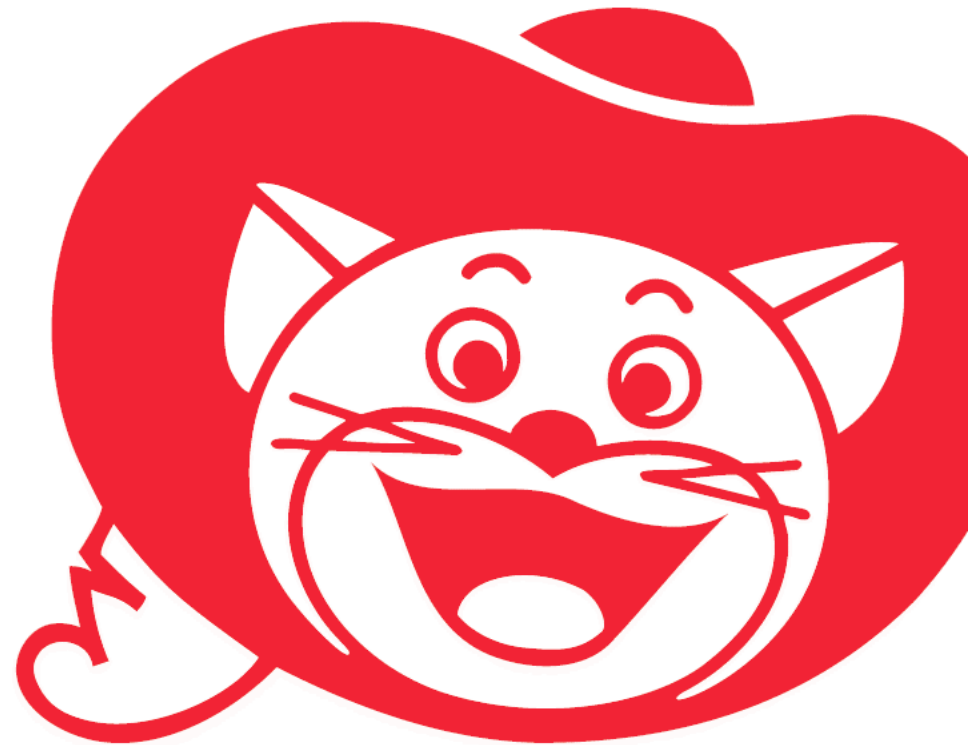


Financial Results Briefing Material



For Fiscal Year Ended March 31, 2023 (April 1, 2022, to March 31, 2023)
Toei Animation Co., Ltd.

TOEI ANIMATION CO.,LTD.

Contents

- 01. Financial Results for FY2023.3
- 02. Outlook for FY2024.3
- 03. Future Business Prospects



01. Financial Results for FY2023.3



Financial Results Summary

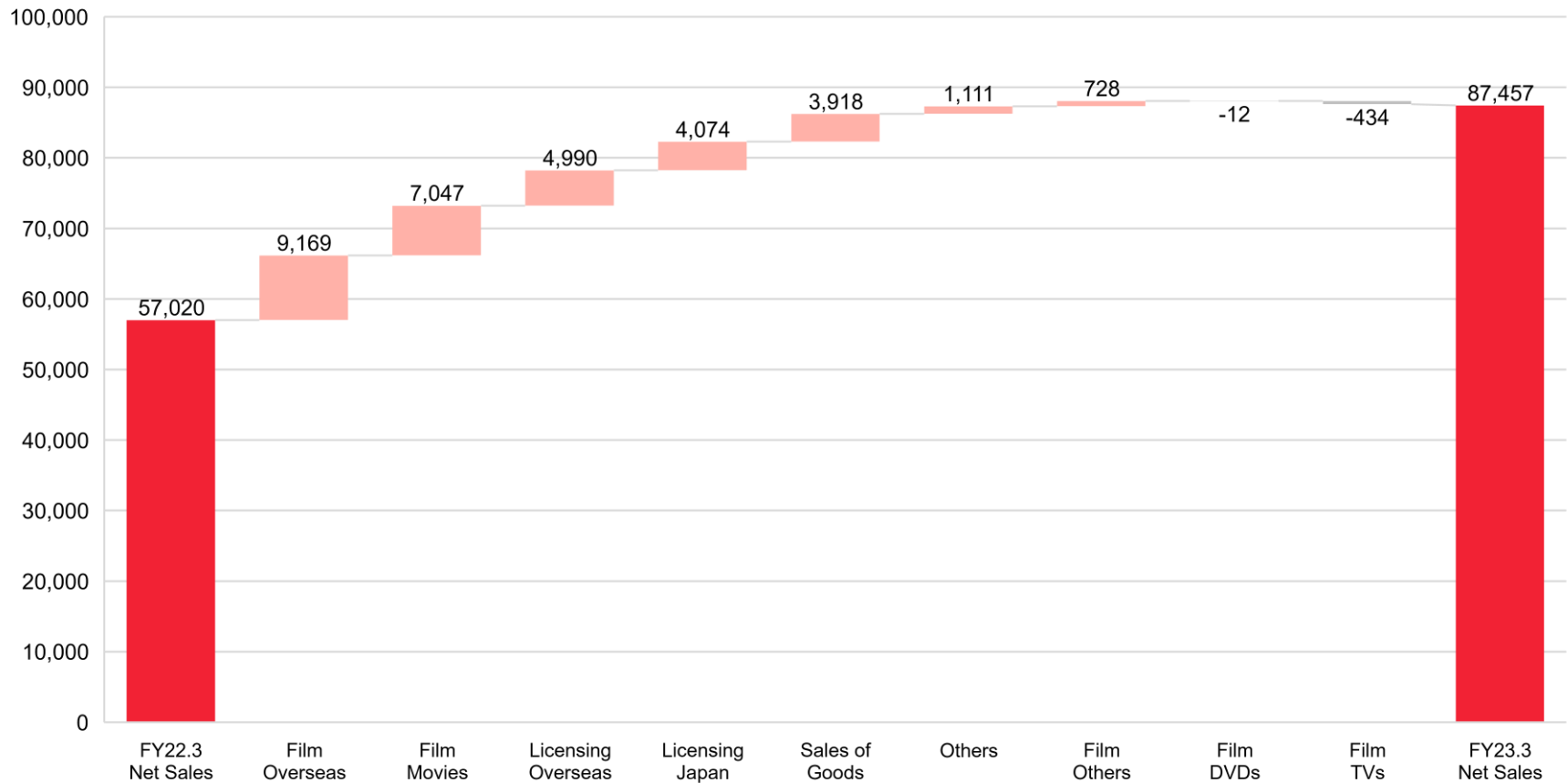
- Net sales and profits posted record highs for full year, growing by large margins
- All segments performed stronger compared with a year earlier thanks to the huge success of the three movie titles
- The ratio of overseas sales was 55%; economic situation including further depreciation of the yen also contributed to financial results

(Million Yen)	FY2023.3			FY2023.3 4Q (January–March 2023)				
	Results	FY2022.3		Results	FY2022.3 4Q (January–March 2022)		FY2023.3 3Q (October–December 2022)	
		Results	Y on Y		Results	Y on Y	Results	Q on Q
Net Sales	87,457	57,020	53.4%	22,392	14,498	54.4%	22,613	-1.0%
Gross Profit	40,966	26,693	53.5%	11,222	5,971	87.9%	10,436	7.5%
SG&A	12,296	8,585	43.2%	4,357	2,195	98.5%	2,825	54.2%
Operating Income	28,669	18,107	58.3%	6,864	3,776	81.8%	7,610	-9.8%
Operating Margin	32.8%	31.8%	+1.0 pp	30.7%	26.0%	+4.6 pp	33.7%	-3.0 pp
Ordinary Income	29,791	18,822	58.3%	6,995	4,343	61.1%	7,272	-3.8%
Net Income	20,900	12,820	63.0%	4,397	2,769	58.8%	4,980	-11.7%

Year-on-Year Changes

- Sales substantially increased in Film Overseas and Movies thanks to the huge success of the three movie titles in Japan and overseas.
- The big hits of Movies had ripple effects on Licensing Overseas and Japan as well as Sales of Goods.

(Million Yen)



FY2023.3 Results Segment Breakdown—Consolidated

- Significant increases in net sales and segment income reflecting the huge success of the three movie titles and its synergy effects.
- Sales of Goods as well as Others segments, which posted loss during the COVID-19 pandemic, also turned profitable.

(Million Yen)		FY2022.3 Results	FY2023.3 Results	% Change
Film	Net Sales	20,769	37,267	79.4%
	Segment Income	5,753	10,680	85.6%
Licensing	Net Sales	32,995	42,060	27.5%
	Segment Income	15,957	20,945	31.3%
Sales of Goods	Net Sales	2,231	6,149	175.6%
	Segment Income	-189	648	-
Others	Net Sales	1,104	2,216	100.6%
	Segment Income	-253	103	-
Total	Net Sales	57,020	87,457	53.4%
	Operating Income	18,107	28,669	58.3%

*Figures for each segment include intra-company sales.

FY2023.3 Results Segment Analysis (1) (Film)

(Million Yen)		FY22.3 Results	FY23.3 Results
Net Sales		57,020	87,457
Film		20,769	37,267
	Movies	452	7,500
	TVs	3,302	2,868
	DVDs	402	389
	Overseas	12,747	21,917
	Others	3,864	4,592
Licensing		32,995	42,060
	Japan	11,958	16,033
	Overseas	21,037	26,027
Sales of Goods		2,231	6,149
Others		1,104	2,216

*Figures for each segment include intra-company sales.

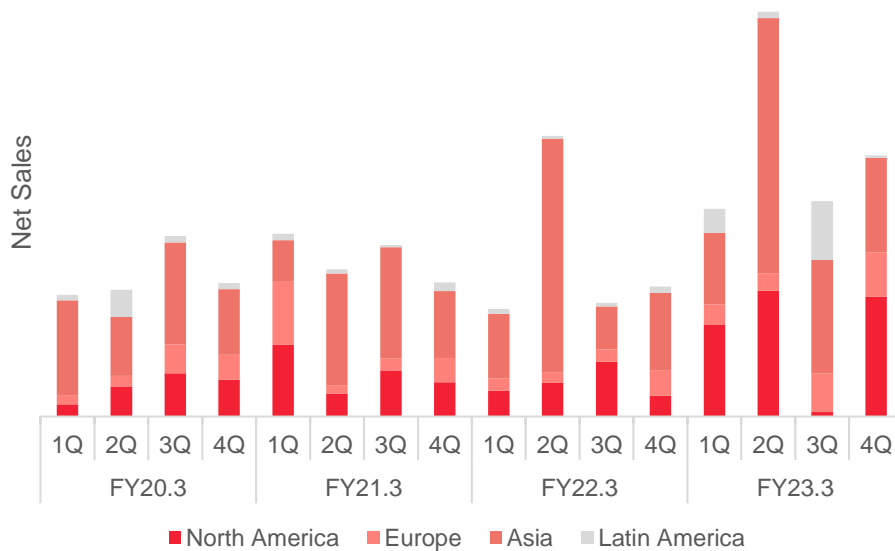
Film (↑ 79.4% year on year)

- In the Movies segment, revenues increased significantly on the back of production revenue from the record-breaking hit movies 「THE FIRST SLAM DUNK」 and 「ONE PIECE FILM RED」 .
- In the TVs segment, revenues declined significantly partially because of the decrease in the number of works being broadcast.
- In the DVDs segment, revenues decreased slightly due to the reactionary decline following strong sales of Blu-ray/DVD versions of *DIGIMON ADVENTURE* series and *Healin' Good Pretty Cure the Movie* the previous year.
- In the Overseas segment, revenues increased significantly due to strong sale of overseas theatrical screening rights of the movies *Dragon Ball Super: SUPER HERO*, 「THE FIRST SLAM DUNK」 , and 「ONE PIECE FILM RED」 in addition to sales of North American online distribution rights of ONE PIECE and DRAGON BALL series.
- In the Others segment, revenues increased greatly due to the strong sales of domestic online distribution rights.

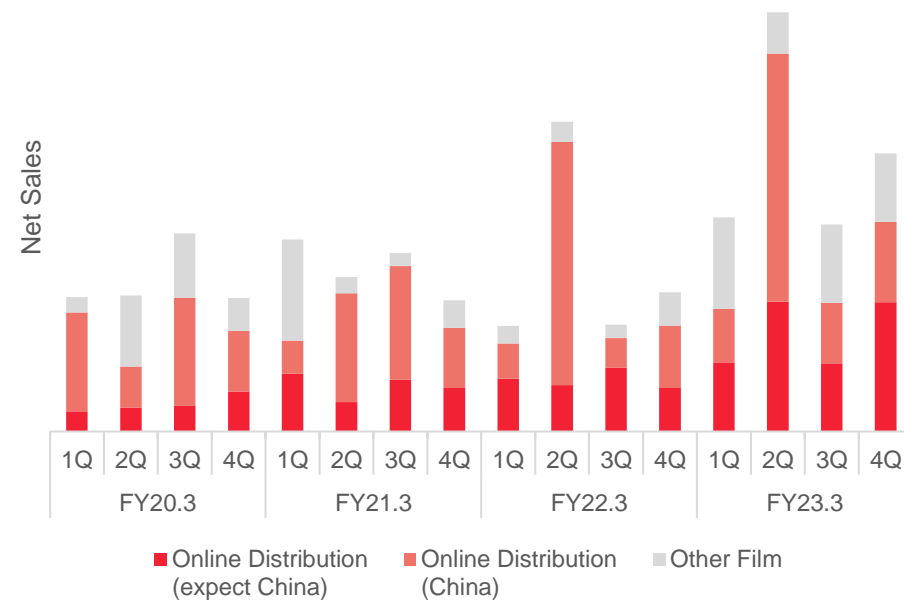
Trends in Film Overseas

- In sales of North American online distribution rights, IP values rose thanks to the success of ONE PIECE and DRAGON BALL movies. Sales were strong as the success of the movies resulted in new contracts and increases in the number of views.
- Sales of overseas theatrical screening rights of the three hit movies contributed. This was driven by the sales of the theatrical screening rights of the movie Dragon Ball Super: SUPER HERO for North America in the first quarter, and by the movie 「THE FIRST SLAM DUNK」 for Asian countries in the third quarter.

Trends in Net Sales of Film Overseas



Breakdown of Net Sales by Business



Film Business: Topics



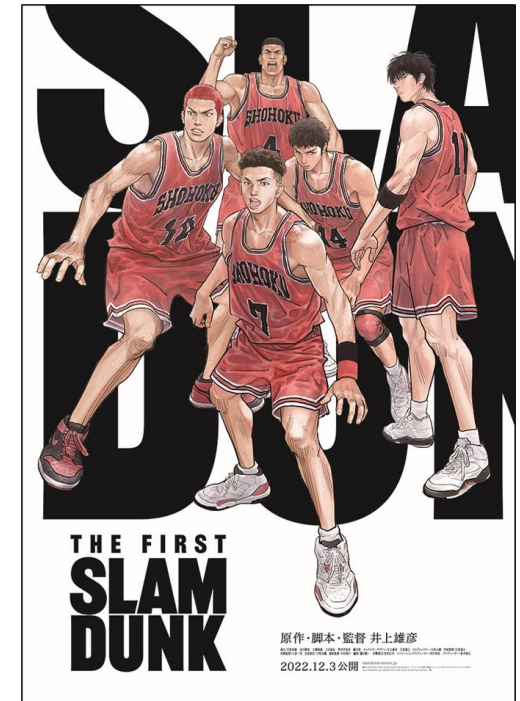
「Dragon Ball Super: SUPER HERO」

- Worldwide box-office revenue exceeded ¥13.8 billion
- Became No. 1 in weekend box-office revenue around the world
- The movie debuted No.1 in the U.S.



「ONE PIECE FILM RED」

- Worldwide box-office revenue exceeded ¥31.9 billion
- Ranked No.1 in 2022 box-office revenue in Japan
- Ranked all-time No. 8 by box-office revenue in Japan



「THE FIRST SLAM DUNK」

- Worldwide box-office revenue exceeded ¥30.0 billion (still growing)
- A record for tickets sold in advance for a foreign animated movie in China (115 million yuan), with box-office revenue exceeding 600 million yuan (and still growing)
- Won the Japan Academy Prize for Animation of the Year

FY2023.3 Results Segment Analysis (2) (Licensing, Sales of Goods, Others)

(Million Yen)		FY22.3 Results	FY23.3 Results
Net Sales		57,020	87,457
Film		20,769	37,267
	Movies	452	7,500
	TVs	3,302	2,868
	DVDs	402	389
	Overseas	12,747	21,917
	Others	3,864	4,592
Licensing		32,995	42,060
	Japan	11,958	16,033
	Overseas	21,037	26,027
Sales of Goods		2,231	6,149
Others		1,104	2,216

*Figures for each segment include intra-company sales.

Licensing (↑ 27.5% year on year)

- In domestic licensing, revenues increased significantly due to the strong sales of game development rights and merchandising rights of ONE PIECE and DRAGON BALL series thanks to sales promotion linked to theatrical release of both movies.
- In overseas licensing, revenues increased considerably due to the strong sales of the merchandising rights of the DRAGON BALL series, ONE PIECE, and DIGIMON ADVENTURE series, in addition to sales of game development rights of the DRAGON BALL series and ONE PIECE.

Sales of Goods (↑ 175.6% year on year)

- Revenues increased greatly due to strong sales of goods related to the movie THE FIRST SLAM DUNK and the success of the shop business for ONE PIECE.

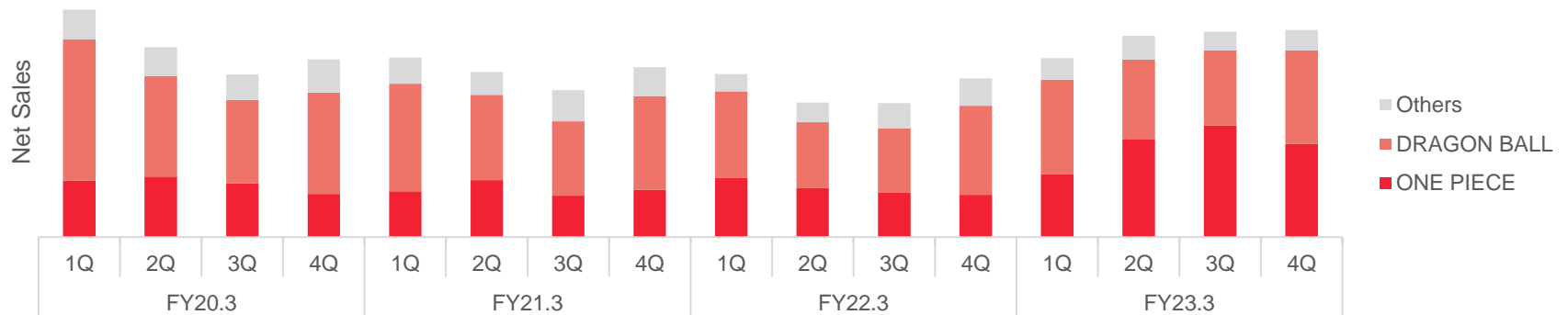
Others (↑ 100.6% year on year)

- Revenues increased significantly on the favorable results of PRETTY CURE series, GASH BELL!!, and ONE PIECE events.

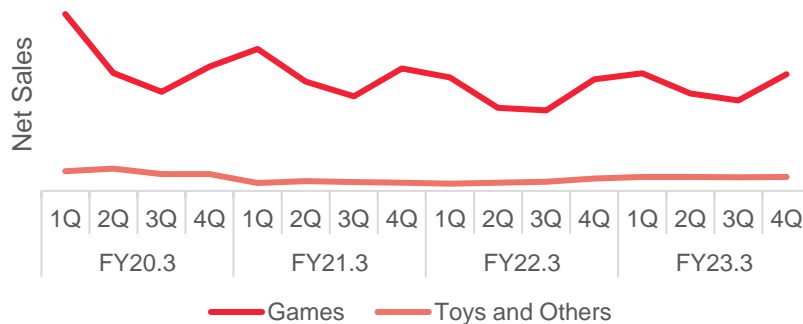
Trends in Domestic Licensing

- Both game development rights and merchandising rights were robust for ONE PIECE, as the favorable impact of the movie ONE PIECE FILM RED continued.
- The DRAGON BALL series performed strong led by game development rights starting from the release of the movie Dragon Ball Super: SUPER HERO.

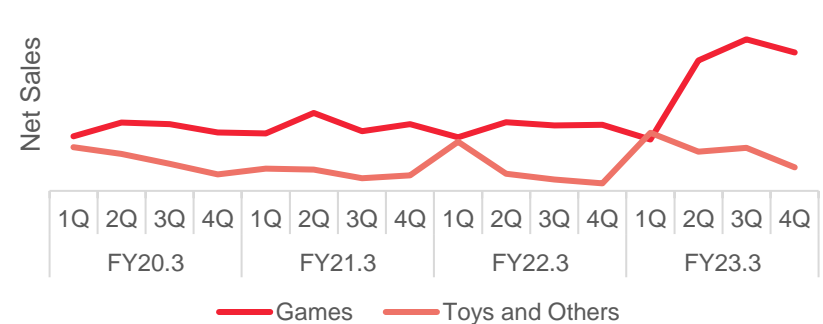
Trends in Net Sales of Domestic Licensing



Trends in Net Sales of Domestic Licensing for DRAGON BALL



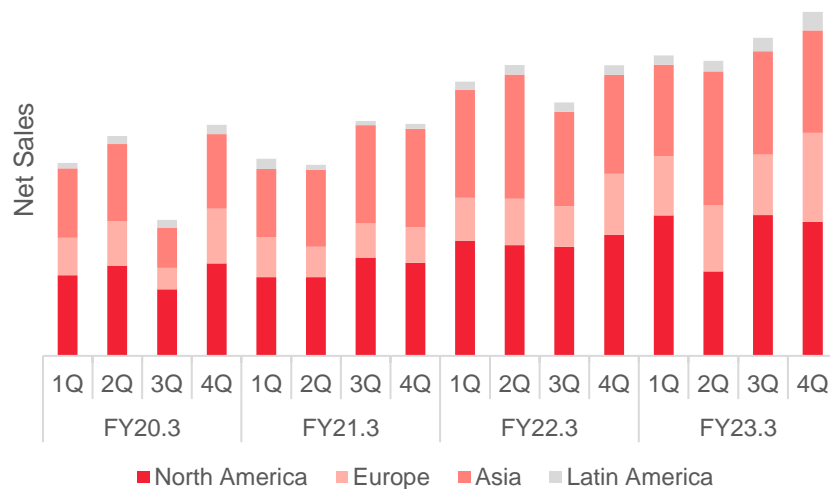
Trends in Net Sales of Domestic Licensing for ONE PIECE



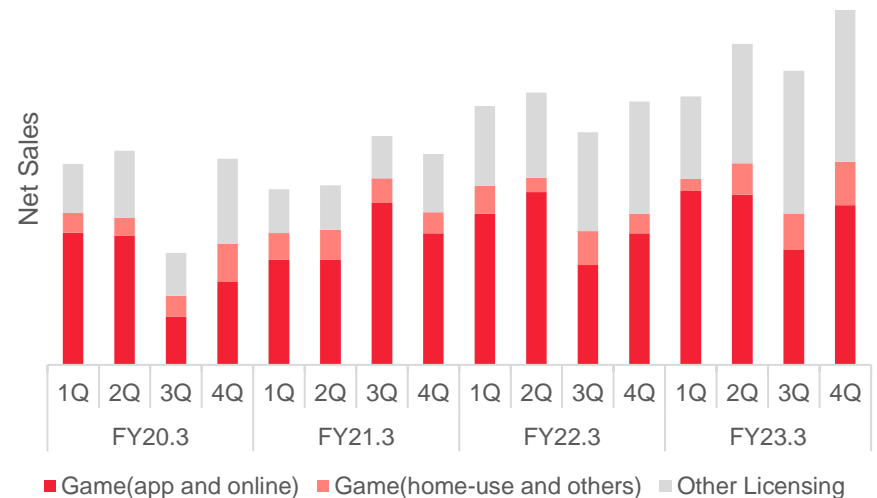
Trends in Overseas Licensing

- By region, the app game development rights of the DRAGON BALL series were strong in North America. Strong performance of the DIGIMON card game contributed among merchandise rights.
- In terms of business breakdown, both game development rights and merchandise rights were strong. In particular, the DRAGON BALL series' cards have been robust.

Trends in Net Sales of Overseas Licensing



Breakdown of Net Sales by Business



Licensing, Sales of Goods, Others Businesses: Topics

Domestic Licensing



ONE PIECE BOUNTY RUSH

Overseas Licensing



DRAGON BALL Z CASETIFY

Sales of Goods



THE FIRST SLAM DUNK official merchandise



ONE PIECE CARD GAME BOOSTER PACK -PILLARS OF STRENGTH- [OP-03]



DIGIMON CARD GAME



Mujiwara Store (Shibuya main store)

FY2023.3 Results Review

- Both sales and profits increased significantly and operating margin also improved thanks to the impact of the three movie titles.
- Non-operating income rose, as the Company received temporary dividends from a company it invests in.
- Realized high efficiency while maintaining a sound financial base with equity ratio of 76.1% and ROE of 19.9%.

(Million Yen)

	FY22.3 Results	FY23.3 Results	Change	% Change
Net Sales	57,020	87,457	30,436	53.4%
Cost of Sales	30,327	46,490	16,163	53.3%
Gross Profit	26,693	40,966	14,272	53.5%
SG&A	8,585	12,296	3,710	43.2%
Operating Income	18,107	28,669	10,562	58.3%
Non-Operating Income	859	1,650	790	92.0%
Non-Operating Expenses	144	528	383	265.7%
Ordinary Income	18,822	29,791	10,969	58.3%
Extraordinary Gain and Loss	-203	-	203	-
Net Income Before Tax	18,619	29,791	11,172	60.0%
Income Taxes	5,672	8,995	3,323	58.6%
Income Taxes Adjustment	126	-103	-230	-
Minority Interest	-	-	-	-
Net Income	12,820	20,900	8,080	63.0%

Balance Sheet Digest

- The three major movie titles have been shifted to cost of sales and work in process declined.
- 「KNIGHTS OF THE ZODIAC」 was completed and finished products increased.

(Million Yen)

Account title	FY2022. 3	FY2023. 3	Change	Account title	FY2022.3	FY2023.3	Change
Cash and deposits	60,149	66,909	6,759	Notes and accounts payable - trade	20,007	22,763	2,756
Notes and accounts receivable – trade	14,659	24,975	10,316	Other	9,959	12,386	2,427
Work in process	12,816	8,417	-4,398	Current liabilities	29,966	35,150	5,183
Finished products	74	3,716	3,642	Non-current liabilities	871	855	-16
Other	5,231	6,683	1,452	Total liabilities	30,838	36,006	5,167
Current assets	92,929	110,702	17,772	Shareholders' equity	91,849	108,768	16,919
Property, plant and equipment	8,516	8,392	-123	Total accumulated other comprehensive income	4,195	5,734	1,538
Intangible assets	633	1,184	550	Total net assets	96,044	114,502	18,458
Investments and other assets	24,803	30,229	5,426				
Non-current assets	33,953	39,806	5,852				
Total assets	126,883	150,508	23,625	Total liabilities and net assets	126,883	150,508	23,625

02. Outlook for FY2024.3



Earnings Estimates for FY2024.3—Consolidated

(Million Yen)	FY2023.3 Results	FY2024.3 Estimates	% Change	(Reference) FY2023.3 Initial Estimates
Net Sales	87,457	72,000	-17.7%	70,000
SG&A	12,296	13,500	+9.8%	11,700
Operating Income	28,669	17,500	-39.0%	18,300
Ordinary Income	29,791	17,800	-40.3%	18,900
Net Income	20,900	12,000	-42.6%	13,500

[Grounds of FY2024.3 earnings estimates]

- While the Company cannot expect box-office revenues or the impact of the yen's depreciation of last year's levels, it expects to post the third largest-ever profits from its collected mainstay works whose IP values have further improved under the continued favorable business environment.
- Cost of sales and SG&A are expected to increase as the Company aims to achieve sustainable growth and improvement in corporate value over the medium to long term and implement strategic investment for growing future revenues.
- The Company will take on the challenge of Hollywood-type business to make a full-scale entry into the global animation market.

Earnings Estimates for FY2024.3: Segment Breakdown

(Million Yen)		FY23.3 Results	FY24.3 Estimates
Net Sales		87,457	72,000
Film		37,267	31,300
	Movies	7,500	1,900
	TVs	2,868	2,600
	DVDs	389	700
	Overseas	21,917	20,900
	Other	4,592	5,200
Licensing		42,060	33,600
	Japan	16,033	13,200
	Overseas	26,027	20,400
Sales of Goods		6,149	5,100
Others		2,216	2,000

Film (↓16.0% year on year)

- Revenues from Movies are expected to decline greatly due to a reactionary decline to the large-scale titles released in the previous fiscal year.
- Revenues from TVs are likely to decline due to a decline in sound production for games, etc., although the number of animation series being aired will slightly increase.
- Revenues from DVDs are expected to grow significantly thanks to introduction of packaged products of large-scale titles released in the previous fiscal year.
- Revenues from Overseas are likely to decline slightly owing to the absence of the effect of yen's depreciation and a decline in sales of distribution rights despite continued strengths in overseas theatrical screening rights.
- Revenues from Others are expected to increase substantially from a launch of its original app game, while sales of distribution rights in Japan are expected to decline from a year earlier.

Licensing (↓20.1% year on year)

- Revenues from Licensing Japan are expected to decline considerably due to the reactionary decline following the release of the major movie titles a year earlier,
- Revenues from Licensing Overseas are expected to decline significantly due to the reactionary decline following the release of the major titles in the previous fiscal year and the absence of the effect of the yen's depreciation.

Sales of Goods (↓17.1% year on year)

- Revenues are expected to decline greatly due to the ONE PIECE shop business and a decline in sales of goods related to the movie 「THE FIRST SLAM DUNK」.

Others (↓9.7% year on year)

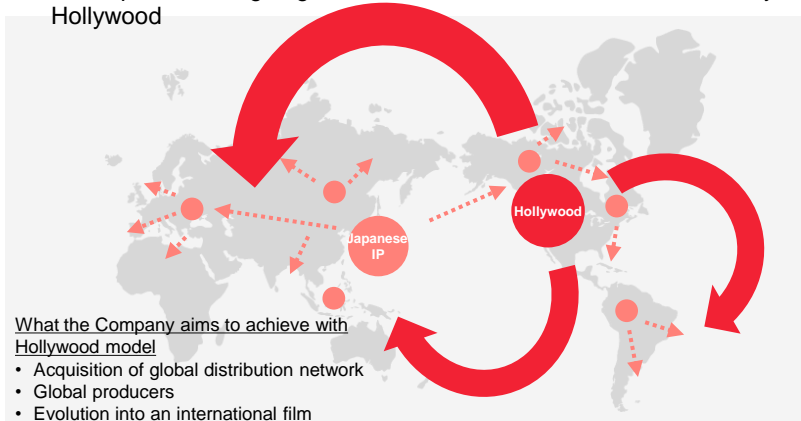
- Revenues are likely to decline significantly due to the reactionary decline following the GASH BELL!! Event, which was a success in the previous fiscal year.

Hollywood-Type Business Model

- Build a global distribution network using the Hollywood-type business model to make a full-scale foray into the global animation market.
- Record as assets by assuming secondary use and revenues over a long period of time.
- Carry out amortization corresponding to expected revenues and record as expenses over three accounting years.

Hollywood model

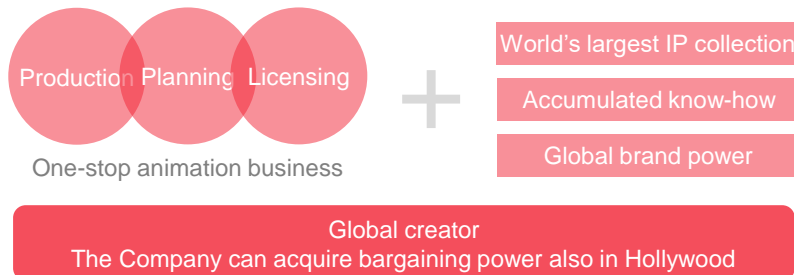
- Conceptual drawing of global mainstream distribution network led by Hollywood



What the Company aims to achieve with Hollywood model

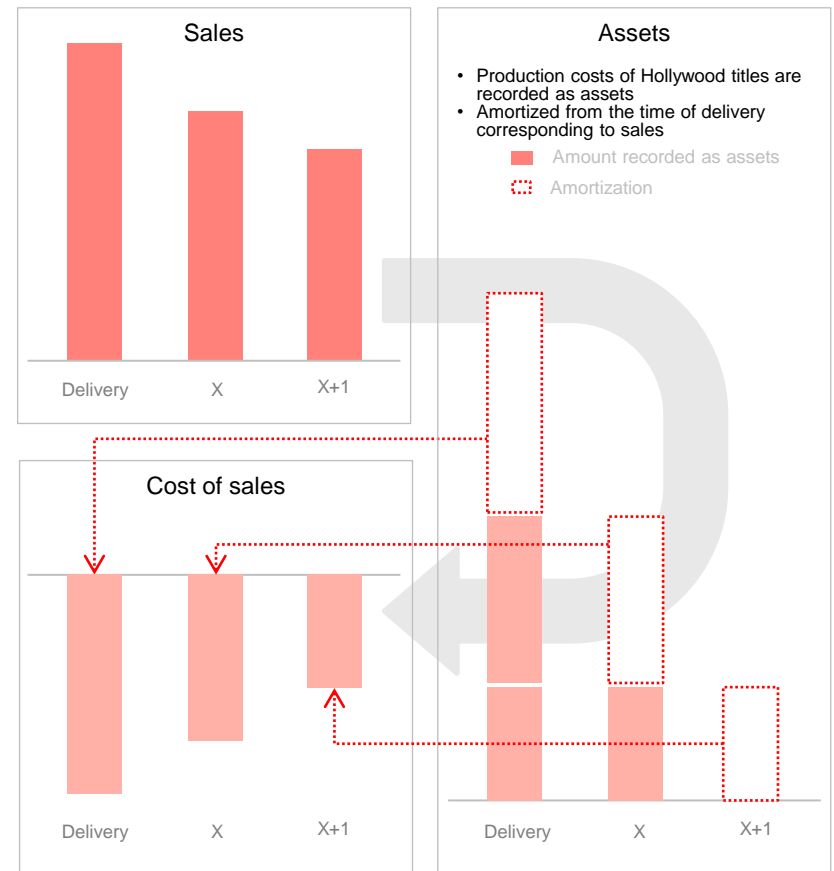
- Acquisition of global distribution network
- Global producers
- Evolution into an international film production company

- Strengths the Company plans to leverage in the Hollywood model



- In Japan, it has a one-stop animation business function.
- A rare company that has long-term experience in overseas business development.
- Has advantage in acquiring creators and bargaining power overseas.

Conceptual drawing of the impact on earnings



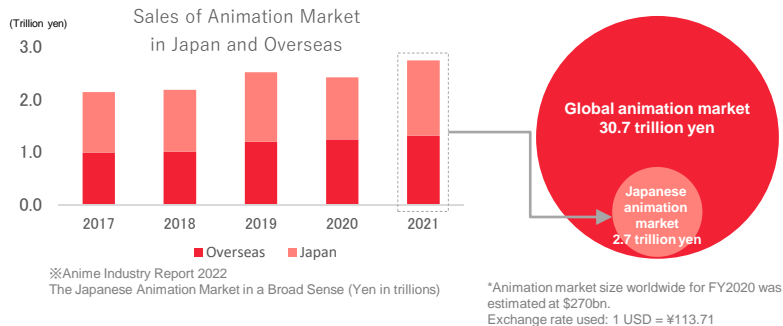
03. Future Business Prospects



Business Environment Perceived by the Company

Current status

Responding to global growth



- Expand overseas sales of Japanese animation
- Sufficient room to expand into global market
- Potential of Web3.0-related market

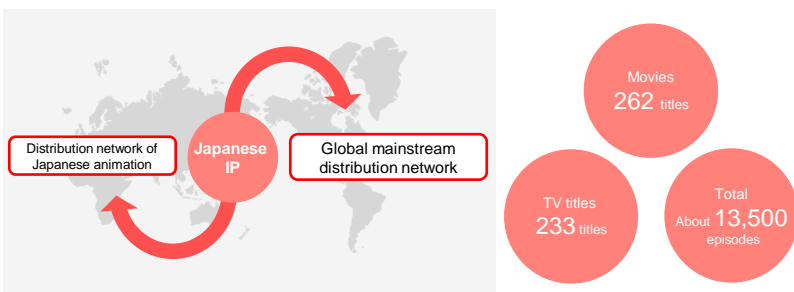
Future

Taking on the challenge of developing the global market



- Strengthen development of overseas and new markets

Utilizing the Company's strengths to the maximum extent



- Global sales and box-office network
- Stable revenue foundation based on abundant titles in library
- Stable production structure and high production technology led by CG

Strengthening of resources for taking on challenges



- Strengthen internal human resource development structure leveraging animation academy, etc.
- Promote digitalization of production process including AI development

External

Internal

Title Portfolio

FY2023 to FY2026

Overseas market

About **15** titles

- Large-scale projects targeting Hollywood
- Large-scale revival projects

About **10** titles

- Large-scale projects targeting Hollywood
- TV / movie projects
- YouTube projects
- High-end CG projects

About **20** titles

- TV/movie/online distribution projects for grown-ups
- TV/movie projects for kids

About **15** titles

- TV projects for kids
- Projects for grown-ups
- High-end CG projects

Original titles

Toei's original titles

Japanese market

	FY2023		FY2024		FY2025	
	Movies	Series	Movies	Series	Movies	Series
 Toei's original IP for the world	1 title	2 titles	1 title	1 title	0 titles	1 title
 Original IP for the world	4 titles	3 titles	0 titles	3 titles	2 titles	4 titles
 Original IP for Japan	2 titles	5 titles	1 title	6 titles	1 title	3 titles
 Toei's original IP for Japan	1 title	3 titles	2 titles	3 titles	3 titles	2 titles

*Estimates

Initiatives Aimed for Medium- and Long-Term Growth (Development of Titles)

Creating new IP



「KAIJU DECODE」

Distribution of a short CG animation started in 2021 as the first phase of the project



「IKIMONO-SAN」

Selected to compete in the short film category at the World Festival of Animated Film – Animafest Zagreb



「Spicy Candy」

First project by Toei Animation (Shanghai) Original musical animation



「GIRLS BAND CRY」

Completely new original animation Project launch on May 29, 2023



「Future's Folktales Season 2」

Season 2 goes into production in a collaboration with Saudi Arabia



「The Monkey Prince (tentative name)」

Collaborative work involving Japan, China and the U.S. Animation for families created with an eye to the global market

Activation of existing IP



「KNIGHTS OF THE ZODIAC」

Hollywood live-action movie *Knights of the Zodiac* scheduled to be released worldwide in 2023 (released in Japan on Friday, April 28, 2023)



「Pretty Guardian Sailor Moon Cosmos: The Movie Part 1 and Part 2」

Part 1 scheduled release on Friday, June 9, 2023 Part 2 scheduled release on Friday, June 30, 2023



「Power of Hope Otona-Precure 23」

To start broadcasting on NHK Educational TV from October 2023



「DIGIMON ADVENTURE 02 THE BEGINNING」

Scheduled to be released on Friday, October 27, 2023



「New Movie From Ge-Ge-Ge no Kitaro Series」

Scheduled to be released on Friday, November 17, 2023



「AKUMA KUN (TBD)」

Scheduled worldwide exclusive streaming as a series for Netflix in 2023

Dividends

- Implementation of financial policy focused on balancing a robust financial foundation, investments in new businesses, and returns to investors.
- For FY2023.3, the Company expects to pay a dividend of 155 yen for a payout ratio of about 30%. For FY2024.3, it plans to decide the dividend reflecting the earnings status.

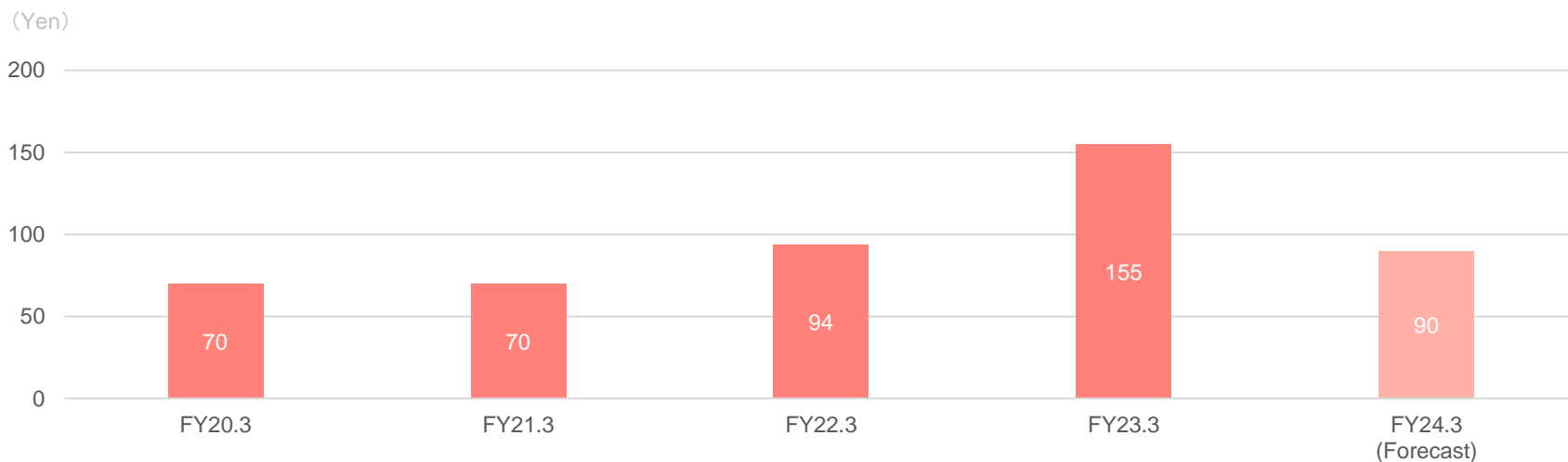
Year-end dividend

FY2023.3

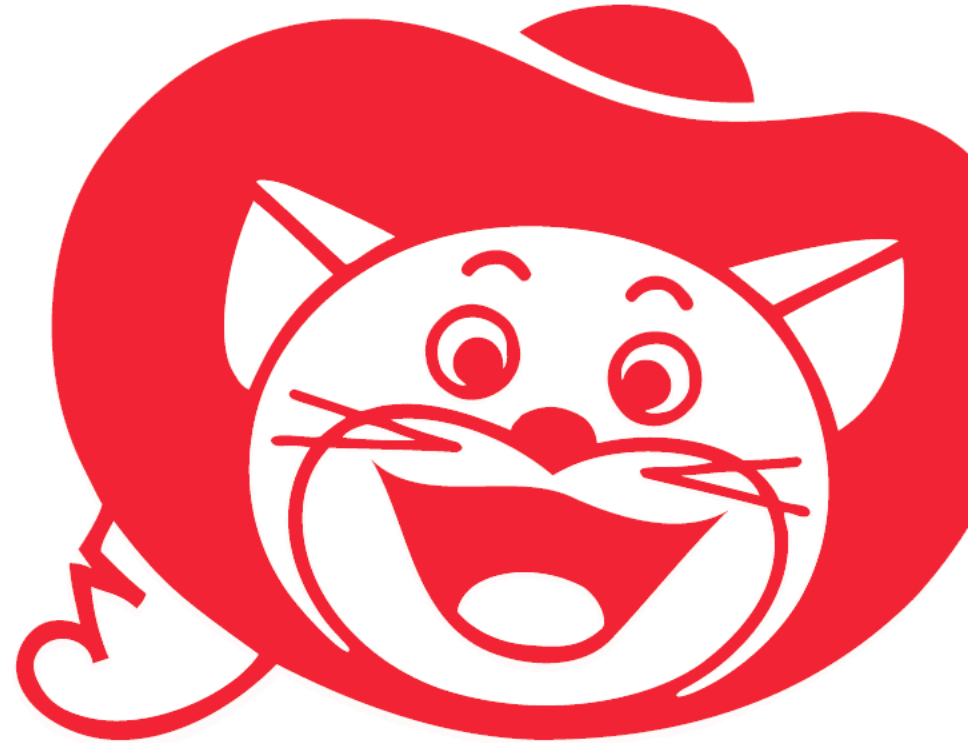
155 yen per share

FY2024.3

To be comprehensively
judged reflecting earnings



TOEI ANIMATION CO.,LTD.



[Precautions regarding outlook]

The contents described in this material are based on judgments and assumptions made with reference to information available as of the time of writing. The Company does not warrant that estimated figures, strategies or measures will necessarily be achieved.