

TOEI ANIMATION CO., LTD

For FY Ended September 30, 2020 (April 1, 2020 to September 30, 2020)



Dragon Quest: The Adventure of Dai
 Saturday at 9:30 am on
 TV Tokyo et al.



おジャ魔女どれみ20周年記念作品
魔女見習いをさがして
 LOOKING FOR MAGICAL DoReMi

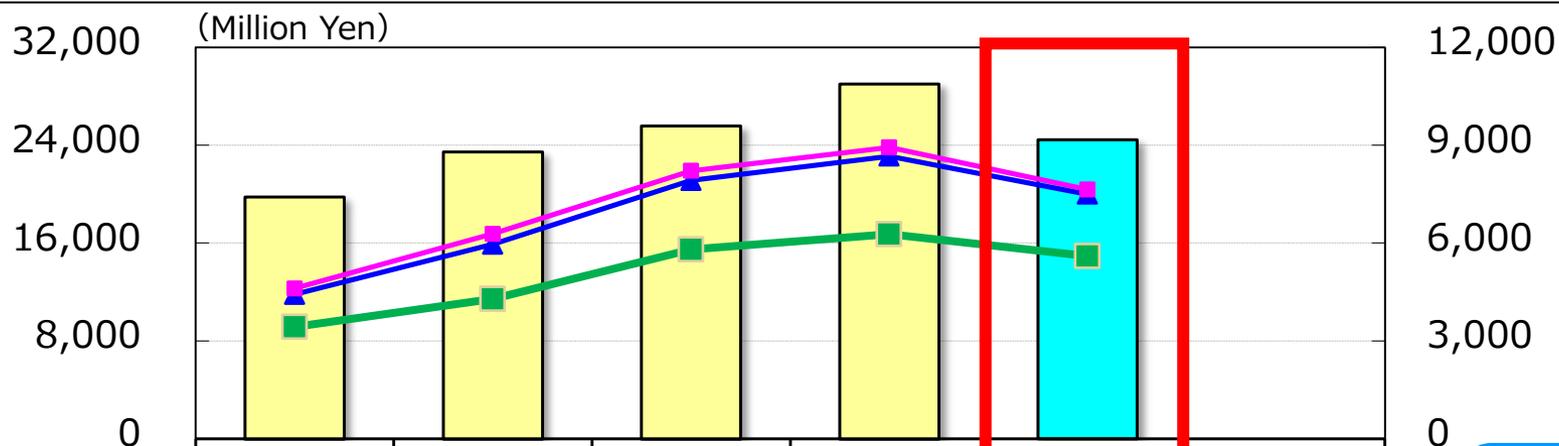
森川葵 松井玲奈 坂田夏美子 (4人おジャ魔女)
 千夏千夏巴 林谷聖子 松岡由美 栗戸葉美 飯塚来海
 石田彰 高野謙太 三塚雅幸
 主題歌: (仮)おジャ魔女どれみ20周年「魔女見習いをさがして Version」
 制作: 東映アニメーション / A&E / MBS

Looking for Magical DoReMi
 Released on November 13, 2020

11.13

FY2021.3 Second Quarter Results – Consolidated

- Net sales and each income decreased year on year.
- There has been a reactionary decline in Licensing since the same period of the previous year in addition to a decrease in the number of films being developed, the voluntary closure of character goods sales stores and the postponement and cancellation of events, etc. associated with the COVID-19 pandemic.
- In Film Overseas, first half sales hit a record high due to the delivery of theatrical movies for Saudi Arabia and strong sales of the theatrical screening rights of *DRAGON BALL SUPER: BROLY*.



Net Sales

Income

	2017.3 2Q	2018.3 2Q	2019.3 2Q	2020.3 2Q	2021.3 2Q	% v.s. prior year
Net Sales	19,774	23,444	25,579	29,010	24,455	-15.7%
Cost of Sales	12,612	14,620	14,222	16,825	13,369	-20.5%
SG&A	2,736	2,861	3,437	3,522	3,589	1.9%
Operating Income	4,426	5,962	7,918	8,662	7,496	-13.5%
Ordinary Income	4,612	6,281	8,215	8,937	7,640	-14.5%
Net Income	3,433	4,291	5,809	6,271	5,601	-10.7%

FY2021.3 2Q Results Segment Breakdown –Consolidated

(Million Yen)		FY2020.3 2Q	FY2021.3 2Q	+ -
FILM	Net Sales	10,121	9,502	△6.1%
	Segment Income	2,206	2,578	16.9%
Licensing	Net Sales	16,143	13,811	△14.4%
	Segment Income	7,880	6,748	△14.4%
Sales of Goods	Net Sales	2,387	946	△60.3%
	Segment Income	12	△163	—
Others	Net Sales	447	229	△48.8%
	Segment Income	3	△72	—
TOTAL	Net Sales	29,010	24,455	△15.7%
	Operating Income	8,662	7,496	△13.5%

*Numbers for each segment includes intra-company sales.

FY2021.3 2Q Results Segment Analysis (1) (Film)

(Million Yen)		FY20.3 2Q	FY21.3 2Q
Net Sales		29,010	24,455
Film		10,121	9,502
	Movies	1,054	363
	TVs	1,697	947
	DVDs	281	297
	Overseas	4,959	6,599
	Others	2,129	1,294
Licensing		16,143	13,811
	Japan	8,402	6,704
	Overseas	7,741	7,107
Sales of Goods		2,387	946
Others		447	229

* The figures for each segment include intra-company sales.

Film (6.1% year on year)

- In Movies, revenues fell sharply due to the postponement of the release of two titles due to the COVID-19 pandemic in addition to a reactionary decline due to the movie *ONE PIECE STAMPEDE*, which was a hit in the previous year.
- In TV Anime, revenues declined sharply due to a decrease in the number of new stories delivered associated with measures to address the coronavirus pandemic in addition to a reactionary decline due to strong results of sound production for games and film production for events in the previous year.
- In DVDs, revenues increased due to strong sales of Blu-ray/DVD of *ONE PIECE STAMPEDE*.
- In the Overseas segment, revenues increased significantly due to strong sales of the theatrical screening rights of *DRAGON BALL SUPER: BROLY* in North America, in addition to the delivery of theatrical movies for Saudi Arabia.
- In the Others segment, revenues fell sharply due to a reactionary fall from the strong sales of the online distribution rights in the previous year and the effect of terminating the service for the social game *SAINT SEIYA Galaxy Spirits*.

FY2021.3 2Q Results Segment Analysis (2)

(Licensing/Sales of Goods/Others)

(Million Yen)		FY20.3 2Q	FY21.3 2Q
Net Sales		29,010	24,455
Film		10,121	9,502
	Movies	1,054	363
	TVs	1,697	947
	DVDs	281	297
	Overseas	4,959	6,599
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Licensing		16,143	13,811
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Sales of Goods		2,387	946
Others		447	229

* The figures for each segment include intra-company sales.

Licensing (↓ 14.4% year on year)

- In domestic licensing, revenues fell sharply due to the slowdown of sales of game development rights of app game *DRAGON BALL* series compared to the strong sales from the previous fiscal year and due to the reactionary decline in the sales of the merchandising rights linked to the movie *ONE PIECE STAMPEDE* in the previous term.
- In overseas licensing, revenues decreased due to a reactionary fall from renewal contracts for app games and new licensing contracts, despite strong sales of the home-use game *DRAGON BALL Z KAKAROT* and *Slam Dunk* app game for China.

Sales of Goods (↓ 60.3% year on year)

- Revenues declined sharply due to voluntary closure of character goods sales store arisen from the spread of the coronavirus and etc. in addition to a reactionary decline in goods sales related to the movie *ONE PIECE STAMPEDE*, which were strong in the previous term.

Others (↓ 48.8% year on year)

- Revenues substantially decreased due to the impact of the postponement/cancellation of events associated with the coronavirus pandemic.

FY2021.3 Second Quarter Results Review

(Million Yen)	FY20.3 2Q	FY21.3 2Q	+ -	% v.s. prior year
Net Sales	29,010	24,455	△4,554	△15.7%
Costs of Sales	16,825	13,369	△3,456	△20.5%
Gross Profit	12,185	11,086	△1,098	△9.0%
SG & A	3,522	3,589	67	1.9%
Operating Income	8,662	7,496	△1,166	△13.5%
Non-Operating Income	330	331	1	0.3%
Non-Operating Expense	55	187	131	235.9%
Ordinary Income	8,937	7,640	△1,296	△14.5%
Extraordinary Gain and Loss	△22	-	22	-
Net Income before tax	8,914	7,640	△1,274	△14.3%
Income Taxes	2,651	2,023	△627	△23.7%
Income Taxes Adjustment	△8	15	23	-
Minority Interest	-	-	-	-
Net Income	6,271	5,601	△670	△10.7%

Net Sales

- Businesses with sharp increases in revenues
1) Film Overseas[1,640] ⇒ 2) DVDs[16]
- Businesses with significant declines in revenues
1) Licensing Japan[△1,698]
⇒ 2) Sales of Goods[△1,440] ⇒ 3) Film Others[△835]

Cost of Sales / Gross Profit

- Gross profit to net sales: 45.3%
(Gross profit to net sales last year :42.0%)
Gross profit to net sales improved as a result of an increase in the ratio of sales in the profitable overseas business.

SG&A

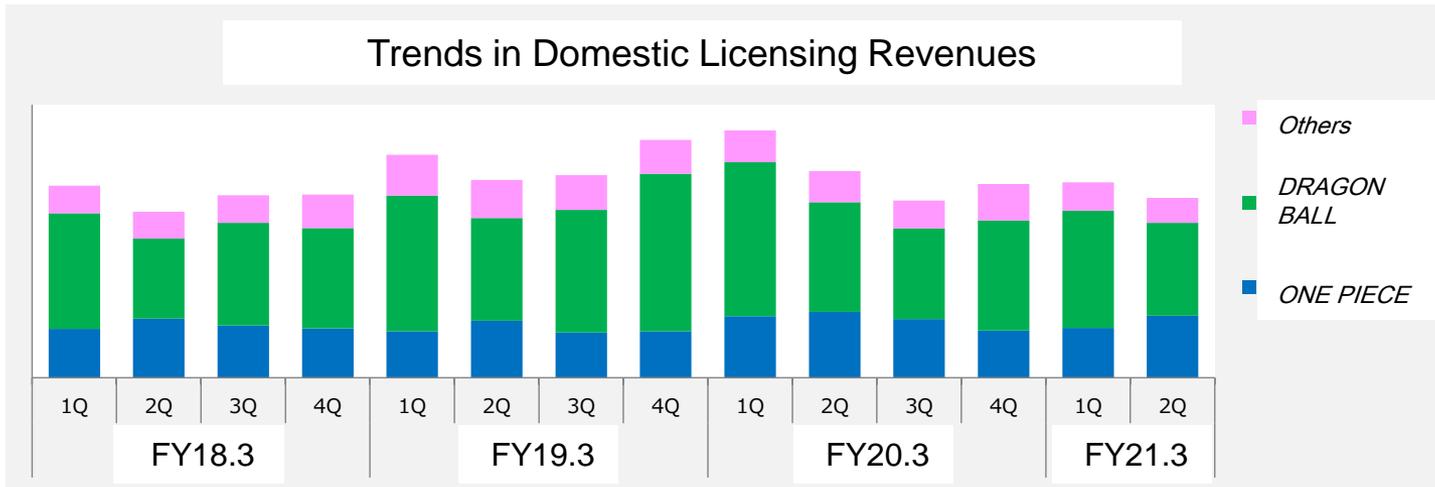
- SG&A[+67]
1) Personnel expenses[+128]
(from 825 in the previous FY to 953 in the current FYT)
2) Commission paid[+89]
(from 253 in the previous FY to 343 in the current FY)

Non-operating Income and Expense

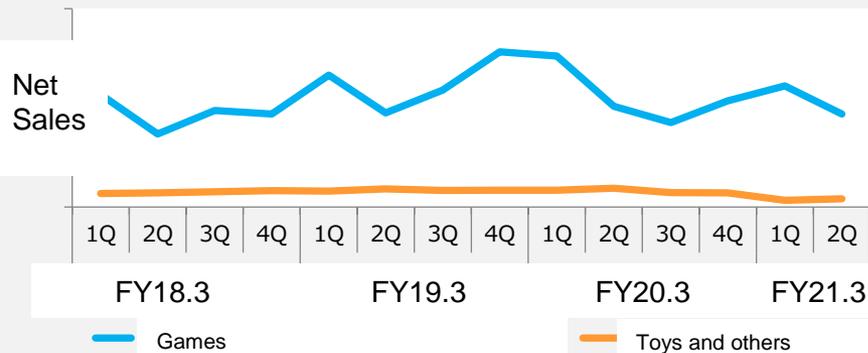
- Non-operating income[+1]
Miscellaneous income[+46]
- Non-operating expense[+131]
Miscellaneous expense[+101]

Trends in Domestic Licensing for Major Titles

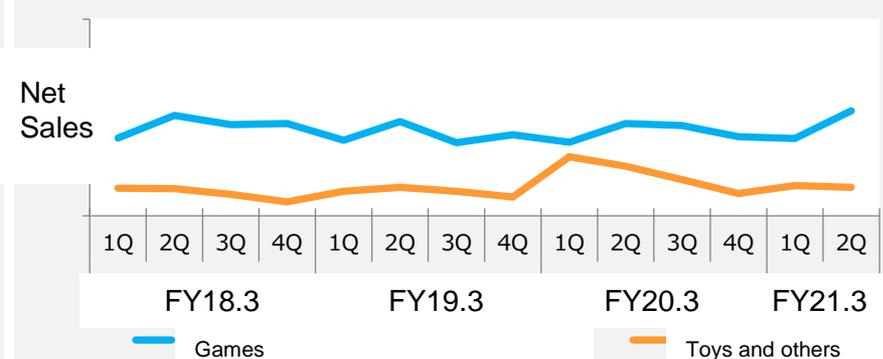
- Sales of *DRAGON BALL* series did not reach the strong sales from a year earlier.
- There was a reactionary fall in the sales of the merchandising rights linked to the movie *ONE PIECE STAMPEDE* in the previous term.
- Overall, revenues significantly fell year on year due to a reactionary fall from large contracts for game machines.



Trends in Domestic Licensing Revenues for *DRAGON BALL*



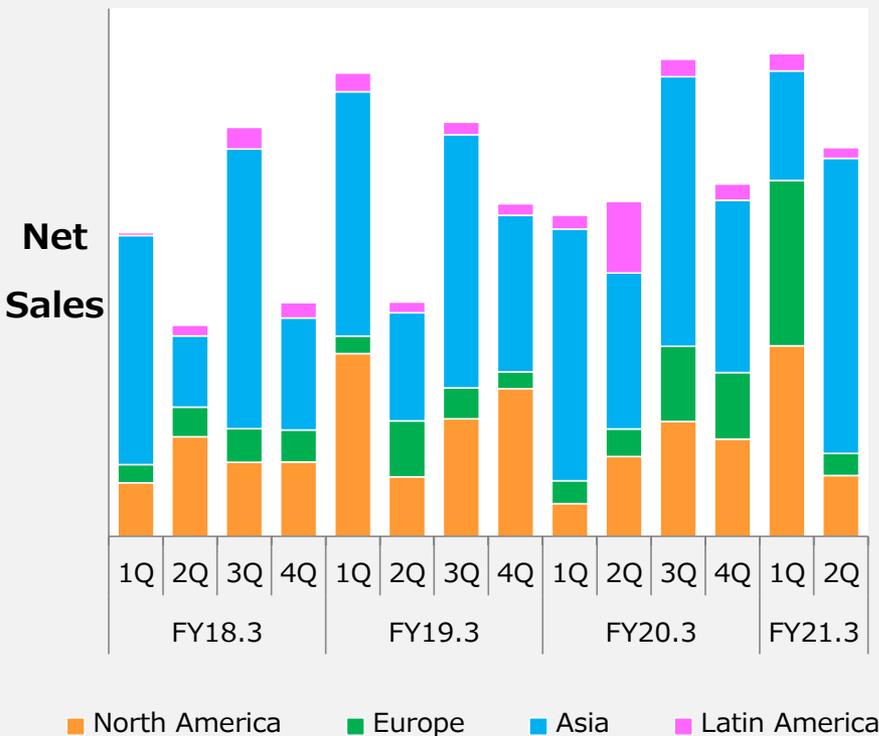
Trends in Domestic Licensing Revenues for *ONE PIECE*



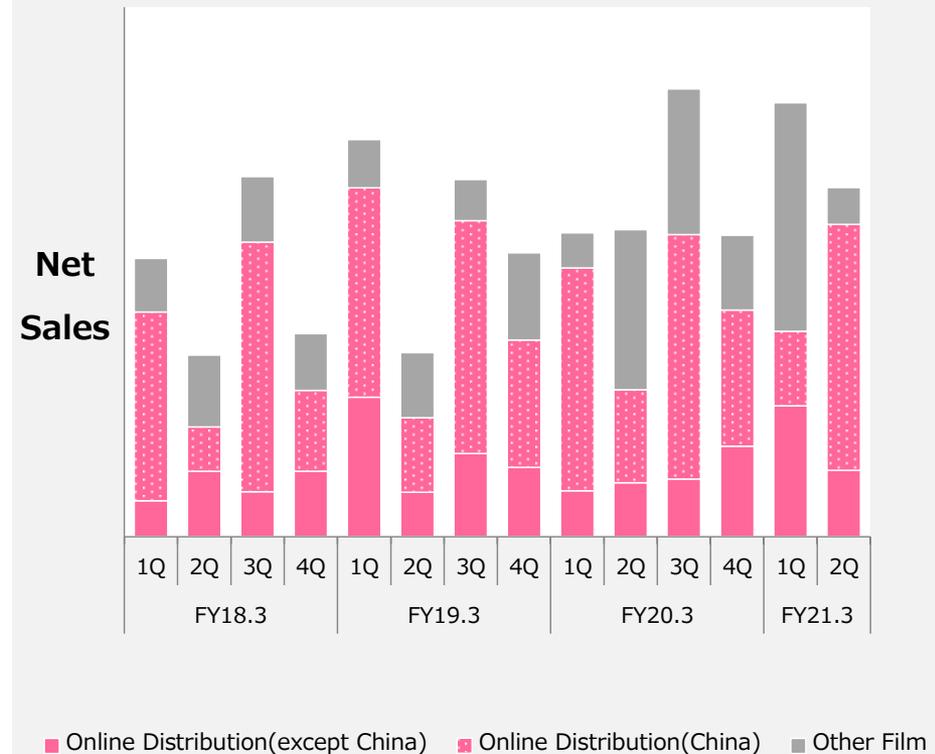
Trends in Film Overseas

- Revenues increased significantly due to strong sales of the delivery of theatrical movies for Saudi Arabia.
- Sales of online distribution rights for Europe performed strongly in addition to large online distribution rights for China.
- Sales of the theatrical screening rights of *DRAGON BALL SUPER: BROLY* in North America were strong as well.

Trends in Net Sales of Film Overseas



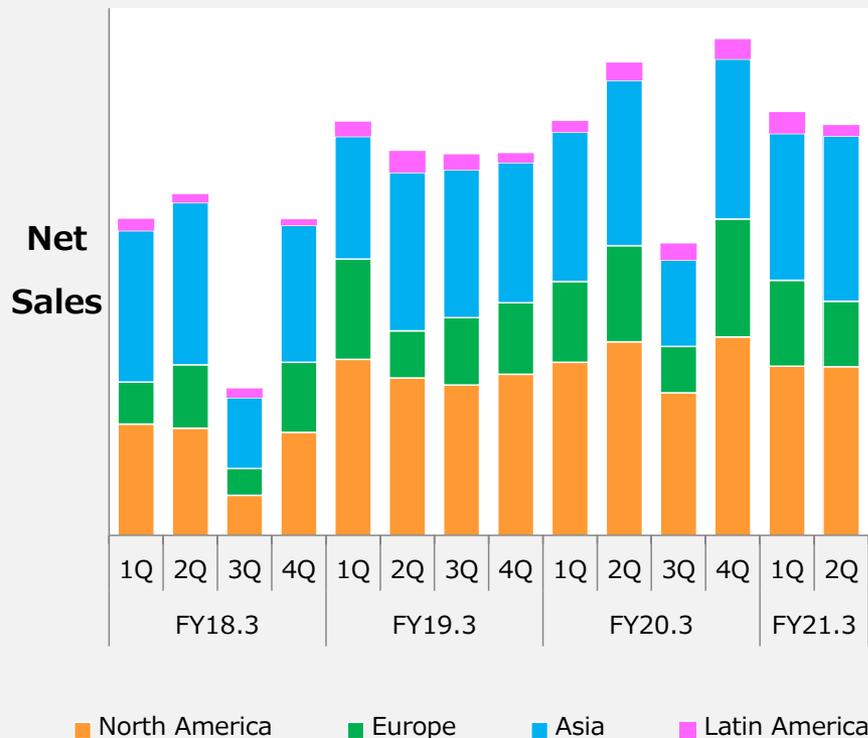
Breakdown of Net Sales by Business



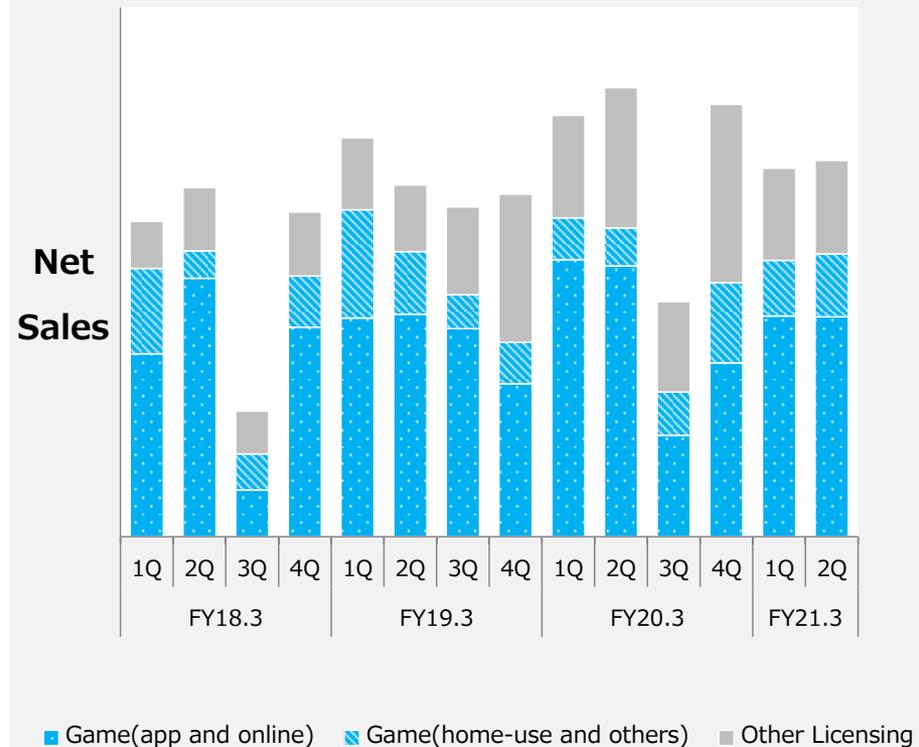
Trends in Licensing Overseas

- Revenues decreased due to a reactionary fall in the sales of multiple cases of minimum guarantees for new and renewed contracts for app games in the previous year.
- Sales of the app game *Slam Dunk* performed strongly.
- A new contract of app game is expected in the second half.

Trends in Net Sales of Licensing Overseas



Breakdown of Net Sales by Business



Progress toward Earnings Estimates for FY2021.3

■ No revision of initial earnings estimates

(Million Yen)	FY21.3 2Q	FY21.3 Estimates	Progress
Net Sales	24,455	50,000	48.9%
Operating Income	7,496	10,000	75.0%
Ordinary Income	7,640	10,300	74.2%
Net Income	5,601	7,000	80.0%
Film	9,502	20,500	46.4%
Movies	363	2,800	13.0%
TVs	947	3,600	26.3%
DVDs	297	500	59.5%
Overseas	6,599	11,000	60.0%
Others	1,294	2,600	49.8%
Licensing	13,811	24,350	56.7%
Japan	6,704	12,000	55.9%
Overseas	7,107	12,350	57.6%
Sales of Goods	946	4,400	21.5%
Others	229	750	30.6%

Strong progress in each income item

Development of films is expected to **normalize** in the second half.
Profitability is expected to decline due to recording the costs of the titles to be developed in the first half.

Second half topics

■ Movies

6 titles scheduled to be released including 2 that were scheduled to be released in the first half.

■ TVs

Dragon Quest: The Adventure of Dai began broadcasting in October and *World Trigger* is scheduled to begin broadcasting in January 2021.

■ Sales of Goods

Although our own stores are recovering, the COVID-19 pandemic continues to impact sales.

■ Others

The number of events that were held fell significantly below the initial estimate due to the COVID-19 pandemic.

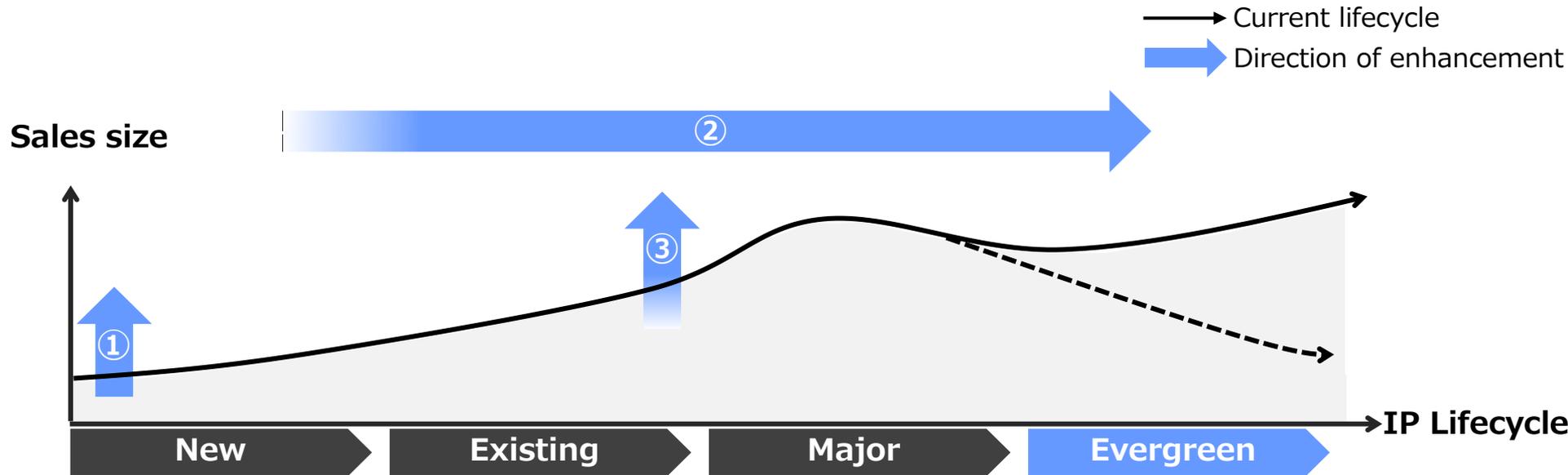
※Estimates are disclosed on May 14, 2020.

※The figures for each segment include intra-company sales.

Initiatives Aimed for Medium and Long-Term Growth

Deliver “dreams” and “hope” to children all over the world

Aim for further growth as an IP holder



① Increasing the number of new IPs created

- Proactive development of our own IP
- Attempt to develop new casts

② Prolonging the IP lifecycle

- Titles for which second and third generations are to be created
- Expansion of points of contact with fans

③ Expanding the size of sales per title

- Activation of our own development for prolonged lifecycle of titles

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

2020

2021-

Challenges
for
New Titles



RENGOKU TUBE

Four-frame cartoon that has been serialized on Twitter from July 24



Fushigi Dagashiya Zenitendo

Started broadcast on September 8, 2020



Tokyo 7th Sisters

Fostering popular idols
Fostering adaptation of a smartphone game
To be released in early spring of 2021



The Journey

Collaborative work with MANGA PRODUCTIONS in Saudi Arabia



KAIJU DECODE

Collaborative work of original CG animation from Japan to the world with TSUBURAYA PRODUCTIONS



The Monkey Prince (tentative)

Collaborative work between Japan, China and the U.S. in animation for families, eyeing the global market

Activation of
existing
content



Digimon Adventure: The Adventure of Dai

Started broadcast on April 5, 2020



Dragon Quest: The Adventure of Dai

Started broadcast from October 3, 2020



Looking for Magical DoReMi

20th project of *Magical DoReMi*
Released on November 13, 2020



Sailor Moon Eternal

Prequel/sequel is going to be released on January 8/February 11, 2021



World Trigger 2nd season

Scheduled to be broadcasting from January 9, 2021

New works of the leading titles are ongoing

Base

- **Organizational change**
(Establishment of Planning Dept.)
- Change from a function-specific organization to title-oriented organization

- **Expansion of production capabilities**
 - Promotion of digital drawing and AI development
 - Reinforcement of cooperation with external studios

- **Acquisition of new business partners and new business development**
 - Tie-up with *Analyze Log*
 - Overseas business development

Future Initiatives

Schedule

Film Licensing
Sales of Goods Others

FY21.3 2Q	Release of <i>Survival</i> [Jul.31]
	Release of <i>Toei Manga Matsuri</i> [Aug.14]
	Start of broadcast of <i>Fushigi Dagashiya Zenitendo</i> [Sep.8]
	PC novel game <i>CLEARWORLD</i> [Sep.25]
FY21.3 3Q	Opening of <i>Sailor Moon Store</i> in Fukuoka [Oct.2]
	Start of broadcast of <i>Dragon Quest: The Adventure of Dai</i> [Oct.3]
	Release of <i>Pretty Cure Miracle Leap</i> [Oct.31]
	Release of <i>Looking for Magical DoReMi</i> [Nov.13]
	Opening of <i>Sailor Moon Store</i> in Shinsaibashi [Nov.20]
	Opening of <i>LB POP-UP THEATER</i> in Shinsaibashi [Nov.20]
	Distribution of <i>Slam Dunk</i> app game for Europe and Latin America [November]
	Scheduled distribution of <i>ONE PIECE</i> app game for China [2020]
	Release of <i>Sailor Moon Eternal</i> prequel [Jan.8]
	Start of broadcast of <i>World Trigger 2nd season</i> [Jan.9]
FY21.3 4Q-	Release of <i>Sailor Moon Eternal</i> sequel [Feb.11]
	Release of <i>Tokyo 7th Sisters</i> [early spring of 2021]
	Scheduled distribution of <i>Digimon</i> app game for China [FY2021.3]
	Release of <i>Digimon Survive</i> (PS4/Switch) [2021]
	Scheduled distribution of app game <i>Dragon Quest: The Adventure of Dai</i> [2021]
	Home-use game <i>Infinity Strash Dragon Quest: The Adventure of Dai</i> [2021]
	Release of internationally co-produce movie <i>The Monkey Prince (tentative)</i> [TBA]

トピック

Development of New Titles

- **TV *Dragon Quest: The Adventure of Dai***
-Started broadcasting on TV Tokyo et al. from October 3, 2020
- **Movie *Looking for Magical DoReMi***
-Released on November 13, 2020
- **TV *World Trigger 2nd season***
-Scheduled to be broadcasting on TV Asahi from January 9, 2021

Movies which has been postponed due to the impact of the coronavirus(as of October 30)

- ***Pretty Cure Miracle Leap***
-Release date:October 31,2020(Original date:March 20)
- ***Sailor Moon Eternal***
-Release date:Prequel on January 8,2021
Sequel on February 11,2021
(Original date:Prequel on September 11, 2020)
- ***Tokyo 7th Sisters***
-Scheduled to be released in early spring of 2021
(Originaldate:in the summer of 2020)

Development of Character Goods Store

- ***Sailor Moon Store***
-in Fukuoka:Opened on October 2, 2020
-in Shinsaibashi:Opened on November 20, 2020
- ***LB POP-UP THEATER***
-in Shinsaibashi:Opened on November 20, 2020

About Dividend

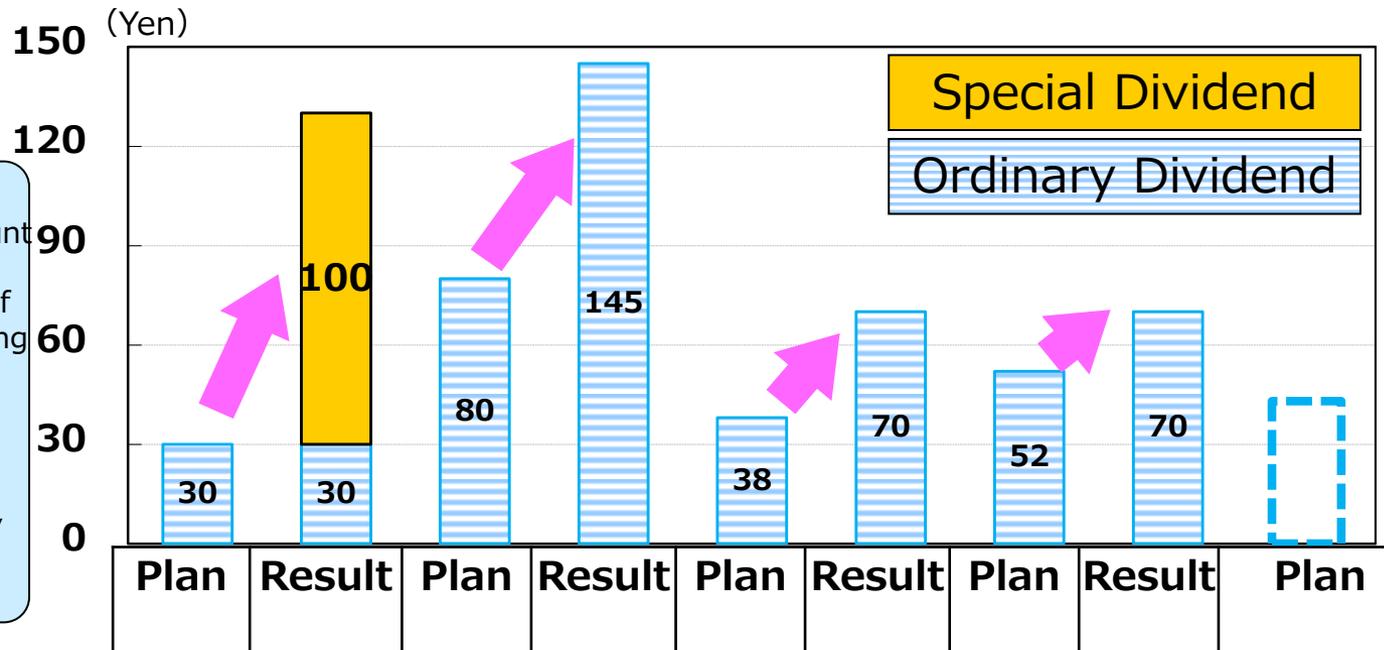
Plan for year-end Dividend

FY2020.3 ¥70 per share

FY2021.3 payout ratio will be approximately 25%, depending on the consolidated financial results.

Dividend Policy

Based on sustained and stable dividends, we decide the amount of dividend each year with comprehensive consideration of the financial results and securing internal funds for aggressive business development in the medium-to long-term. we expect the dividend payout ratio to be approximately 25%, depending on the consolidated financial results.



Fiscal year	FY17.3	FY18.3	FY19.3	FY20.3	FY21.3
※ Dividend per share	130(43.3)	145(48.3)	70	70	43
Payout ratio	24.6%	25.2%	25.2%	25.0%	25%

*The company conducted a share split on April 1, 2018. The dividend prior to the fiscal year ending March 2018 was calculated based on the assumption that shares are split at the beginning of each term, as described in parenthesis, in addition to the actual dividend. On and after the fiscal year ending March 2019, the dividend is described considering the influence of the share split.

Reference (1) Lineup of Titles Being Broadcast



SUN at 8:30am on
ABC/TV Asahi Network
Healin' Good ♥ Pretty Cure



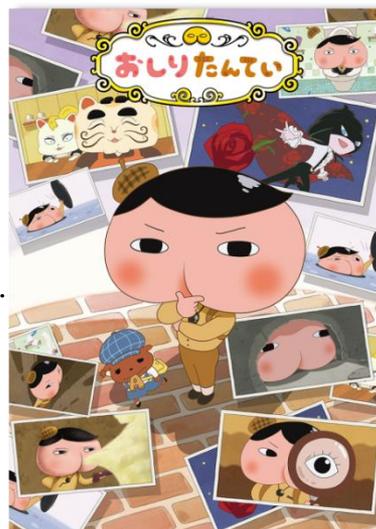
SUN at 9:00am on
Fuji TV et al.
Digimon Adventure



TUE at 6:45pm on NHK Educational TV
Fushigi Dagashiya Zenitendo



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



SAT at 9:00am
on NHK
Educational TV
BUTT DETECTIVE



SAT at 9:30am on TV Tokyo et al.
Dragon Quest: The Adventure of Dai

Reference (2) Lineup of New Titles in FY2021.3



Pretty Cure Miracle Leap
Released on October 31, 2020



Looking for Magical DoReMi
Released on November 13, 2020

Reference (3) Lineup of New Titles in FY2021.3



Sailor Moon Eternal

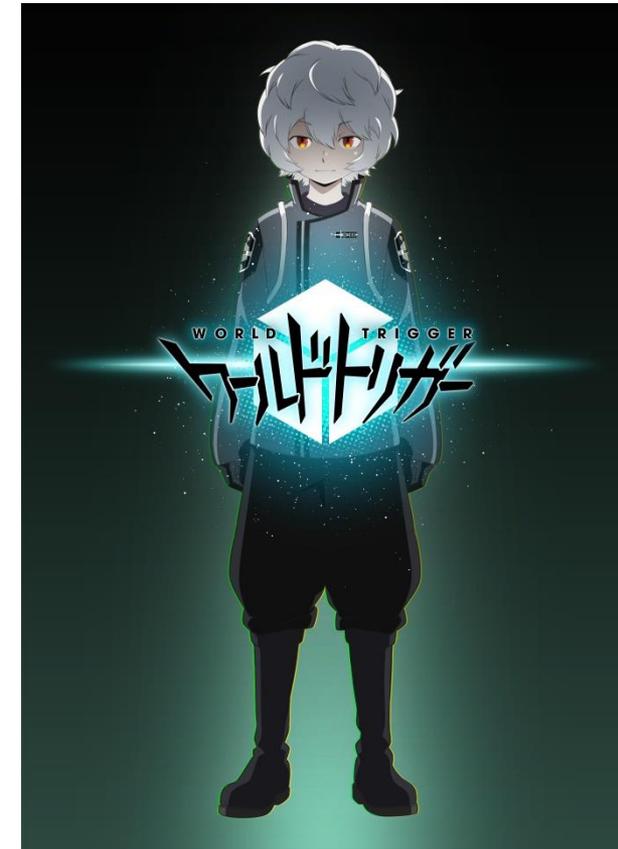
Prequel: to be released on January 8, 2021

Sequel: to be released on February 11, 2021



Tokyo 7th Sisters

To be released in early spring of 2021



World Trigger 2nd season

To be broadcasting on TV Asahi et al. from January 9, 2021



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.