

TOEI ANIMATION CO., LTD.

January 30, 2023

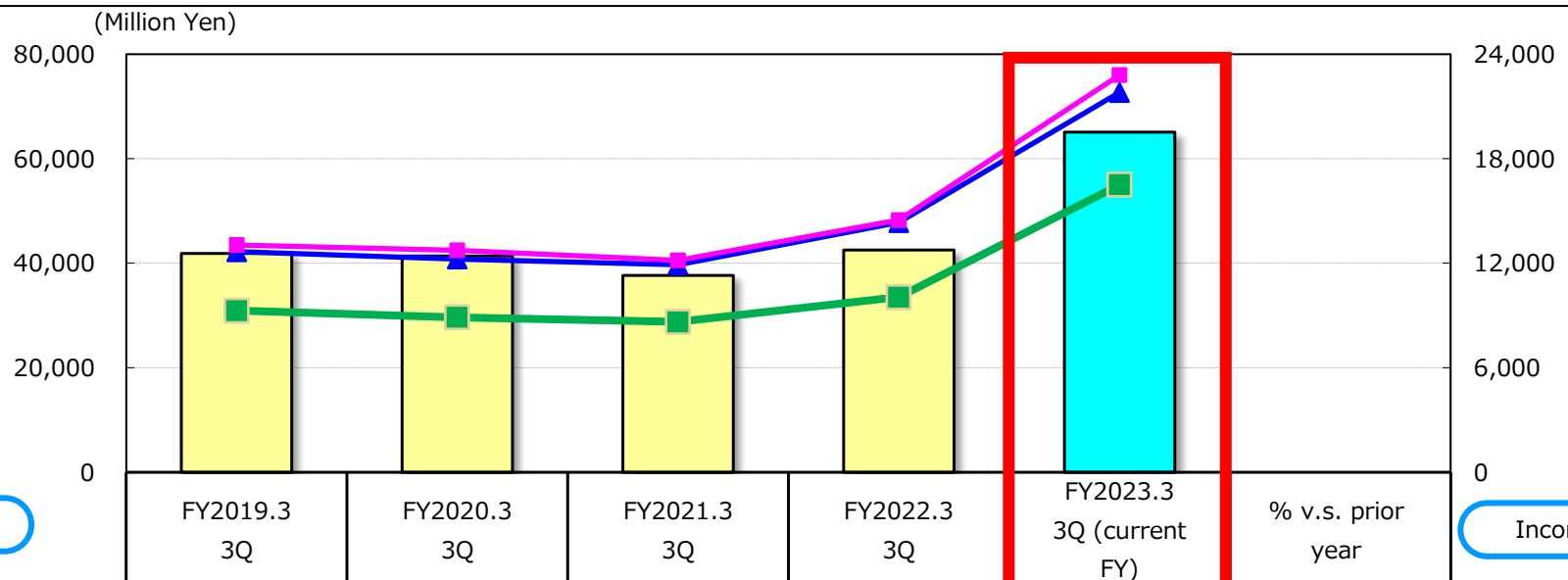
For Third Quarter Ended December 31, 2022
(April 1, 2022 to December 31, 2022)



Soaring Sky! Precure
Broadcasting to start on Sunday,
February 5, 2023

FY2023.3 Third Quarter Results – Consolidated

- Net sales and profits posted record highs for the first nine months, growing by large margins.
- The huge success of the three movie titles and their ripple effects on the related businesses absorbed increased production costs and advertising expenses.
- While the current business environment has been favorable, we left our forecast for the current fiscal year unchanged given uncertainties such as future foreign exchange trends and the timing for recording sales of theatrical screening rights overseas.



Net Sales	41,821	41,393	37,632	42,522	65,064	53.0%
Costs of Sales	24,049	23,798	20,306	21,800	35,320	62.0%
SG&A	5,112	5,360	5,424	6,390	7,939	24.2%
Operating Income	12,659	12,235	11,902	14,331	21,805	52.1%
Ordinary Income	13,044	12,740	12,163	14,478	22,796	57.4%
Net Income	9,276	8,890	8,624	10,050	16,502	64.2%

FY2023.3 3Q Results Segment Breakdown – Consolidated

(Million Yen)		FY2022.3 3Q	FY2023.3 3Q	% change
Film	Net Sales	16,269	29,277	80.0%
	Segment Income	4,943	8,534	72.6%
Licensing	Net Sales	24,211	31,254	29.1%
	Segment Income	12,123	15,711	29.6%
Sales of Goods	Net Sales	1,657	3,519	112.3%
	Segment Income	-96	204	-
Others	Net Sales	440	1,186	169.0%
	Segment Income	-261	48	-
TOTAL	Net Sales	42,522	65,064	53.0%
	Operating Income	14,331	21,805	52.1%

*Numbers for each segment include intra-company sales.

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

(Million Yen)		FY22.3 3Q	FY23.3 3Q
Net Sales		42,522	65,064
Film		16,269	29,277
	Movies	315	5,919
	TVs	2,550	2,266
	DVDs	310	290
	Overseas	10,087	17,180
	Others	3,005	3,620
Licensing		24,211	31,254
	Japan	8,769	11,950
	Overseas	15,441	19,303
Sales of Goods		1,657	3,519
Others		440	1,186

*Numbers for each segment include intra-company sales.

Film (↑ 80.0% 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, despite the strong performance of sound production for games.
- In the DVDs segment, revenues decreased partially due to the reactionary decline following strong sales of Blu-ray/DVD versions of *Looking for Magical Doremi* and *Healin' Good PreCure the Movie* the previous year.
- In the Overseas segment, revenues increased significantly due to strong sales of overseas online distribution rights in addition to sale of overseas theatrical screening rights of the movies *Dragon Ball Super: SUPER HERO* and *ONE PIECE FILM RED*, and *THE FIRST SLAM DUNK*.
- In the Others segment, revenues increased greatly due to the strong sales of domestic online distribution rights.

FY2023.3 3Q Results Segment Analysis (2)

(Licensing/Sales of Goods/Others)

(Million Yen)		FY22.3 3Q	FY23.3 3Q
Net Sales		42,522	65,064
Film		16,269	29,277
	Movies	315	5,919
	TVs	2,550	2,266
	DVDs	310	290
	Overseas	10,087	17,180
	Others	3,005	3,620
Licensing		24,211	31,254
	Japan	8,769	11,950
	Overseas	15,441	19,303
Sales of Goods		1,657	3,519
Others		440	1,186

*Numbers for each segment include intra-company sales.

Licensing (↑ 29.1% year on year)

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

Sales of Goods (↑ 112.3% year on year)

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

Others (↑ 169.0% year on year)

- Revenues increased on the good results of *ONE PIECE* and *PRETTY CURE* events.

FY2023.3 Third Quarter Results Review

(Million Yen)	FY22.3 3Q	FY23.3 3Q	Change	% change
Net Sales	42,522	65,064	22,542	53.0%
Costs of Sales	21,800	35,320	13,520	62.0%
Gross Profit	20,722	29,744	9,021	43.5%
SG&A	6,390	7,939	1,548	24.2%
Operating Income	14,331	21,805	7,473	52.1%
Non-Operating Income	346	1,235	889	256.9%
Non-Operating Expense	198	244	45	22.7%
Ordinary Income	14,478	22,796	8,317	57.4%
Extraordinary Gain and Loss	-16	-	16	-
Net Income Before Tax	14,462	22,796	8,333	57.6%
Income Taxes	4,110	6,636	2,526	61.5%
Income Taxes Adjustment	300	-342	-643	-
Minority Interest	-	-	-	-
Net Income	10,050	16,502	6,451	64.2%

Net Sales

- Businesses with sharp increases in revenues
 - 1) Film Overseas [7,092] => 2) Movies [5,603] => 3) Licensing Overseas [3,862]
- Businesses with significant declines in revenues
 - 1) TVs [-284] => 2) DVDs [-20]

Cost of Sales / Gross Profit

- Gross profit to net sales: 45.7% (previous term: 48.7%)
It declined from the previous term due to posting of production costs of multiple large-scale theatrical movies.

SG&A

- SG&A [+1,548]
 - 1) Advertising expenses [+417] (from 673 in the previous FY to 1,090 in the current FY)
 - 2) Outsourcing expenses [+272] (from 387 in the previous FY to 659 in the current FY)

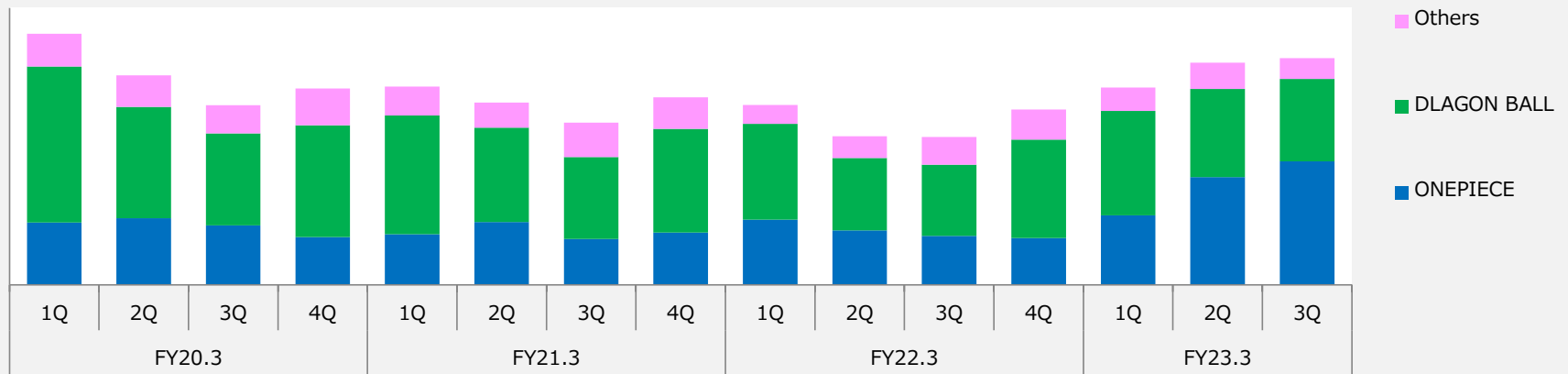
Non-operating Income and Expense

- Non-operating income and expense [+889]
 - 1) Dividends earned [+499]
 - 2) Miscellaneous revenue [+295]
- Non-operating expense [+45]
 - 1) Foreign exchange loss [+109]

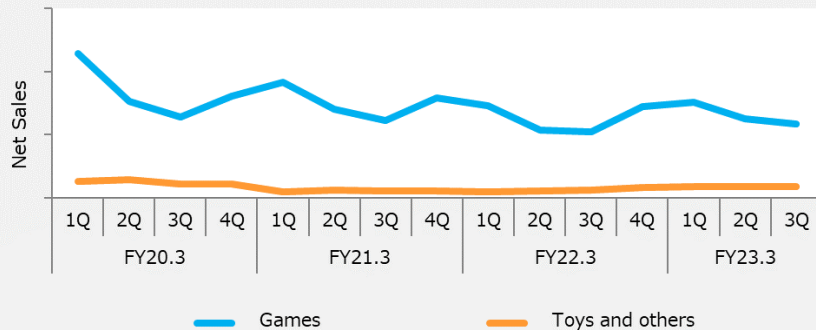
Trends in Domestic Licensing for Major Titles

- As for *ONE PIECE*, in addition to strong performance of existing app games leveraging the movie *ONE PIECE FILM RED*, sales of merchandising rights led by action figures were also robust.
- Regarding game development rights of the *DRAGON BALL* series, the anniversary events of existing apps, etc. were strong.

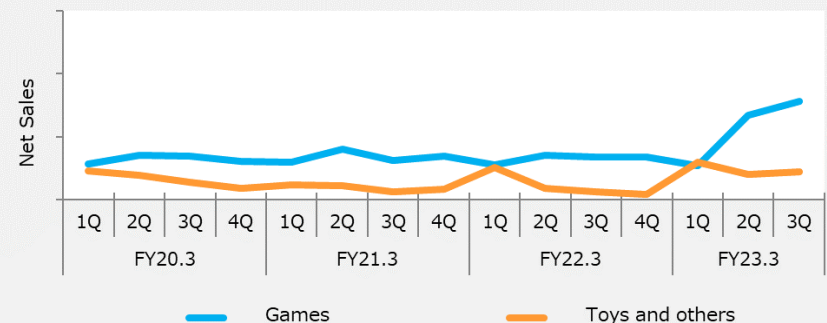
Trends in Domestic Licensing Revenues



Trends in Domestic Licensing Revenues for DRAGON BALL



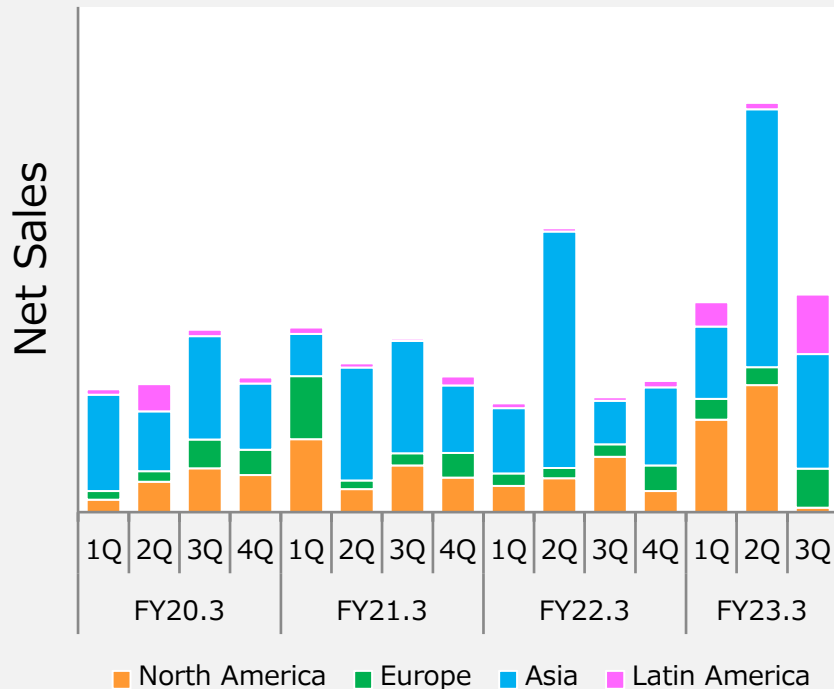
Trends in Domestic Licensing Revenues for ONE PIECE



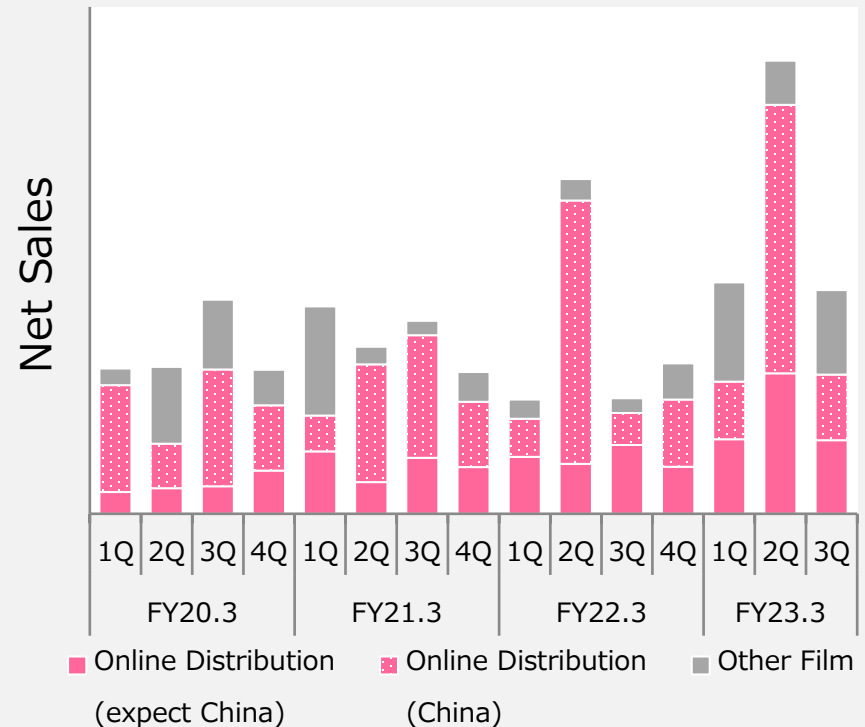
Trends in Film Overseas

- The business posted record sales for the first nine months, also partly boosted by the weaker yen.
- Sales of theatrical screening rights for the three large-scale movie titles were strong. The theatrical screening rights for *THE FIRST SLAM DUNK* in Asian countries led the sales in the third quarter.
- Sales of online distribution rights of *DRAGON BALL* and *ONE PIECE* in North America increased on the back of new and renewal of contracts as well as the increase in number of views.

Trends in Net Sales of Film Overseas



Breakdown of Net Sales by Business

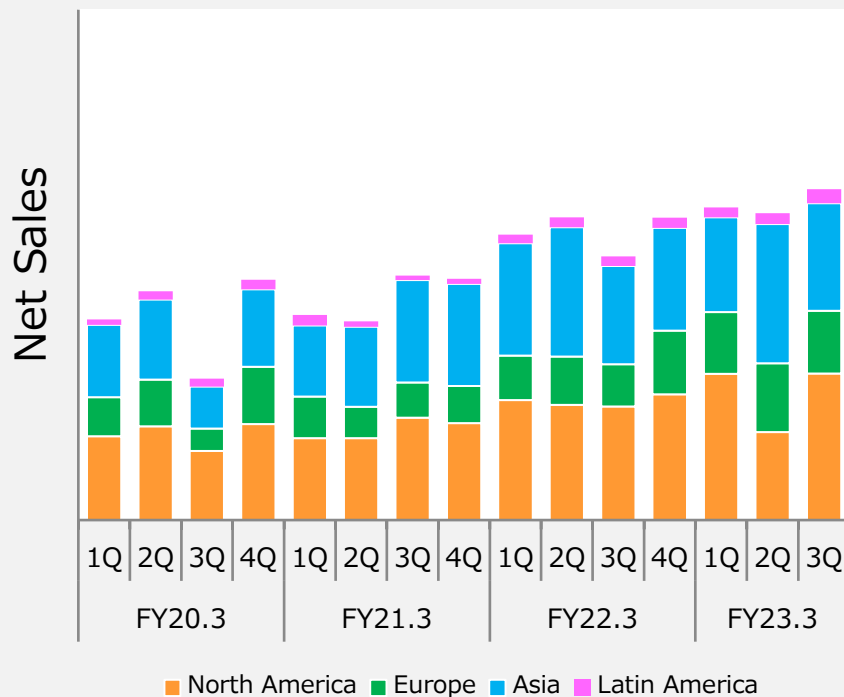


* Due to consolidated accounting for subsidiaries, the left graph shows consolidated figures while the right graph shows our non-consolidated figures.

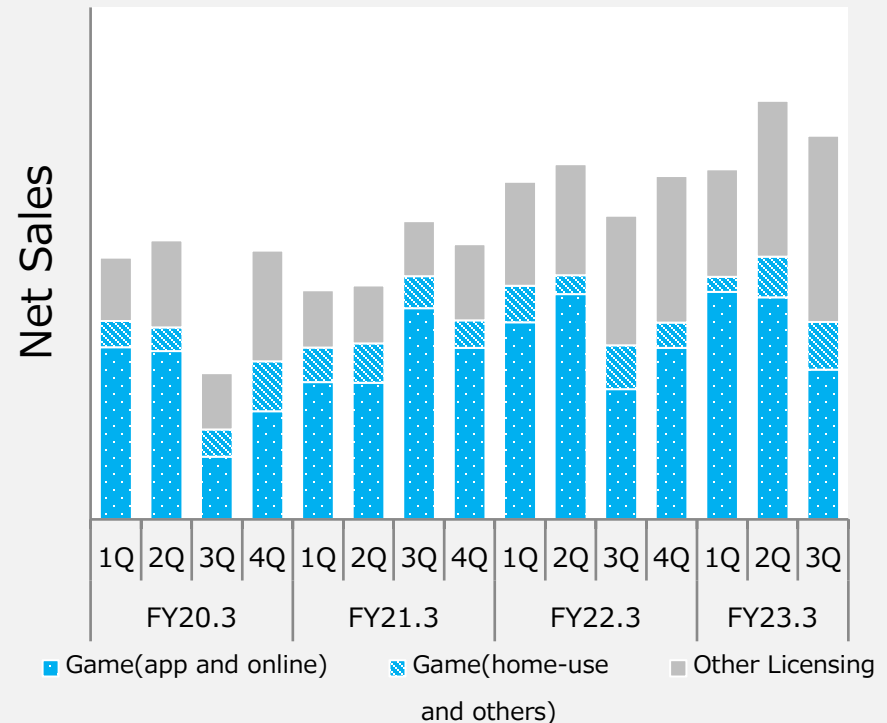
Trends in Licensing Overseas

- The *DRAGON BALL* series has been strong with existing app game development rights, collaboration with games of other companies, and merchandising rights for Europe.
- *ONE PIECE*: Sales of merchandising rights for Europe and app game development rights in China were good.
- *DIGIMON*: Sales of merchandising rights for North America and app game development rights for China were strong.

Trends in Net Sales of Film Overseas



Breakdown of Net Sales by Business



* Due to consolidated accounting for subsidiaries, the left graph shows consolidated figures while the right graph shows our non-consolidated figures.

Progress toward Earnings Estimates for FY2023.3

(Million Yen)

	FY23.3 3Q	FY23.3 estimates (revised on Oct. 21)	Progress
Net Sales	65,064	76,000	85.6%
Operating Income	21,805	23,500	92.8%
Ordinary Income	22,796	25,000	91.2%
Net Income	16,502	18,000	91.7%

[Progress toward Earnings Estimates for FY2023.3]

- The progress has been favorable, as the movies *Dragon Ball Super: SUPER HERO*, *ONE PIECE FILM RED*, and *THE FIRST SLAM DUNK* became big hits and because of their ripple effects on related businesses in general.
- While the related businesses have been performing solid thanks to the success of the three large-scale movies, our forecast for the current fiscal year remains unchanged from the previous revision, given uncertainties such as foreign exchange trends and the timing for recording sales of theatrical screening rights overseas.

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

Creating New Titles



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



Saint Seiya: Knights of the Zodiac - Battle for Sanctuary - A new season of the full 3D CG animation is being distributed on various platforms.



MIRACULOUS LADYBUG & CAT NOIR
Broadcasting Season 2 from Saturday, September 24, 2022



Knights of the Zodiac (tentative name)
Hollywood live-action movie of SAINT SEIYA
Scheduled to be released globally in 2023



Future's Folktales 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

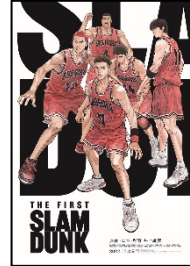
Activation of existing content



ONE PIECE FILM RED
Released on Saturday, August 6, 2022



Delicious Party Pretty Cure the Movie - Precious Lunch Dreams
Released on Friday, September 23, 2022



THE FIRST SLAM DUNK
Released on Saturday, December 3, 2022 and now playing



Pretty Guardian Sailor Moon Cosmos: The Movie Part 1 and Part 2
Scheduled successive release of two parts in June 2023



AKUMA KUN (TBD)
Scheduled worldwide exclusive streaming as a series for Netflix in 2023



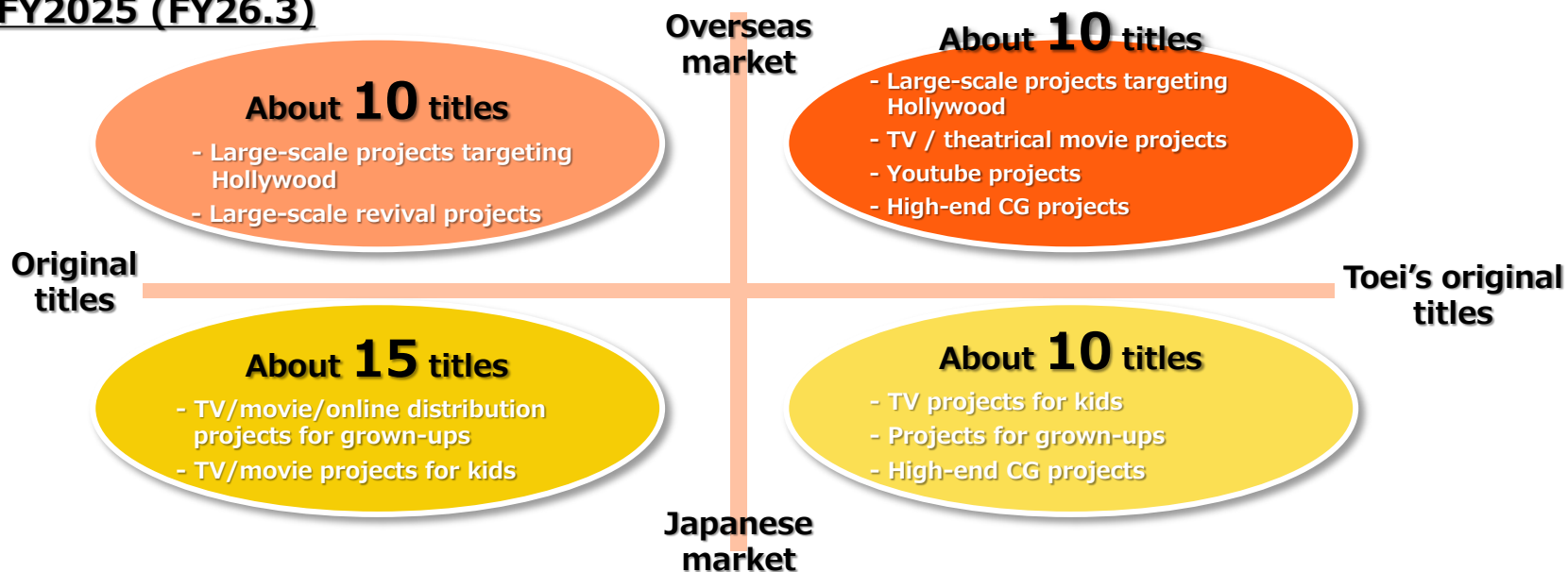
New Movie From Ge-Ge-Ge no Kitaro Series
Animation movie scheduled to be released in fall 2023

Base

- **Increasing the titles**
 - Change to title-oriented organization
 - Increase new titles and make title lifecycles longer
- **Business development and expansion of local deployment**
 - Make foray into Hollywood
 - Establish a content planning and production company in Shanghai
 - Promote development of the Chinese and other markets in Asia.
- **Enhancement of production capabilities**
 - Build a purpose-specific production system for each title
 - Integrate 2D/3D cutting-edge technologies
 - Promote PJ utilizing AI in the production process

Initiatives Aimed for Medium and Long-Term Growth (Medium and Long-Term Portfolio)

Through FY2025 (FY26.3)



Estimates →

	2023		2024		2025	
	Movies	Series	Movies	Series	Movies	Series
Toei's original titles for the world	1 title	2 titles	1 title	1 title	0 title	2 titles
Original titles for the world	4 titles	3 titles	1 title	2 titles	2 titles	1 title
Original titles for Japan	2 titles	6 titles	2 titles	3 titles	0 title	1 title
Toei's original titles for the world	2 titles	4 titles	2 titles	3 titles	1 title	0 title

*The number of titles is as of October 27, 2022, and is subject to change in the future.

Dividends

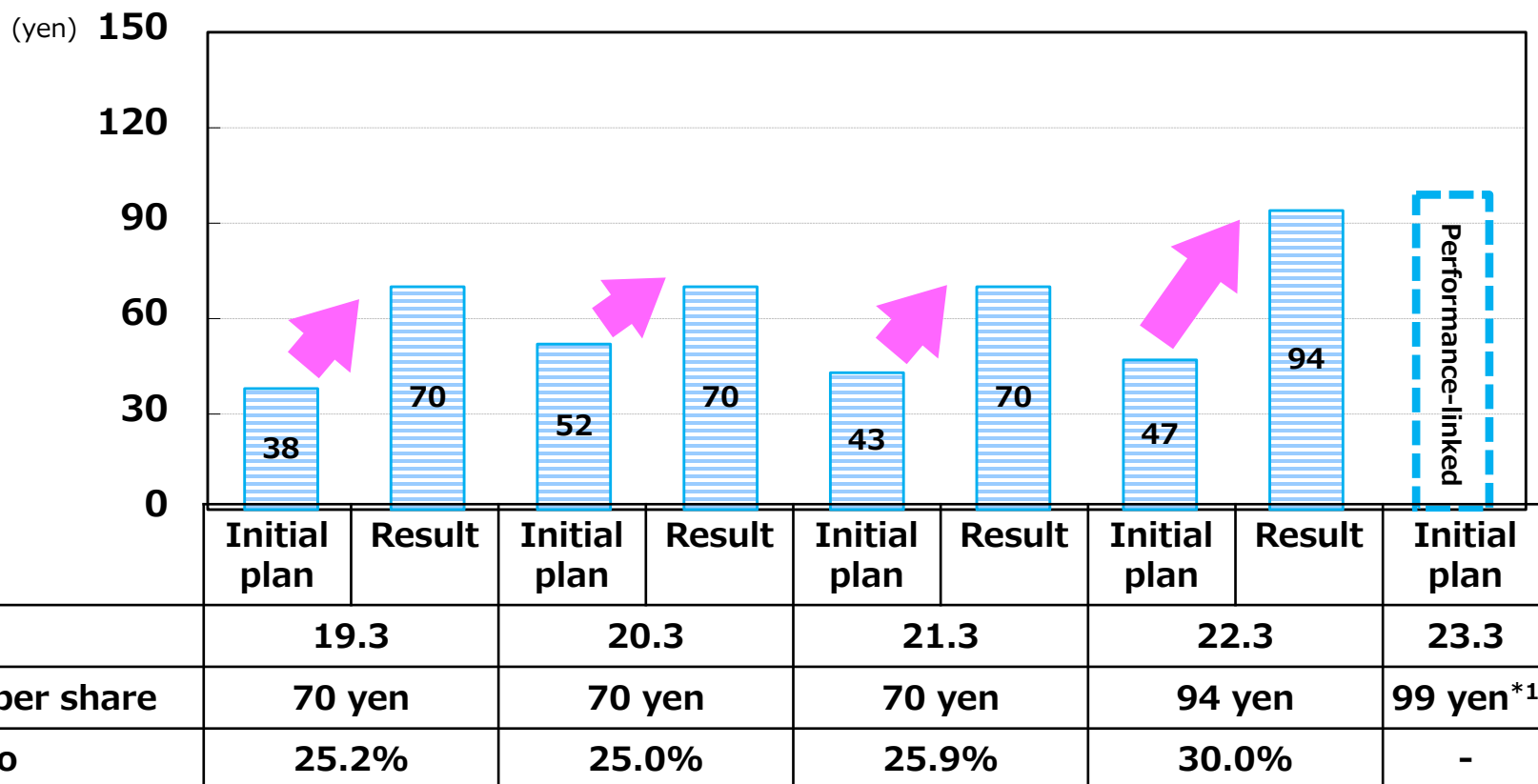
Year-end dividend

FY2022.3

94.00 yen per share

FY2023.3

To be decided after comprehensive consideration reflecting consolidated earnings



*1 In cases where payout ratio is at a level similar to the current fiscal year based on initial earnings forecast.

Reference (1) (Works being broadcasted)



SUN at 9:30am
on Fuji TV et al.



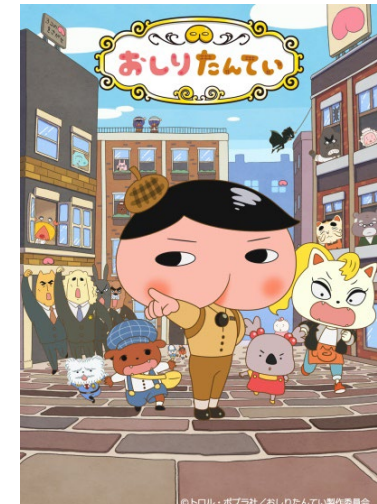
SUN at 8:30am on
ABC/TV Asahi Network



SUN at 9:00am on
Fuji TV et al.



FRI at 6:40pm on
NHK Educational TV



SAT at 9:00am on
NHK Educational TV

Reference (2) (Works being screened)



THE FIRST SLAM DUNK
released on Saturday, December 3, 2022

Reference (3) (Lineup of New Titles from FY2024.3)



Pretty Guardian Sailor Moon Cosmos: The Movie
Part 1 is scheduled to be released on June 9, 2023,
and Part 2 on June 30, 2023



New Movie From
Ge-Ge-Ge no Kitaro Series
Scheduled to be released in theaters
in the autumn of 2023



AKUMA KUN (TBD)
Scheduled to be exclusively
streamed on Netflix in 2023



Knights of the Zodiac
(tentative name)
Scheduled to be released globally in 2023



TOEI ANIMATION

Since 1956

[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.