

**Financial Results Presentation Meeting for the Fiscal Year Ended March 31, 2026:
Outline of Questions and Answers**

- Q. Please share with us your thoughts on materials, distribution expenses, personnel expenses, and foreign exchange for this fiscal year, based on the recent changes in the external environment.
- A. (Ito, Managing Director & CFO): In terms of raw materials, we perceive there to be a risk of plastic prices increasing. There is no room for optimism with regard to distribution expenses either, and personnel expenses are also trending up, so we have factored these into SG&A expenses. With regard to foreign exchange, the environment remains one in which the weaker yen has a negative impact on the performance of the Company. We are expecting an impact of approximately 200 million yen for every one yen shift in the exchange rate, but around 100 million yen after the hedged portion is taken into account. Our exchange rate assumption is 153 yen to 1 U.S. dollar.
- Q. Please tell us about investments. In the Medium- to Long-Term Management Strategy, you set a target for an operating profit margin of 10%. How will this impact your P&L? Also, how do you intend to achieve this target while maintaining increases in profit?
- A. (Ito, Managing Director & CFO): Investments can be broken down into business investments for the Kidults demographic, cost-oriented investments to strengthen resources for marketing that contributes to rollouts by region, and facilities investments for Kiddy Land store openings and for building IT infrastructure. These will be executed in stages until 2030. To achieve our targets, we will scrutinize investment returns while maintaining an awareness of the cost of capital and lead the way in achieving net sales of 300 billion yen. After that, we will seek to improve profitability by incrementally increasing profits, with the ultimate aim of achieving an operating profit margin of 10%.
- Q. Please share your thoughts on the setting of prices in the recent environment of rising costs.
- A. (Ito, Managing Director & CFO): It is a basic assumption that we will work as a company to maintain prices, but depending on the cost situation, I do think there is potential for reflecting those rising costs in prices to some extent. However, by enhancing value rather than simply passing on costs to prices, we will strive to obtain the understanding of customers.

Q. What catalysts can we expect going forward?

A. (Tomiyaama, Representative Director, President & CEO): In the past, it was sometimes the case that our performance was affected by trends in specific products, but we are currently shifting to a business structure in which steady growth is achieved by multiple drivers. Also, there has been an increase in business opportunities in which we can strategically exert our strengths, which is taking place against the backdrop of growth in the Kidults market, the increased popularity of content originating in Japan, and the growth in inbound demand. In this environment, if I were to mention some products that could act as catalysts going forward, I would say the launch of new trading card game and digital game titles, and the opening of Kiddy Land stores, amongst other factors.

A. (Ito, Managing Director & CFO): For my part, I would say the early achievement of the 300 billion yen in net sales that is the target for the Medium- to Long-Term Management Strategy, the popularity in Asia of “BEYBLADE X” as an extension of its popularity in Japan, and the continued strong performance of Kiddy Land.

Q. The growth rate of net sales accelerated in the fourth quarter compared to the third quarter. What was driving that?

A. (Ito, Managing Director & CFO): In terms of age group, it was Kidults-related sales, and in terms of regions, the main factor was Asia. For Kidults, the drivers were the GACHA capsule toys at T-ARTS Company, in addition to the strength in Kiddy Land. In Asia, the popularity of BEYBLADE X made a contribution.

Q. Forecasts for this fiscal year assume that the rate of growth will be higher in the second half than in the first half. What is the background to that?

A. (Ito, Managing Director & CFO): This is a structural issue arising from our decision to bring investments forward in the expectation of a return in 2027 and beyond. We are making upfront investments in the first half to combine regional expansion with those age groups that we have steadily cultivated thus far. For the earliest of these investments, we expect to see results emerge in the second half.

Q. Please explain what specific measures you are taking for global expansion and the timeline for those measures, as well as what kind of changes you expect going forward.

A. (Tomiyaama, Representative Director, President & CEO): Over the next two years, we want to scale up our strengths to the global level by strengthening planning and development, as well as marketing and sales, that is aligned with local markets, in Europe, U.S., Australia, and Asia. It was for this reason that we implemented organizational changes in April. We have consolidated the strengths of the TOMY Group into the Product & Brand Core Group and established a structure under which we can integrate growth across Europe, U.S., and Australia, as well as Asia.

Q. What is your view on the growth potential for Kiddy Land over the medium to long term?

A. (Tomiyaama, Representative Director, President & CEO): The driver of growth over the medium term will be the expansion of our store network in major Japanese cities. With that as a base, we will steadily promote measures to capture inbound demand and domestic customers. Over the long term, we are considering strategies with an eye on overseas markets.

Q. What is your strategy for collaboration in overseas markets?

A. (Tomiyaama, Representative Director, President & CEO): As well as moving forward with the building of sales and marketing organizations in main markets such as China and the United States, we are working to enhance the local brand value of the various elements of our content. By combining this with the rollout of collaborations, we hope to open the way to growth in sales and fan groups.

Q. What is your strategy for making use of e-commerce?

A. (Tomiyaama, Representative Director, President & CEO): We hope to use it not only in Japan but also at the global level to help us capture the Kidults demographic. In particular, our perception is that it is very effective D2C (Direct to Consumer) business in the hobby segment. For this reason, I think it is also necessary to strengthen our use of AI and digital promotions to disseminate information.

Q. Please explain the meaning of this indicator: “Through Quality Asobi, We Create Joy that Builds Life-Long Well-Being for 410 Million People Worldwide.” I would also like to know the extent of your reach with customers at the moment, and how this indicator will be tied into the financial aspect of the business.

A. (Ito, Managing Director & CFO): This indicator was set from the perspective of CSV management, and ties our business strategy to societal value. Our goal is to create well-being through customers purchasing our products. We have provisionally calculated the cumulative number of people at around 57 million at present. The figure of 410 million people is linked to our target of 300.0 billion yen in net sales for the fiscal year ending March 31, 2030.

Q. What will your relationship be like with Hasbro as you expand into Europe and the U.S. going forward?

A. (Tomiyaama, Representative Director, President & CEO): Our relationship with Hasbro continues to be important. For “TRANSFORMERS” in particular, which is globally popular, we hope to collaborate with each other to further expand the rollout in Europe, U.S., and Australia.

Q. Measures for the Kidults demographic are important, but I think initiatives for the children that serve as the basis for that Kidults demographic are also important. In that context, what are your thoughts on IP and product strategy for children?

A. (Tomiya, Representative Director, President & CEO): We, too, perceive IP end products for children to be important, and will continue to strengthen these going forward. IP and products like “BEYBLADE,” which can be expanded globally, generate significant economies of scale effects. We intend to move forward with brand investments to increase this kind of IP and these kinds of products.

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