



PERO'S Integrated Report
REPORT 2023

TOEI ANIMATION CO.,LTD.

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Scope of report

Toei Animation Co., Ltd. and its affiliates

Reporting period

This report covers the fiscal year ended March 31, 2023 (FYE2023: April 1, 2022–March 31, 2023). It also includes information on some activities prior to and subsequent to this period. Unless otherwise stated, numerical information such as business performance and results is for FYE2023 or as of March 31, 2023.

Notes on future forecasts

The contents of this document are based on judgements and assumptions made about currently available information. They do not constitute a firm promise or guarantee that the planned future estimates, strategies, or measures described will be realized.



Management Philosophy

Become a leader in initiating creations to offer dreams and hope to children worldwide.

As a leader in initiating creations, we have the imagination and the innovative ability to create and deliver new artistic works and businesses.

Our Medium- to Long-term Strategy

The Toei Animation Group is seeking to further strengthen its global business development by focusing on intellectual property (IP)* strategies and aiming to generate sustainable growth and enhance corporate value over the medium to long term. We are Japan's largest and one of the world's leading animation production companies in terms of number of works produced. We want to build on our advantageous competitive position to create and deliver new attractive and impactful works to the world so we can expand our earnings opportunities without restriction. That is our most important priority.

* Copyrights and trademark rights for animation images and characters

1

Strengthen
IP

**Strengthen new
IP creation and
lengthen IP lifecycles**

In addition to accelerating the creation of new IP, we aim to create evergreen content whose fans span two or three generations by further nurturing and developing the works we have created and extending their IP lifecycle.

2

Expand
business

**Expand customer
communication,
extend individual IP
earnings potential**

We aim to maximize earnings from each IP by utilizing our wealth of expertise in animation production and rights operation so we can focus not only on existing licensing operations, but also on our own operations that can help foster and develop IP.

3

Extend our
geographical
reach

**Increase IP from Japan,
strengthen IP from
overseas**

We aim to develop global business by extending our business fields in Japan to overseas markets and further strengthening the export of Japan-generated IP. We will also look to enter the Hollywood business and work together with major studios there. In European and Chinese markets, we will strive to promote local production, and to overcome cultural, regulatory, and other business barriers in order to establish Toei Animation as a world-class brand.

4

Advancement
of production
capabilities

**Customize production
systems for each IP,
integrate advanced
2D/3D technologies**

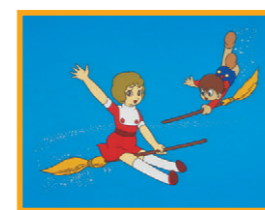
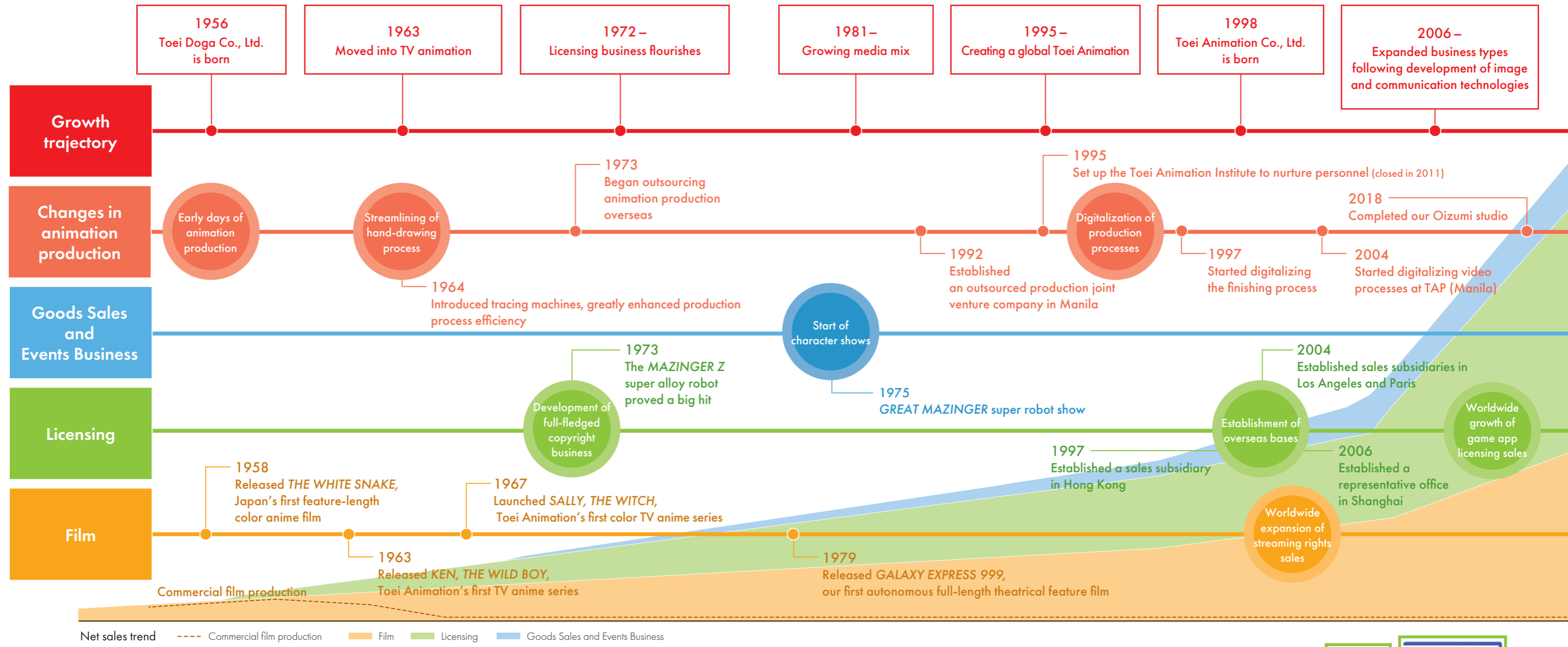
We intend to clarify the key appeal of each IP by customer segment and to effectively and optimally exploit the expertise and human resource network of our partner studios worldwide so that we can create works that appeal to a wide range of fans, from children through to adults. We also intend to fuse our own unique directing and drawing techniques and other traditional technologies with CG, AI, and other innovative technologies to progress our quest to become a production studio that can create completely new kinds of visual expression.

Our Growth Trajectory and Cultivated Capabilities

Toei Animation has grown as a top player in the anime business by producing animation and developing business that responds astutely to changing times and viewer needs.

Our Cultivated Capabilities

- World-class planning and production**
Creating attractive content as a hit anime producer
- Unparalleled marketing and business development prowess**
Proactively developing our wealth of content in multiple areas
- World-famous animation**
The power to develop world-class leading Japanese works on a global scale



Major Epoch-leading Works

Toei Animation has created a variety of hit works that it has shared with the world since its founding in 1956.

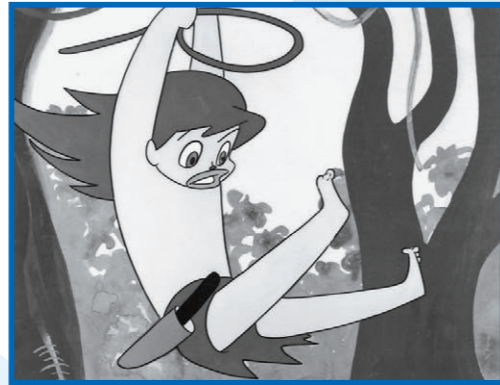
1958



THE WHITE SNAKE

First full-color feature-length animated film in Japan

1963



KEN, THE WILD BOY

Toei Animation's first TV anime series

1966



SALLY, THE WITCH

First anime targeting young female viewers in Japan

1972



MAZINGER Z

Anime milestone featuring giant robots
The origin of character toys and other anime-related business

1975



UFO ROBOT GRENDIZER RAIDS

Our first big hit in overseas markets
(France, Italy, etc.)

1986



DRAGON BALL

1992



SAILORMOON

1999



DIGIMON ADVENTURE

A mega hit that aired in over 60 countries

1999 -



ONE PIECE

2004 -



PRETTY CURE Series

A hugely popular series targeting young female viewers

Value Creation Process

Toei Animation boasts a wealth of production expertise accumulated over its corporate history spanning more than half a century. We began producing animations under the slogan "Aiming to become the Disney of the East," and we have created multiple content that have captured the hearts of people worldwide. That has helped us become a leader of one-source, multi-use animation production with combined strengths in original manga comics, TV shows, and toys for children. Our growth stems from our ability to offer one-stop animation production that integrates all three processes of planning, production, and marketing. We have all the functions necessary for animation production in-house.

We are now facing major changes in the business environment, in the form of falling birthrate and TV viewership and diversifying consumer needs. Even amid such tremendous changes, our one-stop animation production will make the speedy transformation of our portfolio possible. Going forward, we will seek to further strengthen global business development with IP as the strategic core in our quest to achieve continuous growth and enhance medium- to long-term corporate value.

Our Cultivated Capabilities

1 World-class planning and production

Creating attractive content as a hit anime producer

- Production expertise developed over half a century
- Fully digitalized production process
- Create cutting-edge visual image expressions by integrating 2D/3D technologies

2 Unparalleled marketing and business development prowess

Proactively developing our wealth of content in multiple areas

- Japan's largest and one of the world's leading animation production companies in terms of number of works
- Top runner in the animation character business
- Full digitalization of one of the world's largest content portfolio

3 World-famous animation

The power to develop world-class leading Japanese works on a global scale

- Established a six-base structure with the head office in Japan, local subsidiaries in Los Angeles, Paris, Hong Kong, and Shanghai, and a production studio in Manila
- Overseas business expertise fueled by extensive experience and track record
- Joint production frameworks with overseas companies to roll out Toei Animation's works globally

Our Business Model

One-stop animation production that integrates all three processes of planning, production, and marketing

Global business development with IP as the strategic core



Important values:
Giving dreams and hope to children worldwide

Governance

Created Value



Content that appeal to a worldwide audience

262 movies
233 TV shows
Approx. 13,500 episodes in total



International exchange through animations

Broadcast in over 100 countries
5 global bases
(Los Angeles, Paris, Hong Kong, Shanghai, Manila)



Animation production professionals

Approx. 750



Sound financial position and strong profitability

Net sales	87,457 million yen
Ratio of shareholders' equity to total assets	76.1%
ROE	19.9%
EPS	511.12 yen

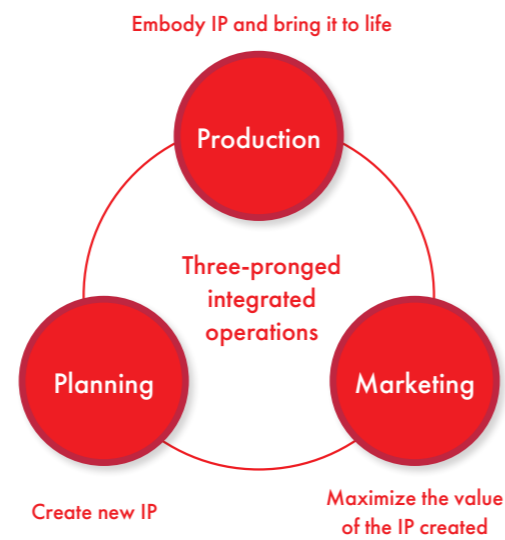
One-stop animation production that integrates all three processes of planning, production, and marketing

Toei Animation is a one-stop comprehensive animation production company that engages in wide-ranging operations from planning and production to the secondary use of its created works. In addition to offering all the necessary functions for animation production, we also boast capabilities that span the whole business, including expertise in the licensing business, secondary use development, and profitability and investment management, and we are in a sound financial position.

The standout feature of Toei Animation's business is our ability to conduct one-stop animation production based on the integrated operation of the three processes of planning, production, and marketing. Our creators have ideas about the images they want to create, while our sponsor clients seek to encapsulate viewers' wishes and expand the reach of a work through secondary use and other means. As a one-stop animation production company with integrated planning, production, and marketing, we can incorporate these diverse stakeholder needs at the planning stage and make animation works profitable as a business by also coordinating their production and marketing.

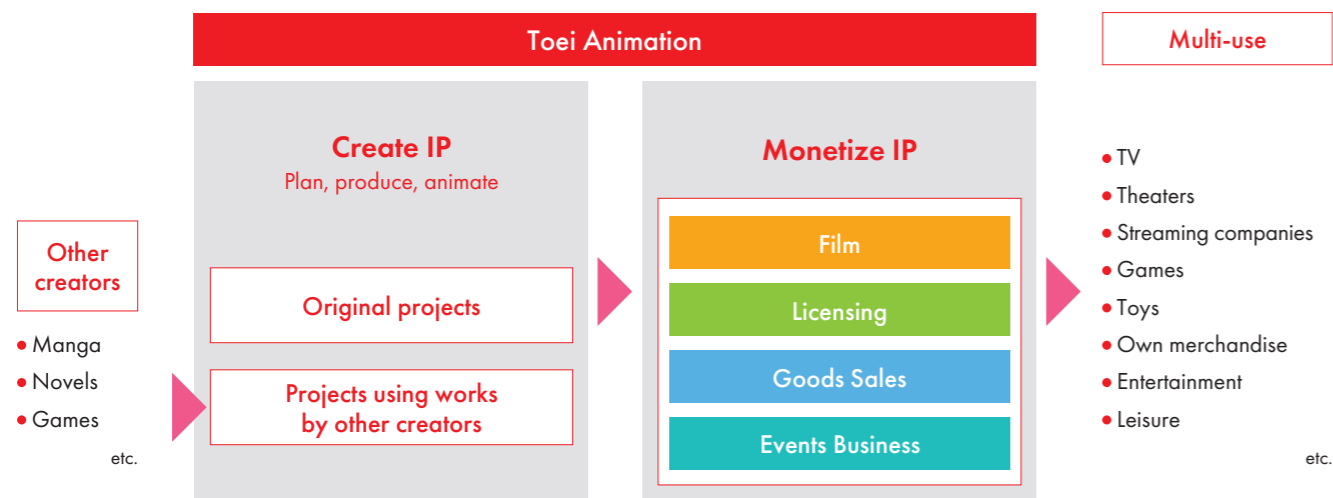
Our company's comprehensive capabilities mean not only can we create works that satisfy diverse needs, but also develop

secondary use (multi-use) through licensing in order to grow a work's reach and generate greater profits. This earning power is a crucial element that directly fuels our investment in the planning and production of new works, R&D, and nurturing the human resources responsible for these tasks.



A holder of IP with image production capabilities

Toei Animation is an IP holder that not only creates its own works but also maximizes the value of its IP by monetizing those works.



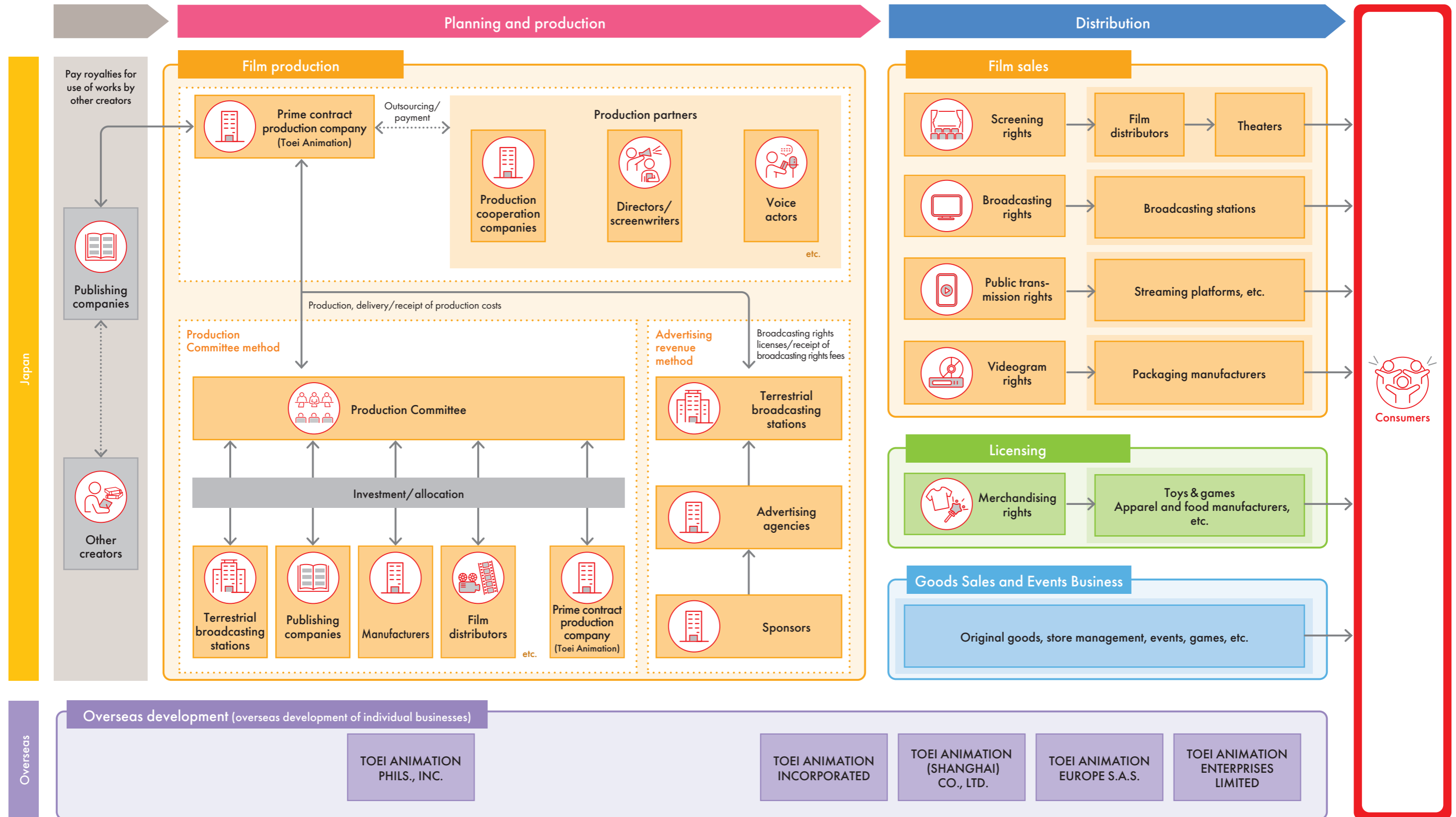
Developing one-source, multi-use business

Toei Animation's sales division is divided into Film, Licensing, Goods Sales, and Events businesses. Based on our one-source, multi-use business framework, we are able to develop business that unifies all processes from planning and production through secondary use in order to grow a work's reach, increase its popularity, and improve its profitability.

Animations	Film	Licensing	Goods Sales	Events Business
	<p>Planning and production of various types of anime productions for theaters, television, etc., and sale of broadcasting rights, streaming rights, video conversion rights, etc.</p> <p>TV, Theaters, Internet, DVD & Blu-ray, Streaming</p>	<p>Development of goods, games, campaigns, and other products and events by granting the right to use works or characters to various manufacturers</p> <p>Toys, Games, Foodstuffs, Daily goods, Apparel</p>	<p>Plans and develops original goods, operates retail shops</p> <p>Original goods, Retail shops, Campaigns</p>	<p>Plans and operates events such as costume shows and musicals</p> <p>Events, Shows, Stage shows</p>
	<p>Net sales 37,267 million yen</p> <p>Growth v. FYE2016 266%</p> <p>Number of employees 790</p> <p>Proportion of total sales 42%</p>	<p>Net sales 42,060 million yen</p> <p>Growth v. FYE2016 305%</p> <p>Number of employees 71</p> <p>Proportion of total sales 48%</p>	<p>Net sales 6,149 million yen</p> <p>Growth v. FYE2016 132%</p> <p>Number of employees 14</p> <p>Proportion of total sales 7%</p>	<p>Net sales 2,216 million yen</p> <p>Growth v. FYE2016 168%</p> <p>Number of employees 25</p> <p>Proportion of total sales 3%</p>

Business model for each business segment

Toei Animation takes responsibility for the distribution as well as the overseas development of works (IP) created through our animation production.



Message from the President

We will promote sustainability strategies and aim to establish Toei Animation as a world-class brand.



高木 勝裕

Katsuhiko Takagi
President

Strong immediate business performance

The external environment currently surrounding Toei Animation is extremely favorable, as the goods sales and events-related businesses have recovered with the end of the COVID-19 pandemic. Expanding overseas markets have also provided a boost. In the past five years, the Japanese anime industry market has experienced rapid growth of 6.4% a year on average, and it is now worth approximately 2.7 trillion yen. Meanwhile, the global anime market has grown to approximately 30.7 trillion yen, and I believe that there is still a great deal more room for Toei Animation to grow.

In such a favorable environment, in FYE2023, we released the movies *DRAGON BALL SUPER: SUPER HERO*, *ONE PIECE FILM RED*, and *THE FIRST SLAM DUNK* in theaters, and we succeeded in recording our best ever financial performance.

Development of overseas markets is the key to future growth

Until now, we have achieved growth by taking advantage of our extensive overseas networks, world-class library of titles, and integrated planning, production, and sales functions. Going forward, to achieve further growth buoyed by the favorable external environment, we will accelerate our global rollout of titles and expand our market share in our aim to establish Toei Animation as a world-class brand.

For the development of overseas markets, we will pursue an overseas market strategy that consists of three pillars: export business, Hollywood-style business, and local production for local consumption.

[Reference: Details of global strategy: Global Strategy ▶ P. 21](#)

Information about titles based on each of these strategies is gradually being released. Please look forward to future developments.

Sustainability strategies for the enhancement of corporate value

The promotion of sustainability strategies is vital for the enhancement of corporate value. Under our corporate principle of offering dreams and hope to people all over the world, we have created many works that are loved by audiences across the globe. On the other hand, the needs of anime audiences have become increasingly diverse in recent years, which calls for the ability to respond to change. The continued creation of new projects and the revitalization of our library of titles will require diverse human resources and the development of technologies for new kinds of visual expression.

Against this background, we have set the following priorities in our sustainability activities.

We will continue to promote sustainability initiatives and strive for further growth, so I would like to take this opportunity to ask our stakeholders for their support going forward.

Sustainability priorities		
E: Environment	S: Society	G: Governance
<ul style="list-style-type: none">• Climate change	<ul style="list-style-type: none">• Human capital• Content management• DX• Co-existence with local communities	<ul style="list-style-type: none">• Compliance• Enhancement of governance structure

Understanding of External Environment and Initiatives for the Future

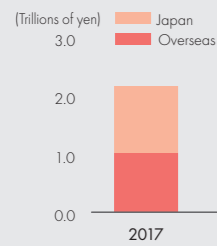
Toei Animation's operational environment

Toei Animation seeks further growth by harnessing the strengths it has cultivated in the continuously expanding global anime market.

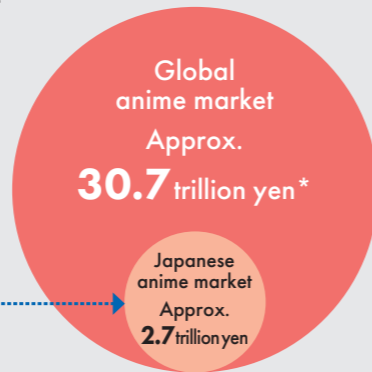
External environment

- Expansion of sales of Japanese anime overseas
- Existence of significant possibilities for development of global market
- Future potential of Web 3.0-related market

Sales in anime industry market in Japan and overseas



Source: The Association of Japanese Animations, *Anime Industry Report 2022*, *The Japanese Animation Market in a Broad Sense*



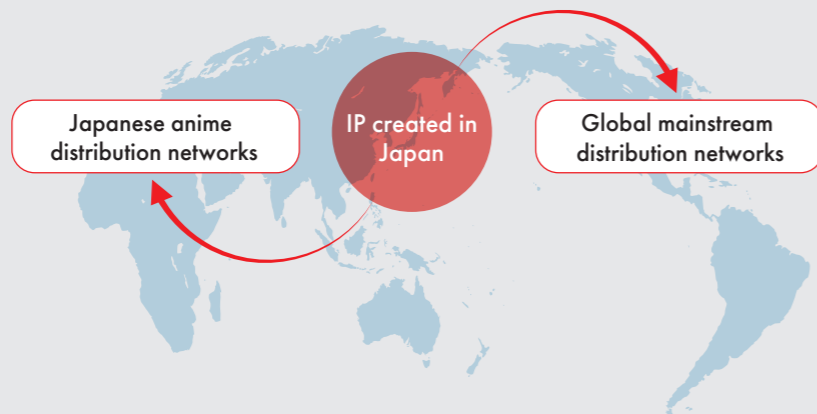
* FY2020 forecast: 270 billion USD
Using an exchange rate of 1 USD = 113.71 JPY
Source: Statista, *Animation market size worldwide 2020*

Fully harnessing Toei Animation's strengths

Toei Animation's strengths

- Global sales channels and theatrical exhibition network
- Stable revenue base from extensive library
- Stable production system/ advanced CG and other production technologies

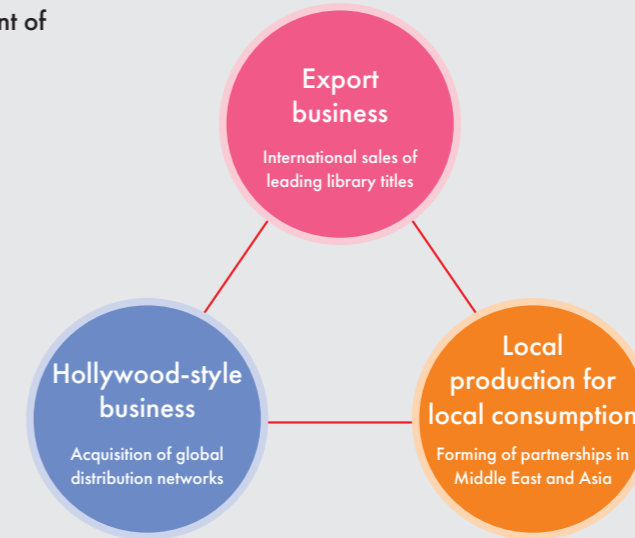
Films **262**
TV shows **233**
Total episodes
Approx. **13,500**



Initiatives for the future

The challenge of market development

- Strengthen development of overseas markets



Reference: Three-pronged overseas market development strategy: *Global Strategy* ▶ P. 21

- Strengthen development of new markets
Focus efforts on development of new businesses, e.g., metaverse, NFT

CASE

Metaverse space "ONN'ON STUDIOS"

ONN'ON STUDIOS is a virtual space on VRChat that consists of multiple worlds.

Part 1: ToeiDogaStudio1956

Recreation of the studio when Toei Animation was first established

Part 2: Nostalgia1999

World created in collaboration with Sony Corporation, based on the concept of a Japanese otaku's room sometime in 1999

Part 3: ImaginaryPark2070

A multiverse theme park that brings together four different worlds

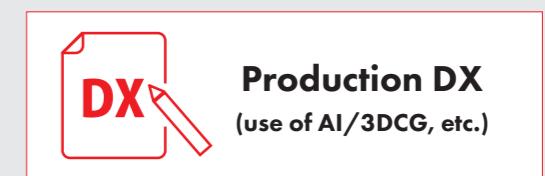


Strengthening of resources to take on the challenge

- Strengthen in-house human resources development framework, e.g., Animation Academy
- Promote digitalization of production processes, e.g., AI development/use of 3DCG



Reference: Human resources development initiatives - Toei Animation Academy: *Human Capital Initiative* ▶ P. 29

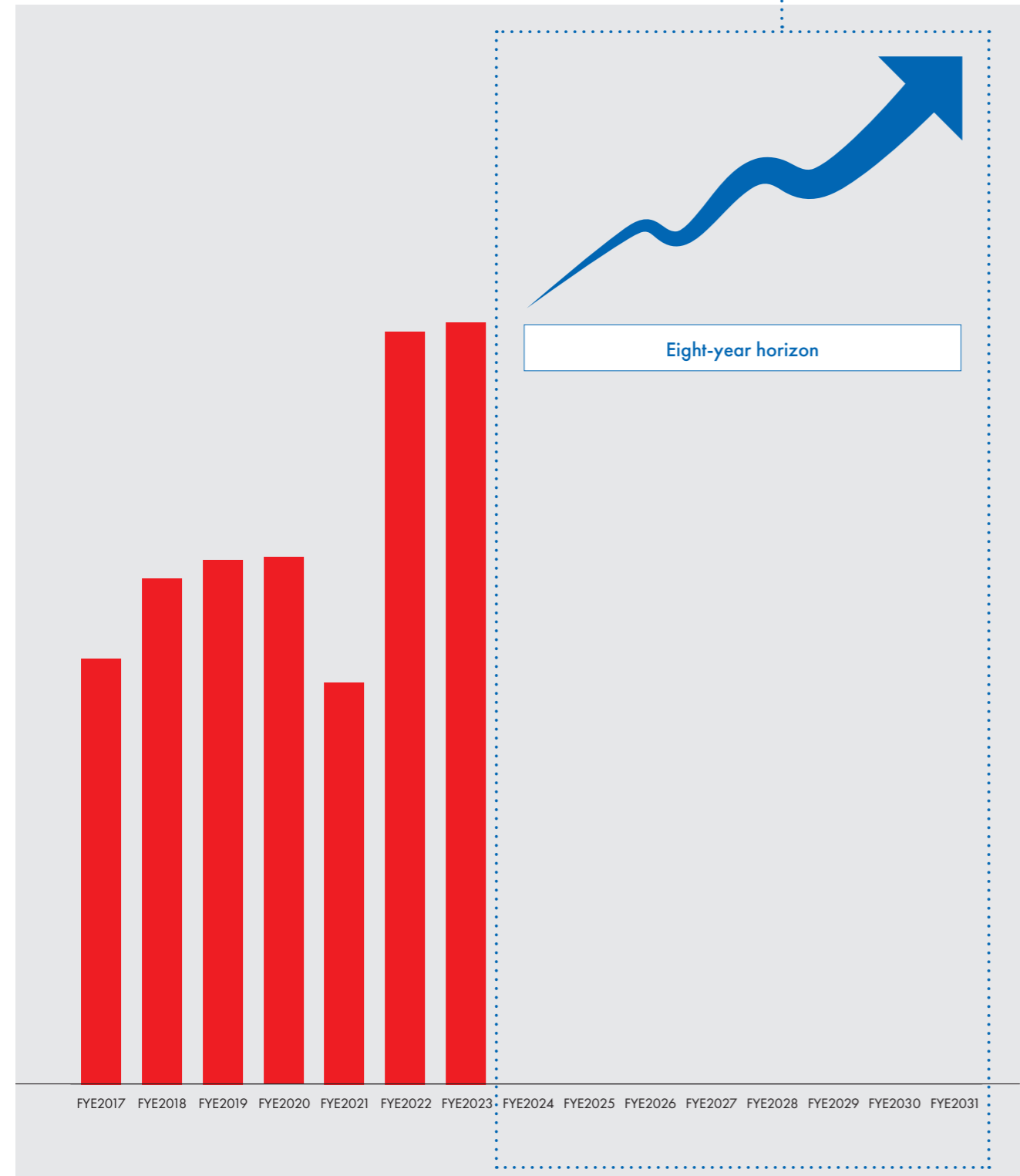


Reference: Comparing conventional production process and 3DCG master drawings: *Digital Strategy* ▶ P. 25

Financial Strategy

Toei Animation places great importance on cash flows and pursues management that balances the need for growth investment from a medium- to long-term perspective with the need to return profits to shareholders.

Operating cash flow



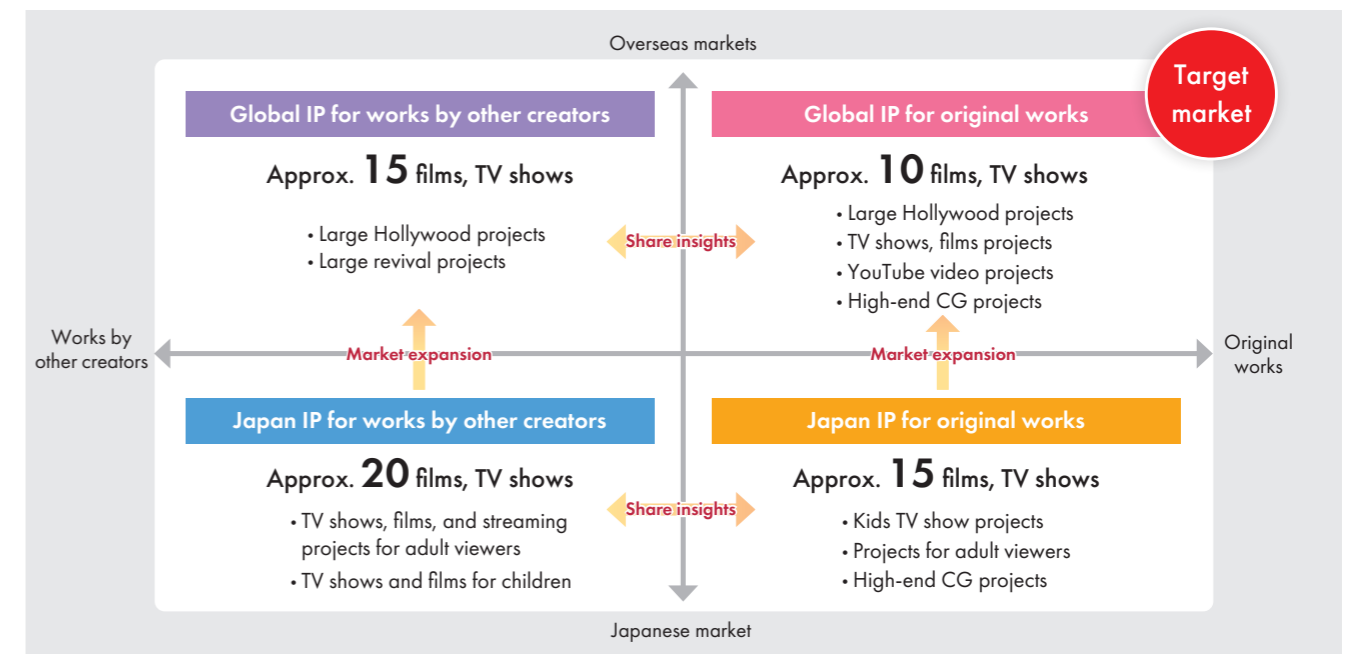
Cash allocations

We have adopted a basic stance of consistently paying stable dividends while balancing (1) maintenance of financial soundness, (2) investment in business opportunities with growth potential, and (3) stable return of profits to shareholders.

Growth investment primarily in the creation of works

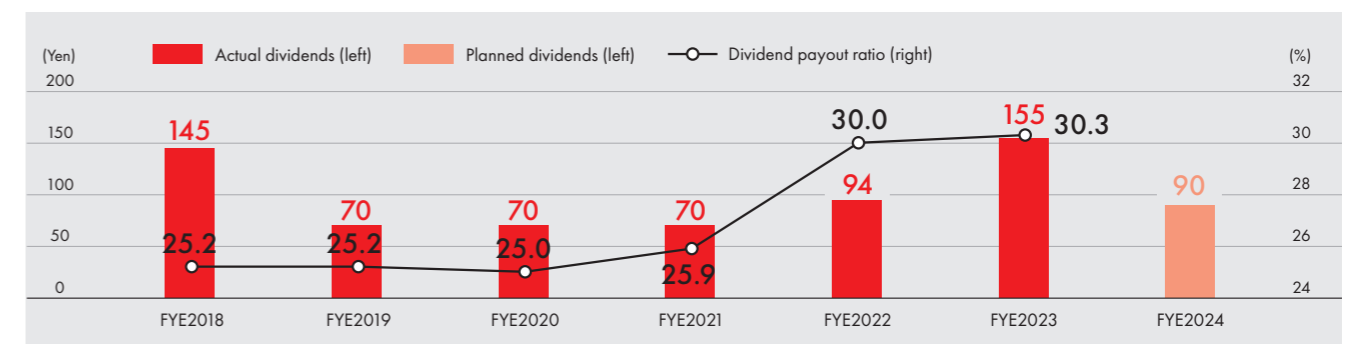
Toei Animation consistently seeks to enhance its works creation and production systems and to proactively invest in potential growth businesses in order to become a global leader in the animation industry.

Portfolio through FYE2026



Providing stable shareholder returns

Toei Animation considers the securing of profits for shareholders to be one of its most important management goals. With that in mind, our basic stance is to ensure sufficient internal reserves to actively develop business in accordance with our medium- to long-term business plan, while consistently paying stable dividends.



Global Strategy

Toei Animation has been expanding its anime works across overseas markets ever since its founding in the 1950s. Our strategy involves building even our works that mainly target the Japanese market into IP that can eventually generate profits around the world.

Three-pronged overseas market development strategy

The global anime market is expanding. As an image production company, we possess the functions and expertise accumulated in Japan, spanning planning, development, investment, production, advertising, and distribution, and we boast many years of experience in expanding overseas business. This allows us to control the IP business in overseas markets.

We intend to exploit those strengths and enhance our global position as an image production and operating company under our three pillars of export business, Hollywood-style business, and local production for local consumption in order to achieve our ultimate goal of establishing Toei Animation as a world-class brand.



Overview of each business model

Export business

Develop IP created in Japan in overseas markets where it will be readily accepted

- Actively develop streaming and TV broadcasting to acquire a fan base
- Develop multifaceted gaming and merchandising to increase customer interaction



Export performance

- Sales of overseas gaming rights rose on expansion of overseas streaming sales (market growth)
- Fan base was expanded through events, store development, and social marketing in each market
- Sales of merchandising rights, including brand collaborations, also rose on higher brand recognition

Hollywood-style business

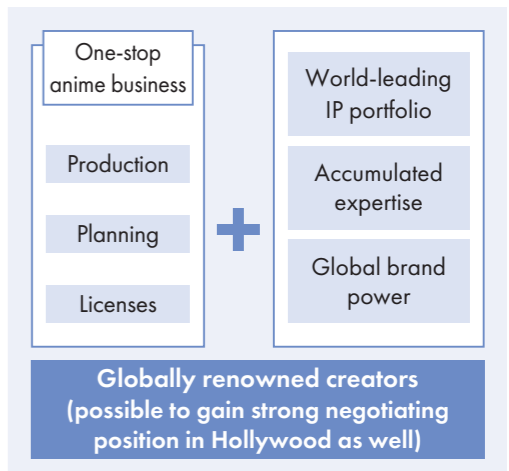
Get into the mainstream global film market rather than on distribution networks as a Japanese anime

- Build global distribution networks through the Hollywood-style business model to make a full entry into the global anime market

Conceptualization of global mainstream distribution networks, as typified by Hollywood



Strengths exploited with Hollywood model

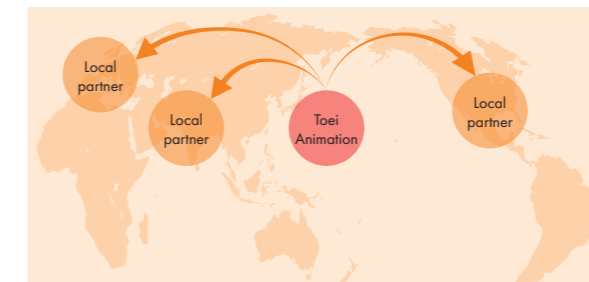


Local production for local consumption

Penetrate specific countries and regions by creating IP together with local creators

- Seek to expand business from a niche market to a mass market in order to grow global earnings
- Collaborate with local partners to expand planning and production capacity and secure ample marketing functions in each country

Develop bases in North America, Europe, and Asia



Develop Asian market primarily through our joint venture established in Shanghai



Development of overseas markets

- Toei Animation (Shanghai), a joint venture company with a Chinese partner, was set up to further promote market development in China and Asia
- A coproduction agreement was concluded with a Saudi Arabian animation production company, Manga Productions, for the development of the Middle East market, and produced works including "The Journey"

Examples of initiatives under each business model



Toei Animation has been delivering works overseas since its founding, continuously rolling out a wide range of productions all over the world. Our works have reached over 130 regions, and that number continues to expand today.

For global development, we localize our works using two methods, namely, subtitling and dubbing. To bring our works closer to many people, including children all over the world, we roll out dubbed titles to many regions, including North America, Latin America, Europe, and Asia. In addition, by focusing our efforts on simultaneous streaming, instead of waiting for a certain period after broadcast in Japan, we are delivering the appeal of our new and fresh works to more people.

Further, with the rollout of various image-based works as our starting point, we will expand our business in licensing and other segments in an effort to maximize both revenue and the value of our IP.

Localization of anime targeting young viewers

For works such as *Butt Detective* and *Fushigi Dagashiya Zenitendo*, we work with our local partners not only on dubbing, but also on reworking the images by editing any textual information in the images.

As specific examples, the wording of quizzes that appear in the work or writing on billboards in the scenes is translated into the local language, so that viewers, especially children, can enjoy the works with a sense of familiarity.

Not limited to text within the works, we have also produced logo designs in the various languages so that the works will be more broadly recognized. For *PRETTY CURE*, we oversaw the design of four different logos, as shown below, and used them in the respective markets.



Korean version of *Butt Detective*



Korean version of *Fushigi Dagashiya Zenitendo*

PRETTY CURE logos in different languages



Japanese logo



Korean logo



Thai logo



Taiwanese logo



English logo



We are working to enhance the development of projects originating overseas as local production for local consumption, one of the three pillars of our overseas strategy. This involves promoting the development of new projects in collaboration with local partners overseas. In FYE2023, we began streaming *Spicy Candy*, an original music anime planned by our subsidiary, Toei Animation (Shanghai), for the Chinese market.

Original music anime, *Spicy Candy*

The first project for Toei Animation (Shanghai), “*Spicy Candy*” consists of 30 episodes of 1-minute video shorts. Streaming began on various platforms, including bilibili, TikTok, Weibo, iQIYI, and Tencent, on February 14, 2023. Viewer reviews have been excellent, and the series has been well received in the local market. Licensed and company-planned merchandise is also being launched, and a wide range of measures are being planned to capture even more recognition.



Introduction

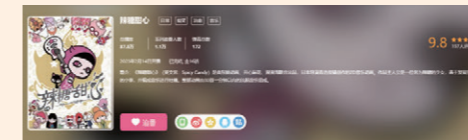
Spicy, a straight-faced girl with a sharp tongue, sings along to a melody about trivial things in everyday life, such as common occurrences, grumbles, and things that she finds strange.

Official website (Japanese version)

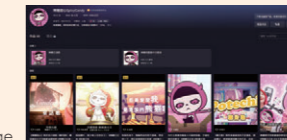
<https://www.spicycandy.net/>

Official YouTube channel (Japanese version)

https://www.youtube.com/@spicycandy_official



bilibili program page



TikTok homepage



Event held in Shanghai in July 2023. Included event booth exhibits, licensed merchandise sales, and live performances.

About Toei Animation (Shanghai)

In November 2020, Toei Animation established Toei Animation (Shanghai) in Shanghai as a joint venture company with a Chinese partner, Shanghai Dongjin Management Consultants Co. Ltd., to further promote market development in China and Asia. Toei Animation (Shanghai) conducts content planning operations and license management with the aim of rolling out content that has firm roots in the local market. The establishment of joint venture companies with local partners gives us better local perspectives, including strengthening of local relationships, content development expertise, and identification

of needs, through which we can expect to develop content with greater appeal to the local market. On that basis, we are leveraging our strength of integrated planning, production, and management structure as we proceed to develop projects.

Going forward, we plan to develop many other diverse works beyond *Spicy Candy*. With China at the core, we intend to expand into Asian countries such as South Korea and Vietnam, while also setting our long-term sights on the global rollout of content originating in Asia to Western nations, as well as reverse importation into Japan.

Digital Strategy

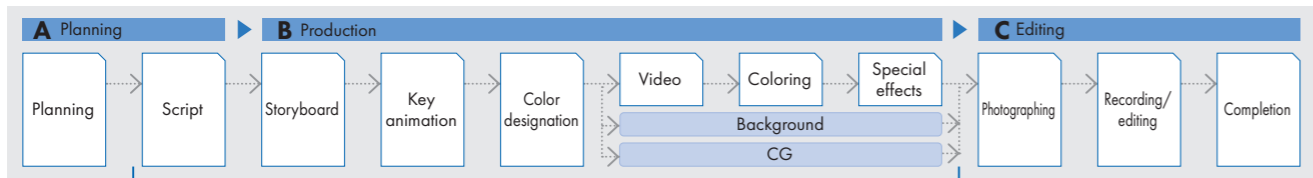
One of the issues for Toei Animation when it comes to production is that animators are in short supply. We have sought to solve this issue by pursuing two avenues: (1) a digital strategy and (2) a human resources strategy.

Reference: Details of human resources strategy: Human Capital Initiatives ▶ P. 29

Reasons behind the introduction of 3DCG

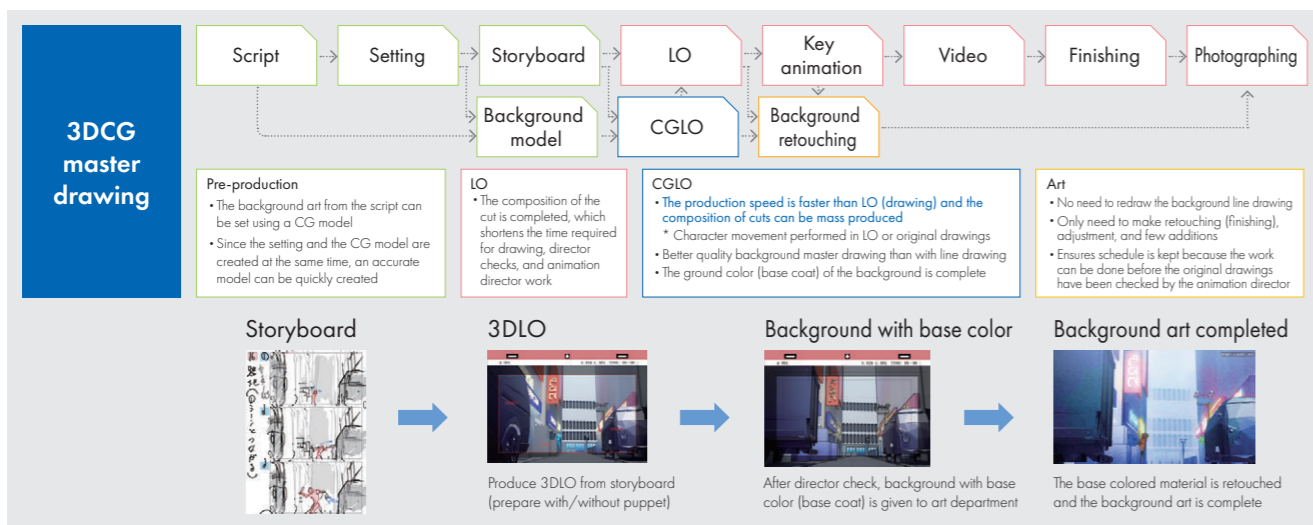
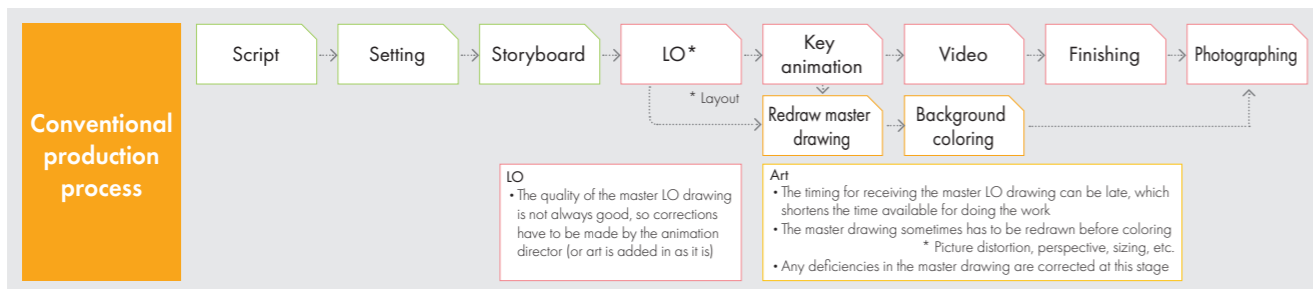
To ensure high-quality animation, the master drawing of the background created by the genga man, or key animator, sometimes needs to be redrawn by in-house animation directors or art staff. This can delay other processes further downstream. To solve this problem, we developed our own 3DLO add-on for existing 3DCG software, led by the Production Department's Technology Development Division, which is working on developing CG, xR, AI, and other technologies. We then introduced the technology into *Tropical-Rouge! Pretty Cure the Movie: The Snow Princess and the Miraculous Ring!* released in October 2021. Creating the background model using 3DCG enabled us to draw a high-quality master drawing for the background and reduce the amount of correction work required further down the line. Toei Animation is committed to pursuing R&D that utilizes digital technology to develop high-quality, high-speed animation production methods.

Work process using 3DCG master drawings



Using 3DCG master drawings enables us to make quick and accurate adjustments in each process

Comparing conventional production process and 3DCG master drawings



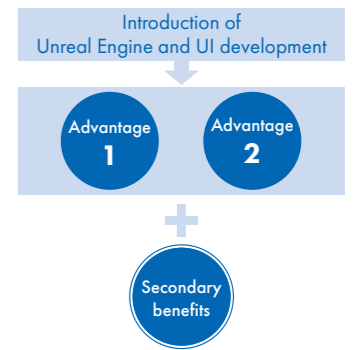
Reference: Details of animation production processes: The Animation Production Process ▶ P. 33



Evolving tools Use of Unreal Engine

Introduction of Unreal Engine and UI development

For the production of *Run for Money: The Great Mission*, which began airing in April 2023, we introduced an in-house developed tool for Unreal Engine. This made it possible to work without the expensive and complex equipment used exclusively by CG staff, which meant that production, direction, and animation staff members, as well as other staff members who are not able to use dedicated CG tools can use CG models to create layouts. It also made it possible to use packaged CG backgrounds on a variety of devices. The simplification of CG tools and the new ability to work in any location with any equipment has streamlined the work and enabled the establishment of smooth production systems. It has also had secondary benefits, in that external artists can also use CG models in their work, and anyone can implement detailed checks of the settings in 3D.



Advantage 1

Even staff who cannot handle CG can use CG models to create layouts

Streamlines the work, helps to reduce time required

- The operation controller is similar to a game controller, allowing for intuitive operation and freedom in layout production
- Even staff who cannot handle complex CG technology can use CG models

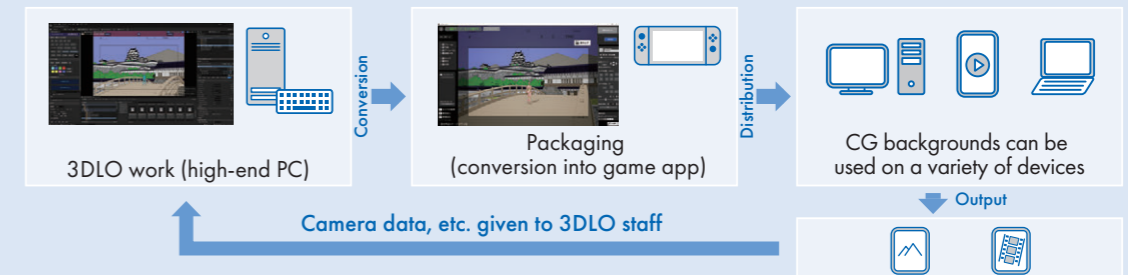


Advantage 2

Work can be done even without expensive equipment used exclusively by CG staff

Contributes to establishment of a smooth production system regardless of location and equipment

- As well as high-end PCs, work can be done on an iPad, laptop, or device used for other daily tasks



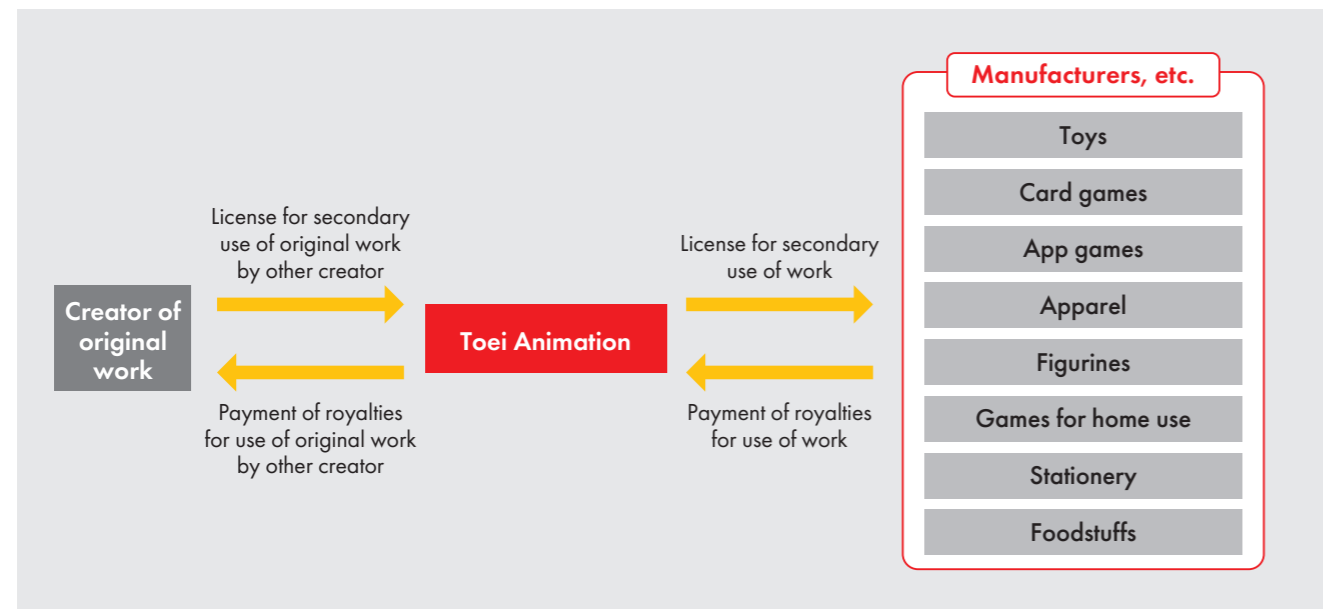
Secondary benefits

- In addition to in-house artists, external artists can also work on layouts
- Anyone can use the tool to check settings

Copyright Management

Overview of licensing business

In response to consumers' desires to keep their favorite characters nearby, Toei Animation has commercialized many popular characters in the form of toys, games, stationery, food, apparel, and more. Licensing is one of our most important businesses, accounting for over half of our net sales. The impetus for the major expansion of our licensing business came from the huge popularity of toys connected to MAZINGER Z, which began airing in 1972. By making secondary use of anime in the form of toys and games while protecting the anime's universe, we are expanding the range of the works, increasing touchpoints between the characters and consumers, and maximizing the value of the IP.



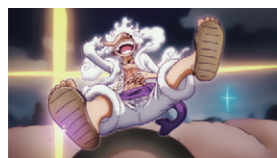
Examples of initiatives in licensing business

Initiatives linked to developments in titles

The key feature of our business model is our integration of planning, production, and license management. Leveraging this advantage, we collaborate with manufacturers to develop merchandise and games linked to developments in titles.

CASE

In the animated TV series, *ONE PIECE*, to coincide with the first appearance of Luffy at Gear 5 in the TV show, the character also appeared in the app on the same day that the episode aired.



TV animation *ONE PIECE* Episode 1071: "Luffy's Peak—Attained! Gear 5" (aired August 6, 2023)



Super-amazing Luffy at Gear 5 on smartphone app *ONE PIECE Treasure Cruise*

Initiatives at overseas subsidiaries

Our local subsidiaries in Los Angeles, Paris, Hong Kong, and Shanghai serve as the bases for our licensing business, conducting marketing activities that are oriented to their respective regions. Because the individual overseas subsidiaries pursue business independently, it is possible to maximize revenue, and the universe of the works is protected as licensed products are developed.

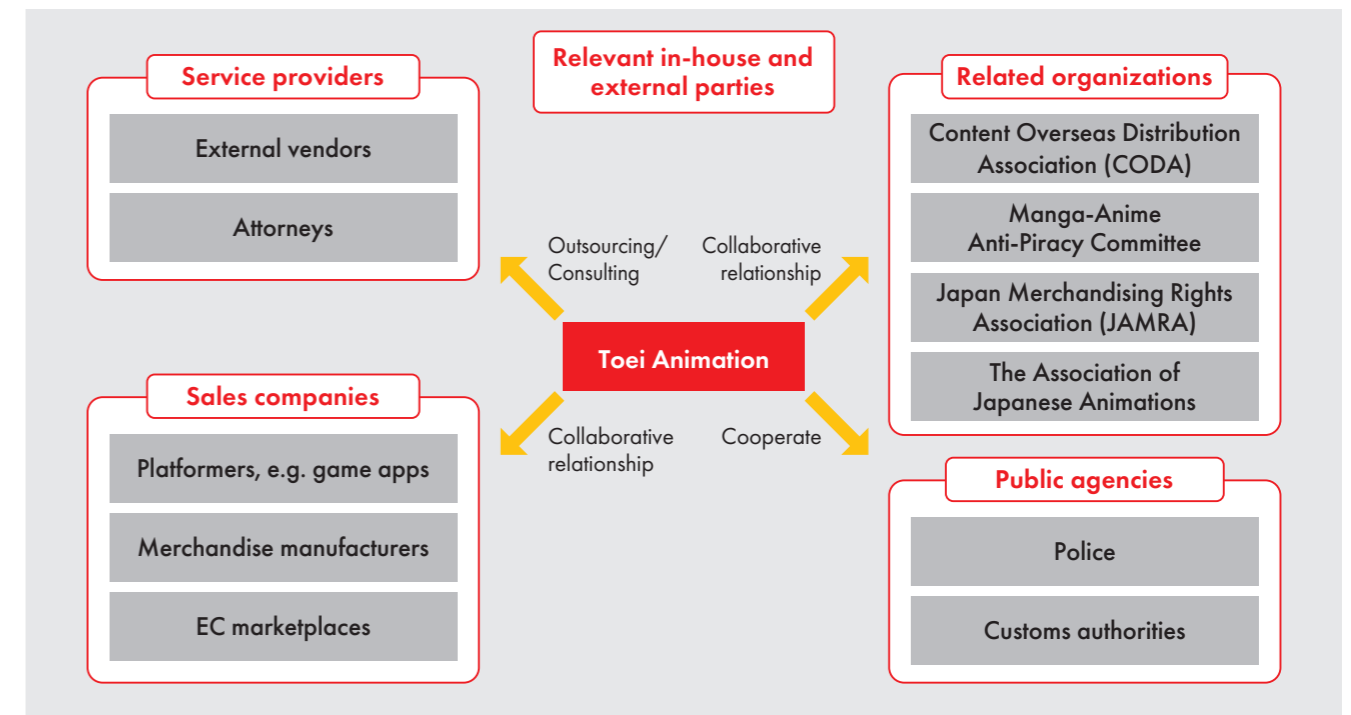
Overseas bases



Countermeasures against Illegal Use of Content

Pirated copies and other forms of illegal use

In recent years, as online environments have evolved, damage due to pirated copies is increasing. According to the Content Overseas Distribution Association (CODA), the damage caused by pirated copies of Japanese content in 2022 was estimated at approximately 1.9–2.2 trillion yen. The sale of pirated products, unauthorized alterations and translations of works and characters, and other uses of works in forms not intended by the creator or copyright holder can also harm the image of the work or lead to loss of revenue opportunities. In addition to our own activities to combat these kinds of illegal use, we work together with related organizations and public agencies such as the police and customs authorities.



Examples of measures against illegal use

Establishment of specialist team to counter illegal video

In addition to forming an in-house team, we counter illegal acts through use of systems and outsourcing of operations

Filing of criminal complaints against pirate sites overseas through CODA jointly with other companies

Sites specifically targeting viewers outside Japan were exposed, and 36 pirate sites for Japanese anime were shut down

Cooperation with police investigations

We cooperated with investigations of illegal uploading

Illegal online video	<ul style="list-style-type: none"> Investigation of sites and tools such as user-generated content (UGC) sharing sites, social media, online storage, and P2P
Pirated merchandise	<ul style="list-style-type: none"> Building cooperative relationships with major sites, participating in marketplaces and other rights holder programs Cooperation with police and customs authorities (Japan and overseas) Responses to violations jointly with other companies
Pirated apps	<ul style="list-style-type: none"> Deletion demands to platformers
Others	<ul style="list-style-type: none"> Demands for cancellation of unauthorized events Confiscation and removal of merchandise on sale

Human Capital Initiatives

Human resources development

The needs of viewers of animated works have become increasingly diverse in recent years. To respond to those changes in a flexible and strategic manner, we believe that it is important to respect the diversity of our employees and to establish and promote workplace environments and systems that will enable them to work with high motivation while elevating their expertise and specializations. Toei Animation will further promote initiatives aimed at increasing the diversity and strengthening the specialization of our employees for sustained growth and the enhancement of medium- to long-term corporate value.

Human resources development initiatives - Toei Animation Academy

In April 2023, we opened the Toei Animation Academy to train excellent animators. Taught by top animators who are active at the forefront of the industry, students of the Academy undergo a year of training, after which they will be able to work as in-house animators at Toei Animation.



Development of internal environment

We respect diversity and have actively developed working environments and systems aimed at the enhancement of corporate value.

From the perspective of diversity, the number of female managers is growing every year, with women currently occupying 23.5% of managerial positions. 46.5% of our assistant managers, who are candidates for managerial positions, are women, and we expect the percentage of female managers to increase further in the years ahead.

In terms of the development of working environments, we are enhancing schemes such as maternity leave and parental leave, and the rate of parental leave taken by eligible male employees is now 58.3%.

Other efforts include the introduction of remote work, flextime, and staggered start times and the design of office spaces that employees find comfortable to work in. These are just some of the various initiatives we are engaged in to realize diverse work models.

Diversity of human resources

Percentage of female managers

23.5%

Percentage of female assistant managers

46.5%

Expansion of systems

Take-up rate of parental leave by male employees

58.3%

Environmental Initiatives

We recognize the need to promote sustainability strategies because they are essential to increasing long-term corporate value, and we are striving to reduce CO₂ emissions at our head office and production studios.

CO₂ emissions from power consumption (April 2022–March 2023)

Power consumed 2,599,271 kWh	×	Basic emission factor 0.000433 kg-CO ₂ /kWh	=	CO ₂ emissions 1125.48 kg-CO ₂
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Our eco-friendly Oizumi Studio

We rebuilt the main building of our Oizumi Studio, where our anime works are produced, in 2018.

At the time of the rebuild, we adopted an environment-conscious structure (sustainable design).



Building exterior

With the exception of the common areas, the building exterior boasts a double skin (an outer and an inner skin).

The double skin suppresses the amount of sunlight that comes into the office in summer, and the ventilation windows on the roof expel any pent-up heat inside the double skin to reduce the interior heat load. In winter, the double skin stores solar heat and has an insulating effect. In spring and fall, the observation elevator shaft acts as a chimney when the inner window sashes are open, drawing cool air in from outside through natural ventilation without the need to operate any specific equipment. This reduces the use of air conditioning and other similar equipment and helps conserve energy.

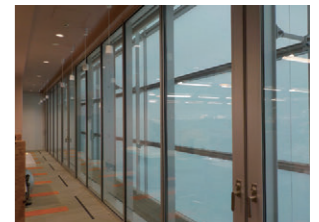
The double-skin exterior also dampens any external noise and creates a quieter office space. We conducted environmental simulations when adopting the double-skin structure, which included examining and evaluating the kind of mechanisms and equipment that should be installed. We patented the content and evaluation method of those simulations.

The inner sash glass is made from Low-E glass, which suppresses external heat from the sun.

Building equipment

We designed the building equipment based on a “task & ambient” approach, which controls the work area and other areas separately, and the “personal & ambient” approach, which enables individuals to adjust equipment and facilities.

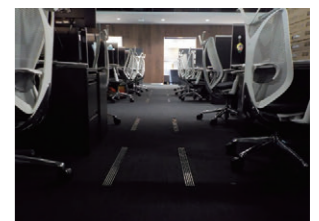
The air-conditioning equipment is set to a slightly higher temperature in summer throughout the interior. In-floor vents are installed in the personal areas so we can supply cool air when needed. This helps to both save energy and create a comfortable working environment. In spring and fall, outside air is used for air-conditioning to reduce the operation of air-conditioning equipment. The creation of zones enables us to conserve energy by attentively starting and stopping air-conditioning in rooms that are being used and rooms that are not in use.



Oizumi Studio main building double-skin exterior



Oizumi Studio main building inner sash Low-E glass windows



Oizumi Studio main building air-conditioning floor vents

Coexistence with Local Communities

Operation of Toei Animation Museum

The Toei Animation Museum is a museum of animation operated by Toei Animation, Japan's first full-scale animation production company. As well as learning about the animation production process, visitors can view a wide range of exhibits that can only be seen at the Toei Animation Museum, including original drawings, celluloid

pictures, and other intermediate items from Toei Animation works.

The Oizumi Studio, where the museum is located, is the birthplace of Japanese animation. In addition to the exhibits, we work together with the local community to pass on and spread the culture of animation.

Examples of joint initiatives with local communities

Since our very beginnings, we have operated a studio next door to the Toei Tokyo Studios in Oizumigakuen in Nerima-ku, Tokyo, where we have co-existed with the people of the local community.

In Oizumi Cine Fantasy (1993–1996), for which we opened up the Toei Tokyo Studios, we cooperated in the event's anime section, and in Nerima City's Anime Project in Oizumi (2010–), we offered the use of the studios and museum as a venue. These are some of the ways in which we cooperate with community events, contributing to Nerima City's promotional activities as the town of movies and anime.

We have provided the Nerima Shakujiikoen Furusato Museum with a massive animation stand that was used at Toei for many years in the days of celluloid animation. We have also supervised the exhibit on filming methods of the old days and cooperated with exhibits of archival materials related to those methods and with

Virtual Nerimaru Land, which offers views of related facilities online, by permitting use of works, providing supervision, and offering other assistance. In these ways, we are contributing the activities to communicate animation culture.

In addition, the Toei Animation Museum welcomes visitor groups from schools on school trips, excursions, and other events. Toei Animation has many works for children, and we believe in the importance of learning their reactions and opinions at first hand. Receiving reactions and feedback directly at all times from visitors to the museum contributes greatly to the energy we put into the production of our works.

The fact that the Toei Animation Studio is located inside the premises of our animation studio is a major point of difference from other animation production companies.



Scenes from a "Soaring Sky! Pretty Cure" character greeting event held in May 2023. Cure Sky made an appearance and interacted with locals and fans.

What is the Toei Animation Museum?

The Toei Animation Museum opened on July 28, 2018, as a revamp of its forerunner, the Toei Animation Gallery (opened on March 29, 2003). In addition to precious archival materials that have been inherited from the Toei Animation Gallery days, the Museum has been designed as a place that children, the main target of our animated works, can enjoy, making it a facility that can delight a wider range of age groups. It attracts anime fans from within Japan, and, with the increasing global popularity of Japanese anime in recent years, visitors from overseas are also flocking to the museum, enjoying its attractions across the ages and national borders.



Toei Animation Works

The many works produced by Toei Animation are presented on a giant display. By touching the images that appear on the screen, visitors can view detailed information about the works. They can even view videos of some of the works.



How anime is made

The production process of works of animation from planning to completion is explained, comparing the two eras of cel animation and digital animation. There are also sections that introduce some of the most famous anime works in history and the history of Toei Animation.



Overall view of Oizumi Studio and Toei Animation Museum



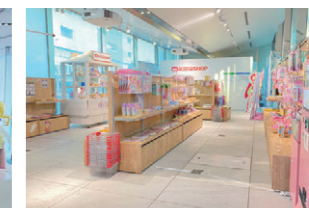
Courtyard



Archival exhibit



Photography spot



Museum shop

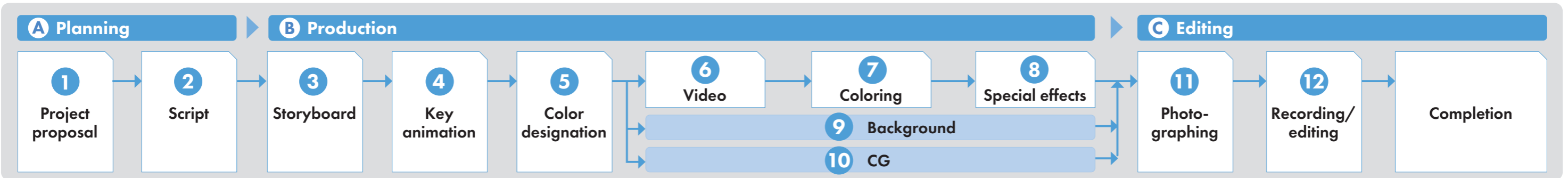
Museum information * Opening hours are subject to change. Please check the website for the latest information.

- Museum opening hours: 11:00 a.m. to 4:00 p.m.
- Closed: Every Wednesday, other irregular days
- Admission: Free (bookings not required)
- Exhibit contents: Permanent exhibits, special exhibitions, events (irregular)
- Other: English signage, electronic payment available (museum shop)

[Web https://museum.toei-anim.co.jp/](https://museum.toei-anim.co.jp/)

The Animation Production Process

Toei Animation produces approximately 250 works each year. This could never be achieved without the strong passion that each staff member feels towards their creations. Here, we introduce our excellent production process.



A Planning

We describe a particular work's theme, target audience, selected media, and post-release business development in a project planning document.

1 Project proposal
Decide on the work's theme, aim, overall structure, the design of the work's characters and items, and settings. Also fix a budget and explore business schemes to create a full project outline leading up to its release.

2 Script
Write the story based on the work's planned aim. Sometimes, the script is restructured to reflect the planned aim, even for works by other creators with an existing script.

B Production

Once the preparations are complete, we move on to the production process. We make 3,000 to 4,500 frames on average for each episode of a TV series, but that can increase depending on the project or the number of episodes. All staff members work as a team to produce animations.

3 Storyboard
Based on the script, draw a series of illustrations that function as a work's blueprint to help convey the directing method, etc. to all staff members.

4 Key animation
Decide on the structure of each scene based on the storyboard, and create drawings to show how characters move and their key actions (original drawings).

5 Color designation
Decide on the basic colors for the characters, items, and so on.

6 Video
Draw images (animation) to express the movements between original drawings.

7 Coloring
Add the colors specified in the color designation to uncolored frames.

8 Special effects
Add light, shadow, and other effects to complete drawings.

9 Background
Draw backgrounds behind characters.

10 CG
Use CG to enhance the details and quality of the drawings.

C Editing

We edit the images produced to put the finishing touches on the final work. Then, the work is broadcast on TV or shown in movie theaters.

11 Photographing
Combine the colored animation, backgrounds, and CG on a computer to create a video.

12 Recording/editing
Connect the completed video frames to suit the story order and add dialogue, sound effects, and background music.

Completion

Interview with Producer



20th Anniversary of the PRETTY CURE Series

Putting great care into creating works that will delight children.

The PRETTY CURE series commemorated its 20th anniversary in 2023. To mark this huge milestone, we spoke to executive producer, Takashi Washio, the creator of the PRETTY CURE series, about the background to the original project, his most valued intentions, and future developments for the series.

Takashi Washio Executive Officer and Executive Producer, TOEI ANIMATION CO., LTD.

The first producer of the PRETTY CURE franchise. After working on the franchise as producer from the first series, PRETTY CURE (2004), to Yes! Pretty Cure 5 Go Go! (2008), he has been involved in planning from Go! Princess Pretty Cure (2015). Other titles he has worked on include THRILLER RESTAURANT, TORIKO, Butt Detective, and Fushigi Dagashiya Zenitendo.



Q.1 What was the concept at the time of production and the reaction when the first series aired?

Having no experience working on a production for girls, I initially struggled with the concept, but I thought it would be cool to have independent girls as the main characters.

Girls who would not call for help in a crisis, and instead would try to use their own power to overcome it. This attitude of standing bravely on one's own two feet lies at the heart of PRETTY CURE.

Unlike works for girls that had been produced until then, we

did have some concern about whether the empty-handed style of battle would be accepted, but at test screenings, when I saw the children leaning forward eagerly in their seats to watch, I realized that they were loving it. Even after the series actually aired, we were receiving word about stock-outs of related merchandise, so my first impressions were of happiness and surprise.

Q.2 In the 20-year history of the franchise, what have you most valued in its production?

I am very grateful that PRETTY CURE has continued for 20 years, but it is not as if we had any medium- to long-term strategy from the start. That we have been able to commemorate the 20th anniversary is the result of the staff working hard year in and year out to produce works that children would love.

Even as the social environment has changed with the times, it is my belief that the things that children enjoy do not change. For example, at PRETTY CURE shows, when the MC calls out, the way that the children call out their responses with such gusto is the same now as it was in the past. Creating productions that children will enjoy is no easy task, but I believe that an important part of making a better product is the careful recollection by staff of what it was like when they themselves were children.

On the other hand, we pay great attention not to implant preconceived notions. For example, we do not use expressions such as "act like a boy" or "act like a girl" in the episodes. While it may be entertainment, whatever we provide to the children is imprinted on them to one extent or another, and they will think that

it is correct. For that reason, we try to avoid expressions that seem like conventional wisdom.

When we think about the many PRETTY CURE characters, we try to do so with a perspective that is ordinary for children. Something may seem peculiar or extraordinary for adults, with all their various experiences, but for a child seeing it from the start, that same thing will seem completely normal. That is the kind of feeling we hold dear.



Q.3 There are various special projects planned for the 20th anniversary. In particular, what are your feelings about "Power of Hope ~Precure Full Bloom '23~," which starts airing on October 7, 2023, and (TBD) Dancing☆Star Precure The Stage, the 2.5D stage production that opens on October 28?

The Power of Hope ~Precure Full Bloom '23~, project was born from a desire to bring back memories for the adults who watched PRETTY CURE as children 20 years ago. The shows that they watched as children are sure to be still in their memories. Those fans from back then are now in their mid-twenties, and I would love it if they could overlay their own growth with this new series as they watch it. I am anxious to see how those fans will take this new work.

Regarding (TBD) Dancing☆Star Precure The Stage, I have always wanted to put on a theatrical production. I talked to various people, and when I spoke about things like 2.5D and boy Cures, many of them showed an interest. Even though it was a different

style from anything we had done in the past, it was decided that we would take on the challenge, and we brought in various relevant companies to cooperate.

It is being described as a completely new challenge, but really, the past 20 years have been a series of challenges, and this is just part of that. There have been many different Pretty Cures over the years, but it has not changed at its core. We put out a new theme for each year's series, but as long as they stand bravely on their own two feet, they are all Pretty Cures, and as long as that core theme is instilled in the production, I believe that the different kind of Pretty Cure that (TBD) Dancing☆Star Precure The Stage represents is possible.

Q.4 How will the PRETTY CURE series expand into the future?

PRETTY CURE is a work that our staff has continued to create with great care to make children happy, year in and year out.

Believing that the things that make children happy will not

change even amid a changing social environment, we hope to keep creating works while carefully recollecting our own childhoods.

Production & Event Information

1 Soaring Sky! Pretty Cure

Airing Sundays at 8:30 a.m. from February 2023
24 channels nationwide in Japan on the ABC/TV Asahi Network

2 Power of Hope ~Precure Full Bloom '23~

Starts airing 6:25 p.m. on October 7, 2023
NHK Educational TV

3 Precure All Stars F the Movie

In cinemas from September 15, 2023

4 The Total Pretty Cure Exhibition - 20th Anniversary Memories

Tokyo: February 1-19, 2023, Sunshine City, Ikebukuro
Nagoya: April 27-May 8, 2023, Winc Aichi
Osaka: September 30-October 15, 2023, Osaka Nanko ATC Hall
* A return event in Yokohama is also planned.

5 (TBD) Dancing☆Star Precure The Stage

Tokyo: October 28-November 5, 2023, Stellar Ball, Shinagawa Prince Hotel
Osaka: November 10-12, 2023, Sankei Hall Breezé

6 The Total Pretty Cure Parade

September 24, 2023, Yokohama: Nippon Maru Memorial Park, Nihon Odori, Yokohama Chinatown, Kannai Hall

7 The Total Pretty Cure 20th Anniversary LIVE!

January 20-21, 2024, Yokohama Arena



Film

World-class planning and production

Toei Animation plans and produces animated TV shows and animated films, which it offers through various media including TV, movie theaters, Blu-ray discs, DVDs, streaming platforms, and smartphone apps. All Toei Animation business stems from animation production. Indeed, since our founding in 1956, we have created multiple epoch-leading famous works and hits. We sell licenses to make packaged software of our animated works such as Blu-ray discs and DVDs, and we also actively deliver our works through streaming platforms.

TV shows

When TV stations began broadcasting animated titles in 1963, Toei Animation started producing TV programs, beginning with Japan's first original animated TV series, *KEN, THE WILD BOY*. The number of titles we produced grew dramatically as TV became increasingly popular, and many works have made fans of parents and their children alike over the years.



From February 2023

Soaring Sky! Pretty Cure



From April 2023

Run for Money:
The Great Mission

Animated films

Our history in animated film production began in 1958 with *THE WHITE SNAKE*, Japan's first full-color feature-length animated film. Since then, we have produced more than 200 films including feature-length original animated films and spin-offs of TV programs. Our animation production, past, present, and future, stems from animated films.



Part 1: released June 9, 2023
Part 2: released June 30, 2023

Movie *Sailor Moon Cosmos*



Released September 15, 2023

Movie *Pretty Cure All Stars F*

Wider media reach extends animation popularity

As the type of media supplying videos continues to rapidly diversify, all Toei Animation departments have been cooperating closely to deliver the fun and wonderful visual entertainment that is animation to a wider range of viewers. We are determined to respond flexibly to multiple growing needs by digitizing huge volumes of original film editions, planning new content for various media, creating Blu-ray and DVD packages, streaming for BS, CS, and other broadcasting media, smartphones and other mobile devices, and using content in apps and online games.

Video packaging (Blu-ray and DVD)

The video packaging business enables viewers to keep their favorite works on hand to watch whenever they want. Titles in our huge library range, from early works to the latest titles, are being commercialized one by one into Blu-ray discs and DVDs.

UHD, Blu-ray
ONE PIECE FILM RED Deluxe Limited Edition
(exclusive to first production run)



Streaming

We are actively engaged in the sales of streaming rights to streaming platforms. We also produce titles for streaming. The dramatic growth in the streaming market presents increasingly attractive possibilities for our streaming business.



Streaming site
Netflix



Streaming site
Amazon Prime Video

Apps/online games

We plan apps and online games, two markets that are experiencing rapid growth, in house. Not only do we create apps and online games for popular titles for the Japanese market, but we are also striving to develop our games business overseas and consider subsequent multi-use of content once a game has been developed.



Smartphone app
Zatch Bell!! Towa no Kizuna no Nakama-tachi

Licensing

Be with your favorite characters anywhere, anytime

Toei Animation is a pioneer in the licensing business in Japan. We have commercialized many popular characters in the form of toys, games, stationery, food, apparel, and other items in response to consumers' desires to keep their favorite characters nearby. The characters that manage to capture or transcend the times not only prove popular during their TV broadcast period but remain popular even after those shows end and spur a boom across generations. We will continue to explore new licensing business possibilities for our TV series in particular, as well as for our movies and streaming contents, so we can make even greater strides going forward.

Products developed in Japan

Products developed overseas



TV animation ONE PIECE, Soaring Skyl Pretty Cure, and Dragon Ball series

TV animation ONE PIECE, Knights of the Zodiac series, DIGIMON series, and Dragon Ball series

Favorite characters across the generations

Everyone has childhood memories that they cherish. Today, our memories of an era have become inextricably linked with anime characters. Adults rediscover their former favorite characters and share that world with their own children, creating repeated character booms. The gleam of attractive characters is not dimmed by the passage of time.

Memorable campaign characters

In addition to the straightforward commercialization of characters, familiar characters are also used in campaigns, sales promotions, corporate advertising, and government publicity campaigns.

Goods Sales

We plan and sell character goods and operate retail and online shops as venues for delivering products linked to popular titles to fans.

Online shop

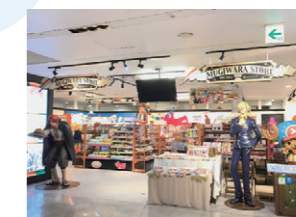
An official online shop selling Toei Animation character merchandise. As well as miscellaneous items, soft toys, apparel, it boasts a wide selection of limited-edition merchandise such as those sold at the ONE PIECE Mugiwara Store and the PRETTY CURE Pretty Store.



Toei Animation Official Store (Japanese text only)
Web <https://store.toei-anim.co.jp>

Character shops

We operate stores such as the ONE PIECE Mugiwara Store, PRETTY CURE Pretty Store, and SAILORMOON Store.



ONE PIECE Mugiwara Store
Shibuya Main Store



PRETTY CURE Pretty Store
Osaka Main Store

Goods sales

We produce sales promotion goods for campaigns, and we plan and sell original products for events, bookstores, and retail shops.

Events Business

We hold events where children can meet popular characters because we want to bring smiles to children's faces.

Event spaces

We hold events that satisfy a wide range of people including families and anime fans. These include events centered around popular characters and cultural events covering the history of animation.



The Total Pretty Cure Exhibition - 20th Anniversary Memories

Character shows

Our character shows, where children can meet popular TV characters, have a great reputation as the best entertainment for children.

Stage shows

We offer stage shows based broadly on our works. We aim to deliver high-quality performances that continue to fuel children's dreams and hopes.

Board Directors

Name	Position	Attendance of Board of Directors meetings	Profile/Reasons for election
Kozo Morishita	Chairman	100% (9/9)	Mr. Kozo Morishita became a board director of the Company in 2004 and spearheaded the Company's management as Chairman from 2014 to 2020. He has a wealth of knowledge and experience of management overall, with a focus on planning and production by the Company.
Katsuhiko Takagi	President	100% (12/12)	Mr. Katsuhiko Takagi became a board director of the Company in 2006 and currently spearheads the Company's management as president. He has a wealth of knowledge and experience of management overall, with a focus on planning and sales by the Company.
Satoshi Shinohara	Managing Director	100% (9/9)	Mr. Satoshi Shinohara became a board director of the Company in 2022 and currently serves as managing director and head of the Sales & Planning Headquarters. He has a wealth of experience and expert knowledge in, and a high degree of insight into, the film industry.
Kiichiro Yamada	Managing Director	100% (12/12)	Mr. Kiichiro Yamada became a board director of the Company in 2016 and currently serves as managing director, head of the Production Headquarters, and deputy head of the Sales & Planning Headquarters. He has extensive knowledge and experience in the Company's Goods Sales and Events businesses.
Hidenori Tsuji	Managing Director	100% (12/12)	Mr. Hidenori Tsuji became a board director of the Company in 2016 and currently serves as managing director and head of the Administration Headquarters. He has extensive knowledge and experience in the Company's planning and sales and its domestic and overseas licensing business.
Minoru Fuse	Board Director	100% (12/12)	Mr. Minoru Fuse became a board director of the Company in 2020 and currently serves as deputy head of the Administration Headquarters. He has extensive knowledge and experience in the Company's financial affairs and accounting overall.
Atsushi Suzuki	Board Director	100% (12/12)	Mr. Atsushi Suzuki became a board director of the Company in 2020 and currently serves as deputy head of the Sales & Planning Headquarters. He has extensive knowledge and experience in the animation business overall.
Koji Ito	Board Director	100% (12/12)	Mr. Koji Ito became a board director of the Company in 2022 and currently serves as deputy head of the Administration Headquarters and general manager of the Corporate Strategy Department. He has a wealth of operational experience and achievements related to corporate management, finance, and global business.
Noriyuki Tada	Board Director	75% (9/12)	Mr. Noriyuki Tada became a director of Toei Company, Ltd. in 2010 and currently serves as its chairman. He has a wealth of knowledge and experience in corporate management overall.
Fumio Yoshimura	Board Director	(newly appointed)	Mr. Fumio Yoshimura became a director of Toei Company, Ltd. in 2020 and currently serves as its president and CEO. He has a wealth of knowledge and experience in corporate management overall.
Gengo Sunami	Board Director (Outside)	100% (9/9)	Mr. Gengo Sunami is the vice president of TV Asahi Holdings Corporation. He has a wealth of expert knowledge and experience in, and a high degree of insight into, the broadcasting industry.
Kenji Shimizu	Board Director (Outside)	66.6% (8/12)	Mr. Kenji Shimizu is the executive vice president of Fuji Media Holdings Corporation. He has a wealth of expert knowledge and experience in, and a high degree of insight into, the broadcasting and film industries.
Hajime Shigemura	Board Director (Outside)	100% (12/12)	Mr. Hajime Shigemura is an Audit and Supervisory Board member of Nippon Broadcasting System, Inc. He has a wealth of expert knowledge and experience in, and a high degree of insight into, the broadcasting industry.

Notes:

- The positions are current as of September 2023.
- Attendance records are for the regular meetings of the Board of Directors held in FY2022 (12 in total).
- Attendance records for Chairman Kozo Morishita, Managing Director Satoshi Shinohara, and Board Director (Outside) Gengo Sunami cover the meetings held after they were appointed to the Board of Directors on June 24, 2022.
- Because Board Director Koji Ito was appointed in June 2022, his attendance record includes his attendance of regular meetings of the Board of Directors in April and May 2022 in his capacity as executive officer.
- Because Board Director Fumio Yoshimura was appointed in June 2023, he did not attend any meetings in FY2022.

Compliance

Compliance Guidelines

Affirming that the company exists on the foundation of the understanding and cooperation of our customers, shareholders, employees, partner companies, and all other stakeholders, the executives and employees of Toei Animation have established the following Compliance Guidelines as their basic principles of conduct.

Compliance Guidelines

- We will contribute to society by producing video works that offer dreams and hope to children and adults worldwide and providing services that satisfy our customers.
- We will uphold laws, regulations, social norms, and other rules and not take actions that will attract internal or external criticism.
- We will disclose corporate information that is truly needed by society, including shareholders and investors, in a timely and appropriate manner.
- We will pay attention to risk management and prepare for crises by establishing fully comprehensive systems to counter accounting and tax risk and other incidental risks.
- We will be thorough in the management of information and establish secure systems to ensure that visual information, customer information, and other confidential information is not inadvertently leaked outside.
- In addition to our efforts to cooperate and collaborate with local communities, we will give due consideration to the protection of the natural environment.
- We will ensure safe and comfortable workplaces for employees and not engage in acts of harassment that will harm the dignity of individuals.
- We will eliminate all ties with anti-social forces and ensure the soundness of management.
- In the event of acts that violate these guidelines, we will take a rigorous approach to holding those responsible for such acts to account in accordance with company regulations.

Compliance promotion structure

Development of whistleblowing system with consideration of privacy

Toei Animation has established a hotline for employees to contact and make whistleblowing reports. In the event of a problem, prompt remedial or preventive action is taken. The Toei Group hotline is also available. Systems to ensure the anonymity and protect the privacy of whistleblowers internally and externally have been established, and efforts are made to ensure their effectiveness.

Compliance training

To raise awareness about compliance among all employees, training, including via e-learning, is conducted for all executives, employees, and new recruits. By conducting training for all job levels and for individual departments that is tailored to the characteristics of their operations, we ensure company-wide knowledge and understanding of compliance.

Distribution of Compliance Book

The norms and universal approaches to be observed by the Company, executives, and employees in the conduct of business activities have been set forth as a Code of Conduct. To ensure that this Code is put into practice in day-to-day operational activities, the key standards for behavior have been compiled into our two-volume Compliance Book, which is distributed to employees when they join the company.



Compliance Book

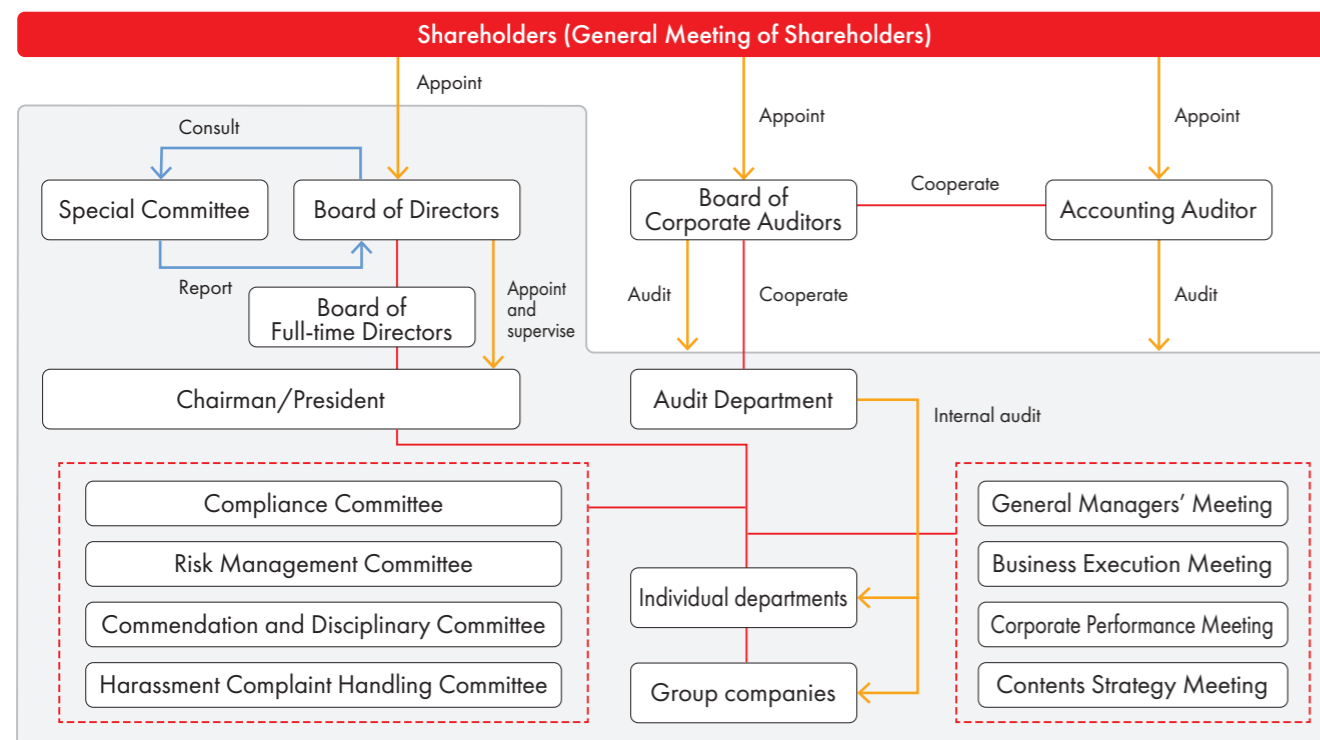
Governance

Our basic approach to corporate governance

The Toei Animation Group will seek to further strengthen global business development centered around our IP strategy as part of our quest to achieve continuous growth and enhance medium- to long-term corporate value. We enjoy a competitive advantage as an animation production company with a library of titles that is the largest in Japan and one of the largest in the world. One of our highest priorities is to leverage that advantage to create attractive, high-impact new works and deliver them to world markets, and to expand profit-generating opportunities without limitation.

To that aim, we have identified the consistent strengthening of corporate governance as a priority management issue to ensure sound, transparent, and efficient management, and we are striving to build effective corporate governance frameworks.

Corporate governance structure (as of June 26, 2023)



TOPIC Activity Report of the Special Committee

Overview of Special Committee

Toei Animation established a Special Committee as an advisory body to the Board of Directors on June 24, 2022, in order to further strengthen corporate governance. The committee is composed of at least three directors, corporate auditors, and external experts appointed by the Board who are independent from controlling shareholders.

Membership

Chair

- Hajime Shigemura (Independent Outside Board Director)

Committee members

- Kenshi Imamura (Independent Outside Corporate Auditor)
Representative Attorney, Nihonbashi Forum Law Office
- Masahiro Horie (external expert)
President and Representative Director, Tokyu Corporation

Activity results (matters deliberated)

- Examination of conflicts of interest in parent-subsidary transactions
- Matters concerning sustainability and human capital management
Invited external lecturers for a study group on human capital management and discussed issues
- Matters concerning global strategy, financial strategy, and corporate legal affairs
Discussions about parent-subsidary transactions, cross shareholdings, and maintenance of Standard Market listing
- Matters concerning nomination and remuneration of executives
- Matters concerning organization design

Major Risks

The Group recognizes the following major risks to its business.

■ Animation business

The Toei Animation Group's business operations are all centered around animation. We consistently endeavor to plan and produce high-quality animations. However, the popularity of animation titles can differ significantly from one title to the next, and so not all works produced by Toei Animation will become hit products. If several new titles fail to achieve a certain level of performance, this could impact the Group's business results and financial position.

■ Foreign exchange fluctuations

The Toei Animation Group's businesses include production and sales of animation overseas. Any rapid fluctuation in the foreign exchange rates used in foreign currency-denominated transactions with overseas companies (including our overseas subsidiaries) could impact the Group's business results and financial position.

■ Competition among companies

While the volume of content is increasing due to diversified media and expanded target audiences, competition among companies in the animation industry is growing ever more severe in a tough market environment. In addition, companies of South Korea, China, and other markets are becoming increasingly competitive. Toei Animation drives its growth strategy based on its superior planning, production, and business development capabilities fueled by long-accumulated experience and a strong track record. However, if competitors achieve rapid growth, this could impact the Group's business results and financial position.

■ Information security

The Toei Animation Group conducts thorough information management, takes appropriate security measures, and organizes relevant rules. However, if an event such as a larger-than-predicted cyber-attack, illegal access, or computer virus causes material damage to our information systems or communication networks, this could damage the trust society places in the Group or our brand image.

■ Copyright infringement

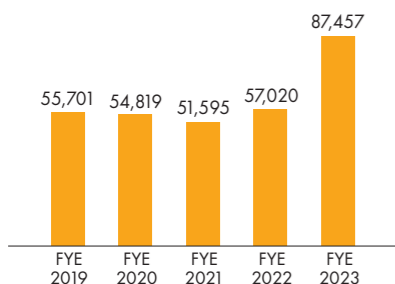
The Toei Animation Group conducts business based on the copyrights that cover our animation titles. It has been confirmed, however, that some of those copyrights have been violated by pirated copies, counterfeit products, and illegal streaming. We strive to take appropriate measures against these infringements on a case-by-case basis, but, sometimes, we may not be able to sufficiently protect our copyrights. Copyright infringement inhibits sales of official products and services and is expected to lead to future lost opportunities. By the same token, it could impact the Group's business results and financial position.

■ Natural disasters and infectious diseases

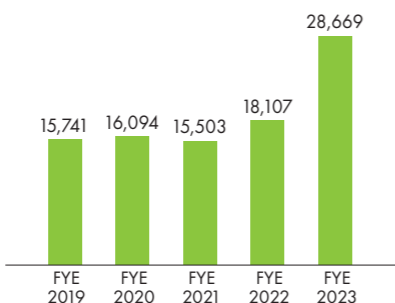
The Toei Animation Group conducts businesses in Japan and worldwide. Any large-scale natural disaster, such as an earthquake, or a global pandemic, such as novel influenza or novel coronavirus infection, may cause material damage to part or all of the Group's business activities. This could impact the Group's business results and financial position.

Performance Highlights (Consolidated)

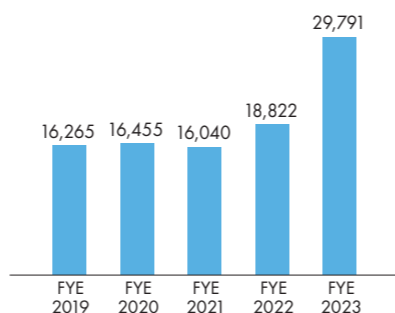
Net sales (millions of yen)



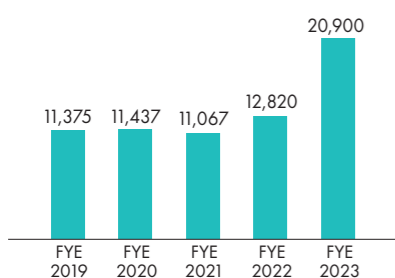
Operating profit (millions of yen)



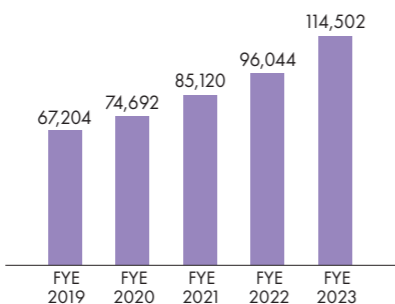
Ordinary profit (millions of yen)



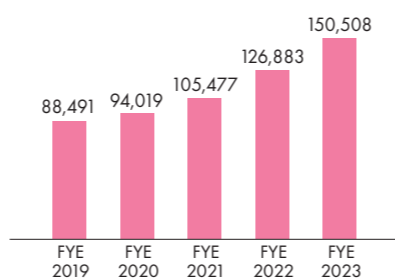
Profit attributable to owners of the parent (millions of yen)



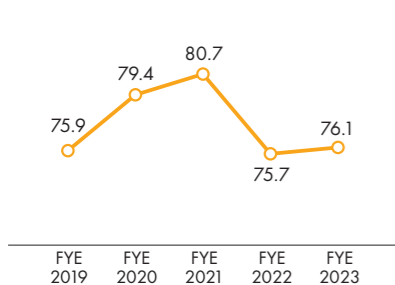
Net assets (millions of yen)



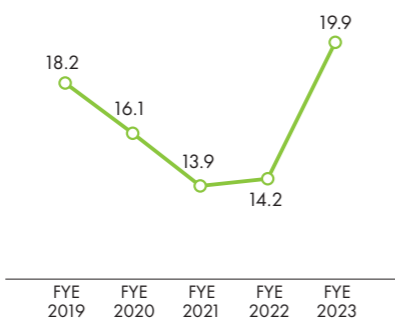
Total assets (millions of yen)



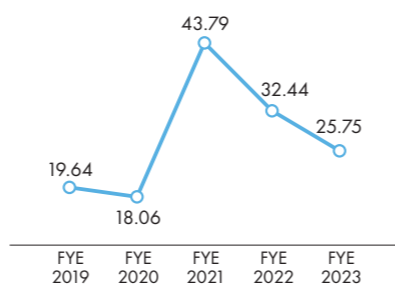
Shareholders' equity ratio (%)



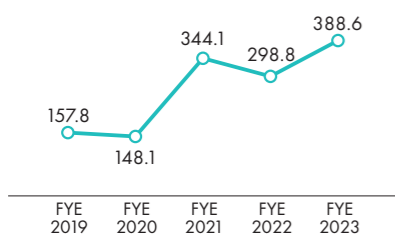
Return on equity (%)



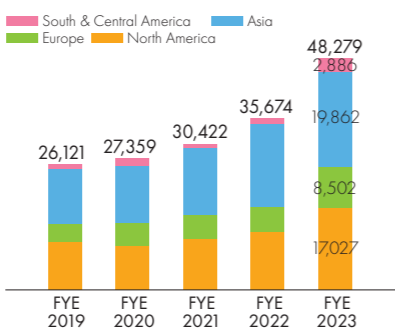
Price-earnings ratio (times)



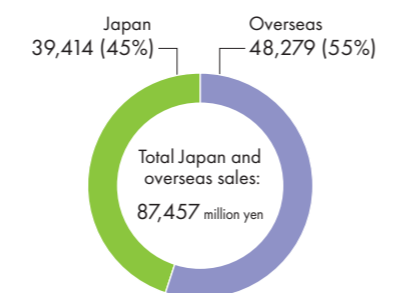
Total shareholder return (%)



Overseas sales by region (millions of yen)



Proportion of sales (millions of yen)



Corporate and Investor Information (as of March 31, 2023)

Company profile

Name	TOEI ANIMATION CO., LTD.
Established	January 23, 1948
Incorporated	July 31, 1956
Head office address	5th floor, Nakano Central Park East, 4-10-1 Nakano, Nakano-ku, Tokyo
Studio location	2-10-5 Higashioizumi, Nerima-ku, Tokyo
Operations	Production of animation, sales to various media, licensing business based on animation copyrights, events business, etc.

Stock market listing	Tokyo Stock Exchange Standard Market
Code	4816
Date of listing	December 8, 2000
Capital	2,867 million yen
Fiscal year end	March 31
Number of employees	900 (consolidated) 616 (non-consolidated)

Overseas bases



- 1 TOEI ANIMATION INCORPORATED (Los Angeles)
- 2 TOEI ANIMATION EUROPE S.A.S. (Paris)
- 3 TOEI ANIMATION ENTERPRISES LIMITED (Hong Kong)
- 4 TOEI ANIMATION (SHANGHAI) CO., LTD. (Shanghai)
- 5 TOEI ANIMATION PHILS., INC. (Manila)

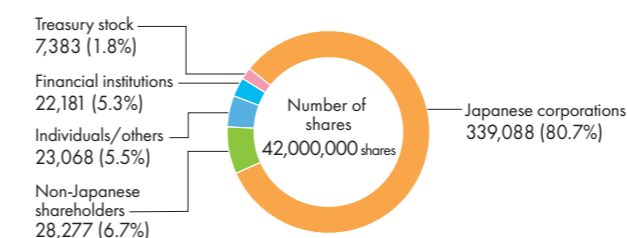
Stock information

Total number of outstanding shares issued	42,000,000 shares
Number of shareholders	8,596

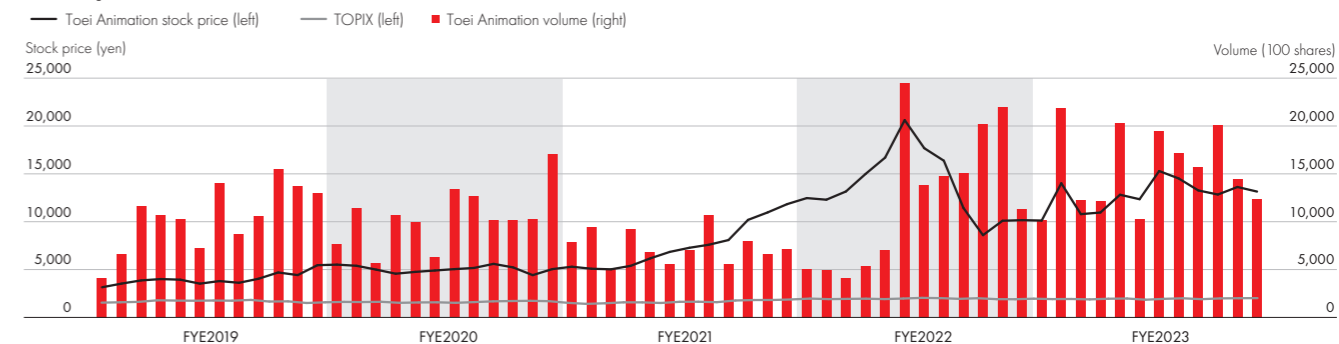
Major shareholders (top 10 shareholders)

Names of shareholders	Number of shares held (100 shares)	Shareholding ratio (%)
Toei Company, Ltd.	141,000	33.6
TV Asahi Corporation	82,509	19.6
Bandai Namco Holdings Inc.	45,372	10.8
Fuji Media Holdings, Inc.	34,300	8.2
JP MORGAN CHASE BANK 380815	20,200	4.8
Toei Video Company, Ltd.	13,647	3.2
Toei Labo Tech Co., Ltd.	10,500	2.5
Retirement Benefit Trust (Fuji Television Account) of Mizuho Trust & Banking Co., Ltd., Trustee: Custody Bank of Japan, Ltd.	8,000	1.9
Retirement Benefit Trust (Sony Stock 003 Account) of Mizuho Trust & Banking Co., Ltd., Trustee: Custody Bank of Japan, Ltd.	7,800	1.9
Sony Pictures Entertainment (Japan) Inc.	7,800	1.9

Shareholding ratio by shareholders (100 shares)



Stock price and volume



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