

PERO'S REPORT 2024





Management Philosophy

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

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

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Scope of report

Toei Animation Co., Ltd. and its affiliates

Reporting period

This report covers the fiscal year ended March 31, 2024 (FYE2024: April 1, 2023–March 31, 2024). It also includes information on some activities prior to and subsequent to this period. Unless otherwise stated, numerical information such as business performance and results is for FYE2024 or as of March 31, 2024.

Notes on future forecasts

The contents of this report 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.

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. Here are some of our leading animated TV shows.

THE WHITE SNAKE

First full-color feature-length animated film in Japan



SALLY, THE WITCH

First anime targeting young female viewers in Japan



UFO ROBOT GRENDAZER RAIDS

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



SAINT SEIYA



SLAM DUNK



ONE PIECE



1958

1963

1966

1972

1975

1986

1992

1993

1999

2004



KEN, THE WILD BOY

Toei Animation's first TV anime series



MAZINGER Z

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



DRAGON BALL



SAILORMOON



DIGIMON ADVENTURE

A mega hit that aired in over 60 countries



PRETTY CURE Series

A hugely popular series targeting young female viewers

1960s

KEN, THE WILD BOY
SALLY, THE WITCH
GE-GE-GE NO KITARO
CYBORG 009
THE SECRET OF AKKOCHAN
TIGER MASK

1970s

DEVIL MAN
MAZINGER Z
BABIL 2
CUTY HONEY
GETTA ROBOT
UFO ROBOT GRENDAZER RAIDS
IKKYU-SAN
Space Pirate CAPTAIN HARLOCK
GALAXY EXPRESS 999

1980s

DR. SLUMP -ARALE-
PATALLIRO
MR. MUSCLEMAN
WINGMAN
KEN, THE GREAT BEAR FIST
MAPLE TOWN STORY
DRAGON BALL
SAINT SEIYA
BIKKURI MAN
DEVIL BOY

1990s

DRAGONQUEST: The Adventure of Dai
SAILORMOON
SLAM DUNK
MARMALADE BOY
NUBE
HANA YORI DANGO
CUTY HONEY FLASH
YOUNG KINDAICHI'S CASE BOOK
CRAYON KINGDOM
MAGICAL DOREMI
DIGIMON ADVENTURE
ONE PIECE

2000s

NADIA
GASH BELL!!
BOBOBO-BO BO-BOBO
PRETTY CURE
BEET, THE VANDEL BUSTER
DEMASHITA POWER PUFF GIRLS Z
MO NO NO KE
HAKABA KITARO
MY 3 DAUGHTERS
DRAGON BALL KAI
THRILLER RESTAURANT

2010s

DIGIMON FUSION BATTLE
TORIKO, SAINT SEIYA OMEGA
DRILAND, KYOUSOGIGA
MAJIN BONE
SAILORMOON Crystal
WORLD TRIGGER
DRAGON BALL SUPER
DIGIMON UNIVERSE APP
MONSTERS
TIGER MASK W
KADO: The Right Answer
GE-GE-GE NO KITARO
BUTT DETECTIVE
BAKUTSURI BARCODE HUNTER

2020s

FUSHIGI DAGASHIYA ZENITENDO
DRAGONQUEST: The Adventure of Dai
DIGIMON GHOST GAME
WORLD TRIGGER 3rd Season
WONDERFUL PRECURE

Our Growth Trajectory and Cultivated Capabilities

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

Our Cultivated Capabilities

World-class planning and production

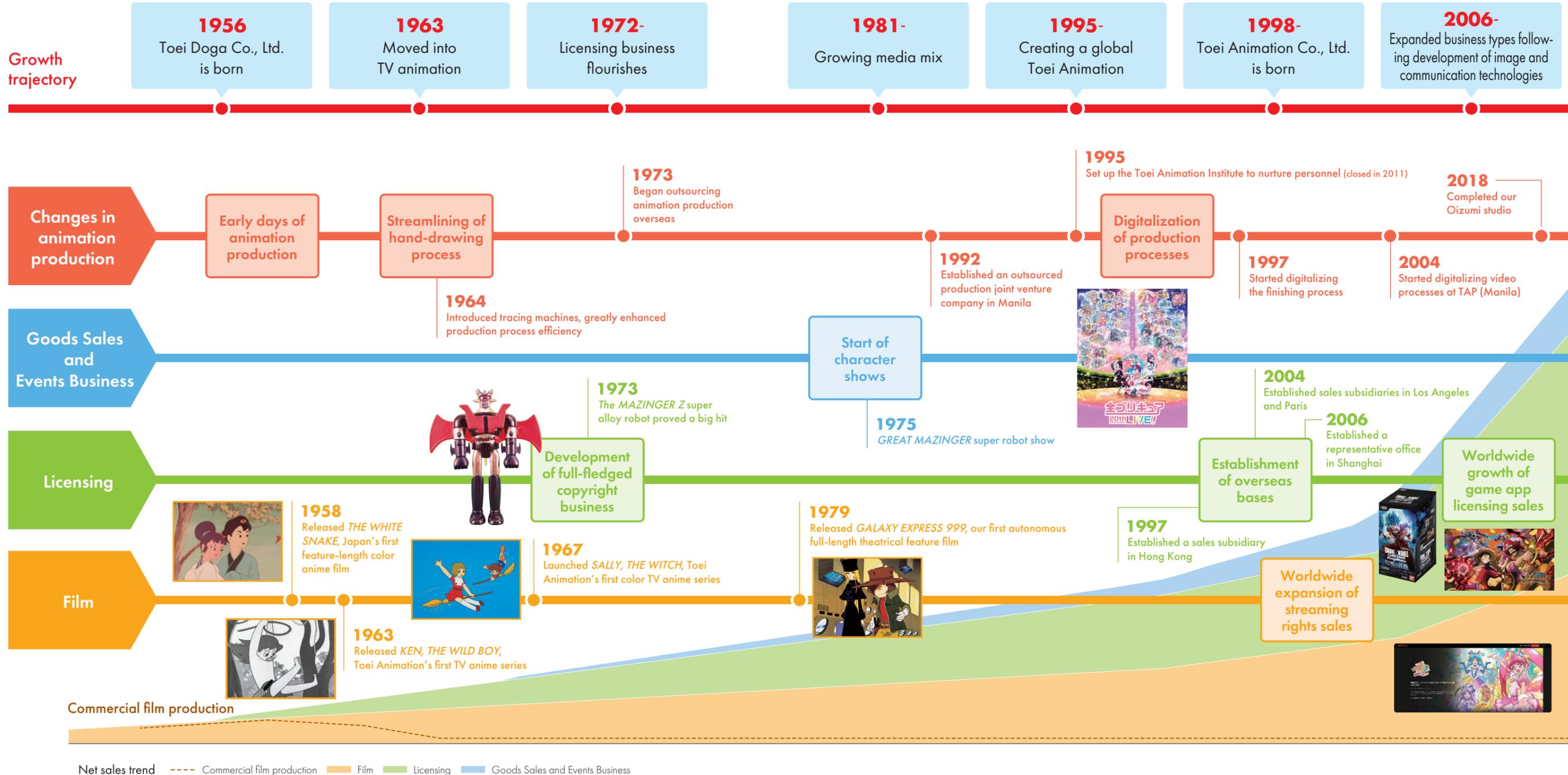
Creating attractive content as a hit anime producer

Unparalleled marketing and business development prowess

Proactively developing our wealth of content in multiple areas

World-famous animation

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



Value Creation Process

Toei Animation boasts a wealth of production expertise accumulated over its corporate history spanning more than half a century. We began producing animations under the slogan "Aiming to become the Disney of the East," and we have created multiple 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.

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

Our Cultivated Capabilities

Our Business Model

Created Value

1 World-class planning and production

Creating attractive content as a hit anime producer

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

2 Unparalleled marketing and business development prowess

Proactively developing our wealth of content in multiple areas

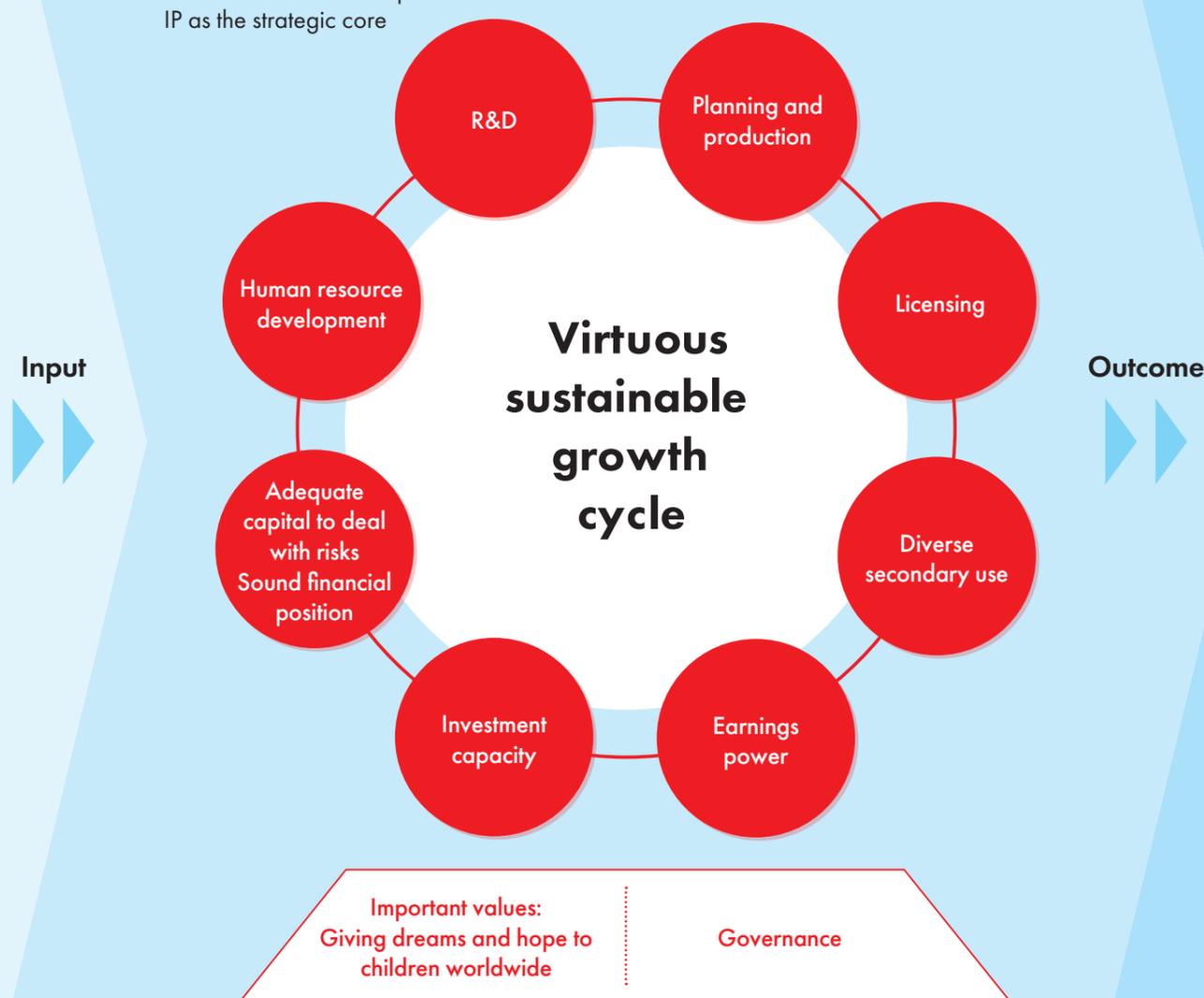
- Japan's largest and one of the world's leading animation production companies in terms of number of works
- Top runner in the animation character business
- Full digitalization of one of the world's largest content portfolios

3 World-famous animation

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

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

- One-stop animation production that integrates all three processes of planning, production, and marketing
- Global business development with IP as the strategic core



Content that appeals to a worldwide audience

Films	269
TV shows	237
Total episodes	Approx. 13,791

International exchange through animations

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

Animation production professionals

Approx. **750**

Sound financial position and strong profitability

Net sales	88,654 million yen
Ratio of shareholders' equity to total assets	80.9%
ROE	15.3%
EPS	91.93 yen*

*On April 1, 2024, we implemented a stock split at a ratio of 5 shares for each common share. The amount stated is the amount after adjustment for the stock split.

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 its created works. In addition to offering all the necessary functions for animation production, we also boast capabilities that span the whole business, including expertise in the licensing business, secondary use development, and profitability and investment management, and we are in a sound financial position.

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

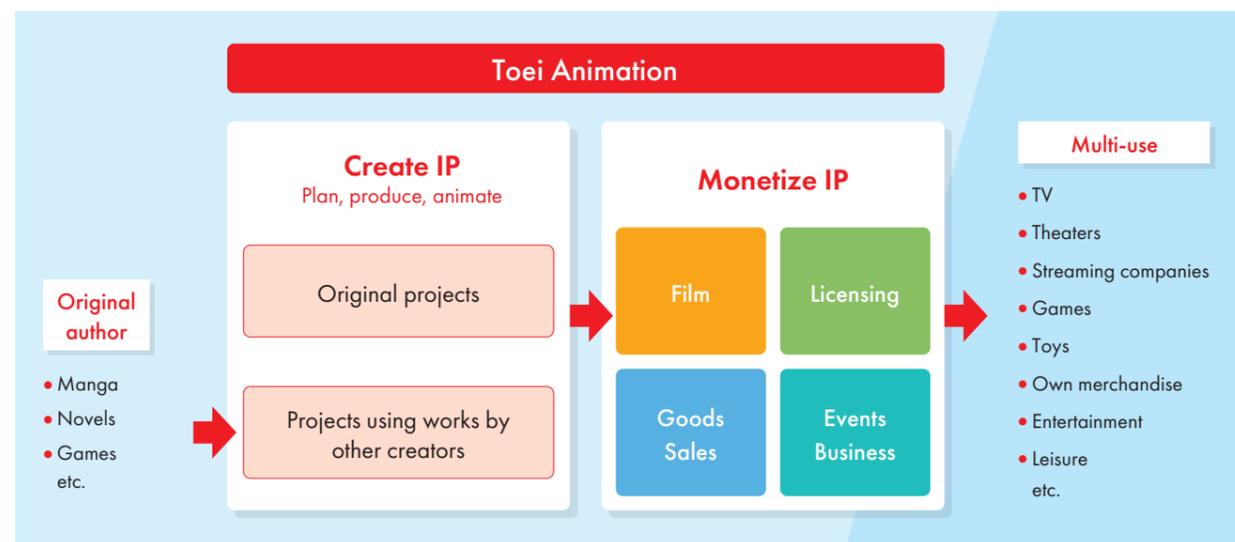
Our company's comprehensive capabilities mean not only can we create works that satisfy diverse needs, but also develop

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



A holder of IP with image production capabilities

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



Developing one-source, multi-use business

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



Film

Planning and production of various types of anime productions for theaters, television, etc., and sale of broadcasting rights, streaming rights, videogram rights, etc.

TV, Theaters, Internet, DVD & Blu-ray, Streaming

Net sales **34,828** million yen

Growth v. FYE2019 **178%**

Number of employees **787**

Proportion of total sales **39%**

Licensing

Development of goods, games, campaigns, and other products and events by granting the right to use works or characters to various manufacturers

Toys, Games, Foodstuffs, Daily goods, Apparel

Net sales **39,671** million yen

Growth v. FYE2019 **131%**

Number of employees **74**

Proportion of total sales **45%**

Goods Sales

Planning and development of original goods, operation of retail shops

Original goods, Retail shops, Campaigns

Net sales **10,681** million yen

Growth v. FYE2019 **207%**

Number of employees **15**

Proportion of total sales **12%**

Events Business

Planning and operation of events such as costume shows and musicals

Events, Shows, Stage shows

Net sales **3,922** million yen

Growth v. FYE2019 **404%**

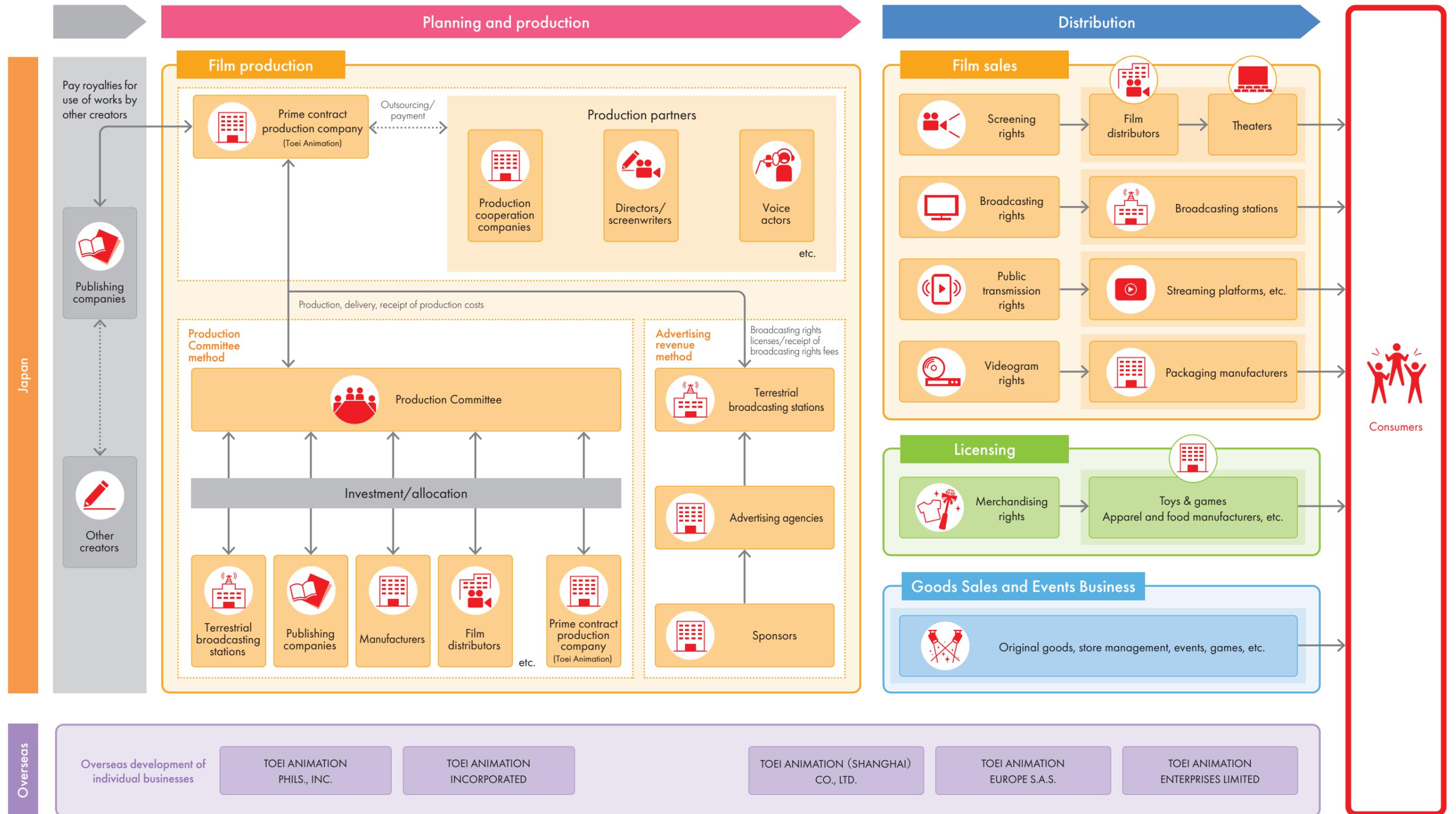
Number of employees **35**

Proportion of total sales **4%**

Our Business Model

Business model for each business segment

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



Message from the President

We will steadily capture growth opportunities and aim to establish Toei Animation as a world-class brand.

Increased recognition of our works both in Japan and overseas

In our view, the external environment surrounding Toei Animation has been favorable, with a Japanese anime market worth 2.9 trillion yen, while the global anime market is projected to grow from 57 trillion yen in 2022 to 86 trillion yen in 2030, leaving a great deal more room for our company to grow.

In such an environment, we maintained our strong performance in FYE2024, centered on *ONE PIECE* and *SLAM DUNK*, which enjoyed even higher recognition both in Japan and overseas, and we achieved net sales that exceeded that of the previous year, when many major titles were released.

As well as development of overseas markets, expansion into new markets is the key to medium- to long-term growth

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

For the global rollout of titles, as previously outlined, we will pursue a three-pronged overseas market strategy consisting of export business, Hollywood-style business, and local production for local consumption. [Reference Global Strategy » P.17](#)

In addition, viewing the expansion of new content platforms as a growth opportunity, we are undertaking a variety of initiatives to capture that opportunity. We expect to see the continued emergence of new and unprecedented markets, such as the metaverse, VR, and NFT. We will develop business to steadily capture growth opportunities on new platforms that will be created with the evolution of information technology.

We will progressively communicate the status of these initiatives to our stakeholders, so I hope you will look forward to future developments.

Sustainability strategies for the enhancement of corporate value

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

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

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

E
Environment

- Climate change

S
Society

- Human capital
- Content management
- DX
- Coexistence with local communities

G
Governance

- Enhancement of governance structure
- Compliance



高木 勝裕

Katsuhiko Takagi
President

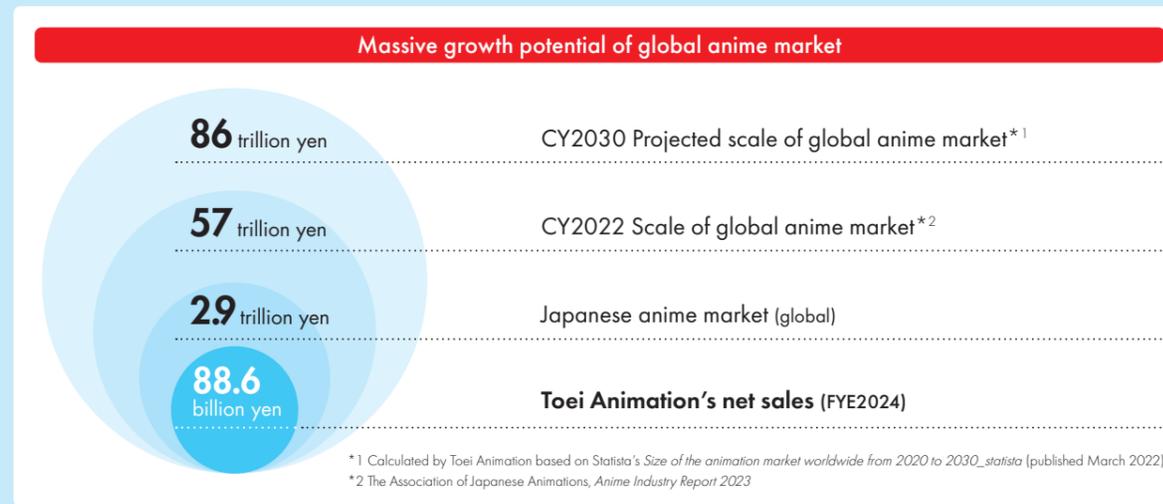
Understanding of the External Environment and Our Medium- to Long-term Strategy

Toei Animation's operational environment

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

External environment

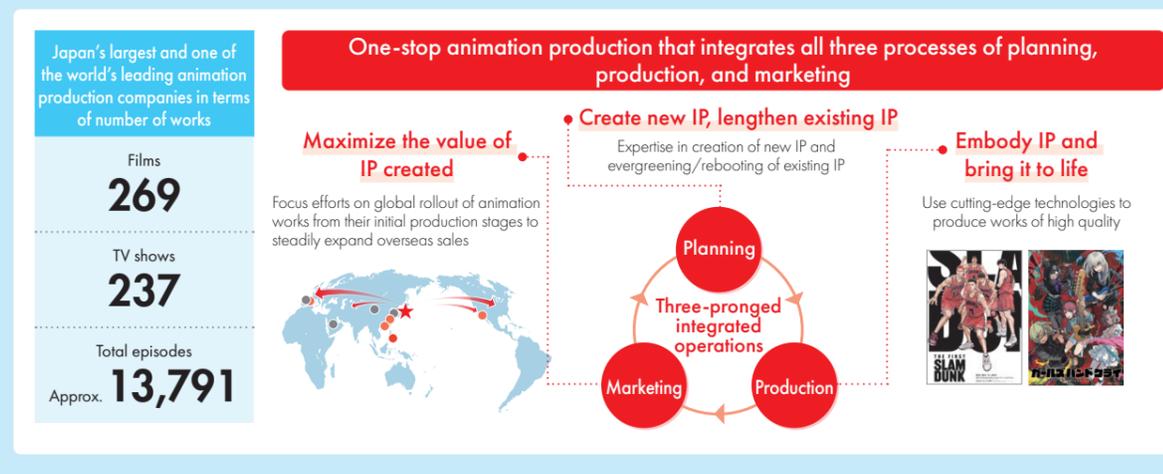
- Expansion of sales of Japanese anime overseas
- Existence of significant possibilities for development of global market
- Future potential of Web 3.0-related market



Fully harnessing Toei Animation's strengths

Toei Animation's strengths

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



Our Medium- to Long-term Strategy

To further expand our share of the global anime market, which has significant room to grow, we will work actively on ① the strengthening of development of overseas markets and ② the development of new markets.

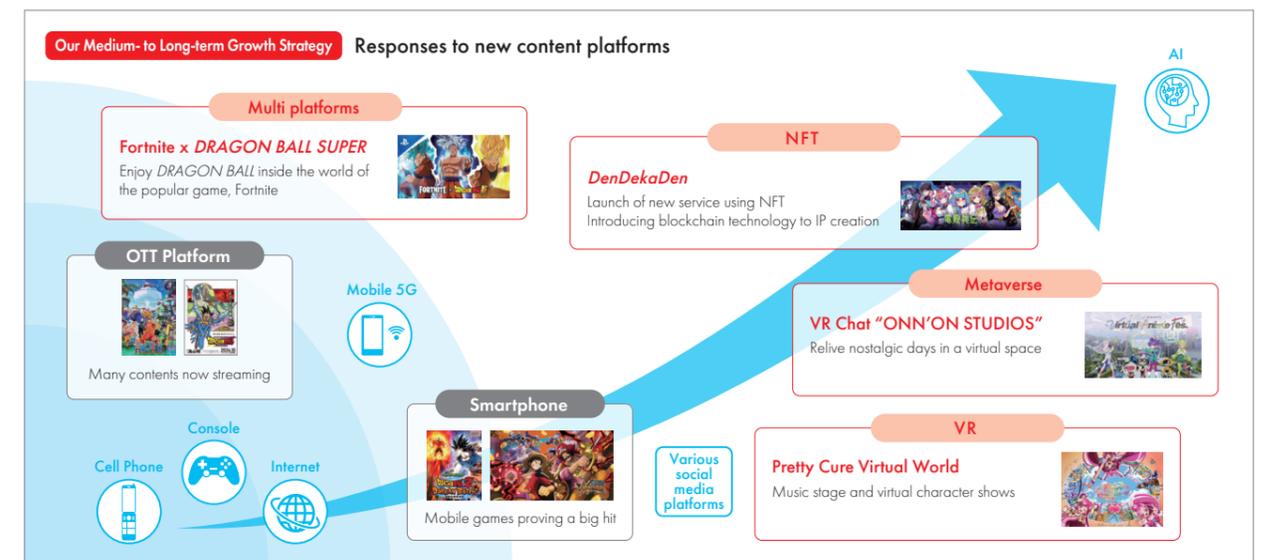
① Strengthening of development of overseas markets

- Roll out diverse IP with three strategies



② Development of new markets

- Over the years, we have grown alongside advances in technology (smartphones, global streaming services, etc.)
- Provide IP to platforms to expand business
- Going forward, as one of the world's largest IP holders, develop business to steadily capture growth opportunities on new platforms that will be created with the evolution of information technology



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 global market development strategy

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

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



Overview of each business model

Export business

Roll out popular IP created in Japan to overseas markets suited to each IP

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

Streaming

TV broadcasts

Improve visibility of works, acquire new fans

Expand customer contact, deepen fan base

Games

Merchandise

Engagement

Fans of specific works

Games/merchandise

Number of fans

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

Using our global distribution network, simultaneously roll out works that have been planned and produced overseas all over the world, under Toei Animation's direction and leadership

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

Conceptualization of global mainstream distribution networks, as typified by Hollywood

Strengths exploited with Hollywood model

One-stop anime business

Production

Licenses

Planning

+

World-leading IP portfolio

Accumulated expertise

Global brand power

Globally renowned creators
(possible to gain strong negotiating position in Hollywood as well)

Local production for local consumption

Collaborate with local partners to penetrate specific countries and regions for creation and rollout of 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

Results in local production for local consumption

- Toei Animation (Shanghai), a joint venture company with a Chinese partner, was set up to further promote market development in China and Asia. An original music anime, *Spicy Candy*, began broadcasting in FYE2023.
- A coproduction agreement was concluded with a Saudi Arabian animation production company, Manga Productions, for the development of the Middle East market, and produced works including *The Journey*.
- In Europe, *Le Collège Noir* was co-produced with Studio La Cachette, an animation studio in France.

Examples of initiatives under each business model

Export business

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

For global development, we localize our works using two methods, namely, subtitling and dubbing. To bring our works closer to many people, including children all over the world, we roll out dubbed titles to many regions, including North America, Latin America, Europe, and Asia. In addition, by focusing our efforts on simultaneous streaming, instead of waiting for a certain period after broadcast in Japan, we are delivering the appeal of our new and fresh works to more people. Further, with the global rollout of various image-based works as our starting point, we will expand our business in licensing and other segments in an effort to maximize both revenue and the value of our IP.

Localization of works

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

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

Not limited to text within the works, we have also produced logo designs in the various languages so that the works will be more broadly recognized. For the new movie in the *Ge-Ge-Ge no Kitaro* Series, we oversaw the design of four different logos and used them in the respective markets.



Korean version of *Butt Detective*



Korean version of *Fushigi Dagashiya Zenitendo*

Four logos in different languages for the new movie in the *Ge-Ge-Ge no Kitaro* series



Japanese logo



Korean logo



Taiwanese logo



Thai logo



English logo

Local production for local consumption

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

Original music anime, *Spicy Candy*

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



Introduction

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

Official website (Japanese version)

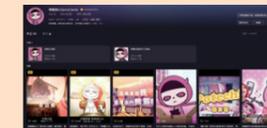
<https://www.spicycandy.net/>

Official YouTube channel (Japanese version)

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



bilibili program page



TikTok homepage



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

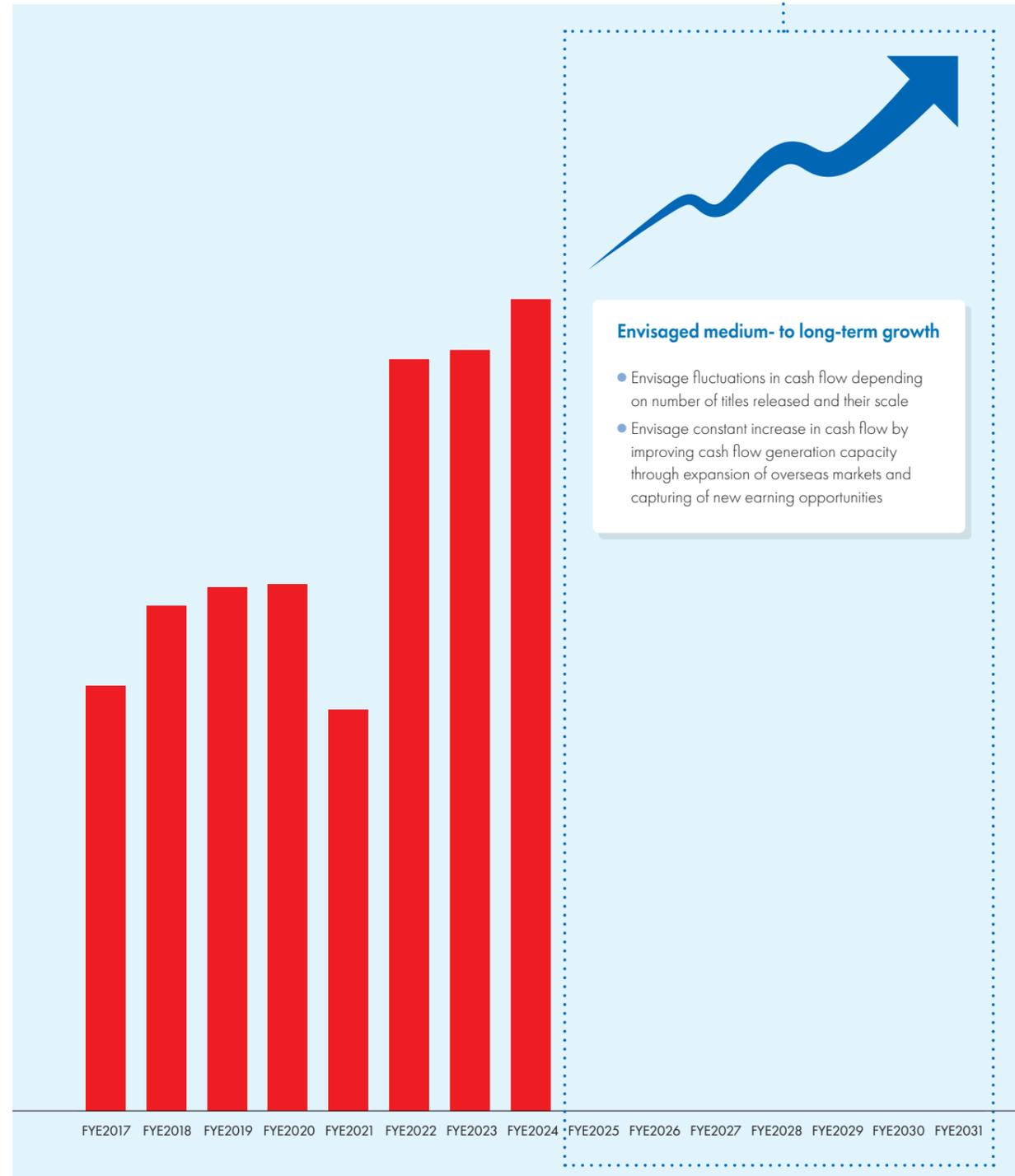
Other examples of rolled-out works

Title	—	<i>New Hana no Ko Lunlun</i> (remake of <i>LULU, THE FLOWER ANGEL</i>)	<i>Asateer Season 2: Future's Folktales</i>	<i>Le Collège Noir</i>
Target market	Korea	China	Saudi Arabia	France
Partner	CJ ENM / NAVER	Tencent Video	Manga Productions	ADN / Studio La Cachette

Financial Strategy

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

Operating cash flow



Cash allocations

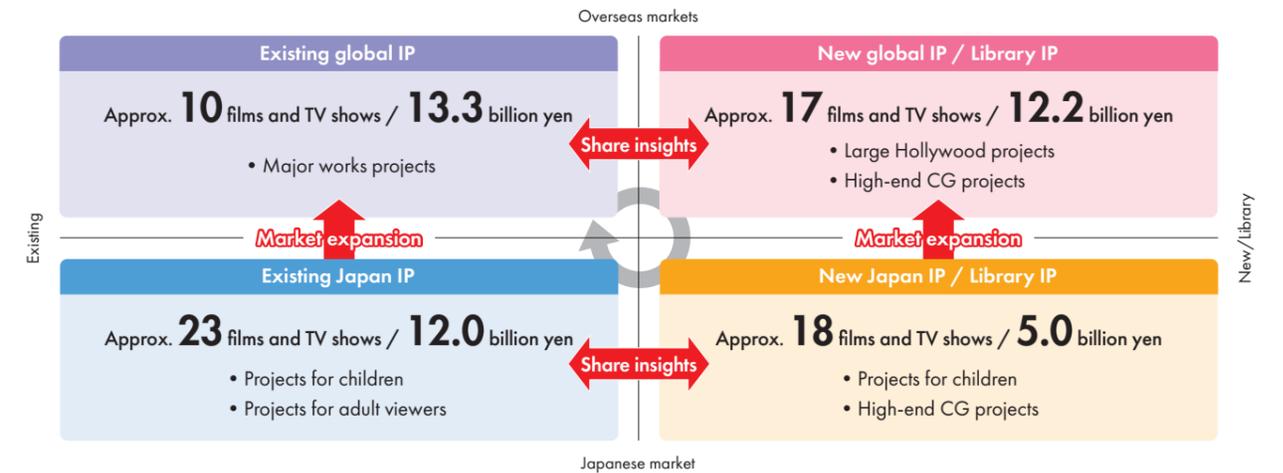
We consider the return of profits to shareholders to be one of our key measures.

With the maintenance of a solid financial foundation as our major premise, we will seek to further strengthen global business development with IP as the strategic core and invest strategically and aggressively in business opportunities and global projects that will aid our quest to achieve continuous growth and enhance medium- to long-term corporate value. On that basis, with stable dividends as our basic policy, we will make flexible, comprehensive decisions regarding dividends in line with our investment strategy and business performance trends.

Investment with IP as the strategic core

Toei Animation will make growth investments focusing on the creation of works in our goal to become a global leader in the animation industry. In addition to investment in works creation, we will actively invest in the enhancement of our production systems and in human capital as part of our investment aimed at medium- to long-term growth.

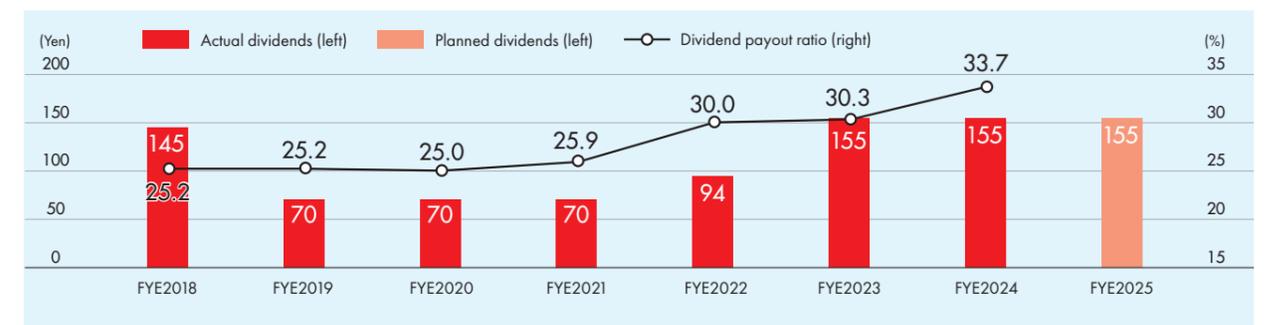
Portfolio of works (from FYE2025)



Note: The above amounts of investment in works are amounts planned for FYE2025 and beyond.

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.



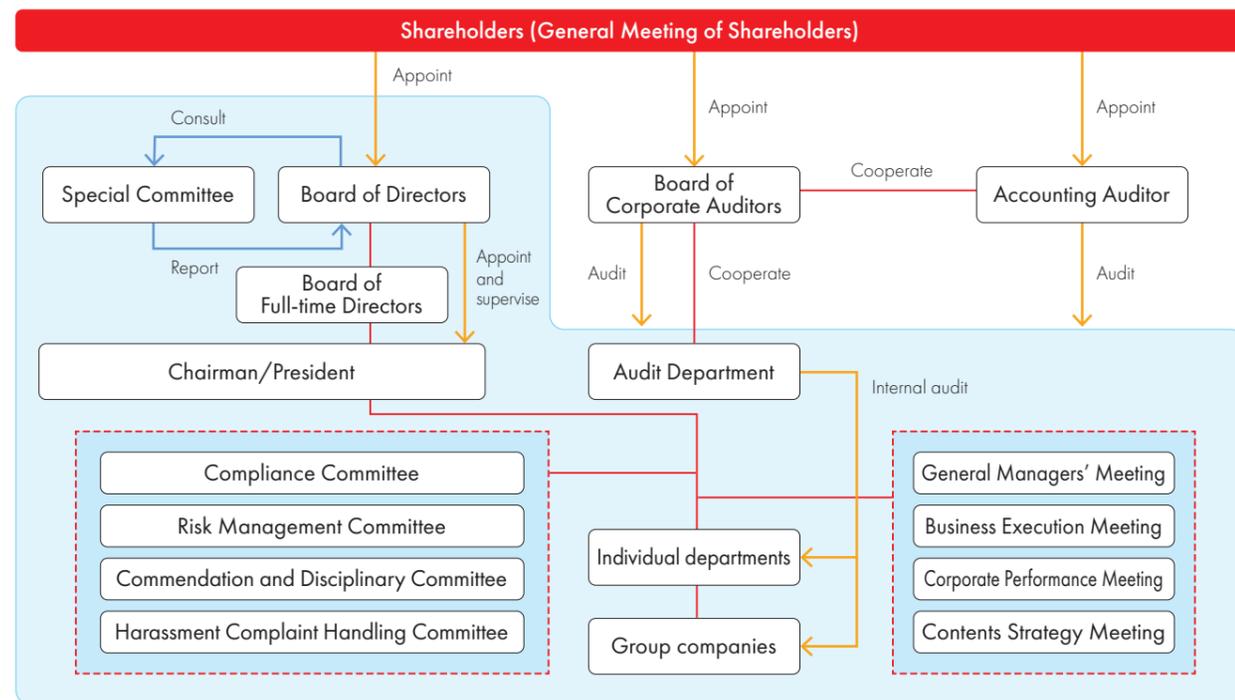
Governance

Our basic approach to corporate governance

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

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

Corporate governance structure (as of June 28, 2024)



Board Directors

Name	Position	Attendance of Board of Directors meetings	Profile/Reasons for election
Kozo Morishita	Chairman	92% (12/13)	Mr. Kozo Morishita became a board director of the Company in 2004 and spearheaded the Company's management as Chairman from 2014 to 2020. He has a wealth of knowledge and experience of management overall, with a focus on planning and production.
Katsuhiro Takagi	President	100% (13/13)	Mr. Katsuhiro Takagi became a board director of the Company in 2006 and currently spearheads the Company's management as president. He has a wealth of knowledge and experience of management overall, with a focus on planning and sales.
Satoshi Shinohara	Managing Director	100% (13/13)	Mr. Satoshi Shinohara became a board director of the Company in 2022 and currently serves as managing director and head of the Sales & Planning Headquarters. He has a wealth of experience and expert knowledge in, and a high degree of insight into, the film industry.
Kiichiro Yamada	Managing Director	100% (13/13)	Mr. Kiichiro Yamada became a board director of the Company in 2016 and currently serves as managing director, head of the Production Headquarters, and deputy head of the Sales & Planning Headquarters. He has extensive knowledge and experience in planning, production, and domestic and overseas licensing business.
Hidenori Tsuji	Managing Director	100% (13/13)	Mr. Hidenori Tsuji became a board director of the Company in 2016 and currently serves as managing director and head of the Administration Headquarters. He has extensive knowledge and experience in the Company's business administration, as well as planning and sales and its domestic and overseas licensing business.
Minoru Fuse	Board Director	100% (13/13)	Mr. Minoru Fuse became a board director of the Company in 2020 and currently serves as deputy head of the Administration Headquarters and officer responsible for operational efficiency improvement. He has extensive knowledge and experience in financial affairs and accounting overall.
Atsushi Suzuki	Board Director	100% (13/13)	Mr. Atsushi Suzuki became a board director of the Company in 2020 and currently serves as deputy head of the Sales & Planning Headquarters and specially appointed officer responsible for planning. He has extensive knowledge and experience in the animation business overall.
Koji Ito	Board Director	100% (13/13)	Mr. Koji Ito became a board director of the Company in 2022 and currently serves as deputy head of the Administration Headquarters, specially appointed officer responsible for financial strategy, and general manager of the Corporate Strategy Department. He has a wealth of operational experience and achievements related to business strategy, corporate management, finance, and global business.
Noriyuki Tada	Board Director	92% (12/13)	Mr. Noriyuki Tada became a director of Toei Company, Ltd. in 2010 and currently serves as its chairman. He has a wealth of knowledge and experience in corporate management overall.
Fumio Yoshimura	Board Director	100% (10/10)	Mr. Fumio Yoshimura became a director of Toei Company, Ltd. in 2020 and currently serves as its president and CEO. He has a wealth of knowledge and experience in corporate management overall.
Gengo Sunami	Board Director (Outside)	100% (13/13)	Mr. Gengo Sunami is a director of TV Asahi Holdings Corporation. He has a wealth of expert knowledge and experience in, and a high degree of insight into, the broadcasting industry.
Kenji Shimizu	Board Director (Outside)	84% (11/13)	Mr. Kenji Shimizu is the Executive Vice President of Fuji Media Holdings, Inc. He has a wealth of expert knowledge and experience in, and a high degree of insight into, the broadcasting and film industries.
Hajime Shigemura	Board Director (Outside)	100% (13/13)	Mr. Hajime Shigemura is an Audit and Supervisory Board member of Nippon Broadcasting System, Inc. He has a wealth of expert knowledge and experience in, and a high degree of insight into, the broadcasting industry.

Notes: • The positions are current as of August 2024.
 • Attendance records are for the regular meetings of the Board of Directors held in FY2023 (13 in total).
 • Attendance records for Director Fumio Yoshimura cover the meetings held after he was appointed to the Board of Directors in June 2023.

TOPIC Activity Report of the Special Committee

Overview of Special Committee

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

Membership

- Chair** • Hajime Shigemura (Independent Outside Board Director)
- Deputy Chair** • Kenshi Imamura (Independent Outside Corporate Auditor)
Representative Attorney, Nihonbashi Forum Law Office
- Committee member** • Masahiro Horie (external expert)
President and Representative Director, Tokyu Corporation
- Committee member** • Hiroko Nakayama (external expert)
Former Mayor of Shinjuku City

Activity results (matters deliberated)

- Matters concerning nomination and remuneration of executives
- Capital policy
- Matters concerning risk management function
- Matters concerning sustainability and human capital management
- Matters concerning global strategy, financial strategy, and corporate legal affairs
- Discussions about parent-subsidiary transactions and cross shareholdings

Compliance

Compliance Guidelines

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

Compliance Guidelines

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

Compliance promotion structure

■ Development of whistleblowing system with consideration of privacy

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

■ Compliance training

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

■ Distribution of *Compliance Book*

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



Compliance Book

Major Risks

The Group recognizes the following major risks to its business. As the Toei Group, we share risks to be prioritized in our risk management system and deal with such risks appropriately on a Group-wide basis.

Risks	Overview
Animation business	As the popularity of animation is affected by the economic environment, market environment, and consumer preferences, not all works produced by us will necessarily be hits. Moreover, as animation production requires significant upfront costs, if we fail to release appealing works, or if several new titles fail to achieve a certain level of performance, this could impact the Group's business results and financial position.
Competition among companies	In the animation industry, while the volume of content is increasing due to diversified media and expanded target audiences, we are facing remarkable growth of overseas companies, such as Korean and Chinese companies, and the number of such companies expanding into Japan is also increasing. If our competitors achieve rapid growth, this could lead to a decline in our competitiveness and impact the Group's business results and financial position.
Technological innovation	With the introduction of new technologies in animation production processes, there may be cases that require us to make additional responses to regulations and secure more human resources. The Group may also be unable to respond to such technological innovations in a timely and appropriate manner, which could lead to the decline of our competitiveness and impact the Group's business results and financial position.
Copyright infringement	While we strive to take appropriate measures against infringements of rights held by the Group, there may be occasions in which we will not be able to adequately protect our copyrights. In the event that sales of official products and services are inhibited or future opportunities are lost due to copyright infringement, or if we receive a claim of infringement of copyright from a third party, it could impact the Group's business results and financial position.
Overseas development	In our business development overseas, if risks have become apparent, the Group's overseas business may be hindered, which could impact the Group's business results and financial position. These risks include the impacts of geopolitical risks in individual countries, the possibility that animation works will not be accepted by local markets, trouble due to differences in laws and regulations, business practices, and language, the possibility that collaborations with local companies will not be successful, and problems with the recruitment of local staff and other labor issues.
Recruitment of human resources	In the animation industry, competition to secure animators and other talent is becoming increasingly intense, due to the increase in new entrants and production volume across the entire industry. If the efforts of the Toei Animation Group to recruit, secure, and develop human resources are inadequate, or if there is an exodus of our animators and talent to other companies, it could lead to a decline in our competitiveness and impact the Group's business results and financial position.
Relationships with third parties	The Toei Animation Group has business relationships with various third parties, including TV stations, film distributors, streaming platform providers, original authors, publishing companies, licensees of animation-related rights, and subcontractors in the animation production process. If such business relationships were to be terminated, it may cause a serious hindrance to business operations and 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.
Information security	The Toei Animation Group implements thorough information management and security measures and has established various 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 that society places in the Group or our brand image.
Natural disasters and infectious diseases	The Toei Animation Group conducts businesses globally. Any large-scale natural disaster, including 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.
Social trust	If a negative claim or rumor about the Group and its businesses becomes widespread on social media, it could have significant adverse impact on the trust that society places in the Group and on our brand, even if there is no truth to such claim or rumor. In such an event, it could impact the Group's business, talent acquisition, share price, business results, and financial position.
M&As and alliances	In the execution of M&As and alliances, there is the possibility that the synergies and revenues initially expected will not be achieved, that the other party will request the termination of the alliance, or that new problems that were not initially anticipated will be discovered. If such a situation were to arise, it could impact the Group's business results and financial position.
Laws and regulations	As the Group conducts business globally, it is subject to various laws and regulations both in Japan and overseas. While we strive to establish systems for compliance with relevant laws and regulations, in the event of the establishment of new laws or the revision of existing laws, there is the possibility that the Group's business results and financial position will be impacted.
Litigation, etc.	If a lawsuit or other legal action is brought by various third parties, such as consumers, customers, partners, licensors, licensees, subcontractors, employees, or government authorities, it may damage the trust that society places in the Group. In addition, if, as a result of that action, a decision adverse to the Group is made, it could impact the trust that society places in the Group and the Group's business results and financial position, in addition to the monetary burden resulting from such a decision.

Human Capital Initiatives

Talent development at Toei Animation Academy

Short-term intensive and practical animator training program



■ The animation industry's challenge 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 Aiming to nurture industry-ready talent

In order to train excellent animators to create the animation of the future, we established the Toei Animation Academy, a short-term intensive and practical animator training program, launching it in April 2023.

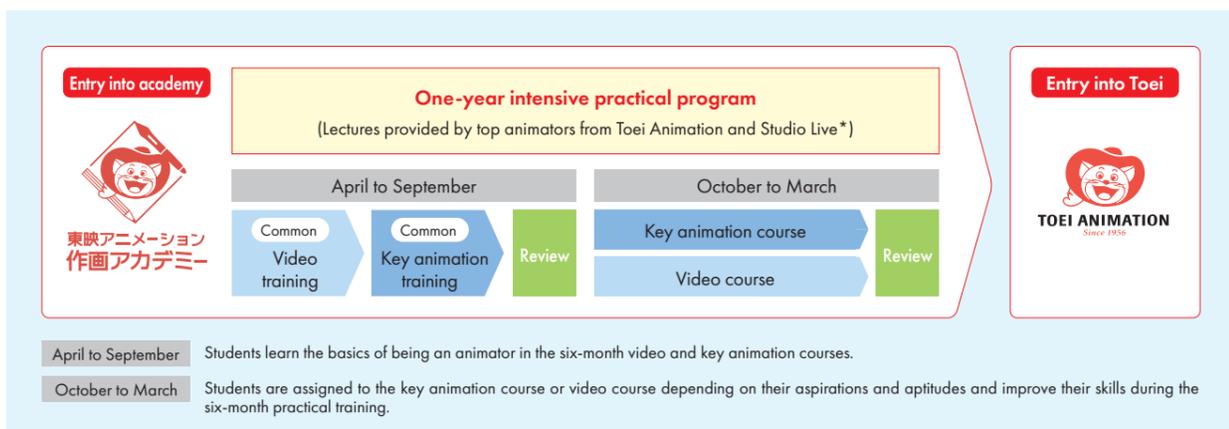
We previously operated the Toei Animation Institute from 1995 to 2011 as a human resources training organization, during which period we trained and dispatched 1,230 personnel. We conduct training that combines the achievements of our inherited technology and animation drawing expertise with the skills 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.

■ 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



Annual curriculum



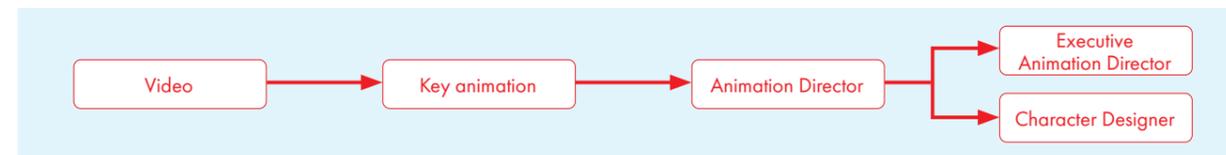
* Established in 1976 as a company primarily engaged in the drawing of animation. Studio Live animators are actively involved in multiple fields beyond key animation and video as supervisors, animation directors, directors, scriptwriters, character designers, etc.

■ Career paths of first cohort of trainees since joining Toei

The Toei Animation Academy's first intake of trainees, who entered the Academy in 2023, joined Toei Animation in April 2024 after the completion of the one-year curriculum. They are currently working primarily in video. [Reference](#) The Animation Production Process >> P.37

The most common career path for animators is to work first in video before moving onto key animation. As the first intake's trainees have already learned the basics of video at the Academy, they will master the video process, which normally takes new employees two to three years to complete, in as little as six months, before moving on to work in key animation, although this will depend on the proficiency level of the individual. Because they have started from the video process, they are able to constantly learn what constitutes good original drawing through their day-to-day work, seeing the original drawings created by their senior colleagues. This will help them to build their future career path, including key animation.

Examples of animators' career path



■ Future of Toei Animation Academy

The second intake of trainees are currently studying the curriculum. In the meantime, we have received many applications for the third intake, and the entrance examination process is now underway.

Due to the recent expansion and increasing sophistication of the global animation market, the shortage of animators is a major challenge for Toei Animation. We will continue to welcome outstanding talent to Toei Animation by carrying on operating the Academy and deliver even better works of animation to the world.



Scenes from the classroom at the Toei Animation Academy

CASE

Major works that the Academy's first graduates are currently working on include *WONDERFUL PRECURE*, which has been airing since February 2024, and *DRAGON BALL DAIMA*, which is scheduled to begin airing in the fall of 2024. Being involved in these Toei Animation titles that are beloved by a wide range of generations is highly motivating for the Academy's graduates.



VOICE Feedback from first-intake trainees

A I developed the mindset that is needed to be an animator.

At Toei Animation Academy, as well as acquiring the basic knowledge for animators, I also developed the mindset that is needed to undertake the job of drawing pictures. I learned how difficult it is to draw the kinds of pictures that are required, as well as the sense of freedom and fun that is inherent in such difficulty. The year that I spent at the Academy was invaluable, allowing me to accumulate knowledge as a professional and to enhance my own skills. Going forward, I first want to become a full-fledged in-house video animator and become an employee who can contribute to the company. In the future, I hope to be on the same team as my classmates from the Academy and work on major productions.

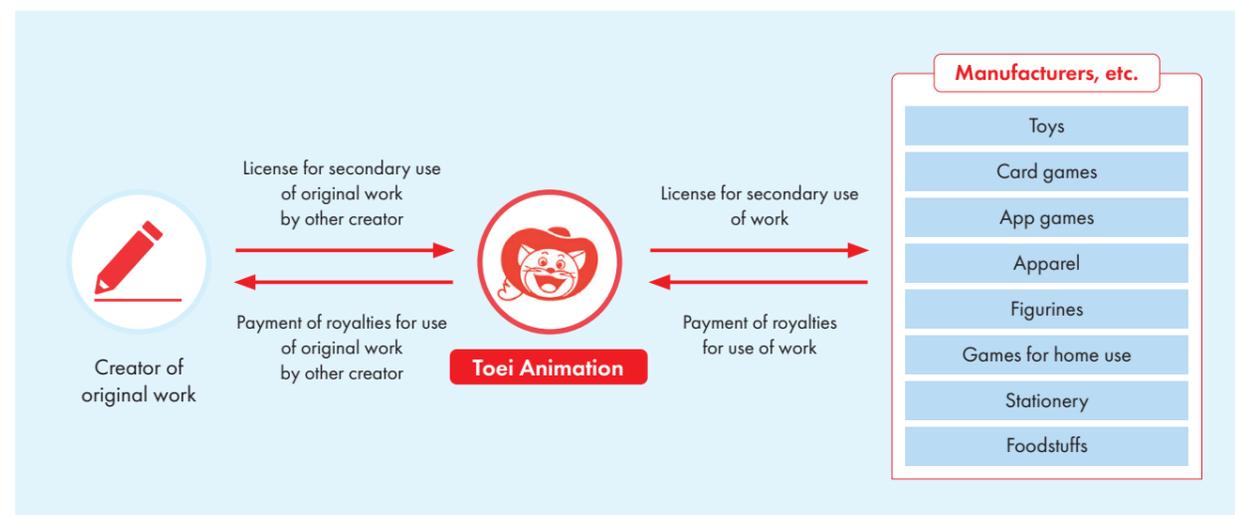
B I felt keenly that drawing is a collection of single lines.

At Toei Animation Academy, I learned the importance of a single line. No matter how many times I repeated the same drawing, my drawings never seemed quite right, such as lacking a sense of dimension or depth. However, when my lecturers made adjustments to my drawings, I was astonished by how much better they became. I felt keenly that drawings that are compelling or attractive are made up of a collection of finely-tuned single lines. Seeing that process of fine tuning of my drawings before my eyes was a huge lesson for me. Going forward, I want to be a key animator who can draw lively characters. I also want to work on drawings for merchandise.

Copyright Management

Overview of licensing business

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



Examples of initiatives in licensing business

Product development to suit increasingly diverse fan base

As our animation works have aired over many years, a second and third generation of fans have emerged (evergreening). We develop merchandise that appeals to the increasingly diverse groups of fans of our works.

CASE

precure genic

A new project to link PRETTY CURE and youth culture, with the theme of "expressing one's true essence."

Initiatives at overseas subsidiaries

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

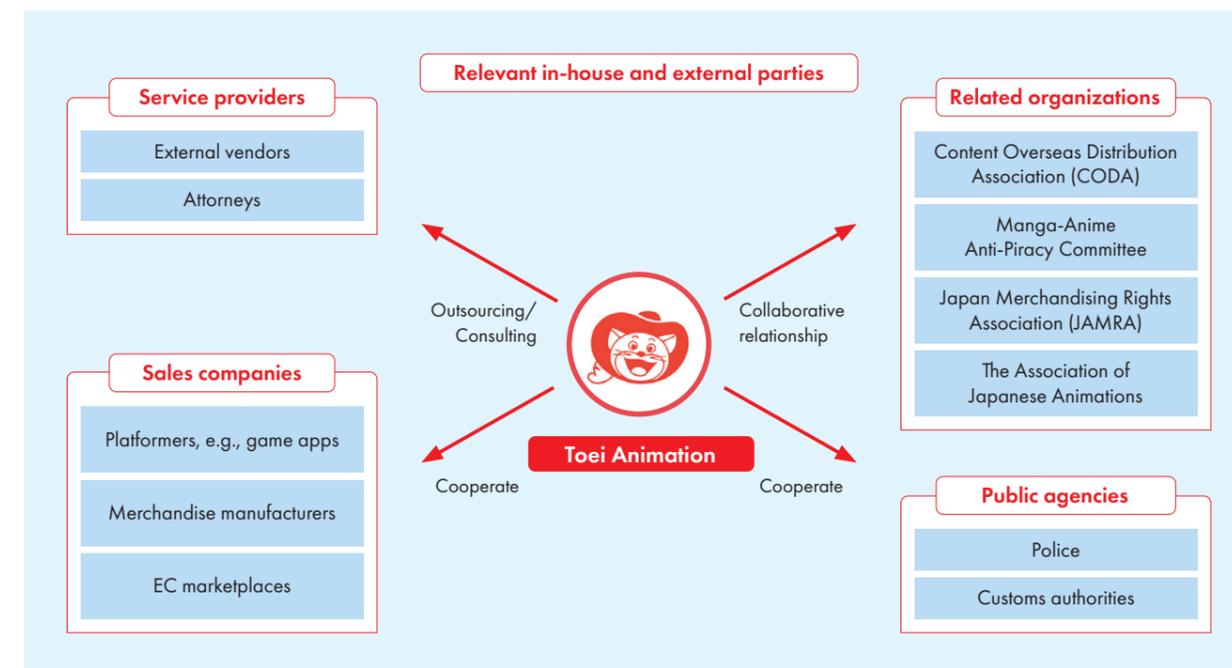
Overseas subsidiaries



Countermeasures against Illegal Use of Content

Pirated copies and other forms of illegal use

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



Examples of measures against illegal use

Establishment of specialist team to counter illegal video

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

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

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

Cooperation with police investigations

We cooperated with investigations of illegal uploading

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

Coexistence with Society

Collaboration with Konan University

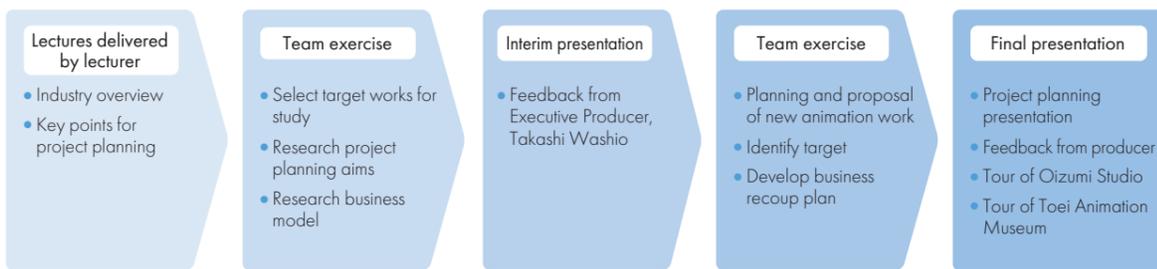
In the first half of 2024, Toei Animation delivered a collaborative course with Konan University.

Overview of industry-academia collaborative course

Course objective Marketing exercises through works of animation and business

Course structure

1st semester: Double lesson (90 minutes x 2) once a week / 15 classes in total



Contents of Executive Producer Washio's lectures

- 1 The animation industry and the people who work in it
- 2 What is Toei Animation?
- 3 Animation project planning and business
- 4 Challenges and potential of the industry



Executive Producer Washio delivering a lecture



Students giving their final presentation in the last class at Oizumi Studio

Course in which Toei Animation's producers and students inspire each other

Toei Animation's Executive Producer, Takashi Washio, delivered lectures in a project-based exercise course based on actual business themes at the Department of Management of Konan University's Hirao School of Management.

In his lectures, Washio discussed the flow of animation production, the history and market size of the industry, and Toei Animation's characteristics. He also examined what is meant by "project planning" and what the job of a "producer" is. In addition, the IP business was viewed from macro (industry-wide) and micro (project planning work) perspectives.

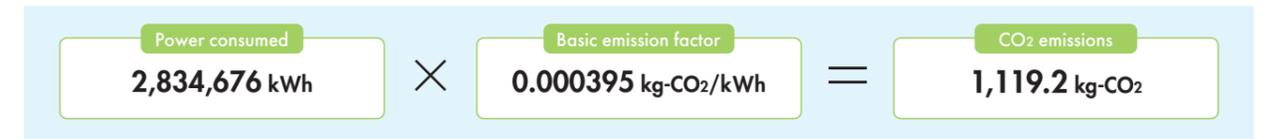
In the second half of the classes, students worked on animation project planning and proposals, based on the producer's lecture and team exercises conducted in the first half. They delivered their final presentations at Oizumi Studio, Toei Animation's anime production base. Toei Animation's team of producers gave feedback to the students on their presentations, and the students were given a tour of Oizumi Studio and its attached Toei Animation Museum.

The combination of the professional perspectives of Toei Animation's producers and the perspectives of the students as they analyzed the animation industry from a position of no prior knowledge, provided an invaluable opportunity for both sides to gain a variety of insights.

Environmental Initiatives

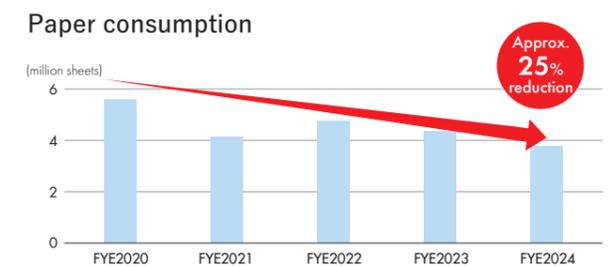
We recognize the need to promote sustainability strategies because they are essential to increasing long-term corporate value, and we are striving to reduce CO2 emissions at our head office and production studios.

CO2 emissions from power consumption (April 2023–March 2024)



Paper consumption (FYE2020–FYE2024)

We are promoting the reduction of paper consumption. Specifically, this initiative includes the promotion of paperless meetings, free addressing in offices, and remote work. In the last five years, we have achieved a reduction of approximately 25%.



Our eco-friendly Oizumi Studio

When we rebuilt Oizumi Studio in 2018, we adopted an environment-conscious structure (sustainable design).

Building exterior

With the exception of the common areas, the building exterior boasts a double skin (an outer and an inner skin). The double skin suppresses the amount of sunlight that comes into the office in summer, and the ventilation windows on the roof expel any pent-up heat inside the double skin to reduce the interior heat load. In winter, the double skin stores solar heat and has an insulating effect. In spring and fall, the observation elevator shaft acts as a chimney when the inner window sashes are open, drawing cool air in from outside through natural ventilation without the need to operate any specific equipment.

Building equipment

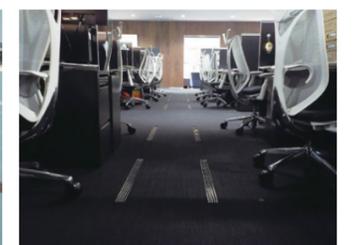
We designed the building equipment based on a "task & ambient" approach, which controls the work area and other areas separately, and the "personal & ambient" approach, which enables individuals to adjust equipment and facilities. The air-conditioning equipment is set to a slightly higher temperature in summer throughout the interior. In-floor vents are installed in the personal areas to supply cool air when needed. This helps to both save energy and create a comfortable working environment. In spring and fall, outside air is used for air-conditioning to reduce the operation of air-conditioning equipment.



Oizumi Studio (completed in 2018)



Oizumi Studio main building double-skin exterior



Oizumi Studio main building air-conditioning floor vents

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.



From February 2024
WONDERFUL PRECURE



From April 2024
GIRLS BAND CRY

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.



Released November 17, 2023

Movie
Birth of Kitaro: The Mystery of GeGeGe



Released March 20, 2024

Movie
Butt Detective the Movie: Farewell, My Lovely Partner, Butt Detective

Wider media reach extends animation popularity

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

Video packaging (Blu-ray and DVD)

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



UHD, Blu-ray
Movie *THE FIRST SLAM DUNK*
Limited Edition (1st press only)

Streaming

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



Streaming site
Netflix



Streaming site
Amazon Prime Video

Apps/online games

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



Smartphone app
Zatch Bell! Friends are an Eternal Bond

Licensing

✦ Be with your favorite characters anywhere, anytime ✦

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

Products developed in Japan



ONE PIECE, DRAGON BALL series

Favorite characters across the generations

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

Memorable campaign characters

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

Products developed overseas



ONE PIECE, DIGIMON series, FUSHIGI DAGASHIYA ZENITENDO, DRAGON BALL series

Goods Sales

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

Online shop

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



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

Character shops

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



ONE PIECE Mugiwara Store
Shibuya Main Store

PRETTY CURE Pretty Store
Osaka Main Store

Goods sales

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

Events Business

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

Event spaces

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



The Total Pretty Cure 20th Anniversary LIVE!

Character shows

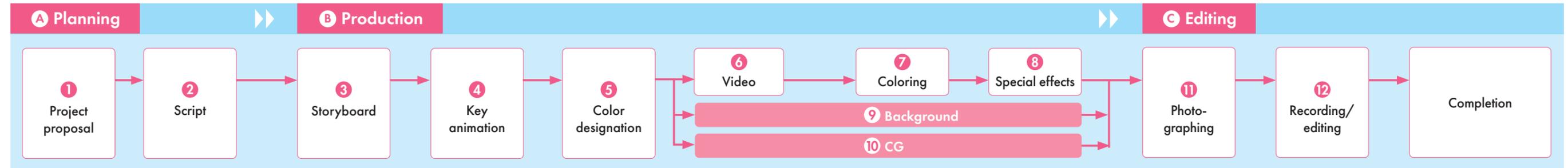
Our character shows, where children can meet popular TV characters, have a great reputation as the best entertainment for children.

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.

The Animation Production Process

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



A Planning

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



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

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

B Production

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

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

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

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

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

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

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

9 Background
Draw backgrounds behind characters.

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

C Editing

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

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

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

Completion

Interview with Producer

GIRLS BAND CRY

Groundbreaking original CG animation from Oizumi Studio

GIRLS BAND CRY, the original CG animated TV show that aired in Japan between April and June 2024, has created a stir for the high level of perfection of its story line and the high quality of its CG images. It is also developing an increasing presence in areas such as merchandising and live performances. We spoke to the title's producer, Tadashi Hirayama, about what happened behind the scenes during production, his feelings about the work, and future developments.



Tadashi Hirayama

Senior Manager, Production Department / Chief Manager, Production Division #1 / Chief Manager, Production Division #3 / Senior Manager, IP&HR Development Division, Toei Animation Co., Ltd.

Joined MADHOUSE Inc. in 1999. Moved to Sunrise Inc. in 2000, where he produced the *Love Live!* series and other works. Joined Toei Animation in 2019, where he served as producer of *GIRLS BAND CRY*.



Q.1 Could you describe the background to how the *GIRLS BAND CRY* production came to be launched?

After I joined Toei Animation in 2019, my boss at the time said to me, "Let's make an original CG animated TV show!" and invited me to take part.

In considering the project, we had two missions in mind—to make a groundbreaking work as a CG animated TV show, and to develop a clear exit strategy. In Japan, hand-drawn animations tend to dominate, so if we were going to make a CG anime, it needed to have something novel that would captivate viewers. In addition, because CG animation is more expensive to produce than hand-drawn animation, the question of how to monetize the title was a huge challenge.

Our CG Production Division (former Digital Image Dept., located at Oizumi Studio) had worked on the *DRAGON BALL SUPER: SUPER HERO* and *THE FIRST SLAM DUNK* movies, so I knew that we could use its technological capabilities to make a groundbreaking work. In terms of exit strategy, from my past experience serving as producer on the *LOVE LIVE!* series, I anticipated that, if we were to make a music-themed anime, we could generate more types of exit, such as music CDs and concerts. Bringing in director Kazuo Sakai and scriptwriter Jukki Hanada, who had successful track records working on *LOVE LIVE! SUNSHINE!!*, as our main staff, the *GIRLS BAND CRY* project got underway.

Q.2 What is the "illustration look" of CG expression that was used for this work?

With hand-drawn animation, to ensure that the original characters drawn by the original author or illustrator can be drawn by multiple animators, when the original drawings are incorporated into the animation set-up, the details need to be kept simple. However, with CG, for *GIRLS BAND CRY*, we can make the character drafts created by illustrator, Nari Teshima, move as they are, without the need for that simplification. Because the illustrations can be made to move with CG as they are, we call this the "illustration look."

In CG animation works to date, broadly speaking, there have been two methods of expression. One of those is the "cell look." This is a technique that incorporates the less detailed images in the animation set-up into CG to make them look like hand-drawn

animations. They are comparable with hand-drawn animations. The other technique, which is often used overseas, is the "real look." With this technique, we would have to compete with the giant Hollywood CG studios such as Disney and Pixar, and we decided that it would not be to our advantage to pit ourselves against those studios directly. Hence, the path that we chose was to create a new playing field, which we called the "illustration look," and to become a pioneer in that field.

Our greatest struggles in producing a full CG animated show with the illustration look were in the areas of lighting & composition and photographing. To put it simply, this is akin to applying make-up to the animated images, and whether or not it goes well

will completely change how the final images look. If we were to create a groundbreaking CG animated show, this was an area that we absolutely could not compromise on. In addition, we were also very particular about clothing and hair, so we would calculate things like the characters' movements and the wind direction in the scene when adding movement to them. This kind of photography treatment and direction is usually only done for works for theater release, so working out how to achieve mass production for a TV series was an extremely difficult challenge. We struggled to establish directions for the photography treatment and directing plans,



and those plans really only came together in October 2023, just six months before the show aired.

Toei Animation was using full CG animation even for the ending credits of the *PRETTY CURE* Series, so we already had CG technology to surpass any of the other animation production companies. With *GIRLS BAND CRY*, we pushed that CG technology even further forward to develop new, groundbreaking expressions, and, moreover, we succeeded in mass-producing them for the medium of an animated TV show.

Q.3 What kind of ideas did the project concept for this work come from?

When we were considering the project from the direction of creating an original anime focused on music, we thought that, in this day and age, instead of depicting sparkling, bubbly girls, it would better suit the times to depict girls who had their feet on the ground and who were living slightly on the fringes of society.

This is how the main character, Nina Iseri, came about. Of all the characters in the anime shows that I have been involved with

as a producer, Nina is the character that most rebels against the status quo. In creating an original anime, it is essential to create characters to suit the times so that they will resonate with viewers. However, because Nina has such strong convictions, I was very worried that she would be disliked by viewers. However, when I saw the reaction on social media, I was relieved to see that she was quite well liked.

Q.4 Could you tell us what the future holds for *GIRLS BAND CRY*?

I am pleased to say that total Blu-ray & DVD shipments of Volume 1 have topped 22,000 (as of July 2024), and merchandise has sold out on the same day as launch at pop-up shops, so the title has obviously been very well received.

In addition to the announcement of a film and game

development, we have one-act concerts by Togenashi Togeari, the band that features in the work, coming up in September, November, and December 2024, so there is plenty going on for the future of the title. I hope everyone will continue to support *GIRLS BAND CRY*.

CG Expression

CG expression technique

There are several different CG expression techniques, which are used interchangeably depending on the concept of the work.

- **Real look:** Reproduction of CG images that are as close as possible to live action (e.g., game CG, Disney)
- **Cell look:** Reproduction of CG images from the drawings in the animation set-up, which have fewer details

- **Illustration look:** Reproduction of CG images from the original character drawings of the illustrator



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RAKUEN TSUIHO—Expelled from Paradise



©T.A., K.G,T

KADO: The Right Answer



©ITP ©2022 TFSDFP

Movie THE FIRST SLAM DUNK



GIRLS BAND CRY

Lighting & composition/Photographing

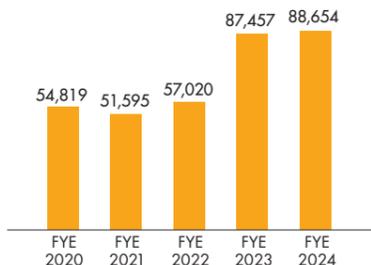
The process of compositing layers of light and shadow to the CG, background, and other material to finish off the final images.



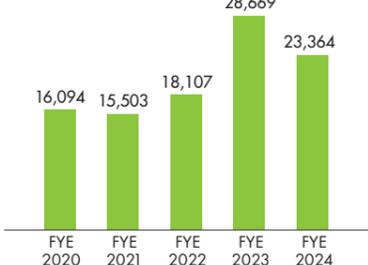
As well as using lighting to enhance the atmosphere of the live concert venue, multiple layers of shadows and other elements were also composited onto the CG audience in the front of the image, creating a scene that is overflowing with realistic ambience.

Performance Highlights (Consolidated)

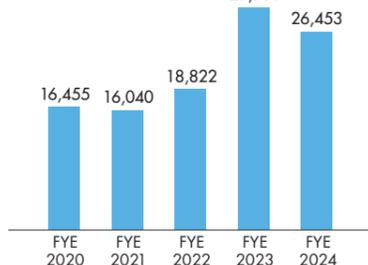
Net sales (millions of yen)



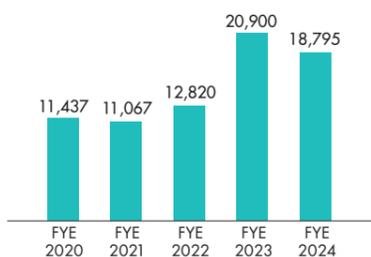
Operating profit (millions of yen)



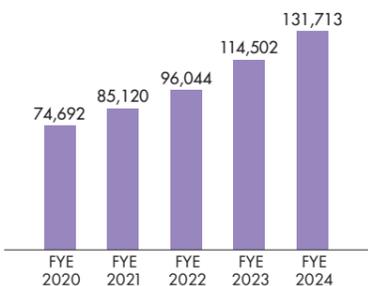
Ordinary profit (millions of yen)



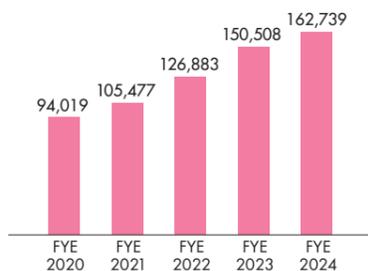
Profit attributable to owners of the parent (millions of yen)



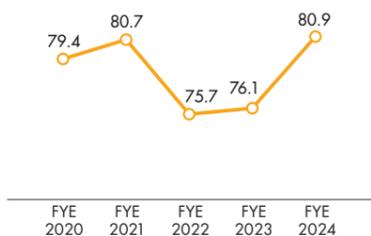
Net assets (millions of yen)



Total assets (millions of yen)



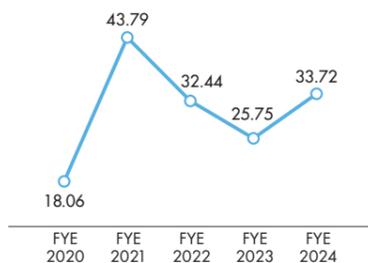
Shareholders' equity ratio (%)



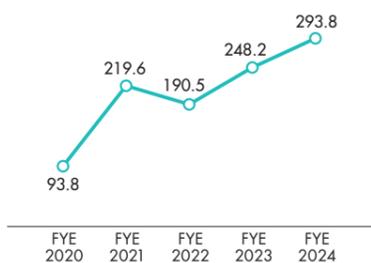
Return on equity (%)



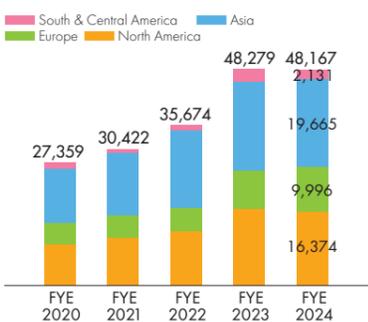
Price-earnings ratio (times)



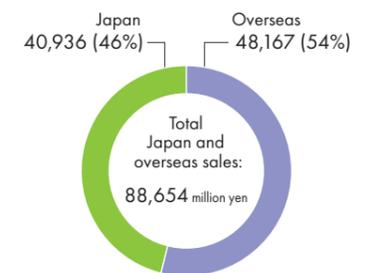
Total shareholder return (%)



Overseas sales by region (millions of yen)



Proportion of sales (millions of yen)



Corporate and Investor Information (as of March 31, 2024)

Company profile

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

Stock market listing	Tokyo Stock Exchange Standard Market
Code	4816
Date of listing	December 8, 2000
Capital	2,867 million yen
Fiscal year end	March 31
Number of employees	911 (consolidated), 641 (non-consolidated)

Overseas bases

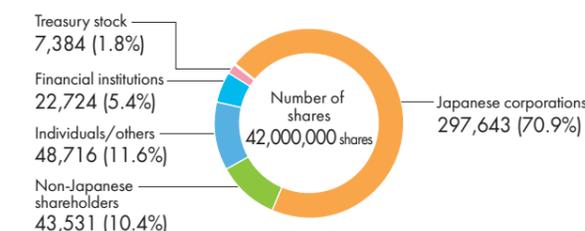


- 1 TOEI ANIMATION INCORPORATED (Los Angeles)
- 2 TOEI ANIMATION EUROPE S.A.S. (Paris)
- 3 TOEI ANIMATION ENTERPRISES LIMITED (Hong Kong)
- 4 TOEI ANIMATION (SHANGHAI) CO., LTD. (Shanghai)
- 5 TOEI ANIMATION PHILS., INC. (Manila)

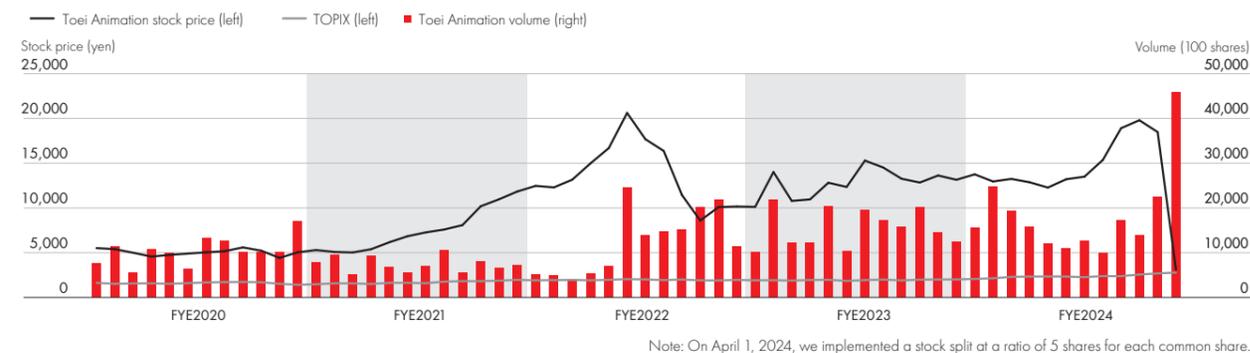
Stock information

Total number of outstanding shares issued	42,000,000 shares
Number of shareholders	18,667

Shareholding ratio by shareholders (100 shares)



Stock price and volume



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