



# PERO'S Integrated Report REPORT 2022

TOEI ANIMATION CO.,LTD.

# Management Philosophy



# Become an “emergent company” that offers dreams and hope to children worldwide.

\* An emergent company is one that has the imagination and the innovative ability to create and convey new artistic works and businesses.



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# 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 overseas 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 a world-class Toei Animation brand.



**4**  
**Advance our**  
**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.

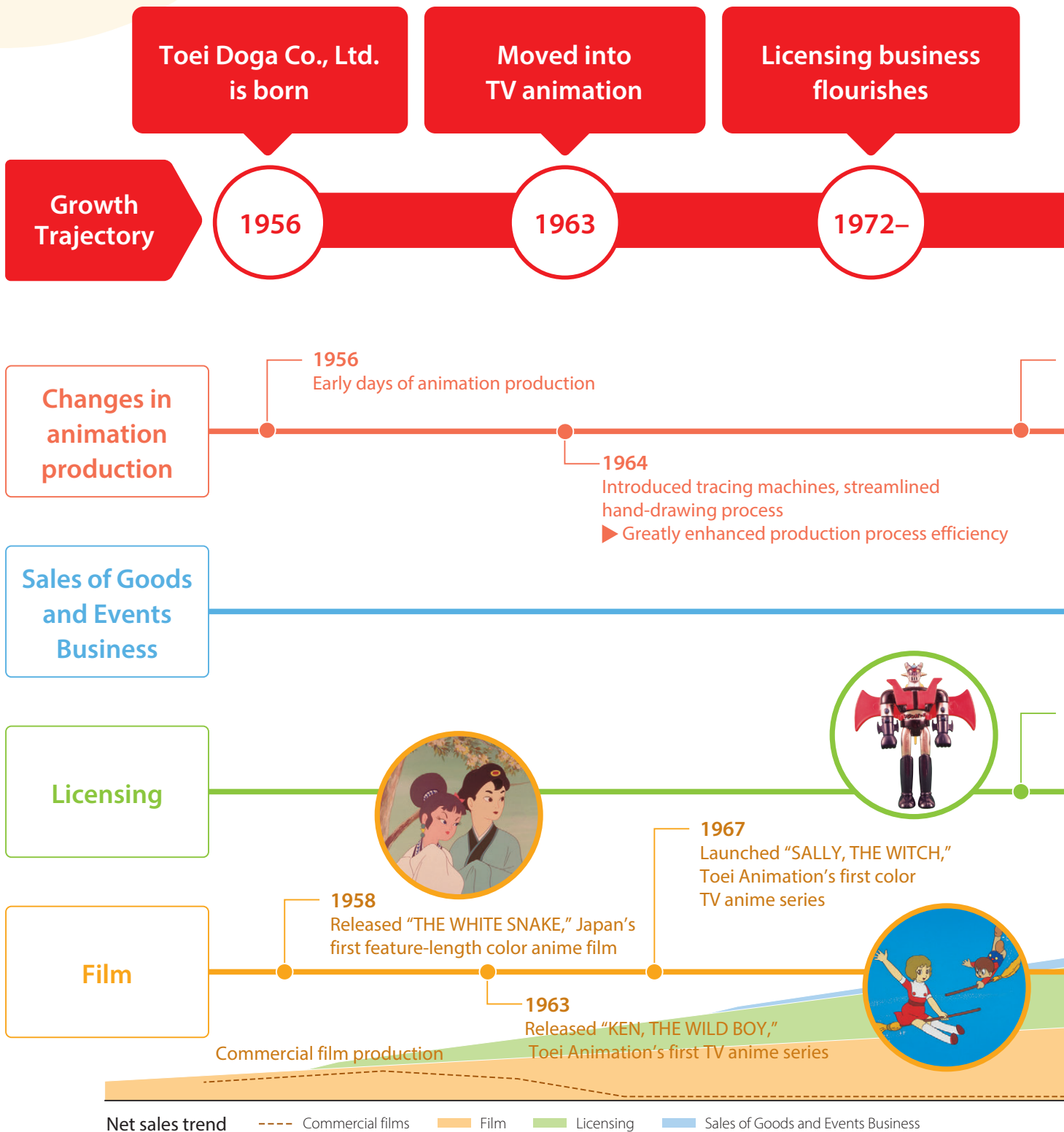
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## Notes on future forecasts

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.

# 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 contents 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 globally

Growing media mix

1981-

Creating a global Toei Animation

1995-

Toei Animation Co., Ltd. is born

1998

Expanded business types following development of image and communication technologies

2006-

1973  
Began outsourcing animation production overseas

1992  
Established an outsourced production joint venture company in the Philippines

1995  
Set up the Toei Animation Institute to nurture personnel (closed in 2011)

1996  
Started digitalizing production processes

1997  
Started digitalizing the finishing process

2004  
Started digitalizing video processes at TAP (Philippines)

2018  
Completed our Oizumi studio

1975  
"GREAT MAZINGER" super robot show  
▶ Started character shows

1973  
The "MAZINGER Z" super alloy robot proved a big hit  
▶ Developed full-fledged copyright business

1997  
Established a sales subsidiary in Hong Kong

2004  
Established sales subsidiaries in Los Angeles and Paris

2006  
Established a representative office in Shanghai

Game app licensing sales grew worldwide

1979  
Released "GALAXY EXPRESS 999," our first autonomous full-length theatrical feature film

Sales of streaming rights expanded worldwide



# 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.



## THE WHITE SNAKE

First full-color feature-length animated film in Japan



## KEN, THE WILD BOY

Toei Animation's first TV anime series



## UFO ROBOT GRENDIZER RAIDS

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



## SALLY, THE WITCH

First anime targeting young female viewers in Japan

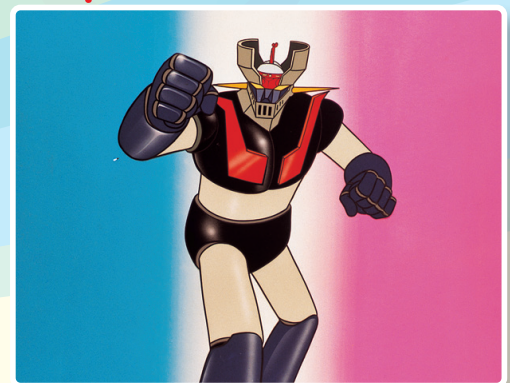
1972

1975

1966

1963

1958



## MAZINGER Z

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



SAILORMOON



ONE PIECE

2004-

1999-

1999

1992

1986



DIGIMON ADVENTURE

A mega hit that aired in over 60 countries



DRAGON BALL



PRETTY CURE

A hugely popular series targeting young female viewers

# Value Creation Process

Toei Animation boasts a wealth of production expertise accumulated over a 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 contents 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.

## Our Cultivated Capabilities

### 1 World-class planning and production

#### Creating attractive contents 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
- Fully digitalized one of the world’s largest body of contents

### 3 World-famous animation

#### The power to develop world-class leading Japanese works globally

- Established a six-base structure with the head office in Japan, local subsidiaries in the U.S., France, Hong Kong, and Shanghai, and a production studio in the Philippines
- 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

- One-stop animation production all three processes of planning, marketing
- Global business development strategic core

Input

R&D

Human resource development

Adequate capital to deal with risks  
Sound financial position

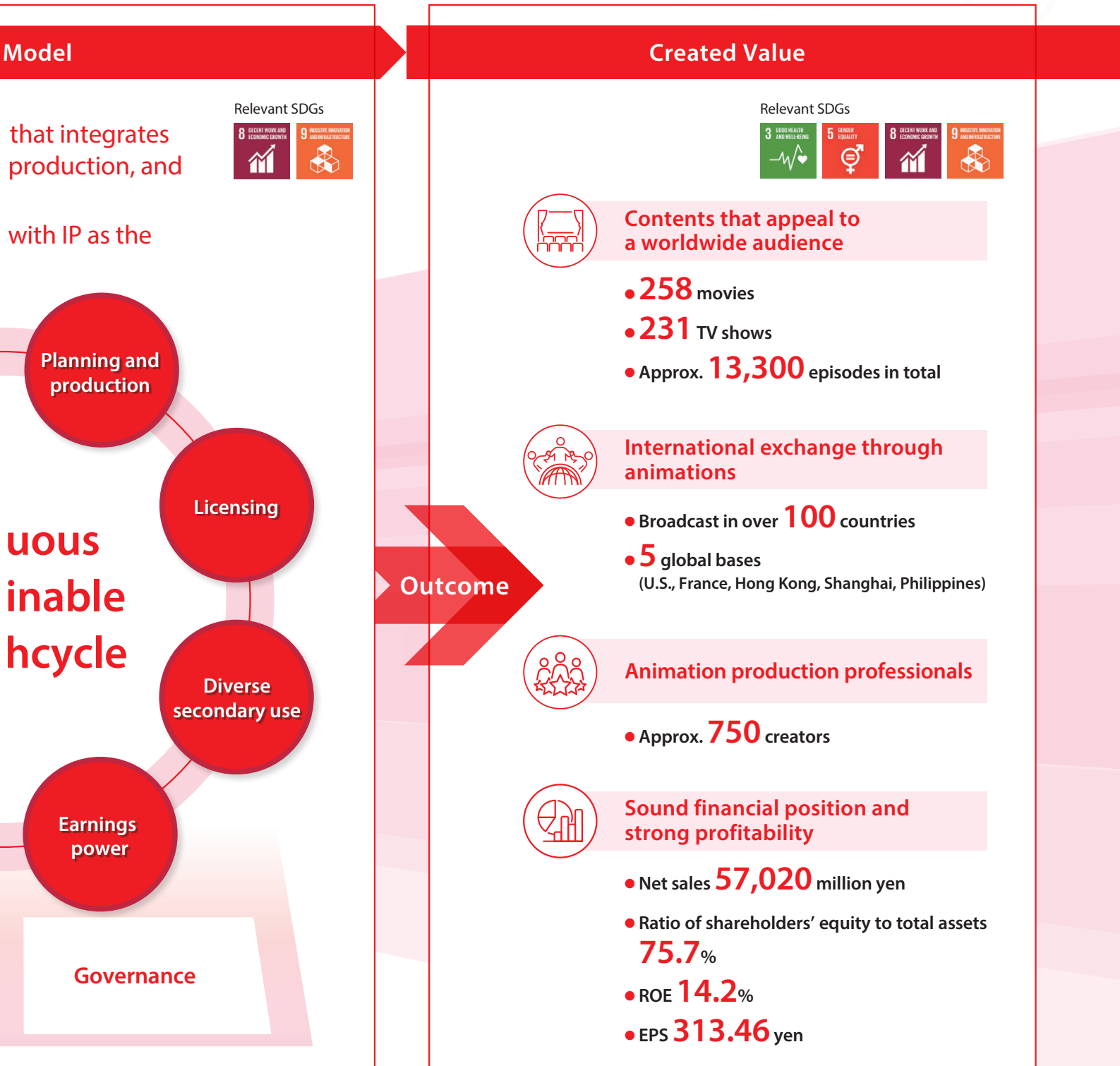
Investment capacity

Virt  
susta  
growt

Important values:  
Giving dreams and hope to children worldwide



We are currently tackling major changes in our business environment in light of declining birthrates, shrinking TV viewership, and diversifying consumer needs. Even in the face of such major change, we are able to rapidly adjust our portfolio thanks to our one-stop animation production capabilities. Going forward, we will seek to further strengthen our global business development with IP at the strategic core, achieve sustainable growth, and enhance our medium- to long-term corporate value.



# Our Business Model

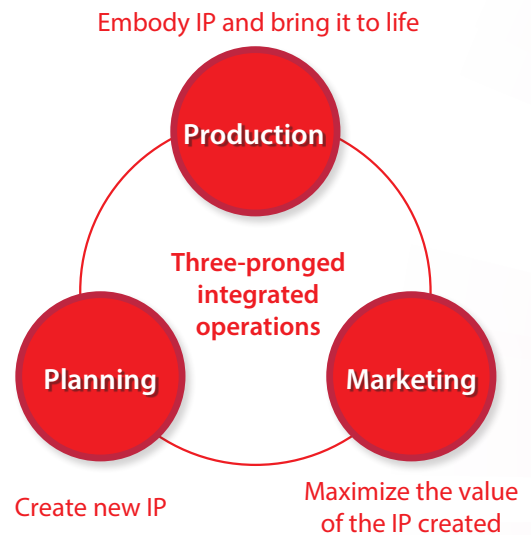
## One-stop animation production that integrates all three processes of planning, production, and marketing

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 our 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, profitability and investment management, and sound financial position management.

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.

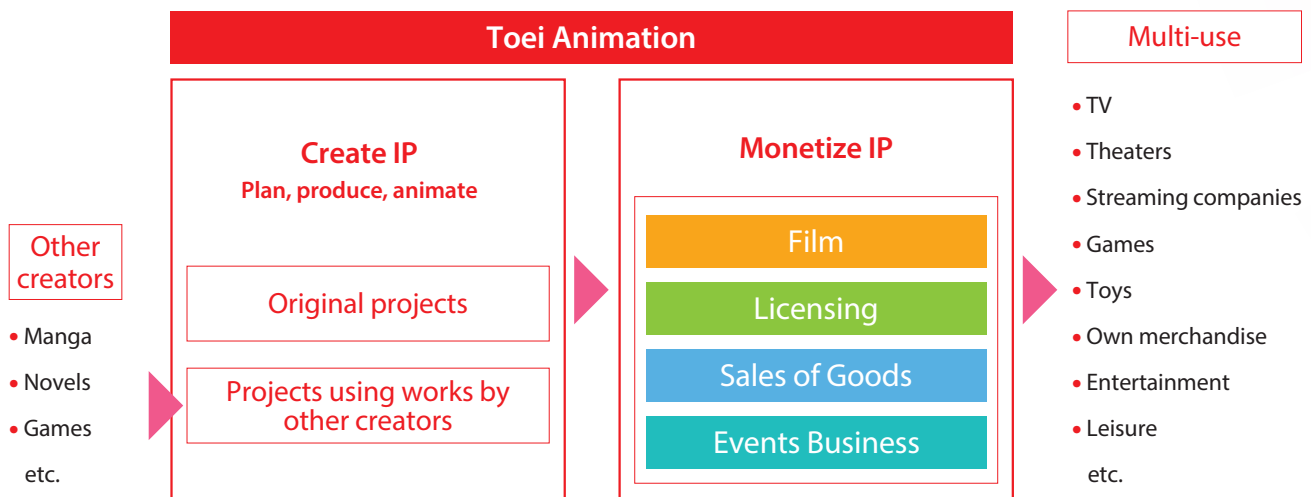
Our company's comprehensive capabilities mean not only can we create works that satisfy diverse needs, but also develop

secondary use (multi-use) through licensing in order to grow a work's reach and generate greater profits. This earnings 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

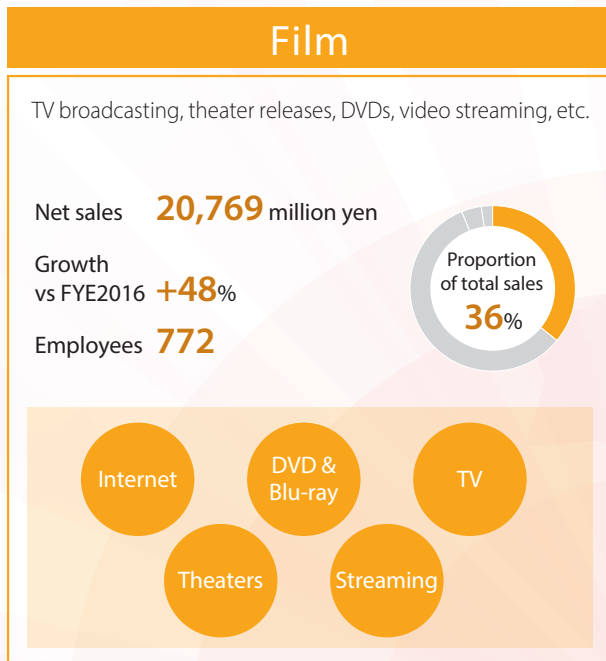
Toei Animation is an IP holder that not only creates our own works but also maximizes the value of our IP by monetizing those works.



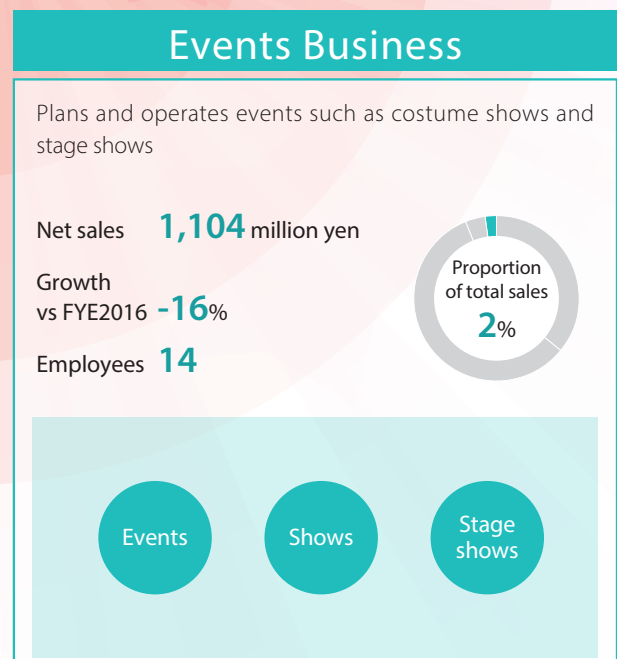
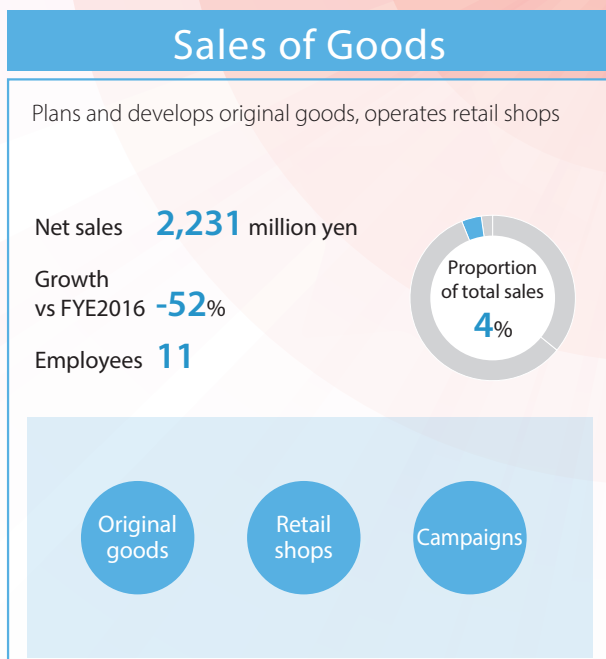
## Developing one-source, multi-use business

Toei Animation's sales division is divided into Film, Licensing, Sales of Goods, and Events Business. 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.

FYE2022 performance



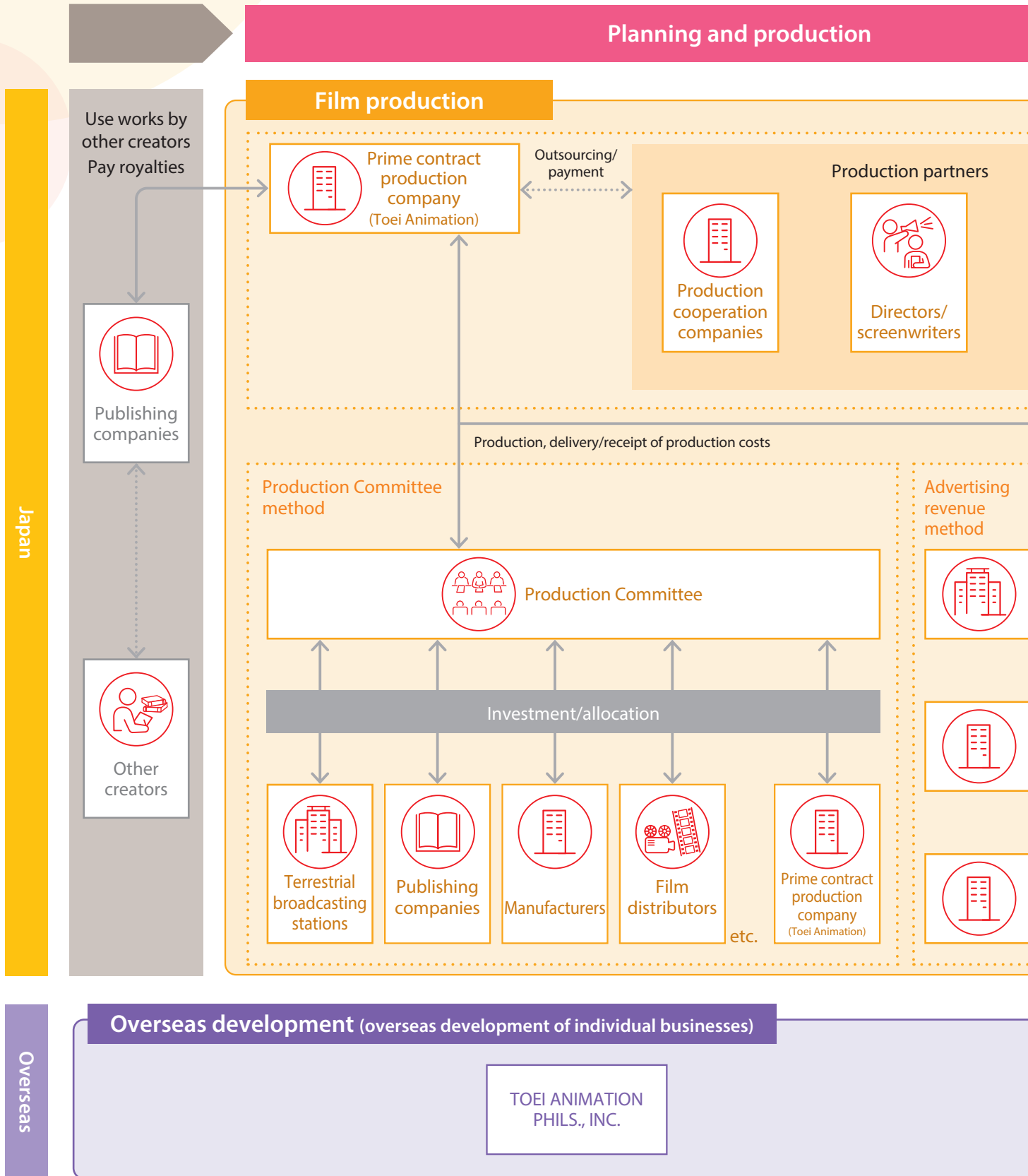
One-source **Animations** Multi-use

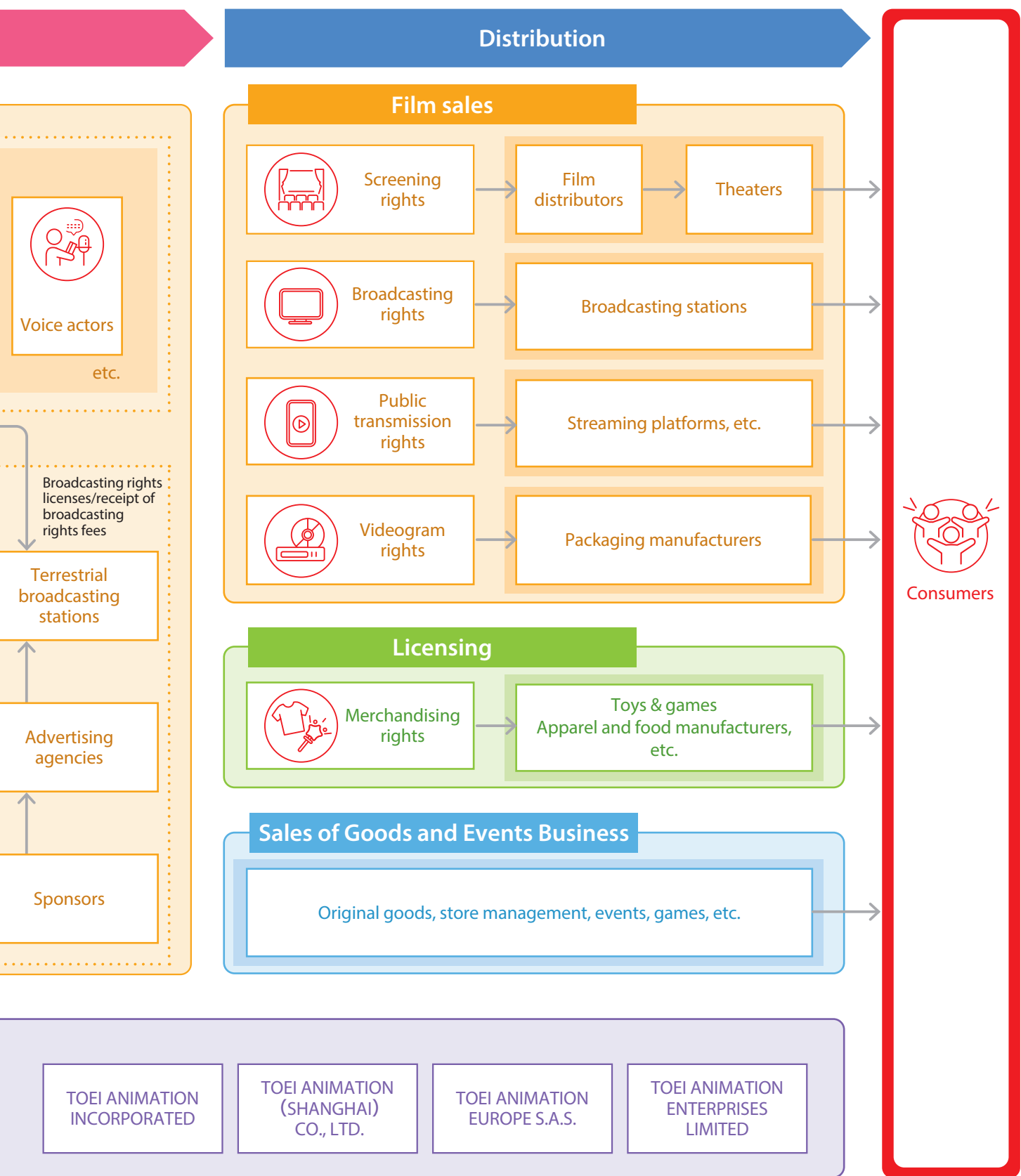


# Our Business Model

## Business model for each business segment

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





# Message from the President

Overcome differences in culture and values through our three-pronged overseas strategy so we can deliver great works worldwide

高木 勝裕

Katsuhiro Takagi  
President



## Overseas business constitutes record share of full-year sales. Net sales and profits all reach record levels

Net sales and profit increased year on year in FYE2022 on the back of strong sales of gaming and merchandising rights in our overseas licensing business and a strong video streaming business worldwide. Our highly profitable overseas business constituted a record proportion of full-year net sales, with revenue and profits all reaching record levels.

## Our medium- to long-term overseas strategy

The scale of the global anime market exceeded 30 trillion yen\*1 in 2020, but our FYE2022 net sales in that market totaled only 57.0 billion yen. The global market is still expanding and I believe we have a great deal more room to expand our own business (Figure 1) Size of global anime market and Toei's share.

Figure 2 illustrates the three pillars of our overseas strategy for developing overseas markets.

To date, we have engaged primarily in the overseas export business. We used a model that focuses on developing and generating profits from the sale of IP created in Japan to overseas countries and regions that are receptive to the IP. This has

Fig. 1 Size of global anime market and Toei's share

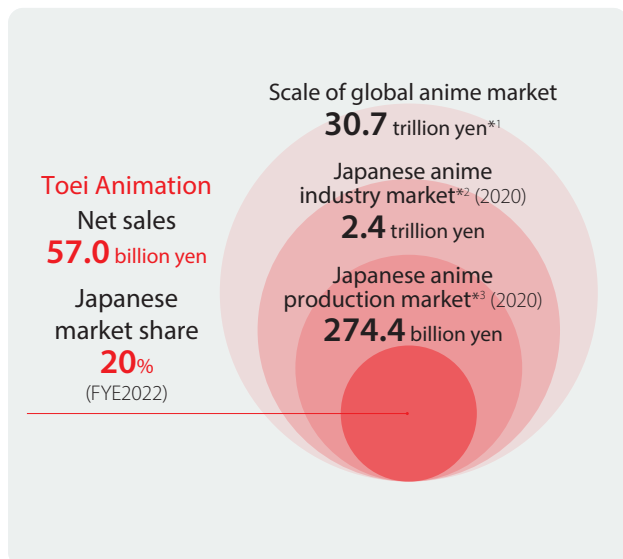


Fig. 2 Three-pronged overseas strategy



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

\*2 Scale of anime industry market in a broad sense derived from user payment totals

\*3 Scale of anime market in a narrow sense based on estimated net sales of commercial anime production companies  
Source: The Association of Japanese Animations "Anime Industry Report 2021"

supported our business performance well, especially in recent years, with sales rising considerably. However, this model also makes it difficult for us to maximize our potential because it doesn't focus on markets with different cultures and values that do not readily accept our products or that have various restrictions in place that hamper our efforts.

For that reason, we have begun to focus on the second pillar, namely Hollywood-style business. By placing works in the mainstream global movie market rather than on distribution networks as a Japanese anime, this model enables us to deliver works broadly around the world instead of just to core anime fans.

The third pillar focuses on local production for local consumption. This model focuses on penetrating specific countries and regions and creating IP together with local creators. We believe that we can overcome barriers caused by differences in culture and values or external regulations and deliver works by marketing them not as a foreign animation from Japan but as local works inspired by local countries.

We have set ourselves the goal of establishing the Toei Animation brand worldwide, and we intend to use these three business models to strengthen our position as an image producer that offers all of the business functions as well. We are preparing specific products and the number of items under **Figure 3** Four-quadrant medium- to long-term IP portfolio with type on the horizontal axis and target on the vertical axis.

► **Quadrant 1 (upper right): Global IP for original works**

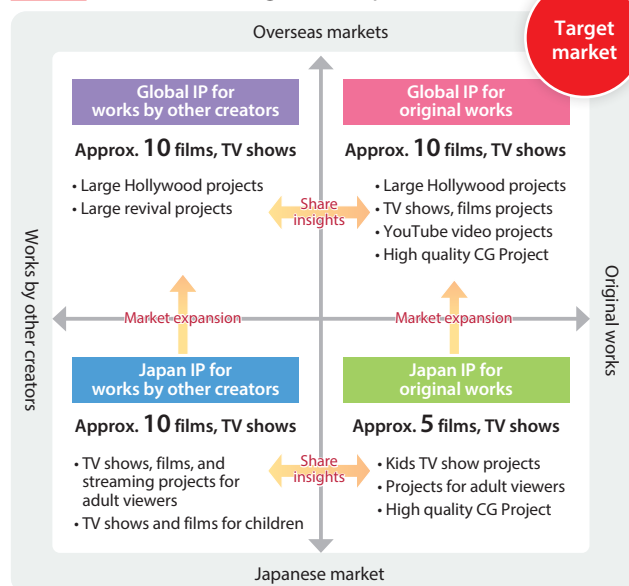
This is the quadrant where we are currently focusing the most attention. We intend to strengthen our own IP in order to better publicize the Toei Animation name and establish a solid position that is not disrupted by external circumstances.

The already publicized works in this segment include the animated film "The Monkey Prince (tentative)," which was co-produced by Japan, China, and the United States and has been prepared over the past few years, and the CG animation "KAIJU DECODE," which was co-produced with Tsuburaya Productions. We also intend to create IP for the global market through the forming of a business alliance agreement with world-renowned Korean general entertainment company CJ ENM. Naturally, we are looking to develop new original IP for the global market, but we are also seeking to gradually develop IP using works by other creators from 2023, including anime and live-action versions of both companies' existing works. This corresponds to quadrant 2.

► **Quadrant 2 (upper left): Global IP for works by other creators**

This quadrant boasts many works that we are currently preparing. We aim to monetize on a large scale works by other creators whose compelling stories and characters have already established a fan base by developing them globally. We want to create a large global movement not only by discovering new IP, but also by

**Fig. 3** Medium- to long-term IP portfolio



regularly creating movies or developing series or reboots of our library items.

The already publicized works in this segment include the movie "DRAGON BALL SUPER: SUPER HERO," the movie theater version of "ONE PIECE FILM RED," the movie "THE FIRST SLAM DUNK," and the "Hollywood: Knights of the Zodiac Live Action Movie (SAINT SEIYA)." Going forward, we intend to continue to focus on utilizing IP in a variety of ways to increase global value, regardless of the visual format or media type.

► **Quadrant 3 (lower left): Japan IP for works by other creators**

► **Quadrant 4 (lower right): Japan IP for original works**

This is the area that we have developed most actively to date, but growth potential in Japan is likely to be low due to factors such as the declining birthrate. While the main target might be Japan, we intend to build the segment so that any IP not only becomes a hit in Japan but also becomes a profitable hit worldwide.

As I have already explained, we intend to create stable hit works by utilizing our existing fan base in the two quadrants on the left, and then use the profits generated by those two quadrants to fund development of the two quadrants on the right. Our aim is to develop new markets by maximizing the expertise of overseas business and the networks that we have cultivated to date, and to create a virtuous cycle by utilizing the knowledge we gain there to revitalize our overall development.

We have finally completed the preparations for overseas works but we plan to update the number of works and the timing of their release on a regular basis.

I would like to take this opportunity to thank our stakeholders for their continued support and cooperation going forward.

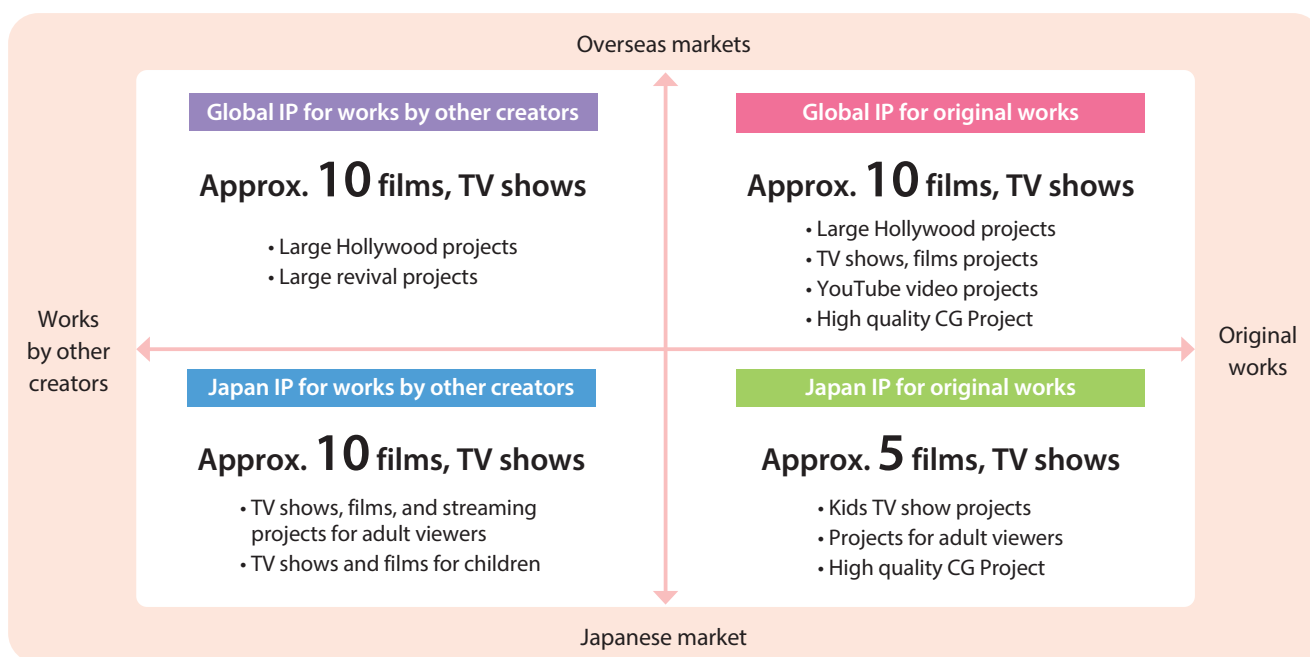
# Understanding the External Environment and Progressing Our Medium- to Long-term Strategy

## Understanding the external environment

- Projected growth in the global contents market (128 trillion yen in 2018 → 141 trillion yen in 2023)  
\* “Kontentsu no sekai-shijou/nihon-shijou no gaikan” (Overview of global and Japanese contents markets) by the Ministry of Economy, Trade and Industry of Japan, February 2020
- Rapid development of digital technology
- Falling birth rate and TV viewer ratings, diversifying consumer needs
- Promotion of sustainability strategies that are vital for enhancing long-term corporate value

## Medium- to long-term IP portfolio

Toei Animation intends to develop global markets by creating and rolling out attractive works over the medium to long term.



	Forecasts					
	2023		2024		2025	
	Films	Series, etc.	Films	Series, etc.	Films	Series, etc.
Global IP for original works	1	2	1	1	0	2
Global IP for works by other creators	4	3	1	2	2	1
Japan IP for works by other creators	2	6	2	3	0	1
Japan IP for original works	2	4	2	3	1	0

(Note) The number of works in the lineup is as of September 30, 2022. In the future, the lineup of works will change.



## Development schedule through 2023

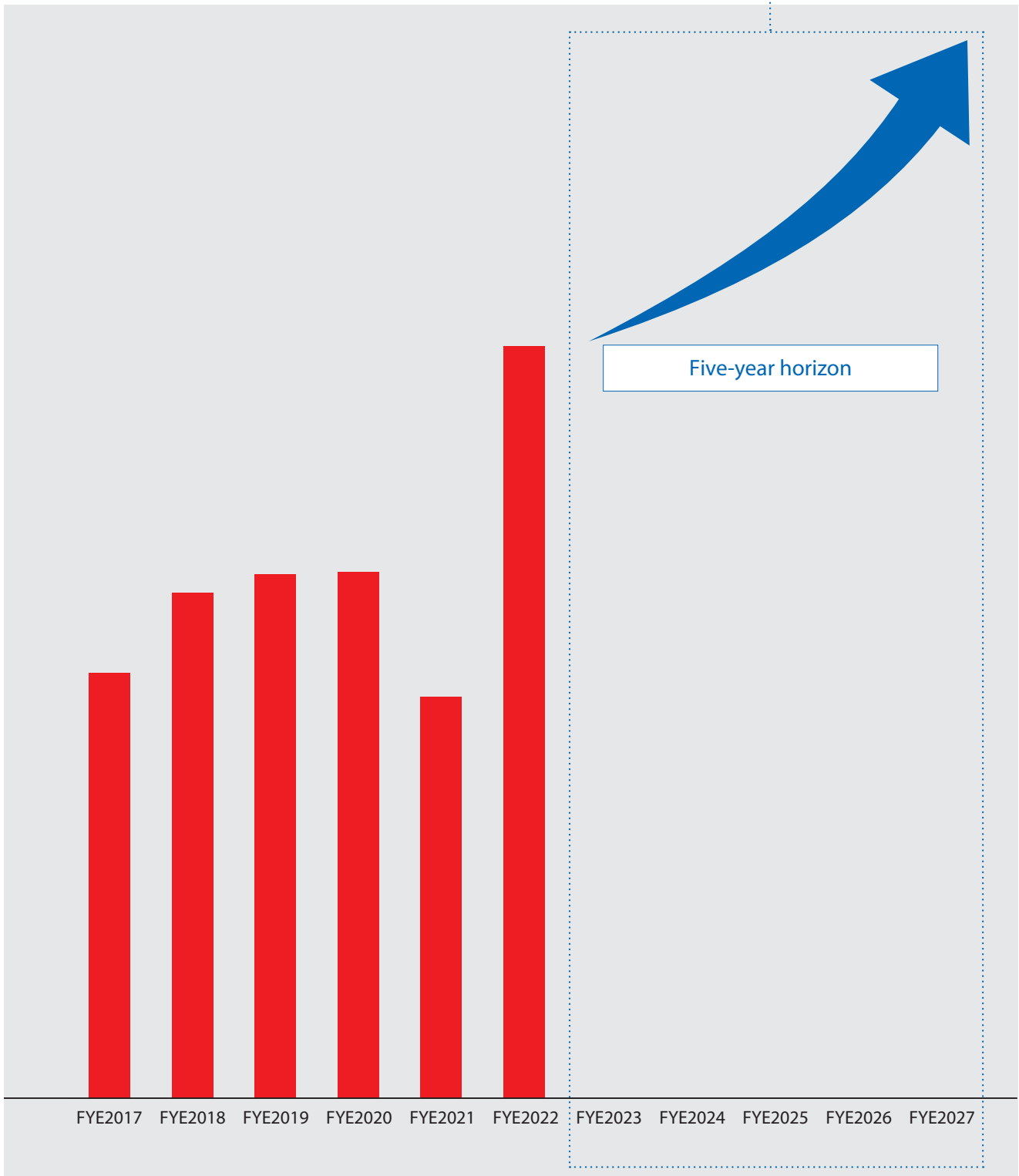
Development period		Work		Category
2022	February	Delicious Party♡Pretty Cure	1	Japan IP for works by other creators
	March	Butt Detective the Movie SHIRIARTY	2	Japan IP for works by other creators
	April	MIRACULOUS Tales of Ladybug & Cat Noir	3	Global IP for works by other creators
	June	Movie: DRAGON BALL SUPER: SUPER HERO	4	Global IP for works by other creators
	August	Movie theater version: ONE PIECE FILM RED	5	Global IP for works by other creators
	December	Movie: THE FIRST SLAM DUNK	6	Global IP for works by other creators
2023	Early summer	Movie theater version: Pretty Guardian Sailor Moon Cosmos: Part 1 and Part 2	7	Japan IP for works by other creators
	Fall	New Movie From Ge-Ge-Ge no Kitaro Series	8	Japan IP for works by other creators
	TBD	AKUMA KUN Netflix series	9	Global IP for works by other creators
	TBD	Hollywood: Knights of the Zodiac Live Action Movie (SAINT SEIYA)	10	Global IP for works by other creators
	TBD	Movie: The Monkey Prince (tentative)	11	Global IP for original works



# 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

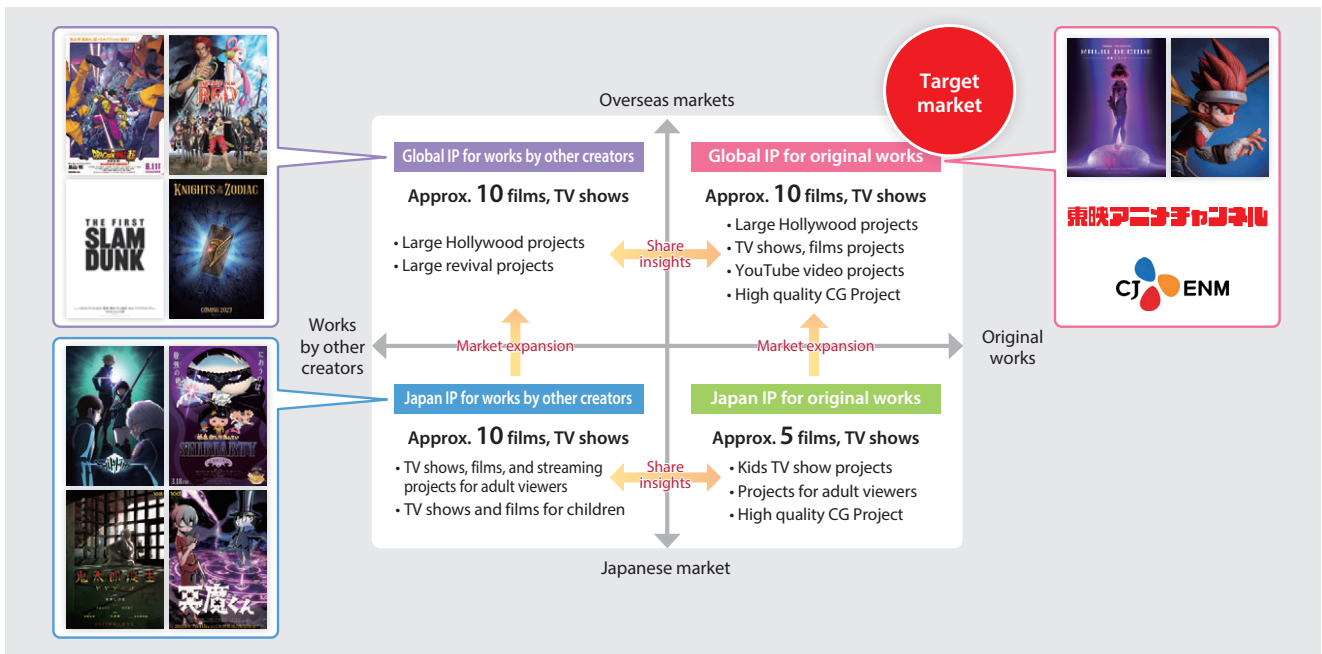


# Cash allocations

## Growth investment primarily in product creation

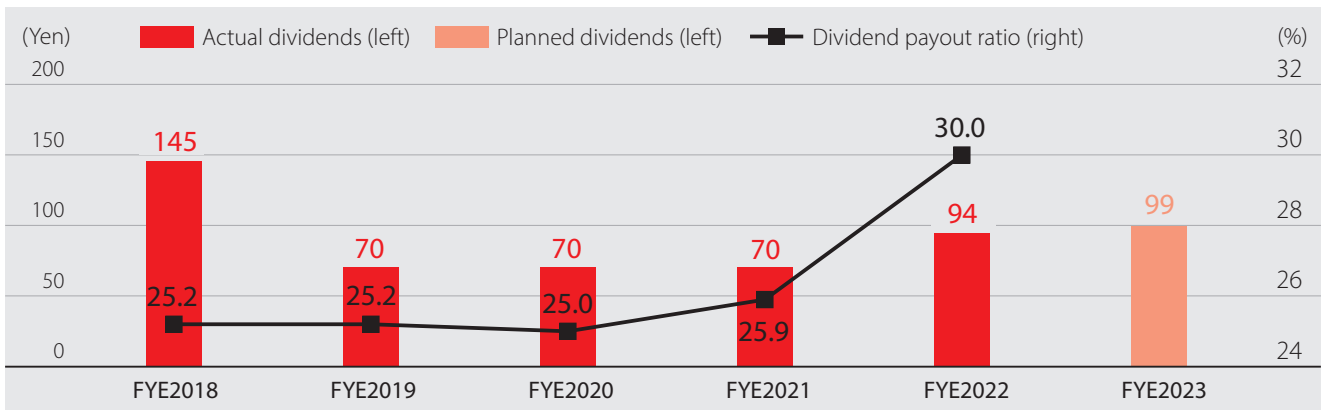
Toei Animation consistently seeks to enhance our product creation and production systems and to proactively invest in potential growth businesses in order to become a global leader in the animation industry.

### Portfolio through FYE2026



## Providing stable shareholder returns

Toei Animation considers the securing of profits for shareholders to be one of our 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.



# 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.

**Solution 1** **Digital Strategy**  
3DCG background production

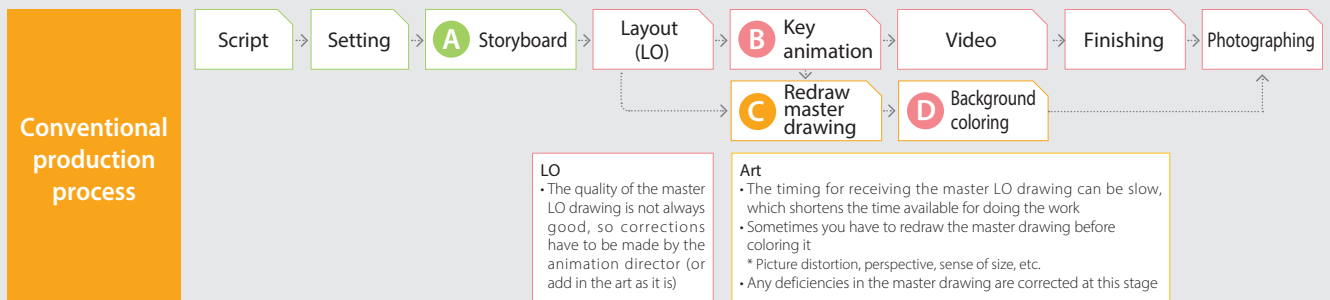
**Solution 2** **Human resource strategy**  
Set up the Toei Animation Academy P33 Social Initiatives

## Digital strategy: 3DCG background production

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.

## Comparing conventional production process and 3DCG master drawing



**A Storyboard**

We draw an explanatory picture based on the script that functions as a work's blueprint in order to explain the directing method and other elements to all staff.

**B Key animation**

We decide the composition of each scene based on the storyboard and draw key pictures to show characters' movements and actions.

We then decide the basic colors for the characters, items, and other elements.

**C Redraw master drawing**

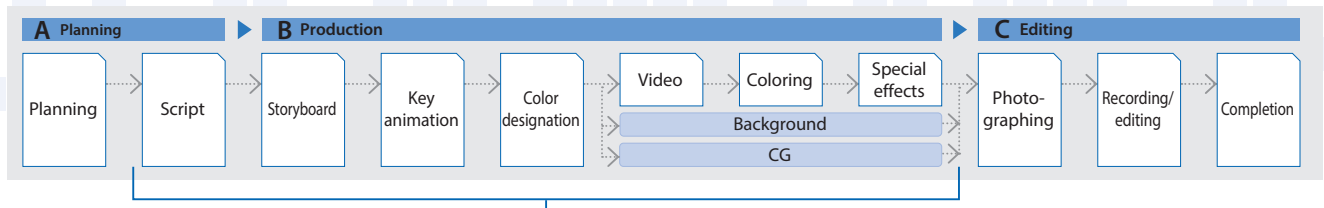
We draw the background behind the characters.

The animation director and art staff might have to modify the key animation at this point, which can end up slowing down the project's progress.

**D Background coloring**

We use digital tools to create more detailed, higher-quality drawings.

## Work process using 3DCG master drawings



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

## Advantages and disadvantages of 3DCG master drawings

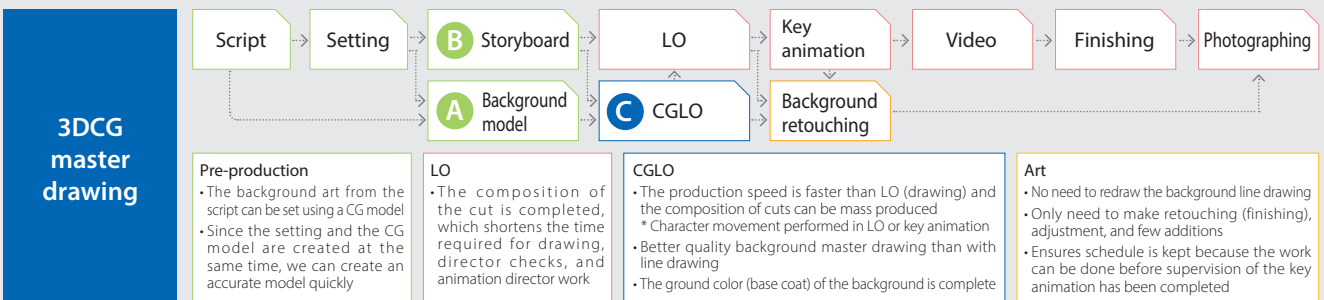
### Advantages

- Improves background master drawing quality
- Enables faster completion of master drawings
- Requires fewer additions and corrections when working on background art

### Disadvantages

- Requires preparation for a background model
- Might require some layouts that are difficult for the genga man, or key animator
- Requires familiarity with specific operations for CG

gs



### 3DCG master drawing

#### Pre-production

- The background art from the script can be set using a CG model
- Since the setting and the CG model are created at the same time, we can create an accurate model quickly

#### LO

- The composition of the cut is completed, which shortens the time required for drawing, director checks, and animation director work

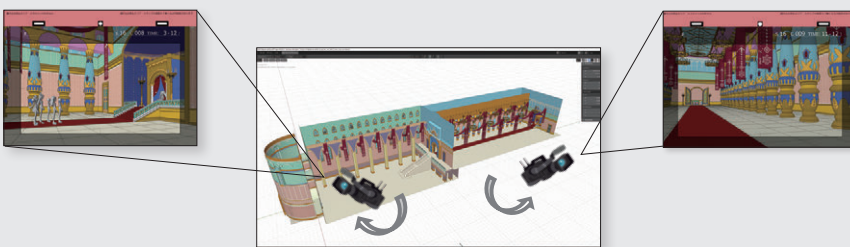
#### CGLO

- The production speed is faster than LO (drawing) and the composition of cuts can be mass produced
- \* Character movement performed in LO or key animation
- Better quality background master drawing than with line drawing
- The ground color (base coat) of the background is complete

#### Art

- No need to redraw the background line drawing
- Only need to make retouching (finishing), adjustment, and few additions
- Ensures schedule is kept because the work can be done before supervision of the key animation has been completed

### A Background model



We create a background model. Once created, you can set the background simply by switching camera angles in the background model just like a live-action movie camera person would.

The high quality of the background master drawings means there is much less need for animation directors and art staff to add or correct any details.

### B Storyboard

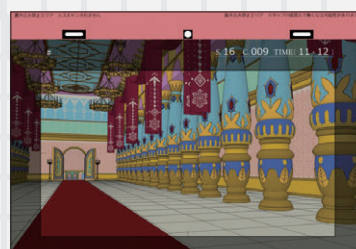


We draw an explanatory picture based on the script that functions as a work's blueprint in order to explain the directing method and other elements to all staff.

### C CGLO



We place a character on the background model to suit the storyboard, position the camera, and decide the composition of the cut.



Then we output the background base coat.

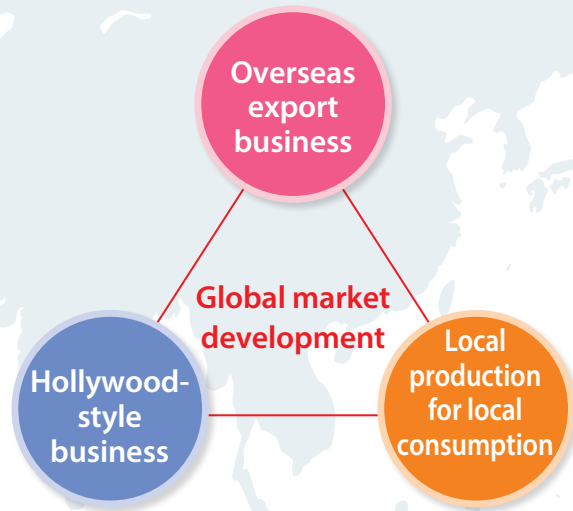
# Global Strategy

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

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 expertise in expanding overseas business, so we can also control 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 overseas export business, Hollywood-style business, and local production for local consumption business in order to achieve our ultimate goal of establishing the Toei Animation brand worldwide.

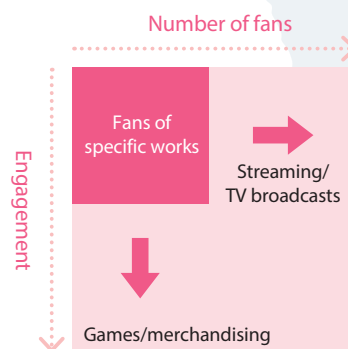
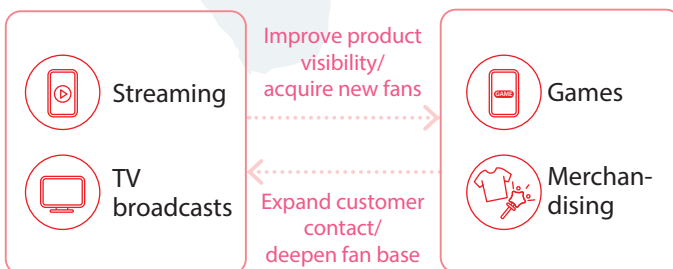


## Overview of each business model

### Overseas 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



### Overseas 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

- Many Japanese companies license their original works to Hollywood, and receive only small profits from partial investments
- Toei Animation seeks to increase earnings by leveraging our advantage as a one-stop animation business and building equal relationships with Hollywood studios



Japan-China-US collaboration:  
"The Monkey Prince (tentative)"



"Hollywood: Knights of the Zodiac  
Live Action Movie (SAINT SEIYA)."



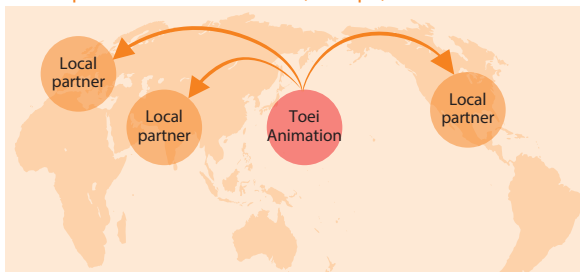
Multiple projects in progress

## Local production for local consumption

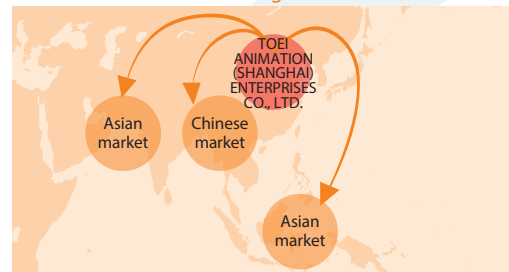
Penetrate specific countries and regions by creating IP together with local creators

- 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

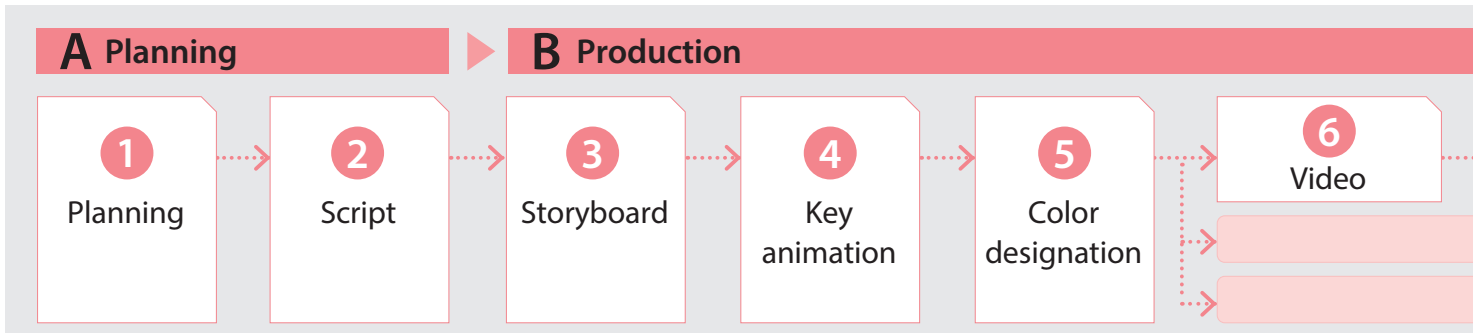


### Asian market development

- Important to develop locally rooted products in the Chinese market due to tighter regulations on overseas content
- Set up TOEI ANIMATION (SHANGHAI) ENTERPRISES CO., LTD., a joint venture company with Chinese partner, to further promote market development in China and Asia
- Promote the development of content for Mainland China and the Greater China region

# 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.

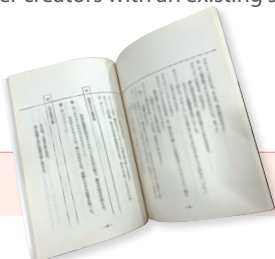


### 1 Project proposal

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

### 2 Script

We write the story based on the work's planned aim. Sometimes, we restructure a script 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.

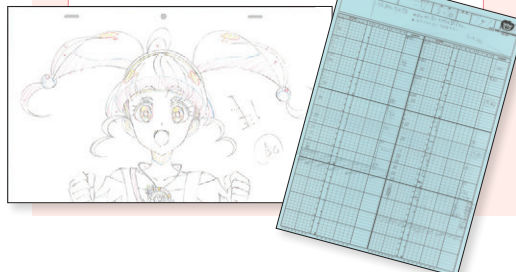
### 3 Storyboard

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



### 4 Key animation

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



### 5 Color designation

Decide the basic colors for the characters, etc.

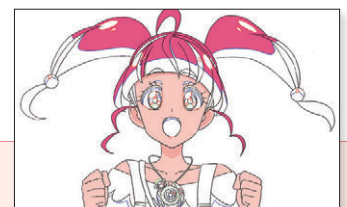
### 6 Video

Draw images (animation) to express the movements between key animation.



### 7 Coloring

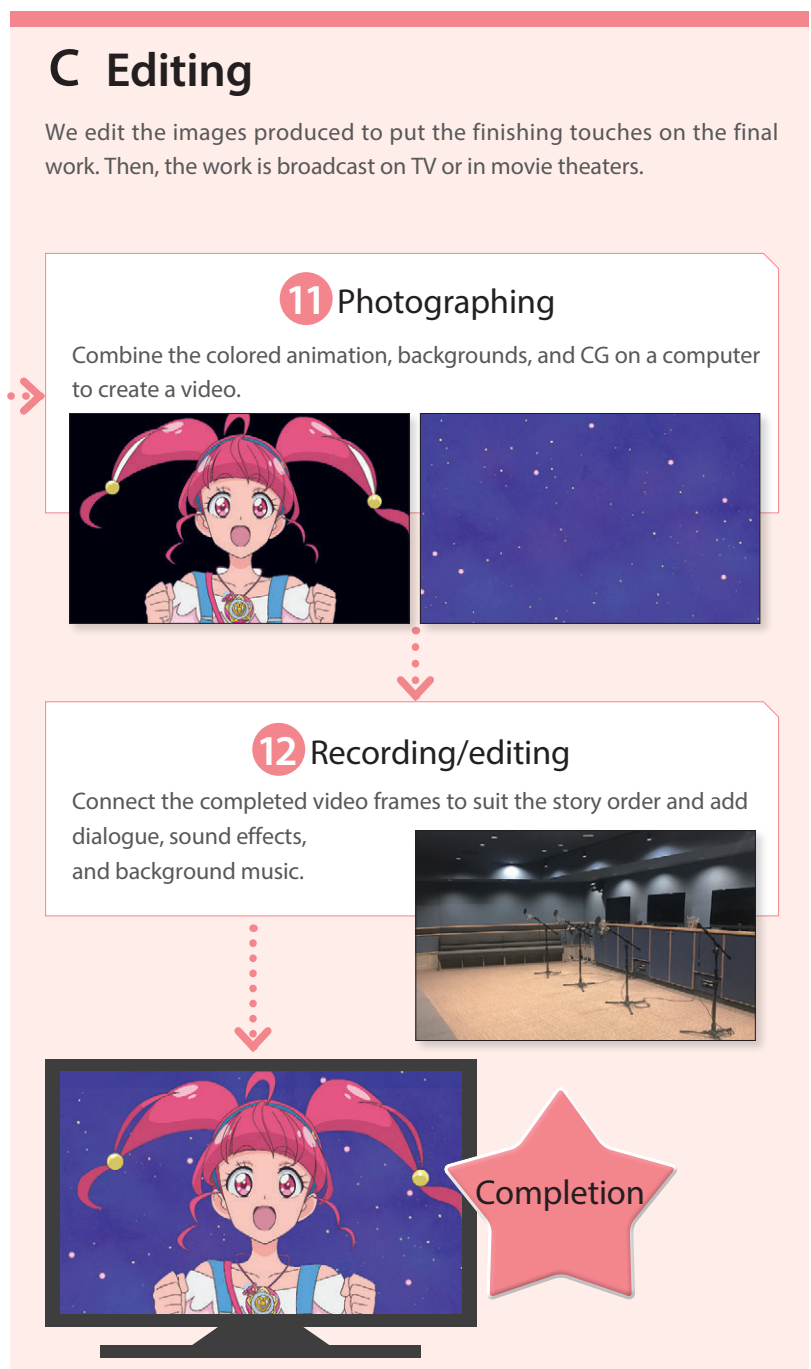
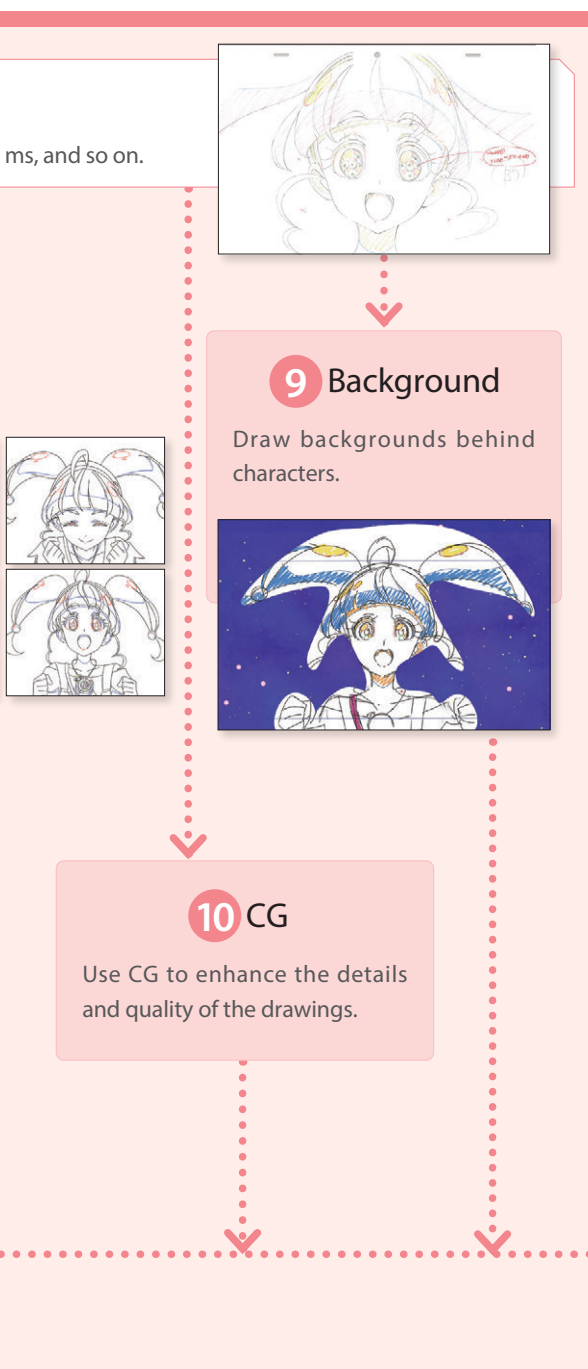
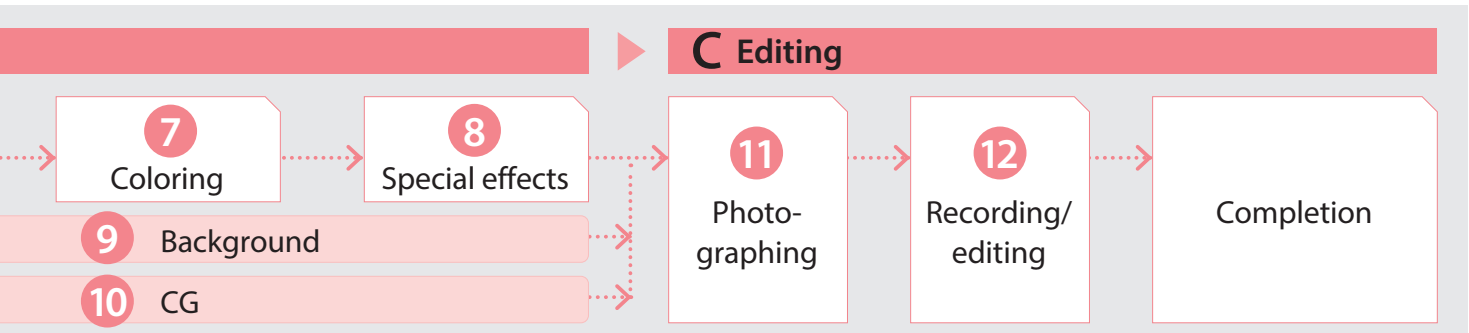
Add the colors specified in the color designation to uncolored frames.



### 8 Special effects

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





# Our Business

## 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.

#### 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.



DIGIMON GHOST GAME



Movie:  
DRAGON BALL SUPER:  
SUPER HERO



Delicious Party ♡ Pretty Cure



Movie theater version:  
ONE PIECE FILM RED

# 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 contents for various media, creating Blu-ray and DVD packages, streaming for BS, CS and other broadcasting media, smartphones and other mobile devices, and using contents in apps and online games.

## Video packaging (Blu-ray and DVD)

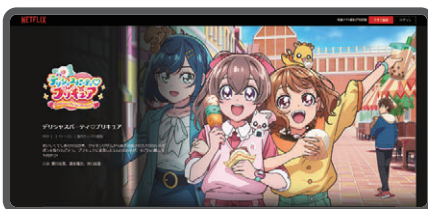
The video packaging business enables viewers to keep their favorites works on hand to watch whenever they want. Titles in our huge library range, from early works to the latest titles, are being commercialized one by one into Blu-ray discs and DVDs.



Blu-ray  
DragonQuest:  
The Adventure of Dai

## 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 sites  
Netflix



Streaming sites  
Amazon Prime Video

## Apps/online games

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



Smartphone app  
App Game Ge-Ge-Ge no Kitaro

# 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, and apparel 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 those shows end and spur a boom across generations. We will continue to explore new licensing business possibilities for our TV series as well as our movies and streaming contents so we can make even greater strides going forward.

## Products developed in Japan



"DRAGON BALL" series, "WORLD TRIGGER" and "SAINT SEIYA" series

## Products developed overseas



"DRAGON BALL" series, "ONE PIECE," "Butt Detective"

## 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.

# Sales of Goods

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

## Sales of Goods

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

## Character shops

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

## Online shops

Our online stores sell Blu-ray discs, DVDs, and character goods linked to titles created in the early days of animation as well as popular titles currently aired on TV. Our unique product lineup offers limited products, original products, and special purchase benefits.

<https://store.toei-anim.co.jp> (Japanese text only)



"SAILORMOON OTEDAMA" series



Commemorative badges to mark the 1000th episode of the "ONE PIECE" anime broadcast



PRETTY CURE Pretty Store, Tokyo



Toei Animation Official Store

# 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.

## 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.



Event, TV Anime WORLD TRIGGER



Event, ≠ME ACT LIVE MAGICAL DOREMI#

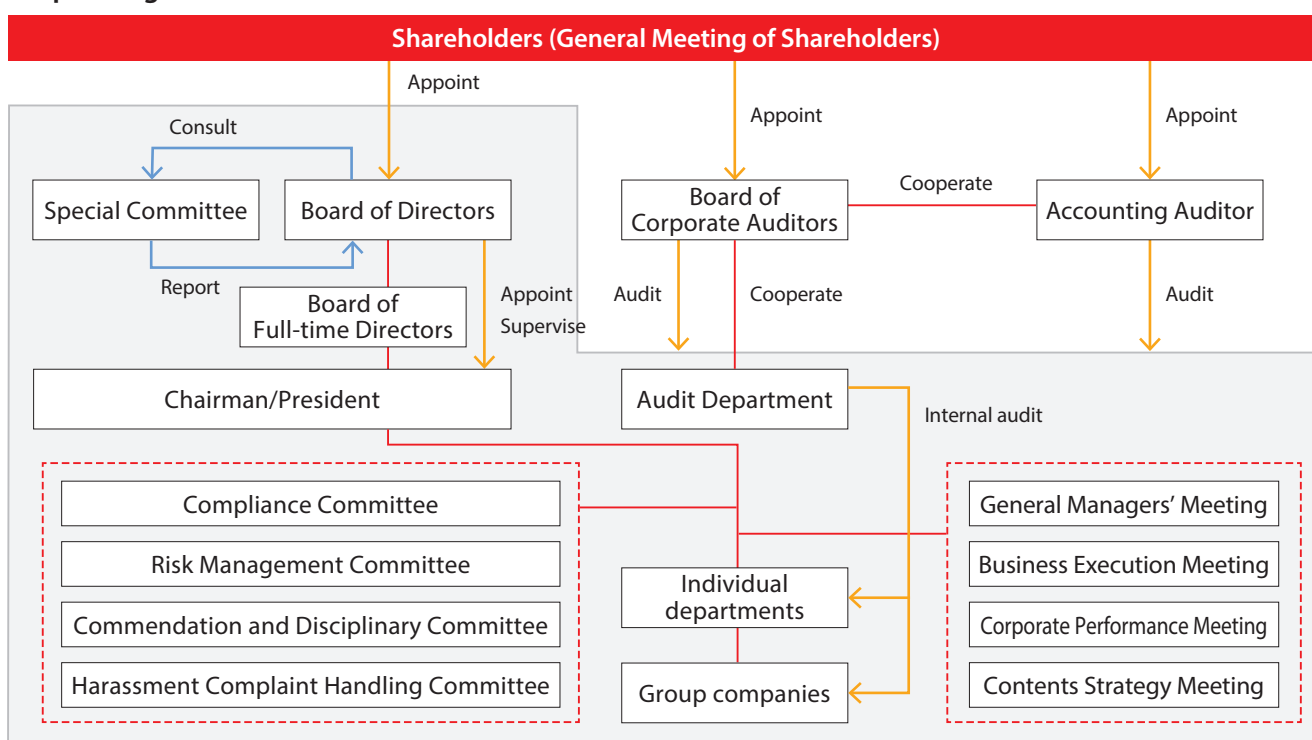
# Governance

## 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 sustainable growth and enhance medium- to long-term corporate value. We enjoy a competitive advantage as an animation production company with the largest number of titles 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 27, 2022)



### TOPIC Establishing a 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.

#### Purpose of new committee

- To recognize any potential conflict of interest between the Company and Group companies and general shareholders, and to verify the fairness, objectivity, and rationality of the Group in order to appropriately protect the interests of general shareholders.
- To strengthen the fairness, transparency, and objectivity of procedures relating to the nomination and remuneration of directors and corporate auditors, and to further enhance Toei Animation's corporate governance.
- To debate and propose corporate governance-related initiatives in order to strengthen the advisory and supervisory functions of the Board of Directors.

#### Role of new committee

The committee will deliberate on the following matters consulted by the Board of Directors and report back to the Board.

- Matters relating to important transactions with the Company and Group companies
- Matters concerning the nomination and remuneration of directors and corporate auditors
- Other matters judged necessary by the Board of Directors or the Special Committee

# 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 contents 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, overseas companies in South Korea, China, and other markets are becoming increasingly competitive. Toei Animation drives growth strategy based on our superior planning, production, and business development capabilities fueled by long-amassed experience and a strong track record. However, if our 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.

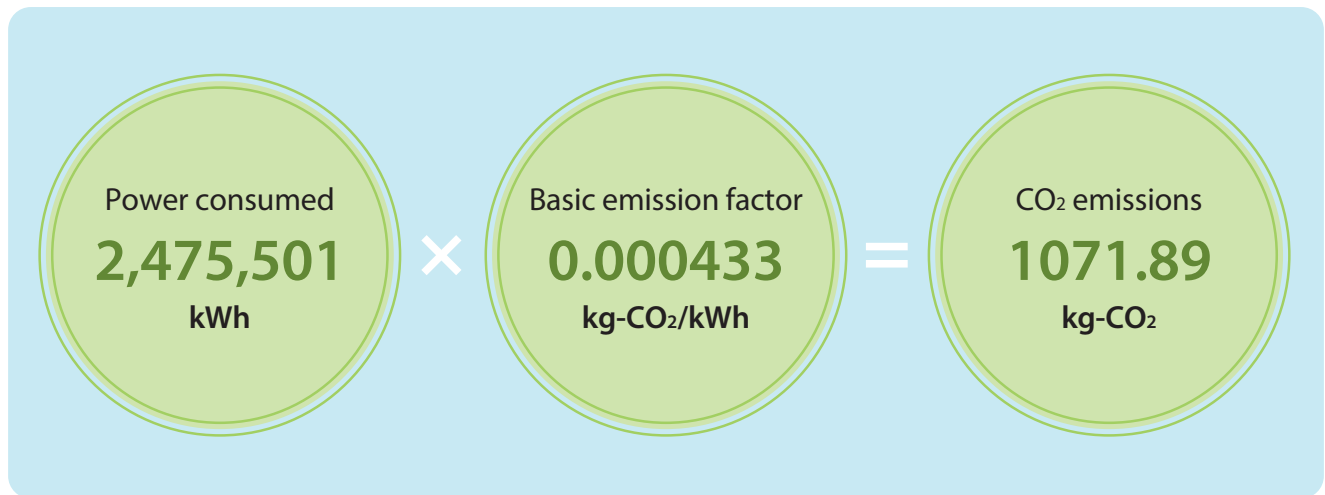
## Natural disasters and infectious diseases

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.

# Environmental Initiatives

Toei Animation recognizes the need to promote sustainability strategies because they are essential to increasing long-term corporate value, and we are striving to reduce CO<sub>2</sub> emissions at our head office and production studios.

## CO<sub>2</sub> emissions from power consumption (April 2021 through March 2022)



## 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 and 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 sashes are open, drawing cool air in from outside through natural ventilation without the need to operate any specific equipment. This reduces the



Oizumi Studio main building double-skin exterior

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.



Oizumi Studio main building inner sash Low-E glass windows

## Building electricity and equipment

We designed the electrical mechanisms and 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.



Oizumi Studio main building air-conditioning floor vents

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.

Lighting intensity and distribution can also be set by individuals. Reducing the amount and the intensity of lighting used can help control any potential heat load and the use of air-conditioning equipment, thus leading to energy savings.



Oizumi Studio main building lighting

# Social Initiatives



## Short-term intensive and practical animator training program



### Animation industry challenges Ever-growing need for animators

There is currently a shortage of animators in the anime industry as a whole. At the same time, the need for animators in terms of both quality and quantity is growing all the time as demands relating to animation quality increase and the animation market continues to expand. Securing talented animators is a major challenge for Toei Animation.

### Toei Animation initiatives Seeking to nurture industry-ready personnel

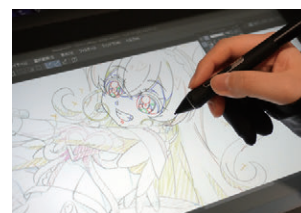
In order to train excellent animators to create the animation of the future, we have established the Toei Animation Academy, a short-term intensive and practical animator training program, which will be launched in April 2023\*1.

We previously operated the Toei Animation Institute from 1995 to 2011 as a human resources training organization, during which period we trained and dispatched 1,230 personnel. We conduct training that combines the achievements of our inherited technology and animation drawing expertise with the skills of top external animators as part of our aim to nurture human resources who can hit the ground running and maintain a high level of quality even as our veteran animators pass on the baton to younger generations.

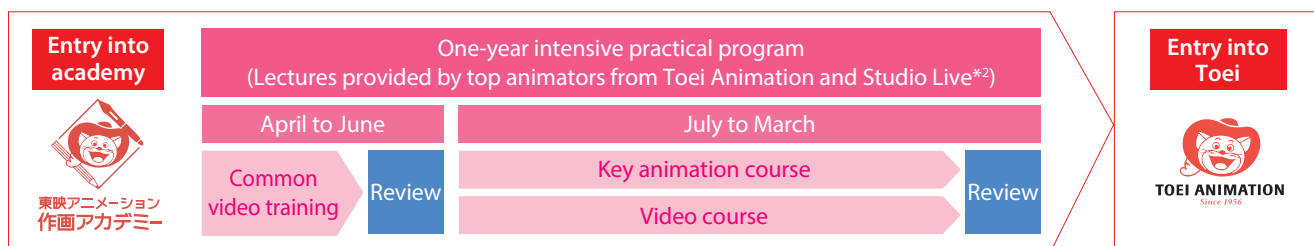
\*1 Student applications for entry in April 2023 are now closed.

## Features of the Toei Animation Academy

- Top animators who are currently active at the forefront of our operations conduct a one-year short-term intensive and practical training program
- Combines key animation and video courses and offers a curriculum that can be selected to suit a student's aspirations and aptitudes
- Creates an environment where students can concentrate on studying drawing techniques by waiving tuition fees and providing monthly subsidies, etc. (conditions apply)
- Those who pass the final screening will enter Toei Animation as contract employee animators



## Curriculum



**April to June** Students learn the basics of being an animator in the three-month video course.

**July to March** Students are assigned to the key animation course or video course depending on their aspirations and aptitudes. Students improve their skills during the nine-month practical training.

\*2 Studio Live: Established in 1976 as a company primarily engaged in the drawing of animation.

Studio Live animators are actively involved in multiple fields beyond key animation and video as supervisors, animation directors, directors, scriptwriters, and character designers, etc.

## Profiles of academy director and lecturers

★ Executive Animation Director   ★ Animation Director   ★ Supervisor   ★ Character Designer   ★ Key animator

Toei Animation

Academy Director

### Atsutoshi Umezawa

Joined Toei Doga (currently Toei Animation) in April 1981 in the first group of trainees. As a director, he worked as series director on multiple titles, including "Ghost Sweeper Mikami," "Neighborhood Story," and "Phantom Thief Jeanne."

Became a producer in 2003.

Created the Miracle Light item for fans for the 2007 "Movie Yes! Pretty Cure 5: Miracle Adventure in the Land of Mirrors!" and the ending 3DCG dance video for the 2009 "Fresh Pretty Cure!"

The Miracle Light and ending 3DCG dance have since been incorporated into the PRETTY CURE series.

He then served as General Manager of the Production Management Department and General Manager of the Production Department before taking up his current positions as Executive Officer and Supervisor of the Production Department in the Production Headquarter and Chief Manager of the IP&HR Development Division. He is a producer who oversees our new PEROs IP research and development team. He produced the "Edo x Idol" entertainment "Sharedol," and was in charge of animation supervision for the live-action movie "Anime Supremacy!" released in May 2022.

### Takeo Ide

Joined Toei Doga (currently Toei Animation) in April 1981 in the first group of trainees

#### Major works

"DRAGON BALL Z"★ "DRAGON BALL GT"★ "Dr. Slump"★ "ONE PIECE"★  
"DRAGON BALL SUPER"★ "Butt Detective"★ "SUPER DRAGON BALL HEROES"★

Studio Live

### Hiroshi Kojina

Representative Director and Anime Creator, Studio Live Co., Ltd. anime creator group

#### Major works

"City Hunter '91"★ "Gulliver Boy"★ "Pluster World"★  
"Kiba"★ "HUNTER x HUNTER"★ "Ryoma! Rebirth: The Prince of Tennis Movie"★  
"Mashin Hero Wataru: The Seven Spirits of Ryujinmaru"★ "The Vampire Dies in No Time"★  
He also works as a lecturer at a vocational school where he focuses on training young people.

### Nishiki Itaoka

Animator affiliated with Studio Live (originally from the Toei Animation Institute)

#### Major works

"Smile Pretty Cure!"★  
After that, he participated in all PRETTY CURE series as an key animation artist or animation director. Since the release of "DokiDoki! Pretty Cure," he has also become known for his drawings of BANK.  
"Movie Pretty Cure Miracle Leap: A Mysterious Day with Everyone"★

### Mai Ishii

Animator affiliated with Studio Live (originally from the Toei Animation Institute)

#### Major works

"HUNTER x HUNTER"★ "Ushio & Tora"★  
"Back Arrow"★ "The Vampire Dies in No Time"★  
"Movie Pretty Cure Miracle Leap: A Mysterious Day with Everyone"★

### Mayuko Nakano

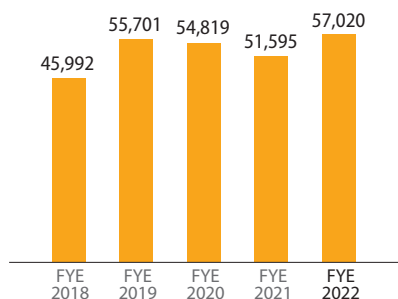
Animator affiliated with Studio Live

#### Major works

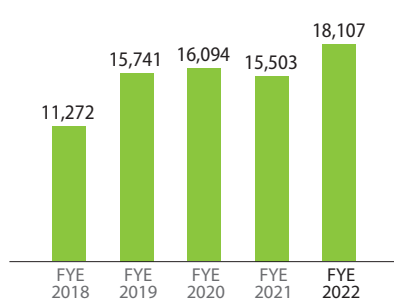
"WWW.WORKING!!"★  
"Inazuma Eleven: Ares/Orion no Kokuin"★  
"The Vampire Dies in No Time"★

# Performance Highlights (Consolidated, as of March 31, 2022)

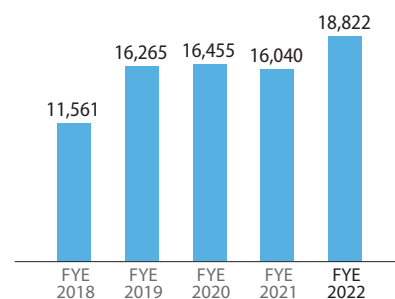
**Net sales** (millions of yen)



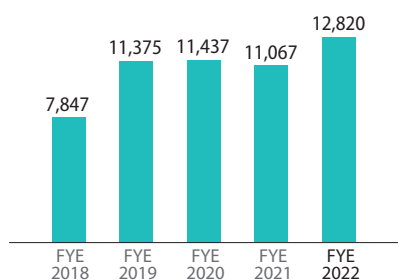
**Operating profit** (millions of yen)



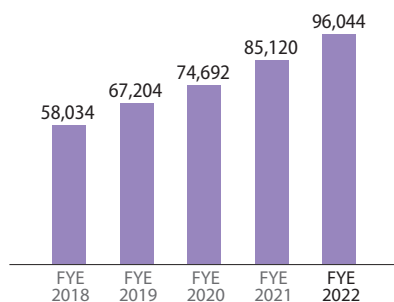
**Ordinary profit** (millions of yen)



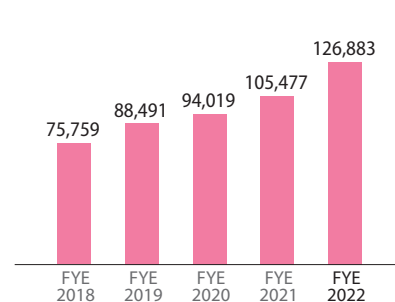
**Profit attributable to owners of the parent** (millions of yen)



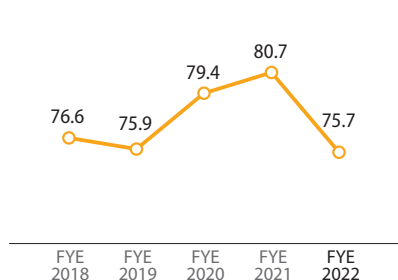
**Net assets** (millions of yen)



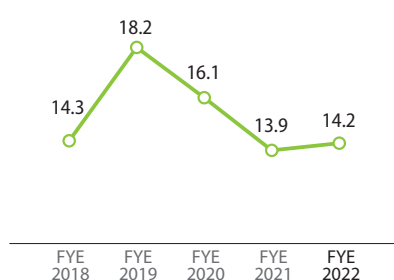
**Total assets** (millions of yen)



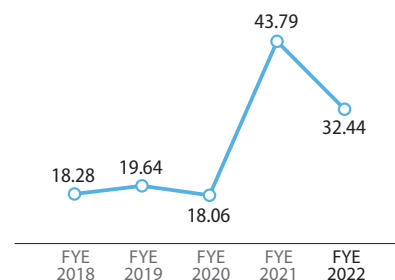
**Shareholders' equity ratio** (%)



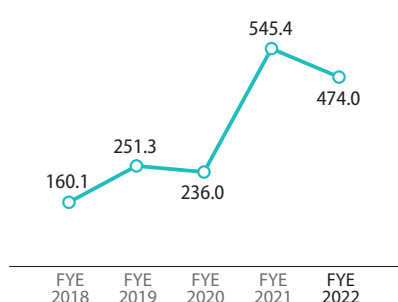
**Return on equity** (%)



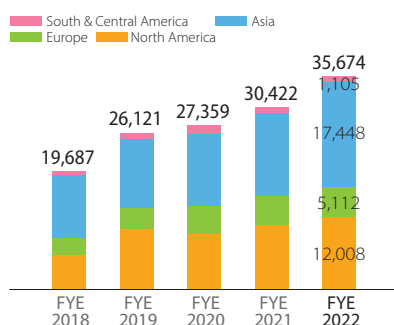
**Price-earnings ratio** (times)



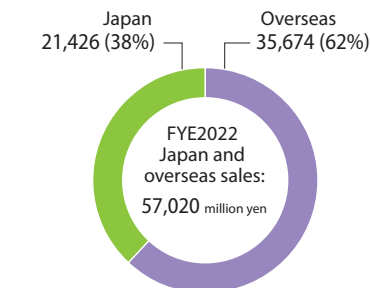
**Total shareholder return** (%)



**Overseas sales by region** (millions of yen)



**Proportion of sales** (millions of yen)



# Corporate and Investor Information (as of March 31, 2022)

## 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	JASDAQ (Moved to Tokyo Stock Exchange Standard Market from April 2022)
Code	4816
Date of listing	December 8, 2000
Capital	2,867 million yen
Fiscal year end	March 31
Number of employees	840 (consolidated) 559 (non-consolidated)

## Overseas bases

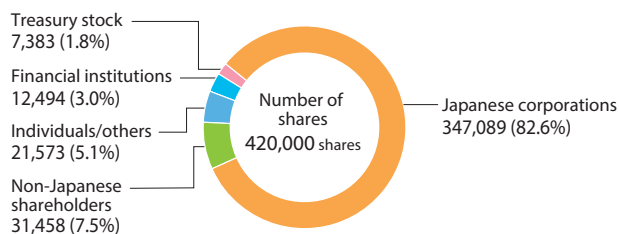


- ① TOEI ANIMATION INCORPORATED (USA)
- ② TOEI ANIMATION EUROPE S.A.S. (France)
- ③ TOEI ANIMATION ENTERPRISES LIMITED (Hong Kong)
- ④ TOEI ANIMATION (SHANGHAI) CO., LTD. (Shanghai)
- ⑤ TOEI ANIMATION PHILS., INC. (Philippines)

## Stock information

Total number of outstanding shares issued	42,000,000 shares
Number of shareholders	7,661

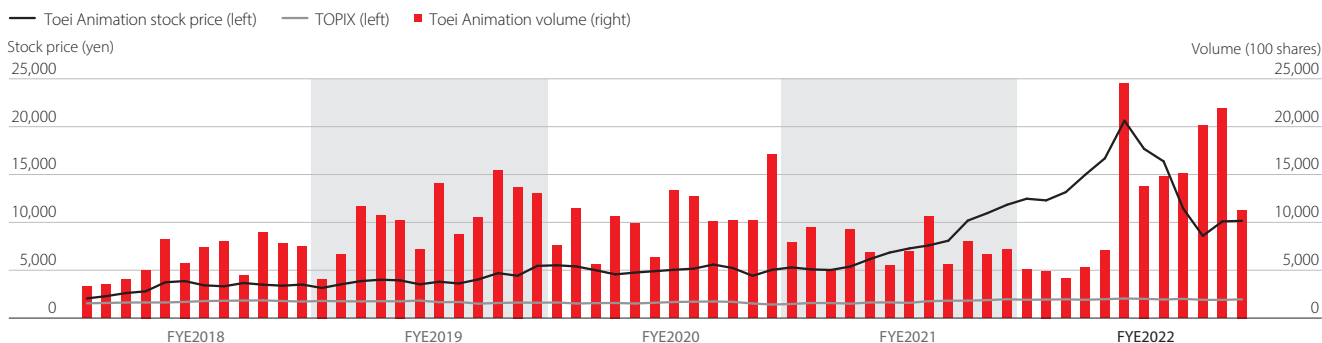
## Shareholding ratio by shareholders (100 shares)



## 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.	42,300	10.1
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 (SONY Stock 003) 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
Toei Animation Co., Ltd.	7,383	1.8

## Stock price and volume



\* On April 1, 2018, we implemented a stock split at a ratio of 3 shares for each common share. The stock prices and volumes are calculated after the stock split.

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