p>www.takaratomy.co.jp/english/company/csr/ www.takaratomy.co.jp/english/ir/financial/annual.html www.takaratomy.co.jp/ir/financial/edinet.html (in Japanese)</p>
Formulation of policies, etc. concerning disclosure to stakeholders	<p>TOMY hopes to inform shareholders and investors of its management strategies, earnings results, and financial conditions clearly. To this end, company briefings and financial results briefings are held to create opportunities for dialogue between executive management, including the president, and individual investors, institutional investors in and outside Japan and analysts, etc. to a reasonable extent.</p>

IV. Matters Relating to Internal Control Systems, etc.

1. Basic Policy on Internal Control Systems and the Progress of System Development

<Basic policy on internal control systems>

One of the most important management issues for the TOMY Group today is maintaining the trust of our stakeholders, including shareholders and customers, while offering continual improvements in corporate value and building on sound and transparent management practices. We will make every effort to achieve this through strong corporate governance, including enhanced self-check functions, risk management and compliance system, even as we improve operational efficiency.

<Progress of internal control systems>

(1) System to ensure that Directors' and employees' execution of duties complies with laws and regulations and the Articles of Incorporation

1) "ONE TOMY's Promise" has been established to clarify that all officers and employees in the organization must not only comply with existing laws and ordinances, but also strive to fulfill their social responsibilities through the implementation of sincere and fair corporate activities. These rules are accompanied with thorough efforts to achieve the widest possible understanding of this stance on the part of officers and employees.

2) To both enhance and achieve greater thoroughness for the TOMY Group's compliance system and risk management system, an arrangement has been adopted in which the Risk/Compliance Committee, which is chaired by a Representative Director and composed of outside Directors, Audit & Supervisory Board members, etc., has been established to deliberate on important issues concerning risk and compliance, and report upon the results of those discussions to the Board of Directors.

3) The department responsible for internal control and the department responsible for internal audits, which are under the direct control of the Representative Directors, audit the compliance status of TOMY and the TOMY Group and report to the Representative Directors and Audit & Supervisory Board as needed.

4) TOMY will have no relationships of any kind with anti-social groups or organizations that threaten social order or the sound activities of the TOMY Group, while systematic responses shall be mounted with a firm stance against unreasonable demands and similar situations.

(2) System for the storage and management of information regarding the execution of duties by Directors

1) Information pertaining to the performance of duties by Directors shall be recorded and preserved in document or electromagnetic media form, in accordance with the TOMY Group's internal regulations.

2) The Information Security Basic Rules have been determined pertaining to the management of information, with measures devised to ensure the reliable protection of information assets, including personal information.

3) By strengthening the disclosure system, TOMY is aiming to speed up information disclosure and establish more transparent management.

(3) Regulations and system relating to managing the risk of loss

1) The Risk/Compliance Committee and the department responsible for internal control have been established as the organizations assigned to coordinate all areas of risk management, thereby creating a company-wide risk management system integrated with the internal control system.

2) To deal with the occurrence of unexpected circumstances, Risk Management Task Forces are promptly established, with prompt and precise actions taken to minimize losses and damages and effective measures devised to prevent recurrences of such situations.

3) The Safety & Quality Assurance Division has been established as an organization to deal exclusively with product safety, with efforts being advanced to strengthen the process of offering outstanding products that can be used with confidence.

4) We respond to social issues and corporate ethics matters related to sustainability primarily through the Sustainability Promotion Division.

(4) System to ensure the efficiency of Directors in the execution of their duties

1) A regular meeting of the Board of Directors is held once each month, while an extraordinary Board of Directors meeting is held as deemed necessary. These meetings are used to determine basic policies and

strategies for the TOMY Group as a whole, as well as to issue decisions concerning the execution of important business operations, audit and supervise operational execution and take other relevant steps.

2) The Board Director Nominating Committee and the Remuneration Committee, composed of outside Directors and/or outside Audit & Supervisory Board members, have been established as advisory bodies to the Board of Directors and are requested to provide proposals and counsel with regard to policies relating to matters such as Directors' assessment, appointment, and the amount of remuneration.

3) The Executive Committee (the "Jomu-Kai") has been established and is held, in principle, at least once each month for the purpose of conducting the Group's business operations and management in a smoother and more efficient fashion. The members of the Meeting engage in versatile decision-making on matters concerning the overall implementation of the Group's business management. Matters resolved at the Executive Committee are reported to the Board of Directors, as deemed necessary.

4) The Advisory Committee and the Financial Advisory Committee, composed of outside Directors and/or outside Audit & Supervisory Board members, have been established as an advisory body to the Representative Directors and to the Chief Financial Officer, respectively. Both Committees are requested to render a broad range of counsel pertaining to the effectiveness of operational execution, the reliability of the TOMY Group's financial affairs and other important matters.

5) The Executive Officer Assessment Committee, composed of full-time Directors, has been established as an advisory body to the Representative Directors and is requested to provide a broad range of counsel with regard to matters such as the Executive Officers' assessment.

6) By delegating authority, among others, through the adoption of an Executive Officer system, TOMY has worked to speed up and streamline the execution of business operations in individual groups and divisions in charge, based on the policies, strategies, and supervision of the Board of Directors.

7) Medium- to long-term management goals and basic strategies are clarified, with specific measures implemented for the purpose of achieving those goals based on the Business Plan (Budget) for each fiscal year.

(5) System to ensure appropriateness of operations of the Company and the Group

1) As a general rule, one or more of TOMY's officers or employees are appointed as part-time Directors or part-time Audit & Supervisory Board members of the TOMY Group companies. In this capacity, these part-time Directors and part-time Audit & Supervisory Board members engage in monitoring and supervision of the appropriateness of the execution of business operations at each such company, thereby striving to strengthen the risk management and compliance system of the TOMY Group as a whole.

2) With regard to the TOMY Group management system, a department has been established to oversee Group company management. This department acts in accordance with the TOMY Group's internal regulations in advancing management and guidance activities in response to the characteristics and conditions of each Group company.

3) Group-wide related rules have been prepared with regard to compliance, risk management, information management and other areas, with efforts made to foster awareness of compliance throughout the entire Group and establish a risk management system that reflects company-wide perspectives, while such systems are being monitored by the Risk/Compliance Committee and the department responsible for internal control.

4) Each Group company reports the progress of its profit plan and other matters at the Group's Monthly Briefing Session, which is held regularly on a monthly basis.

(6) System to ensure the reliability of financial reports

1) To ensure the reliability of financial reports, a specific internal control system has been established for the purpose of preparing pertinent regulations and the effective and appropriate submission of internal control reports in accordance with the Financial Instruments and Exchange Act.

2) The conformity with the Financial Instruments and Exchange Act and relevant laws and regulations is ensured by constantly verifying whether the internal control system works appropriately and correcting deficiencies if needed.

(7) Matters relating to the employees assisting in the duties of Audit & Supervisory Board members when so requested by Audit & Supervisory Board members, and matters relating to the independence of such employees from Directors

1) TOMY may assign the employees assisting in the duties of Audit & Supervisory Board members when required by the Audit & Supervisory Board.

2) The assignment, reassignment and other matters concerning the employees assisting in the duties of the Audit & Supervisory Board shall be conducted with the prior consent of Audit & Supervisory Board members, and such employees execute their operations under the directions and orders of the Audit & Supervisory Board members to ensure the independence of such employees from Directors.

(8) System for reports from Directors and employees to Audit & Supervisory Board members, and system for reports from others to Audit & Supervisory Board members

1) Upon the occurrence of matters capable of causing serious losses to the TOMY Group (or the threat of the occurrence of such circumstances), the detection of illegal or dishonest actions perpetrated by officers or employees or other conditions requiring reports to the Audit & Supervisory Board, Directors or employees shall promptly report upon the said situations to the Audit & Supervisory Board.

2) Audit & Supervisory Board members shall use attendance at regular important meetings, irregular meetings, and other occasions to receive reports on management conditions, as well as the status of business performance, financial affairs, internal audit implementation, risk management, compliance, and other matters.

(9) System for ensuring that persons who made reports as set forth in the preceding paragraph are not treated unfavorably on account of making such reports

It is prohibited for any officer or employee of TOMY and its Group companies who made reports to Audit & Supervisory Board members to be treated unfavorably on the grounds of his/her reporting, and officers and employees of TOMY and its Group companies shall be kept well-informed of the same.

(10) Matters regarding the policy on the treatment of expenses and other liabilities arising from the execution of duties by Audit & Supervisory Board members of TOMY

A certain annual budget has been secured for expenses and other liabilities arising from the execution of duties by Audit & Supervisory Board members.

Audit & Supervisory Board members may charge the company they belong to for any expenses necessary for the execution of their duties, and the company will make payment accordingly.

Audit & Supervisory Board members may consult Accounting Auditors and attorneys as needed, and the company they belong to will bear the related expenses.

(11) Other systems to ensure that the Audit & Supervisory Board members conduct audits effectively

1) To ensure that the Audit & Supervisory Board members maintain a firm grasp of the status of important decision-making and operational execution, the Audit & Supervisory Board members are allowed to attend meetings of the Board of Directors and other important conferences; access the minutes of meeting proceedings, circular memos for staff approvals and other documents concerning the execution of important business operations; and request explanations of such matters from Directors or employees as deemed necessary.

2) The Audit & Supervisory Board and Audit & Supervisory Board members engage in exchanges of opinions and information with Accounting Auditors, the department responsible for internal control, the department responsible for internal audits and the Group companies' audit divisions with regard to important themes pertaining to auditing and other matters, mutually collaborating to monitor the TOMY Group's internal control conditions.

2. Basic Policy on Excluding Antisocial Forces and the Progress of the System Development

<Progress of the development of the system to exclude antisocial forces>

(1) TOMY has drawn the attention of all officers and employees to such policy by means such as clearly stipulating "Prohibition of antisocial behavior" in the "ONE TOMY's Promise."

(2) A department that deals with antisocial forces has been established for, among others, the improvement of internal systems, unified management and accumulation of antisocial force-related information and preparation of response manuals, and it implements measures to sever relationships with antisocial forces.

[Translation]

(3) TOMY has established a system to cooperate with local police, corporate lawyers, and related organizations, etc. in order to prepare for emergencies.

(4) TOMY promotes training activities to exclude antisocial forces through holding compliance lectures.

[Translation]

V. Other

1. Adoption of Anti-takeover Measures

Adoption of anti-takeover measures	No
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Supplementary Information

2. Other Matters Regarding Corporate Governance System, etc. [Updated]

<Outline of timely disclosure system>

1. Disclosure standard

In order to facilitate shareholders' and investors' understanding of the TOMY Group and contribute to proper evaluation, TOMY discloses information in line with the Financial Instruments and Exchange Act and the Rules on Timely Disclosure of Corporate Information by Issuer of Listed Securities ("Timely Disclosure Rules") specified by Tokyo Stock Exchange.

2. Internal systems regarding timely disclosure of corporate information

(1) Management of internal information

1) TOMY has in place an Information Management Officer who is responsible for managing internal information and takes necessary measures to prevent the leakage of information internally and externally.

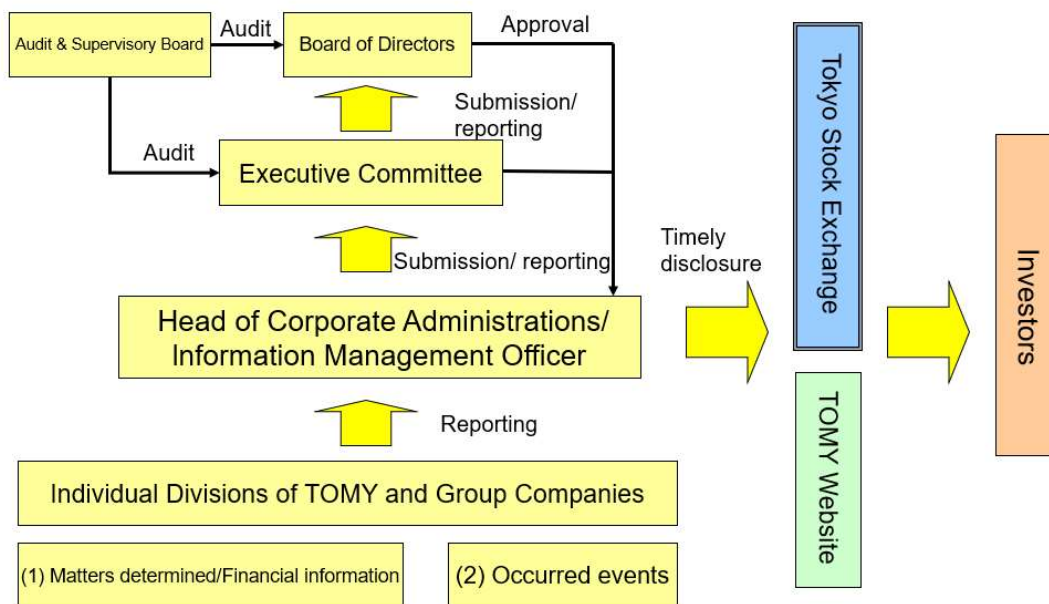
2) Head of Corporate Administrations is responsible for collecting and managing information.

3) If Head of Corporate Administrations has received internal information of TOMY and the TOMY Group companies, the Board of Directors has the authority to determine whether the information should be disclosed. However, in cases of emergency, these matters may be determined by Representative Directors or a person designated by Representative Directors.

(2) Method of timely disclosure

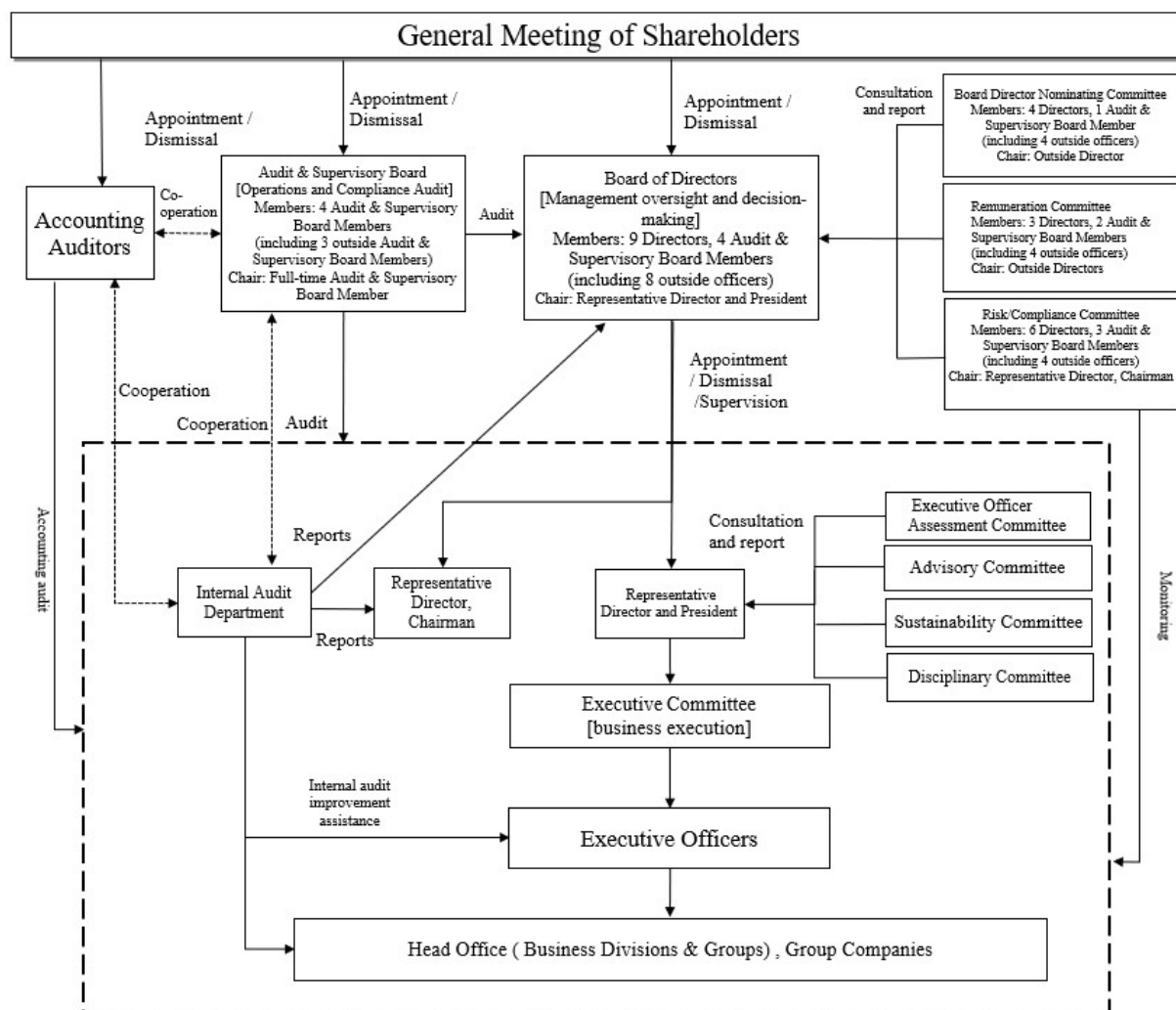
TOMY timely submits information subject to the Financial Instruments and Exchange Act and the Timely Disclosure Rules specified by Tokyo Stock Exchange and other important information to the Timely Disclosure Network (TDnet) provided by Tokyo Stock Exchange information. The information submitted is also promptly published on our corporate website to ensure fair and timely disclosure.

< Overview of Internal systems Regarding Timely Disclosure >



Corporate Governance System

Corporate Governance System



[Translation]

[Fields of Expertise and Experience of Directors]

	Gender	Outside	Expertise and Experience									
			Management and business strategy	Toy and entertainment business	Innovation and new business	Global business	IP and brand business	DX	Finance and accounting	Legal affairs, compliance, and corporate ethics	Personnel, labor management, human resources development	ESG and sustainability
Kazuhiro Kojima	M		●	●	●	●			●	●		●
Akio Tomiyama	M		●	●	●	●	●	●				●
Hiroyuki Usami	M		●	●	●	●	●					
Goshiro Ito	M		●	●		●			●	●	●	●
Mariko Mimura	F	●	●			●				●		●
Shinichi Tonomura	M	●	●		●	●		●				
Miwako Iyoku	F	●	●	●	●			●				
Reiko Yasue	F	●	●		●	●		●				
Masato Arisawa	M	●	●			●			●		●	

* For outside directors, ● indicates the relevant item of the skills, etc. for which the person is expected to use his/her abundant experience and in-depth knowledge (up to four items). The matrix is not intended to present all of the knowledge and experience possessed by each outside Director.

* IP (Intellectual Property): In the entertainment industry, intellectual property rights are used to describe characters and titles.

[Chart of Sustainability Promotion System]

