

Translation

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MEMBERSHIP
May 13, 2025

CONSOLIDATED FINANCIAL RESULTS for the Fiscal Year Ended March 31, 2025 <under Japanese GAAP>

Company name: TOMY COMPANY, LTD.
Listing: Prime Market of the Tokyo Stock Exchange
Securities identification code: 7867
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Scheduled date of ordinary general meeting of shareholders: June 26, 2025
Scheduled date to commence dividend payments: June 27, 2025
Scheduled date to file securities report: June 25, 2025
Supplementary material on financial results: Yes
Financial results presentation meeting: Yes (for institutional investors and analysts)

(in millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated performance for the fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|-------------------|-----------------|------|------------------|------|-----------------|------|-----------------------------------------|------|
| Fiscal year ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| March 31, 2025 | 250,235 | 20.1 | 24,870 | 32.2 | 24,033 | 35.0 | 16,350 | 66.7 |
| March 31, 2024 | 208,326 | 11.2 | 18,818 | 43.4 | 17,807 | 47.9 | 9,808 | 18.0 |

Note: Comprehensive income
Fiscal year ended March 31, 2025 ¥14,472 million [(18.0)%]
Fiscal year ended March 31, 2024 ¥17,655 million [48.1%]

| | Basic earnings per share | Diluted earnings per share | Return on equity | Ordinary profit /total assets | Operating profit /net sales |
|-------------------|--------------------------|----------------------------|------------------|-------------------------------|-----------------------------|
| Fiscal year ended | yen | yen | % | % | % |
| March 31, 2025 | 182.20 | 182.14 | 15.8 | 14.5 | 9.9 |
| March 31, 2024 | 107.73 | 107.65 | 10.5 | 10.9 | 9.0 |

Reference: Equity in earnings of affiliates
Fiscal year ended March 31, 2025: ¥5 million
Fiscal year ended March 31, 2024: ¥(44) million

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|----------------|-----------------|-----------------|--------------|----------------------|
| As of | Millions of yen | Millions of yen | % | yen |
| March 31, 2025 | 165,770 | 106,398 | 64.2 | 1,186.44 |
| March 31, 2024 | 166,252 | 99,999 | 60.1 | 1,104.07 |

Reference: Equity

As of March 31, 2025 ¥106,364 million

As of March 31, 2024 ¥99,966 million

(3) Consolidated cash flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|-------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------------|
| Fiscal year ended | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| March 31, 2025 | 16,999 | (8,099) | (16,771) | 56,067 |
| March 31, 2024 | 29,175 | (5,324) | (27,149) | 64,182 |

2. Cash dividends

| | Annual dividends | | | | | Cash dividends (Total) | Dividend payout ratio (Consolidated) | Ratio of dividends to net assets (Consolidated) |
|---------------------------|-------------------|--------------------|-------------------|----------|-------|------------------------|--------------------------------------|-------------------------------------------------|
| | First quarter-end | Second quarter-end | Third quarter-end | Year-end | Total | | | |
| Fiscal year ended | yen | yen | yen | yen | yen | Millions of yen | % | % |
| March 31, 2024 | – | 17.50 | – | 32.50 | 50.00 | 4,555 | 46.4 | 4.9 |
| March 31, 2025 | – | 28.00 | – | 36.00 | 64.00 | 5,758 | 35.1 | 5.6 |
| March 31, 2026 (Forecast) | – | 32.00 | – | 32.00 | 64.00 | | 41.0 | |

Note: Breakdown of year-end dividend for the fiscal year ended March 31, 2024:
ordinary dividend 24.50 yen, commemorative dividend 8.00 yen

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2026

(From April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|---------------------------------------------------|-----------------|-----|------------------|--------|-----------------|-------|-----------------------------------------|--------|--------------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | yen |
| Six months ending September 30, 2025 (cumulative) | 125,000 | 3.6 | 11,500 | (7.0) | 11,400 | (4.1) | 7,500 | (11.3) | 83.58 |
| Fiscal year ending March 31, 2026 | 260,000 | 3.9 | 22,000 | (11.5) | 21,800 | (9.3) | 14,000 | (14.4) | 156.01 |

* Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
 - a. Changes in accounting policies due to revisions to accounting standards: None
 - b. Changes in accounting policies due to other reasons: Yes
 - c. Changes in accounting estimates: Yes
 - d. Restatement: None

Note: From the fiscal year ended March 31, 2025, the Company has made changes to its method of depreciation, and this falls under “a case of changes in accounting policies which are difficult to distinguish from changes in accounting estimates.” For more details, please refer to the section of “(5) Notes Regarding Consolidated Financial Statements, (A case of changes in accounting policies which are difficult to distinguish from changes in accounting estimates)” of “3. Consolidated Financial Statements and Significant Notes Thereto” on page 23 of the attached material.

- (3) Number of issued shares (common shares)

- a. Total number of issued shares at the end of the period (including treasury shares)

| | |
|----------------------|-------------------|
| As of March 31, 2025 | 93,616,650 shares |
| As of March 31, 2024 | 93,616,650 shares |

- b. Number of treasury shares at the end of the period

| | |
|----------------------|------------------|
| As of March 31, 2025 | 3,965,831 shares |
| As of March 31, 2024 | 3,072,841 shares |

- c. Average number of shares during the period

| | |
|----------------------------------|-------------------|
| Fiscal year ended March 31, 2025 | 89,736,931 shares |
| Fiscal year ended March 31, 2024 | 91,044,766 shares |

Note: The Company has introduced “Performance-linked stock-based compensation system for Directors (excluding outside directors and part-time directors)” and “Performance-linked stock-based compensation system for Executive Officers.” Treasury shares remaining in the “Performance-linked stock-based compensation system for Directors (excluding outside directors and part-time directors)” and the “Performance-linked stock-based compensation system for Executive Officers” that are recorded as treasury shares in shareholders’ equity are included in treasury shares to be deducted in the calculation of the total number of issued shares at the end of the period for the calculation of net assets per share. They are also included in treasury shares to be deducted in the calculation of the average number of shares during the period for the calculation of basic earnings per share.

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

(Caution regarding forward-looking statements and others)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors. Please refer to the section of “(4) Outlook for the Fiscal Year Ending March 31, 2026” of “1. Qualitative Information Regarding Consolidated Operating Results” on page 11 of the attached material for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

A financial results presentation meeting for institutional investors and analysts will be held on May 14, 2025. Materials for the financial results presentation meeting will be available on our website promptly after the financial results are announced.

[Attached Material]

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1. Qualitative Information Regarding Consolidated Operating Results

(1) Overview of Operating Results

(Highlights of the Fiscal Year Ended March 31, 2025)

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

Against this backdrop and under our “Medium- to Long-term Management Strategy 2030” that launched in FY2025, we aim to achieve net sales of ¥300 billion and an operating profit margin of 10% in the fiscal year ending March 31, 2030 by establishing a new value-creation model, expanding business opportunities and the scale of our business with age groups and regional axis as growth drivers, and aligning these with the corporate strategies that support them.

In widening the age range of our customers, measures for the Kidults demographic contributed to our business performance. In the classic brands of “TOMICA” and “PLARAIL,” deployment of the “TOMICA Premium” and “PLARAIL Real Class” series for adults, with attention to details, and the “Dream TOMICA” in collaboration with popular content has expanded the fan base to include not only children but adults as well. Furthermore, in addition to launching the “T-SPARK” series, a new hobby label with a high age target, we launched the high-quality collectible series “TOMY+ (TOMY Plus)” through crowdfunding in the U.S. Moreover, we expanded the “BEYBLADE X” fan base by developing a media mix for a wide range of generations and holding tournaments with no age restrictions. In trading card games, we launched the “DETECTIVE CONAN Card Game” and “Disney LORCANA Trading Card Game” to build on the lineup that already included “DUEL MASTERS,” thereby growing the customer base. In the digital sphere, the release of the “DUEL MASTERS” smartphone app “DUEL MASTERS PLAY’S” both expanded our customer base and contributed to earnings. We have installed GACHA, which are popular among people of all ages, in a greater number of commercial facilities and other locations. At retailer Kiddy Land, the wide range of the popular character goods and miscellaneous items gained support from customers of all ages, and sales grew.

We are continuing to implement measures for expanding regional axis as well, and against the backdrop of sales growth of “TOMICA” in China, we opened the first overseas brand store “TOMICA BRAND STORE” in Shanghai, China, which furthered the penetration of the brand. Regarding “BEYBLADE X,” alongside the full-scale launch in Europe and the United States and other places overseas, the viewing area for the animation adaptation expanded due to efforts with broadcasting stations in various countries by our U.S. subsidiary T-Licensing, and we pushed ahead with a range of initiatives, including holding the “BEYBLADE X ASIA CHAMPIONSHIP 2024” with the winners of competitions from ten regions in Asia. As the popularity of Japanese IPs grows globally, we also promoted the overseas expansion of GACHA capsule toys, plush toys, etc., with a focus on character products. Our GACHA specialty store “GACHA MATSURI,” newly opened at Kansai International Airport, targets foreign tourists visiting Japan, the demographic that also gave strong support to the character specialty stores and flagship stores—including the Harajuku and Umeda stores—of our Kiddy Land retail business, which saw further business performance as a trendsetting base having a wide range of character products.

In addition, as part of our corporate strategy, we have established a system to promote sustainable growth that includes measures such as strengthening diversity and expertise of human capital by such means as global promotion of the acquisition of human resources from a wide range of fields, changing to a job-based personnel system, and expanding support for balancing work and family life through the establishment of a new childbirth and childcare monetary gift system.

Promoting these age groups and regional axis measures resulted in strong performance in the Japan and Asia segments, while in the Americas, both Fat Brain Holdings and its main operation, TOMY International, performed well. As a result of the above, net sales came to ¥250,235 million (up 20.1% year on year), marking a record high for the second consecutive year. In terms of profit, operating profit was ¥24,870 million (up 32.2% year on year), ordinary profit was ¥24,033 million (up 35.0% year on year), and profit attributable to owners of parent was ¥16,350 million (up 66.7% year on year), all at record highs, making for steady progress under the new management system. These results were

mainly due to the increase in gross profit accompanying the growth in net sales.

(Overview of Reportable Segments)
<Overview of operating results by segment>

(Millions of yen)

| | | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 | Change | Rate of change (%) |
|-------------------------|----------------------------|----------------------------------|----------------------------------|----------|--------------------|
| Net sales | | 208,326 | 250,235 | 41,909 | 20.1 |
| | Japan | 170,097 | 211,022 | 40,925 | 24.1 |
| | Americas | 30,063 | 31,108 | 1,044 | 3.5 |
| | Europe | 6,640 | 7,154 | 513 | 7.7 |
| | Oceania | 2,545 | 2,755 | 209 | 8.2 |
| | Asia (excl. Japan) | 57,869 | 68,277 | 10,407 | 18.0 |
| | Eliminations and corporate | (58,891) | (70,083) | (11,191) | |
| Operating profit/(loss) | | 18,818 | 24,870 | 6,052 | 32.2 |
| | Japan | 22,265 | 27,682 | 5,416 | 24.3 |
| | Americas | (495) | (155) | 340 | — |
| | Europe | (724) | (333) | 391 | — |
| | Oceania | 189 | 132 | (57) | (30.4) |
| | Asia (excl. Japan) | 1,907 | 2,668 | 760 | 39.9 |
| | Eliminations and corporate | (4,324) | (5,123) | (798) | — |

Japan

(Millions of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 | Change |
|------------------|----------------------------------|----------------------------------|--------|
| Net sales | 170,097 | 211,022 | 40,925 |
| Operating profit | 22,265 | 27,682 | 5,416 |

Net sales were ¥211,022 million (up 24.1% year on year), and operating profit was ¥27,682 million (up 24.3% year on year). Sales of classic brands including “TOMICA” and “PLARAIL” increased year on year due to their expansion into a wide range of age groups and regions, while the renovation and reopening of the TOMICA PLARAIL SHOP TOKYO also attracted attention. “BEYBLADE X” gained popularity among people of all ages, from children to adults, during the year-end sales season thanks to efforts such as the development of the media mix and holding of tournaments with no age restrictions. In addition, alongside the full-scale launch overseas, particularly in Europe and the United States, efforts with broadcasting stations in various countries by our U.S. subsidiary T-Licensing led to creation of synergies with product offering, such as expansion of the viewing area for the animation adaptation. We also pursued international measures, such as holding the “BEYBLADE X ASIA CHAMPIONSHIP 2024” in December with the winners of competitions from ten regions in Asia. With “DUEL MASTERS,” the customer base expanded through the smartphone app “DUEL MASTERS PLAY’S” in addition to growth resulting from collaboration with popular VTubers, etc., and this led to expanded business performance. Our IP “Punirunes” has proven popular in Japan and Asia, and we began exporting it to Europe and the United States in April, thus working to create global content from the IP. Additionally, in May, we launched the “DETECTIVE CONAN Card Game,” which is based on the enormously popular comic and targets a wide range of customer base, and in January, we released the “Disney LORCANA Trading Card Game,” generating new sales. In October, we launched the pet toy “Hatchimals Alive” (“Umarete! Woomo Alive”), which contributed to sales. And in November, we opened “TOMY Planet,” as a new format where one can enjoy hands-on attractions that combine the worldview of TOMY’s IP such as “TOMICA” and “PLARAIL” with XR technology. In February, we launched the “T-SPARK” series, a new hobby label with a high age target. At T-ARTS Company, sales of Pokémon-related products such as plush toys grew. In addition, in the GACHA capsule toy business, increasing the number of items offered, including character products, proved fruitful. We also expanded our installation of GACHA sales spaces in commercial facilities and

airports, such as the opening of the large-scale GACHA specialty store “GACHA WORLD” and the festival-themed GACHA specialty store “GACHA MATSURI” in Kansai International Airport, while also expanding overseas, resulting in continued favorable performance. In addition, in amusement machines, operations were started in April for “Himitsu no AIPRI” and in July for “Pokémon FRIENDA,” with a better launch than previous products. In the Kiddy Land retail business, we continued to offer fresh and topical character goods and miscellaneous items, which are gaining popularity among people of all ages in Japan and abroad. In the midst of this, inbound demand and the continued popularity of characters led to favorable performance at flagship stores such as the Harajuku and Umeda stores, as well as our character specialty stores and event deployment, resulting in an increased contribution to business performance.

Americas

(Millions of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 | Change |
|----------------|-------------------------------------|-------------------------------------|--------|
| Net sales | 30,063 | 31,108 | 1,044 |
| Operating loss | (495) | (155) | 340 |

Net sales were ¥31,108 million (up 3.5% year on year), and operating loss was ¥155 million (operating loss of ¥495 million in the same period of the previous fiscal year). Due to the overall slump in the toy market, sales of agricultural machinery toys decreased, while sales of toy products, hobby products, and the baby products “The First Years” and “Boon” remained strong, and net sales of Fat Brain Holdings increased from the same period of the previous fiscal year.

Europe

(Millions of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 | Change |
|----------------|-------------------------------------|-------------------------------------|--------|
| Net sales | 6,640 | 7,154 | 513 |
| Operating loss | (724) | (333) | 391 |

Net sales were ¥7,154 million (up 7.7% year on year), and we recorded an operating loss of ¥333 million (operating loss of ¥724 million in the same period of the previous fiscal year). Although the toy market was sluggish overall, there were steady sales of toy and hobby products such as “Pop-up Pirate,” bath toys, and T-ARTS Company’s GACHA capsule toys. Sales of agricultural machinery toys also increased.

Oceania

(Millions of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 | Change |
|------------------|-------------------------------------|-------------------------------------|--------|
| Net sales | 2,545 | 2,755 | 209 |
| Operating profit | 189 | 132 | (57) |

Net sales were ¥2,755 million (up 8.2% year on year). Operating profit was ¥132 million (down 30.4% year on year) due to a deterioration in gross profit margin caused by factors such as higher transportation costs. Sales were steady in toy and hobby products such as agricultural machinery toys, baby products and “Pop-up Pirate.”

Asia (excl. Japan)

(Millions of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 | Change |
|------------------|-------------------------------------|-------------------------------------|--------|
| Net sales | 57,869 | 68,277 | 10,407 |
| Operating profit | 1,907 | 2,668 | 760 |

Net sales were ¥68,277 million (up 18.0% year on year), and operating profit was ¥2,668 million (up 39.9% year on year). In addition to seeing strong sales mainly due to the popularity of the “TOMICA” brand among people of all ages, the Company opened the first “TOMICA” overseas brand store “TOMICA BRAND STORE” in Shanghai, China, in September to further deepen the penetration of the brand. While “BEYBLADE X” continued to gain in popularity in the Philippines and other parts of Southeast Asia, excitement did not reach the anticipated levels in South Korea, resulting in sales remaining at the same level as the previous fiscal year. Additionally, sales grew due in part to the start of the TV animation broadcasting of “SHINKALION CHANGE THE WORLD” in Hong Kong in July and in Taiwan in September, after the sales of related toys launched in April. Furthermore, we released the “DETECTIVE CONAN Card Game” series in nine countries and regions, including Hong Kong, South Korea, and Taiwan, in May, simultaneously with its release in Japan, generating new sales.

Other factors included an increase in overseas-bound exports of “BEYBLADE X” and other products at the manufacturing subsidiary TOMY (Hong Kong).

(2) Overview of Financial Position

Assets, Liabilities and Net Assets

<Assets>

At the end of the fiscal year ended March 31, 2025, current assets stood at ¥114,402 million, down ¥3,159 million from the end of the previous fiscal year ended March 31, 2024. This was mainly attributable to a decrease in cash and deposits, despite increases in accounts receivable - trade, merchandise and finished goods.

Non-current assets stood at ¥51,367 million, up ¥2,676 million from the end of the previous fiscal year. This was mainly attributable to increases in tools, furniture and fixtures and buildings and structures, despite a decrease in goodwill.

<Liabilities>

At the end of the fiscal year ended March 31, 2025, current liabilities stood at ¥50,933 million, down ¥2,788 million from the end of the previous fiscal year. This was mainly attributable to a decrease in current portion of long-term borrowings, despite increases in accrued expenses and lease liabilities.

Non-current liabilities stood at ¥8,438 million, down ¥4,092 million from the end of the previous fiscal year. This was mainly attributable to decreases in long-term borrowings, deferred tax liabilities, and lease liabilities.

<Net assets>

At the end of the fiscal year ended March 31, 2025, total net assets were ¥106,398 million, up ¥6,398 million from the end of the previous fiscal year. This was mainly attributable to an increase in retained earnings, despite the purchase of treasury shares and a decrease in deferred gains or losses on hedges.

(3) Cash Flows

Cash and cash equivalents at the end of the fiscal year ended March 31, 2025 was ¥56,067 million, a decrease of ¥8,115 million compared with the end of the previous fiscal year ended March 31, 2024.

<Net cash provided by (used in) operating activities>

Net cash provided by operating activities was ¥16,999 million, compared with ¥29,175 million

provided in the previous fiscal year. The main factors are profit before income taxes of ¥23,805 million, depreciation of ¥6,450 million, income taxes paid of ¥7,706 million, and an increase in trade receivables of ¥4,340 million.

<Net cash provided by (used in) investing activities>

Net cash used in investing activities was ¥8,099 million, compared with ¥5,324 million used in the previous fiscal year. The main factors are purchase of property, plant and equipment of ¥5,828 million and purchase of intangible assets of ¥2,102 million.

<Net cash provided by (used in) financing activities>

Net cash used in financing activities was ¥16,771 million, compared with ¥27,149 million used in the previous fiscal year. The main factors are repayments of long-term borrowings of ¥5,901 million, dividends paid of ¥5,464 million, and repayments of finance lease liabilities of ¥2,986 million.

(Reference) Trends in Cash Flow Indicators

| | FY2025 | FY2024 | FY2023 |
|---------------------------------------------------------|--------|--------|--------|
| Equity ratio (%) | 64.2 | 60.1 | 54.5 |
| Market value equity ratio (%) | 195.7 | 158.4 | 88.2 |
| Cash flow to interest-bearing liabilities ratio (years) | 0.2 | 0.4 | 1.8 |
| Interest coverage ratio (times) | 44.9 | 40.8 | 27.5 |

- Equity ratio: equity / total assets
- Market value equity ratio: market capitalization / total assets
- Cash flow to interest-bearing liabilities ratio: interest-bearing liabilities / operating cash flow
- Interest coverage ratio: operating cash flow / interest expenses paid

*1. All of the figures in the table were calculated based on consolidated financial data.

*2. Market capitalization was calculated by multiplying the closing stock price at the end of the period by the total number of issued and outstanding shares at the end of the period.

*3. Cash flow means cash flows from operating activities.

*4. The scope of interest-bearing liabilities is short-term borrowings and long-term borrowings of the liabilities recorded on the consolidated balance sheet.

(4) Outlook for the Fiscal Year Ending March 31, 2026

Looking at the business environment surrounding the TOMY Group, while a modest recovery can be expected in Japan due to the improvements in the employment and income environment, the future outlook remains unpredictable due to such factors as rising prices caused by U.S. trade policy, concerns about a downturn in the global economy, and the impact of fluctuations in financial and capital markets.

Even under these circumstances, the Group will promote its business strategies, with age groups and regional axis as its growth drivers, adapting to changes in the external environment. We will also coordinate the corporate strategies that support these efforts, thereby increasing the probability of achieving our goals of net sales of ¥300 billion and an operating profit margin of 10% in the fiscal year ending March 31, 2030.

Business Strategy

The size of the toy market is expanding, even in Japan, where the birthrate is declining, due to expanding consumption among adults and the growth of inbound demand resulting from the increasing popularity of Japanese IP overseas. Under these circumstances, as we move forward with our efforts to expand our age groups and regional axis, which will serve as our growth drivers, we will support growth by leveraging our long-selling brands to the fullest extent possible, as well as by enhancing brand value, expanding non-toy revenues, and utilizing digital technologies.

Key Strategies

- Expansion of age groups

The TOMY Group owns and markets many long-selling brands, including “TOMICA,” “PLARAIL,” “BEYBLADE,” “DUEL MASTERS” and “TRANSFORMERS,” enabling us to appeal to a wide range of age groups. TOMICA and PLARAIL are gaining popularity not only with children but also with adults through the development of the “TOMICA Premium” and “PLARAIL Real Class” highly detailed series for adults. “BEYBLADE” is also growing its fan base through media mix development aimed at a wide range of generations and by holding events with no age restrictions. Furthermore, with “DUEL MASTERS,” in addition to the trading card game, the smartphone app “DUEL MASTERS PLAY’S,” which was released in 2019, is also becoming increasingly popular. In addition, as a new initiative to expand the age groups, we launched the hobby label “T-SPARK” in 2024 and will expand development of products with a high age target that focus the Group’s robot and mecha technologies, such as “TRANSFORMERS” and “ZOIDs.”

In this way, we seek to utilize the characteristics of each brand to the maximum extent, enhancing our appeal to the target age groups and expanding the age groups.

- Expansion of regional axis

Using the TOMY Group's diverse brand palette, we will focus our investments in regions appropriate for each brand. We have positioned Asia, Europe, America and Australia as important bases for the expansion of the regional axis. We will expand business opportunities and the scope of business by introducing brands suited to each region, focusing on "TOMICA" in China, for example, and "plush toys" and "figurines" in North America.

In the short term, we will prioritize the expansion of the regional axis in Asia, while taking into account the changes in the external environment. In September 2024, we opened the "TOMICA BRAND STORE" in Shanghai, China to further extend the penetration of the "TOMICA" brand in China. We have also worked to expand the deployment of T-ARTS Company's amusement machines in Asia.

In North America, we will work on expanding the deployment of "plush toys" and "figurines" centered around character merchandise, in addition to the development of "BEYBLADE X." Kiddy Land is continuing to receive strong support from foreign tourists visiting Japan as a trendsetting base with a wide range of character products.

Going forward, we aim to continue expanding the regional axis by developing brands suited to each region.

- Hits and market share expansion in our major countries

The TOMY Group's strengths are its brands that are beloved around the world and its ability to plan, develop and commercialize hit products in major countries. In addition to these, we will expand our market share through differentiated marketing and branding strategies from the customer's perspective.

- Improve brand value

In order to promote the expansion of the age groups and regional axis, it is essential to have high brand value and a fan base that identifies with that value. In 2024, we opened "TOMY Planet," a next-generation toy and play park that seeks to enhance our brand value through "next-generation Asobi" (next-generation play) that uses the power of digital to augment the worldview of TOMY Company toys. Going forward, we will continue to expand the age groups and regional axis by building up our fan community as we enhance the value of our own brands, including "TOMICA," "PLARAIL," "Licca" and "BEYBLADE." In addition to our own brands, we aim to enhance brand value for our partner brands by leveraging the planning, development, and merchandising skills of the entire TOMY Group. Kiddy Land will endeavor to enhance the value of the brand through the discovery and development of new characters on the sales floor.

- Expansion of non-toy income

Non-toy income is increasing, not only in the licensing business for "TOMICA," "PLARAIL," "Licca," "BEYBLADE" and other brands, but also in the card game app "DUEL MASTERS PLAY'S" and the long-selling board game "The Game of Life" for the Nintendo Switch. Our event business also contributes to revenue growth through events such as "TOMICA EXPO" and "PLARAIL EXPO." Going forward, we will continue to expand our non-toy income through digital offerings, events, and other means.

- Use of digital technology

We will promote the utilization of digital technology in the execution of our key strategies. We will leverage digital services and infrastructure, such as smartphone applications, game devices, direct-to-consumer (D2C) sales channels and SNS. In addition, we will maximize the use of digital resources such as media, analytics, and marketing automation to optimize our marketing measures.

Corporate Strategy

The corporate strategy is interconnected with the business strategy, and serves as the foundation for the Company's medium- to long-term management strategy.

We will endeavor to enhance corporate value by strategically utilizing and increasing each type of capital, such as financial, manufacturing, intellectual, human, social, and natural capital. From a financial perspective, we seek to maximize shareholder value by improving profitability (increasing ROE while being conscious of the cost of capital) and returning profits to shareholders (dividends and purchase of treasury shares), while maintaining a sound financial position.

- Shareholder returns (dividends and purchase of treasury shares)

The Company recognizes the sustainable improvement in shareholder value and the stable return of profits to shareholders as an important priority for management. We will strive to strengthen the management base and improve the profit margin while implementing measures to return profits to shareholders through dividends and purchase of treasury shares.

With a view to the fiscal year ending March 31, 2030, we will maintain sound management by setting the following specific indicators and taking appropriate measures to return profits to our shareholders.

- ✧ Operating profit margin target of 10%
- ✧ Earnings per share (EPS) growth rate of a sustained 10% or more
- ✧ Return on equity (ROE) is a sustained 11% or more
- ✧ Equity ratio of approximately 50%
- ✧ Total payout ratio of 50%, in principle
- ✧ Price-to-book ratio (PBR) target of 3 times

- Human Capital Strategy

For the Group, the human resources involved in the creation of Asobi are important human capital. In FY2025, we have established a system to promote sustainable growth that includes measures such as strengthening diversity and expertise of human capital by such means as global promotion of the acquisition of human resources from a wide range of fields, changing to a job-based personnel system, and expanding support for balancing work and family life through the establishment of a new childbirth and childcare monetary gift system. Going forward, we will draw inspiration from our Purpose and Vision to further strengthen our organizational culture to achieve improved employee wellbeing and sustainable growth as a company.

- Intellectual Property (IP) Strategy

IP is important operating capital for the TOMY Group. Many of our core brands, including "TOMICA," "PLARAIL," "Licca" and "BEYBLADE," are actively protected by intellectual property rights, and we maintain one of the highest number of registered intellectual properties in Japan.

We will continue to make the best use of our IP under the three policies of "protecting Asobi IP," "preparing for Asobi IP infringement," and "developing Asobi IP."

Based on the above, for the fiscal year ending March 31, 2026, we forecast consolidated net sales of ¥260,000 million (up 3.9% year on year), operating profit of ¥22,000 million (down 11.5% year on year), ordinary profit of ¥21,800 million (down 9.3% year on year), and profit attributable to owners of parent of ¥14,000 million (down 14.4% year on year).

Please note that the consolidated forecasts provided above were prepared based in information currently available at the time of this report. If matters that should be disclosed arise in the future, such as information concerning the trend of U.S. trade policy, we will swiftly announce that information.

(5) Policy on Distribution of Profits and Dividends for the Fiscal Year Ended March 31, 2025 and the Fiscal Year Ending March 31, 2026

The Company recognizes the sustainable improvement in our shareholder value and the stable return of profits to shareholders as an important priority for management. We will strive to strengthen the management base and improve the profit margin. Our shareholder return policy sets a total payout ratio of 50% in principle, taking into consideration dividends and purchase of treasury shares together.

Based on the aforementioned policy, we plan to pay a year-end dividend of ¥36 per share for the fiscal year ended March 31, 2025, based on comprehensive consideration of business performance and our shareholder return policy. As a result, combined with the dividend of ¥28 per share paid at the end of the second quarter (interim dividend), we plan to pay an annual dividend of ¥64 per share. For the next fiscal year, we intend to pay an annual dividend of ¥64 per share (including a dividend at the end of the second quarter (interim dividend) of ¥32), based on comprehensive consideration of our shareholder return policy, earnings forecasts, and other factors.

2. Basic Approach Regarding the Selection of Accounting Standards

The TOMY Group, to ensure comparability among companies and with past years, creates the Company's consolidated financial statements based on the "Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (excluding Part V and Part VI)" (Ordinance of the Ministry of Finance No. 28 of 1976).

Furthermore, regarding the application of IFRS (International Financial Reporting Standards), the policy is to respond appropriately while considering various conditions in Japan and overseas.

3. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated Balance Sheet

(Millions of yen)

| | As of March 31, 2024 | As of March 31, 2025 |
|----------------------------------------|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 64,279 | 56,163 |
| Notes receivable - trade | 740 | 807 |
| Accounts receivable - trade | 24,520 | 28,690 |
| Merchandise and finished goods | 17,716 | 19,979 |
| Work in process | 653 | 696 |
| Raw materials and supplies | 1,093 | 1,326 |
| Other | 8,778 | 6,935 |
| Allowance for doubtful accounts | (220) | (196) |
| Total current assets | 117,561 | 114,402 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 14,010 | 14,989 |
| Accumulated depreciation | (9,787) | (9,465) |
| Accumulated impairment loss | (921) | (847) |
| Buildings and structures, net | 3,301 | 4,676 |
| Machinery, equipment and vehicles | 2,949 | 3,013 |
| Accumulated depreciation | (2,496) | (2,473) |
| Accumulated impairment loss | (36) | (35) |
| Machinery, equipment and vehicles, net | 417 | 505 |
| Tools, furniture and fixtures | 26,371 | 29,371 |
| Accumulated depreciation | (24,240) | (25,495) |
| Accumulated impairment loss | (1,080) | (1,082) |
| Tools, furniture and fixtures, net | 1,050 | 2,793 |
| Land | 3,958 | 3,956 |
| Leased assets | 7,137 | 7,370 |
| Accumulated depreciation | (3,457) | (3,015) |
| Accumulated impairment loss | (449) | (466) |
| Leased assets, net | 3,229 | 3,889 |
| Right-of-use assets | 2,760 | 2,302 |
| Construction in progress | 1,183 | 975 |
| Total property, plant and equipment | 15,901 | 19,099 |
| Intangible assets | | |
| Goodwill | 13,135 | 11,140 |
| Right of using trademark | 4,296 | 4,079 |
| Other | 8,168 | 8,707 |
| Total intangible assets | 25,600 | 23,927 |
| Investments and other assets | | |
| Investment securities | 3,426 | 3,890 |
| Deferred tax assets | 1,671 | 2,125 |
| Other | 2,109 | 2,417 |
| Allowance for doubtful accounts | (19) | (92) |
| Total investments and other assets | 7,188 | 8,340 |
| Total non-current assets | 48,690 | 51,367 |
| Total assets | 166,252 | 165,770 |

(Millions of yen)

| | As of March 31, 2024 | As of March 31, 2025 |
|----------------------------------------------------------------------|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 14,598 | 14,805 |
| Current portion of long-term borrowings | 6,183 | 3,472 |
| Lease liabilities | 3,274 | 3,506 |
| Accounts payable - other | 10,425 | 10,253 |
| Accrued expenses | 10,913 | 11,442 |
| Income taxes payable | 4,520 | 4,423 |
| Provision for product warranties | 201 | 157 |
| Provision for bonuses for directors (and other officers) | 233 | 296 |
| Provision for share awards for directors (and other officers) | 46 | 103 |
| Provision for share awards | 73 | 128 |
| Other | 3,250 | 2,343 |
| Total current liabilities | 53,722 | 50,933 |
| Non-current liabilities | | |
| Long-term borrowings | 4,181 | 700 |
| Lease liabilities | 3,259 | 3,124 |
| Deferred tax liabilities | 385 | 13 |
| Deferred tax liabilities for land revaluation | 472 | 485 |
| Retirement benefit liability | 2,132 | 2,236 |
| Provision for retirement benefits for directors (and other officers) | 208 | 178 |
| Allowance for recall-NCL | 167 | 147 |
| Other | 1,724 | 1,552 |
| Total non-current liabilities | 12,530 | 8,438 |
| Total liabilities | 66,252 | 59,372 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 3,459 | 3,459 |
| Capital surplus | 6,818 | 6,819 |
| Retained earnings | 66,920 | 77,781 |
| Treasury shares | (3,980) | (6,578) |
| Total shareholders' equity | 73,218 | 81,481 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,682 | 1,979 |
| Deferred gains or losses on hedges | 2,348 | 809 |
| Revaluation reserve for land | 624 | 624 |
| Foreign currency translation adjustment | 22,174 | 21,638 |
| Remeasurements of defined benefit plans | (82) | (167) |
| Total accumulated other comprehensive income | 26,747 | 24,883 |
| Share acquisition rights | 33 | 33 |
| Total net assets | 99,999 | 106,398 |
| Total liabilities and net assets | 166,252 | 165,770 |

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
(Consolidated statement of income)

(Millions of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|----------------------------------------------|-------------------------------------|-------------------------------------|
| Net sales | 208,326 | 250,235 |
| Cost of sales | 123,366 | 148,886 |
| Gross profit | 84,960 | 101,349 |
| Selling, general and administrative expenses | 66,141 | 76,478 |
| Operating profit | 18,818 | 24,870 |
| Non-operating income | | |
| Interest and dividend income | 430 | 322 |
| Rental income | 155 | 194 |
| Other | 204 | 205 |
| Total non-operating income | 791 | 722 |
| Non-operating expenses | | |
| Interest expenses | 691 | 367 |
| Foreign exchange losses | 648 | 761 |
| Expenses related to assets for rent | 36 | 27 |
| Foreign withholding tax | 218 | 222 |
| Other | 207 | 180 |
| Total non-operating expenses | 1,802 | 1,559 |
| Ordinary profit | 17,807 | 24,033 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 5 | 23 |
| Gain on reversal of share acquisition rights | 16 | – |
| Total extraordinary income | 22 | 23 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 4 | 29 |
| Impairment losses | 2,727 | 29 |
| Business restructuring expenses | 212 | 51 |
| Redevelopment-related expenses | – | 138 |
| Other | 15 | 3 |
| Total extraordinary losses | 2,960 | 252 |
| Profit before income taxes | 14,869 | 23,805 |
| Income taxes - current | 6,447 | 7,605 |
| Income taxes - deferred | (1,386) | (151) |
| Total income taxes | 5,061 | 7,454 |
| Profit | 9,808 | 16,350 |
| Profit attributable to owners of parent | 9,808 | 16,350 |

(Consolidated statement of comprehensive income)

(Millions of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|----------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Profit | 9,808 | 16,350 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 365 | 296 |
| Deferred gains or losses on hedges | 1,667 | (1,539) |
| Revaluation reserve for land | – | (13) |
| Foreign currency translation adjustment | 5,462 | (536) |
| Remeasurements of defined benefit plans, net of tax | 351 | (85) |
| Total other comprehensive income | 7,847 | (1,878) |
| Comprehensive income | 17,655 | 14,472 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 17,655 | 14,472 |
| Comprehensive income attributable to non-controlling interests | – | – |

(3) Consolidated Statement of Changes in Equity
Fiscal year ended March 31, 2024

(Millions of yen)

| | Shareholders' equity | | | | |
|------------------------------------------------------|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 3,459 | 8,147 | 60,092 | (3,587) | 68,112 |
| Changes during period | | | | | |
| Dividends of surplus | | | (2,980) | | (2,980) |
| Profit attributable to owners of parent | | | 9,808 | | 9,808 |
| Cancellation of treasury shares | | (1,492) | | 1,492 | — |
| Purchase of treasury shares | | | | (2,326) | (2,326) |
| Disposal of treasury shares | | 164 | | 440 | 605 |
| Reversal of revaluation reserve for land | | | | | — |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | — | (1,328) | 6,827 | (392) | 5,106 |
| Balance as of March 31, 2024 | 3,459 | 6,818 | 66,920 | (3,980) | 73,218 |

| | Accumulated other comprehensive income | | | | | | Share acquisition rights | Total net assets |
|------------------------------------------------------|-------------------------------------------------------|------------------------------------|------------------------------|-----------------------------------------|-----------------------------------------|----------------------------------------------|--------------------------|------------------|
| | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Revaluation reserve for land | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | |
| Balance at beginning of period | 1,317 | 680 | 624 | 16,712 | (433) | 18,900 | 154 | 87,167 |
| Changes during period | | | | | | | | |
| Dividends of surplus | | | | | | | | (2,980) |
| Profit attributable to owners of parent | | | | | | | | 9,808 |
| Cancellation of treasury shares | | | | | | | | — |
| Purchase of treasury shares | | | | | | | | (2,326) |
| Disposal of treasury shares | | | | | | | | 605 |
| Reversal of revaluation reserve for land | | | | | | | | — |
| Net changes in items other than shareholders' equity | 365 | 1,667 | — | 5,462 | 351 | 7,847 | (121) | 7,726 |
| Total changes during period | 365 | 1,667 | — | 5,462 | 351 | 7,847 | (121) | 12,832 |
| Balance as of March 31, 2024 | 1,682 | 2,348 | 624 | 22,174 | (82) | 26,747 | 33 | 99,999 |

Fiscal year ended March 31, 2025

(Millions of yen)

| | Shareholders' equity | | | | |
|------------------------------------------------------|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 3,459 | 6,818 | 66,920 | (3,980) | 73,218 |
| Changes during period | | | | | |
| Dividends of surplus | | | (5,476) | | (5,476) |
| Profit attributable to owners of parent | | | 16,350 | | 16,350 |
| Cancellation of treasury shares | | | | | – |
| Purchase of treasury shares | | | | (2,714) | (2,714) |
| Disposal of treasury shares | | 0 | | 116 | 116 |
| Reversal of revaluation reserve for land | | | (13) | | (13) |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | – | 0 | 10,860 | (2,598) | 8,262 |
| Balance as of March 31, 2025 | 3,459 | 6,819 | 77,781 | (6,578) | 81,481 |

| | Accumulated other comprehensive income | | | | | | Share acquisition rights | Total net assets |
|------------------------------------------------------|-------------------------------------------------------|------------------------------------|------------------------------|-----------------------------------------|-----------------------------------------|----------------------------------------------|--------------------------|------------------|
| | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Revaluation reserve for land | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | |
| Balance at beginning of period | 1,682 | 2,348 | 624 | 22,174 | (82) | 26,747 | 33 | 99,999 |
| Changes during period | | | | | | | | |
| Dividends of surplus | | | | | | | | (5,476) |
| Profit attributable to owners of parent | | | | | | | | 16,350 |
| Cancellation of treasury shares | | | | | | | | – |
| Purchase of treasury shares | | | | | | | | (2,714) |
| Disposal of treasury shares | | | | | | | | 116 |
| Reversal of revaluation reserve for land | | | | | | | | (13) |
| Net changes in items other than shareholders' equity | 296 | (1,539) | 0 | (536) | (85) | (1,864) | – | (1,864) |
| Total changes during period | 296 | (1,539) | 0 | (536) | (85) | (1,864) | – | 6,398 |
| Balance as of March 31, 2025 | 1,979 | 809 | 624 | 21,638 | (167) | 24,883 | 33 | 106,398 |

(4) Consolidated Statement of Cash Flows

(Millions of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|-----------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Cash flows from operating activities | | |
| Profit before income taxes | 14,869 | 23,805 |
| Depreciation | 6,036 | 6,450 |
| Impairment losses | 2,727 | 29 |
| Amortization of goodwill | 1,927 | 1,868 |
| Gain on reversal of share acquisition rights | (16) | – |
| Business restructuring expenses | 212 | 51 |
| Redevelopment-related expenses | – | 138 |
| Increase (decrease) in allowance for doubtful accounts | 9 | 52 |
| Increase (decrease) in provisions | 67 | 164 |
| Increase (decrease) in retirement benefit liability | 6 | (66) |
| Interest and dividend income | (430) | (322) |
| Interest expenses | 691 | 367 |
| Foreign exchange losses (gains) | 615 | (191) |
| Decrease (increase) in trade receivables | (3,338) | (4,340) |
| Decrease (increase) in inventories | 376 | (2,690) |
| Decrease (increase) in prepaid expenses | 451 | (236) |
| Decrease (increase) in advance payments to suppliers | 104 | (18) |
| Increase (decrease) in trade payables | 4,899 | 242 |
| Increase (decrease) in accounts payable - other | 2,450 | 389 |
| Increase (decrease) in accrued expenses | 2,362 | 578 |
| Other, net | (910) | (1,451) |
| Subtotal | 33,115 | 24,820 |
| Interest and dividends received | 427 | 315 |
| Interest paid | (714) | (378) |
| Payments of business restructuring expenses | (212) | (51) |
| Income taxes paid | (3,440) | (7,706) |
| Net cash provided by (used in) operating activities | 29,175 | 16,999 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (1,560) | (5,828) |
| Proceeds from sale of property, plant and equipment | 7 | 40 |
| Purchase of intangible assets | (3,099) | (2,102) |
| Proceeds from sale of investment securities | 25 | 1 |
| Payments of contingent consideration for shares of subsidiaries | (677) | – |
| Other, net | (20) | (209) |
| Net cash provided by (used in) investing activities | (5,324) | (8,099) |

(Millions of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|-------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | (10,839) | – |
| Repayments of long-term borrowings | (8,726) | (5,901) |
| Dividends paid | (2,980) | (5,464) |
| Repayments of finance lease liabilities | (2,798) | (2,986) |
| Purchase of treasury shares | (2,326) | (2,714) |
| Proceeds from disposal of treasury shares | 413 | 0 |
| Proceeds from sale and leaseback transactions | 286 | 468 |
| Other, net | (178) | (173) |
| Net cash provided by (used in) financing activities | (27,149) | (16,771) |
| Effect of exchange rate change on cash and cash equivalents | 1,121 | (244) |
| Net increase (decrease) in cash and cash equivalents | (2,177) | (8,115) |
| Cash and cash equivalents at beginning of period | 66,360 | 64,182 |
| Cash and cash equivalents at end of period | 64,182 | 56,067 |

(5) Notes Regarding Consolidated Financial Statements

(Notes regarding assumption of going concern)

Nothing to note.

(A case of changes in accounting policies which are difficult to distinguish from changes in accounting estimates)

(Changes in depreciation method for property, plant and equipment)

The Company and its domestic consolidated subsidiaries had previously used the declining-balance method for the depreciation of amusement machines among tools, furniture and fixtures. However, from the fiscal year ended March 31, 2025, this has been changed to the straight-line method.

The TOMY Group has changed its policy from the fiscal year ended March 31, 2025, to purchase amusement machines, which had been acquired as leased assets, in principle. Taking this opportunity, the depreciation method for amusement machines was reconsidered, and as stable operation is expected, it was decided that adopting a method of evenly distributing expenses over the period of use is more in line with the actual use of amusement machines and is a method that more appropriately reflects the actual state of management.

Note that the impact of this change on the consolidated financial statements for the current period is not significant.

(Additional information)

(Performance-linked stock-based compensation system for Directors and Performance-linked stock-based compensation system for Executive Officers)

The Company and some of its subsidiaries have introduced the “Performance-linked stock-based compensation system for Directors” and the “Performance-linked stock-based compensation system for Executive Officers.” The former covers the Company’s directors (excluding non-executive directors; the same applies hereinafter) and directors (excluding part-time directors; the same applies hereinafter) of some consolidated subsidiaries, while the latter covers executive officers and senior staff of the Company and those of some consolidated subsidiaries (hereinafter collectively referred to as “executive officers, etc.”). With regard to the stock delivery trusts, the gross price method has been applied pursuant to “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees, etc. through Trusts” (PITF No. 30, March 26, 2015).

1. Overview of transactions

This system is a stock award plan in which a trust set up through money contribution by the Company (hereinafter “the Trust”) will acquire shares of the Company and such shares of the Company will be delivered through the Trust to each of the directors and executive officers, etc. in proportion to the respective points given each of them by the Company.

2. Treasury shares remaining in the trust

Treasury shares remaining in the trust are recorded as treasury shares in shareholders’ equity at the book value at the trust. The book value and number of said treasury shares are ¥469 million and 434 thousand shares, respectively, as of March 31, 2024, and ¥352 million and 326 thousand shares, respectively, as of March 31, 2025.

(Notes regarding the consolidated statement of income)

1. Impairment losses

In the fiscal year ended March 31, 2024, the TOMY Group recorded impairment losses on the following asset groups.

| Use | Type | Location | Impairment losses (Millions of yen) |
|-------------------------------------------|-----------------------------------------------------------------------|-----------------------------------|----------------------------------------|
| — | Goodwill | Nebraska, the U.S. | 2,440 |
| Business assets | Intangible assets (other), Investments and other assets (other) | Katsushika, Tokyo | 270 |
| Business assets | Tools, furniture and fixtures | Exeter, Devon, the United Kingdom | 11 |
| Stores (retail stores) in business assets | Buildings and structures | Kanazawa, Ishikawa, etc. | 2 |
| Business assets | Buildings and structures | Mibu, Tochigi | 1 |
| Idle assets | Land | Mibu, Tochigi | 0 |

The TOMY Group classifies its business assets into groups by management account, which is based on associations according to location and type of business. For idle assets, individual properties are grouped in the smallest units possible.

Regarding goodwill in Nebraska, the U.S., above, we have continuously recorded operating losses at Fat Brain Holdings, LLC and revised our business plan based on trends for the current fiscal year. As a result, since we can no longer expect the revenue that was initially anticipated, we reduced the book value to the recoverable value and recorded the amount of the reduction (¥2,440 million) as impairment losses in extraordinary losses. Furthermore, the utility value was used to measure the recoverable value, and a discount rate of 13.6% was applied for the calculation of the utility value. Regarding the above business assets in Tokyo, we have continuously recorded operating losses, and because the estimated amount of total future cash flow falls below the book value of the individual assets, we reduced the book value to the recoverable value and recorded the amount of the reduction (¥270 million) as impairment losses in extraordinary losses. The breakdown of this impairment loss was ¥216 million in intangible assets (other), and ¥54 million in investments and other assets (other). Furthermore, the utility value was used to measure the recoverable value, and because no future cash flow is expected, the utility value is valued at zero.

Regarding the above business assets in the United Kingdom, we have continuously recorded operating losses, and because the estimated amount of total future cash flow falls below the book value, we reduced the book value to the recoverable value and recorded the amount of the reduction (¥11 million) as impairment loss in extraordinary losses. Furthermore, the utility value was used to measure the recoverable value, and because no future cash flow is expected, the utility value is valued at zero.

Regarding the stores (retail stores) in other business assets, we have continuously recorded operating losses, and because the estimated amount of total future cash flow falls below the book value of the individual assets, we reduced the book value to the recoverable value and recorded the amount of the reduction (¥2 million) as impairment loss in extraordinary losses. Furthermore, the utility value was used to measure the recoverable value, and because no future cash flow is expected, the utility value is valued at zero.

Regarding the above business assets and idle assets in Tochigi, we reduced the book value to the

recoverable value and recorded the amount of the reduction (¥1 million) as impairment losses in extraordinary losses. The breakdown of this impairment loss was ¥1 million in buildings and structures, and ¥0 million in land. Furthermore, the net sale value was used to measure the recoverable value of business assets. The net sale value was assessed at zero, because we plan to dispose of the assets. Furthermore, the net sale value was used to measure the recoverable value of idle assets.

For the fiscal year ended March 31, 2025, this information is omitted due to its immateriality.

2. Business restructuring expenses

In the fiscal year ended March 31, 2024, loss arising from the decision to reorganize businesses, etc. at overseas consolidated subsidiaries of ¥212 million was recorded as business restructuring expenses.

In the fiscal year ended March 31, 2025, loss arising from the decision to reorganize businesses, etc. at overseas consolidated subsidiaries of ¥51 million was recorded as business restructuring expenses.

3. Redevelopment-related expenses

In the fiscal year ended March 31, 2025, in connection with the redevelopment of Company-owned land in Mibu, Tochigi, we recorded ¥75 million in forced relocation compensation for tenant companies and ¥63 million in demolition expenses, a total of ¥138 million as redevelopment-related expenses.

(Segment information and other notes)

a. Segment information

1. Overview of reportable segments

The reportable segments of the TOMY Group are constituent units of the Company whose separate financial information is obtainable. These segments are periodically examined by the Board of Directors for the purpose of deciding the allocation of business resources and evaluating the operating results.

The TOMY Group operates toy (including nursery business) and toy peripheral businesses (including mini-capsule toys, amusement machines, and toys with candy) in Japan and overseas.

The TOMY Group aims to push ahead with further overseas development and transform itself into a truly global group of toy companies. For this reason, the Group's operations are classified into five reportable segments: "Japan," "Americas," "Europe," "Oceania," and "Asia (excl. Japan)."

2. Method of calculating net sales, profit or loss, assets, and other items by reportable segment

The method of accounting for reportable segment is roughly the same as the method in accordance with the accounting policies adopted for the preparation of consolidated financial statements.

Profit of reportable segments is operating profit-based values. Inter-segment sales and transfers are based on actual market values.

3. Information regarding net sales, profit or loss, assets, and other items by reportable segment

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Millions of yen)

| | Japan | Americas | Europe | Oceania | Asia (excl. Japan) | Total |
|-----------------------------------------------------------------|---------|----------|--------|---------|-----------------------|---------|
| Net sales | | | | | | |
| External customers | 154,192 | 30,021 | 6,620 | 2,545 | 14,946 | 208,326 |
| Inter-segment sales and transfers | 15,905 | 42 | 20 | — | 42,923 | 58,891 |
| Total | 170,097 | 30,063 | 6,640 | 2,545 | 57,869 | 267,217 |
| Segment profit (loss) | 22,265 | (495) | (724) | 189 | 1,907 | 23,143 |
| Segment assets | 54,299 | 34,585 | 7,167 | 3,325 | 38,446 | 137,823 |
| Other items | | | | | | |
| Depreciation | 4,922 | 612 | 130 | 3 | 253 | 5,921 |
| Amortization of goodwill | — | 1,042 | — | — | 884 | 1,927 |
| Increase in property, plant and equipment and intangible assets | 5,514 | 132 | 1,632 | 4 | 61 | 7,345 |

(Note) Amounts of segment liabilities are not periodically provided or used by the supreme decision-making organization of the Company.

Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(Millions of yen)

| | Japan | Americas | Europe | Oceania | Asia (excl. Japan) | Total |
|-----------------------------------------------------------------|---------|----------|--------|---------|-----------------------|---------|
| Net sales | | | | | | |
| External customers | 193,317 | 31,061 | 7,150 | 2,755 | 15,951 | 250,235 |
| Inter-segment sales and transfers | 17,705 | 47 | 4 | – | 52,325 | 70,083 |
| Total | 211,022 | 31,108 | 7,154 | 2,755 | 68,277 | 320,318 |
| Segment profit (loss) | 27,682 | (155) | (333) | 132 | 2,668 | 29,994 |
| Segment assets | 70,941 | 33,074 | 6,959 | 3,235 | 39,703 | 153,915 |
| Other items | | | | | | |
| Depreciation | 5,238 | 648 | 193 | 2 | 217 | 6,300 |
| Amortization of goodwill | – | 935 | – | – | 933 | 1,868 |
| Increase in property, plant and equipment and intangible assets | 9,842 | 1,019 | 132 | 4 | 161 | 11,160 |

(Note) Amounts of segment liabilities are not periodically provided or used by the supreme decision-making organization of the Company.

4. Differences between the total amounts in reportable segments and the amount recorded on the consolidated financial statements and details
(Reconciliation)

(Millions of yen)

| Net sales | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|----------------------------------------------------|----------------------------------|----------------------------------|
| Reportable segments total | 267,217 | 320,318 |
| Inter-segment eliminations | (58,891) | (70,083) |
| Net sales on the consolidated financial statements | 208,326 | 250,235 |

(Millions of yen)

| Profit | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|-----------------------------------------------------------|----------------------------------|----------------------------------|
| Reportable segments total | 23,143 | 29,994 |
| Inter-segment eliminations | (11) | 127 |
| Corporate expenses (Note) | (4,313) | (5,250) |
| Operating profit on the consolidated financial statements | 18,818 | 24,870 |

(Note) Corporate expenses primarily comprise general and administrative expenses not allocable to reportable segments.

(Millions of yen)

| Assets | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|-------------------------------------------------------|----------------------------------|----------------------------------|
| Reportable segments total | 137,823 | 153,915 |
| Inter-segment eliminations | (23,342) | (31,153) |
| Corporate assets (Note) | 51,772 | 43,008 |
| Total assets on the consolidated financial statements | 166,252 | 165,770 |

(Note) Corporate assets primarily comprise cash and deposits not allocable to reportable segments.

(Millions of yen)

| Other items | Reportable segments total | | Adjustments | | Amount on the consolidated financial statements | |
|-----------------------------------------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|-------------------------------------------------|----------------------------------|
| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
| Depreciation | 5,921 | 6,300 | 114 | 150 | 6,036 | 6,450 |
| Amortization of goodwill | 1,927 | 1,868 | — | — | 1,927 | 1,868 |
| Increase in property, plant and equipment and intangible assets | 7,345 | 11,160 | 567 | 91 | 7,913 | 11,251 |

b. Related information

I. Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

1. Information by product and service

This information has been omitted as net sales to external customers in a single product or service category account for more than 90% of net sales recorded in the consolidated statement of income.

2. Regional information

(1) Net sales

(Millions of yen)

| Japan | North America | | Other | Total |
|---------|---------------|--------|--------|---------|
| | | U.S. | | |
| 134,750 | 39,551 | 37,796 | 34,023 | 208,326 |

(2) Property, plant and equipment

(Millions of yen)

| Japan | North America | Asia (excl. Japan) | Other | Total |
|-------|---------------|-----------------------|-------|--------|
| 8,148 | 2,958 | 4,111 | 683 | 15,901 |

3. Information by major customer

Because there is no major external customer who accounts for 10% or more of the net sales on the consolidated statements of income, this information is omitted.

II. Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

1. Information by product and service

This information has been omitted as net sales to external customers in a single product or service category account for more than 90% of net sales recorded in the consolidated statement of income.

2. Regional information

(1) Net sales

(Millions of yen)

| Japan | North America | | Other | Total |
|---------|---------------|--------|--------|---------|
| | | U.S. | | |
| 163,011 | 45,261 | 43,335 | 41,962 | 250,235 |

(2) Property, plant and equipment

(Millions of yen)

| Japan | North America | Asia (excl. Japan) | Other | Total |
|--------|---------------|-----------------------|-------|--------|
| 11,039 | 2,591 | 4,796 | 672 | 19,099 |

3. Information by major customer

Because there is no major external customer who accounts for 10% or more of the net sales on the consolidated statements of income, this information is omitted.

c. Information regarding impairment loss of non-current assets by reportable segment

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Millions of yen)

| | Japan | Americas | Europe | Oceania | Asia (excl. Japan) | Corporate | Total |
|-------------------|-------|----------|--------|---------|-----------------------|-----------|-------|
| Impairment losses | 275 | 2,440 | 11 | – | – | – | 2,727 |

Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(Millions of yen)

| | Japan | Americas | Europe | Oceania | Asia (excl. Japan) | Corporate | Total |
|-------------------|-------|----------|--------|---------|-----------------------|-----------|-------|
| Impairment losses | 13 | – | 15 | – | – | – | 29 |

d. Information regarding amortization of goodwill and unamortized balance by reportable segment

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Millions of yen)

| | Japan | Americas | Europe | Oceania | Asia (excl. Japan) | Corporate | Total |
|------------------------------------------------------------------|-------|----------|--------|---------|-----------------------|-----------|--------|
| Amortization expense during the fiscal year ended March 31, 2025 | – | 1,042 | – | – | 884 | – | 1,927 |
| Balance as of March 31, 2025 | – | 6,573 | – | – | 6,562 | – | 13,135 |

Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(Millions of yen)

| | Japan | Americas | Europe | Oceania | Asia (excl. Japan) | Corporate | Total |
|------------------------------------------------------------------|-------|----------|--------|---------|-----------------------|-----------|--------|
| Amortization expense during the fiscal year ended March 31, 2025 | – | 935 | – | – | 933 | – | 1,868 |
| Balance as of March 31, 2025 | – | 5,574 | – | – | 5,565 | – | 11,140 |

(Per share information)

(Yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|----------------------------|----------------------------------|----------------------------------|
| Net assets per share | 1,104.07 | 1,186.44 |
| Basic earnings per share | 107.73 | 182.20 |
| Diluted earnings per share | 107.65 | 182.14 |

- Notes: 1. Both the number of common shares as of March 31, 2025 used for calculating net assets per share and the average number of common shares during the period used for calculating basic earnings per share and diluted earnings per share exclude the portion of shares owned by the Company itself as well as the portion of the Company's shares owned by the "Performance-linked stock-based compensation system for Directors (excluding outside directors and part-time directors)" and the "Performance-linked stock-based compensation system for Executive Officers" (434 thousand shares as of March 31, 2024 and 467 thousand shares on average during the period; 326 thousand shares as of March 31, 2025 and 369 thousand shares on average during the period) for the respective calculations.
2. The basis for calculation of basic earnings per share and diluted earnings per share is as follows:

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|---------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
| Basic earnings per share | | |
| Profit attributable to owners of parent (Millions of yen) | 9,808 | 16,350 |
| Amount not attributable to common shareholders (Millions of yen) | — | — |
| Profit attributable to owners of parent related to common shares (Millions of yen) | 9,808 | 16,350 |
| Average number of shares during the period (Thousands of shares) | 91,044 | 89,736 |
| | | |
| Diluted earnings per share | | |
| Adjustments to profit attributable to owners of parent (Millions of yen) | — | — |
| Increase in the number of common shares (Thousands of shares) | 65 | 30 |
| [Of the above, share acquisition rights (Thousands of shares)] | (65) | (30) |
| Overview of potential shares not included in the calculation of diluted earnings per share because of having no dilutive effect | — | — |

(Significant subsequent events)
Nothing to note.