

The Process of Identifying New Materialities

To fulfill its Sustainability Vision—A creator of quality Asobi that promotes the sustainable well-being of society—the TOMY Group has reviewed its materialities (material issues) through fiscal 2023. To realize both a sustainable society and growth for the Group, we established five new pillars related to “Our Passions” and “Our Responsibilities” and identified 11 materialities as key sustainability issues.

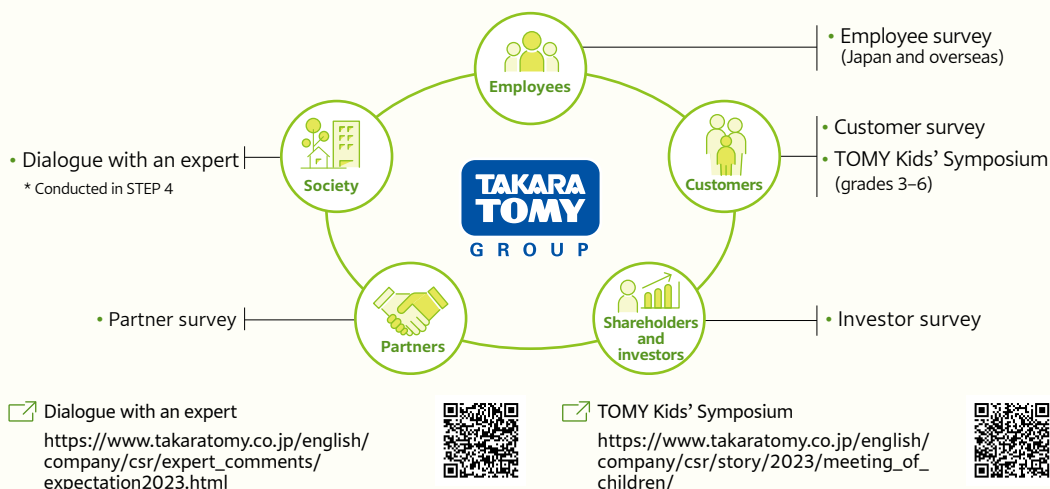
STEP 1 Identifying and Organizing Social Issues

To pinpoint issues that the Group should address, we examined important management and business issues and various international initiatives, such as the SDGs and the UN Global Compact, as well as stakeholder expectations and requests and the results of sustainability-related surveys conducted by research organizations and others. As a result, we identified approximately 700 social issues.

Based on external environmental trends affecting our Group and industry, we identified, organized, and consolidated similar issues and selected 24 materiality candidates.

STEP 2 Dialogue with Stakeholders

For the 24 candidates selected, we interviewed and surveyed customers, employees and shareholders and investors, and partners. We also held a “TOMY Kids’ Symposium” to provide an opportunity for employees and children to exchange opinions on an equal footing, as well as to explore insights into how the Group can make unique contributions.

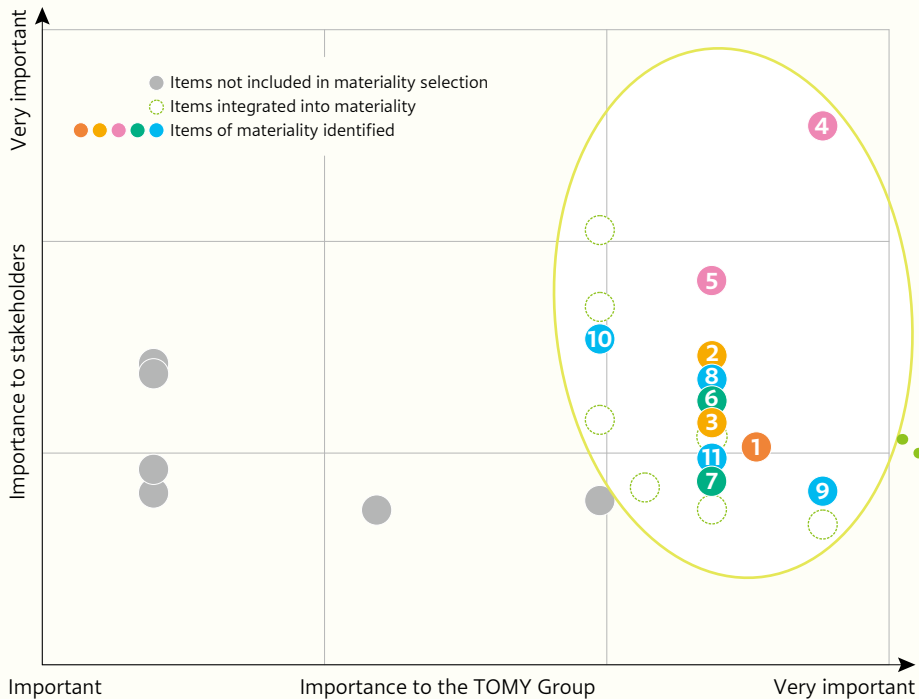


STEP 3 Narrowing Down Materiality Candidates

For the 24 identified items, we conducted an importance assessment using two axes—“importance to the Group” and “importance to stakeholders”—at an executive study session attended by directors of Group companies. As a result, we deemed 18 items to be of high importance.

STEP 4 Identifying Materialities

Based on the results of the executive study session, we held further internal discussions and dialogue with an external expert. Considering the connection between the identified items and the Group's overall management and operations, we further consolidated the items. Ultimately, 11 items of materiality were identified and approved by the Board of Directors.



Materialities

- 1 Contributing to an enriched society through Asobi
- 2 Improving employees' well-being
- 3 Promoting employee growth
- 4 Asobi that is safe, secure, and of high quality
- 5 Connecting with customers
- 6 Responding to climate change
- 7 Promoting eco-conscious package/product designs
- 8 Respecting human rights
- 9 Sustainable procurement
- 10 Governance supporting the creation of Asobi
- 11 Risk management supporting the creation of Asobi