

# TOEI ANIMATION CO., LTD.

For Second Quarter Ended September 30, 2021(April 1, 2021 to September 30, 2021)



ヤツらは  
君のそばに  
いる

デジモコゴーストゲーム  
**GHOST GAME**  
DIGIMON

声の出演: 田村 睦心 沢城 みゆき 小林 ゆう 中井 菊蔵 石田 彰 崎村 侑  
原案: 渡辺 和佳 監修: 北川 秀司 脚本: 吉野 弘幸 演出: 川井 憲次 シリーズ構成: 吉野 弘幸 キャラクターデザイン: 海谷 敏久 色彩設計: 永井 倫美子  
キャラクターデザイン: 海谷 敏久 演出: 川井 憲次 監修: 北川 秀司 脚本: 吉野 弘幸 シリーズ構成: 吉野 弘幸 原案: 渡辺 和佳

**DIGIMON Ghost Game**  
Sunday at 9:00 am on Fuji Television, etc. 見逃し配信中!  
Streaming available on FOD TVer for those who missed the livestream!



tv asahi

WORLD TRIGGER  
**ワールドトリガー**

2021.10.9.SAT

毎週土曜 深夜1時30分~ テレビ朝日系列「NUMAnimation」にて放送

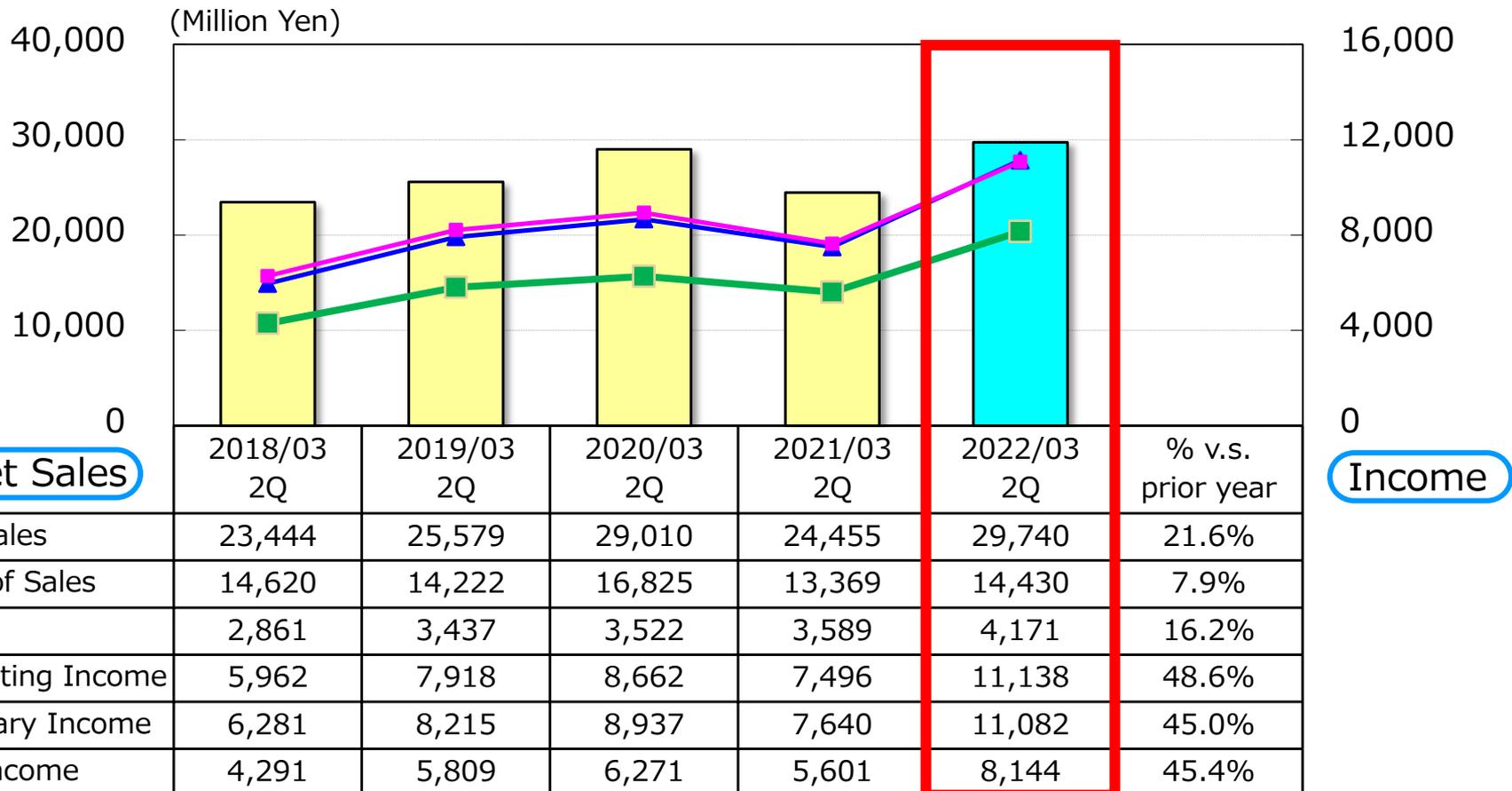
**World Trigger 3rd season**  
Saturday at 1:30 am on TV Asahi network in the NUMAnimation frame

監修: 藤原 大介  
シリーズディレクター: 佐野 真生 シリーズ構成: 吉野 弘幸 音楽: 川井 憲次 キャラクターデザイン: 海谷 敏久 色彩設計: 永井 倫美子

©藤原大介/集英社・テレビ朝日・東映アニメーション

# FY2022.3 Second Quarter Results – Consolidated

- Net Sales and each income item hit new first-half record high.
- Sales of profitable businesses scheduled in the second half were moved forward to the first half, e.g. the lump-sum posting of sales of large online distribution rights in China and MG (minimum guarantees) posting of multiple app games.
- Film online distribution business and overseas sales of the merchandising rights and game development rights performed strongly.



# FY2022.3 2Q Results Segment Breakdown – Consolidated

(Million Yen)

|                       |                         | FY2021.3<br>2Q | FY2022.3<br>2Q | % v.s.<br>prior year |
|-----------------------|-------------------------|----------------|----------------|----------------------|
| <b>Film</b>           | <b>Net Sales</b>        | 9,502          | 11,783         | 24.0%                |
|                       | <b>Segment Income</b>   | 2,578          | 4,613          | 78.9%                |
| <b>Licensing</b>      | <b>Net Sales</b>        | 13,811         | 16,733         | 21.2%                |
|                       | <b>Segment Income</b>   | 6,748          | 8,377          | 24.1%                |
| <b>Sales of Goods</b> | <b>Net Sales</b>        | 946            | 978            | 3.4%                 |
|                       | <b>Segment Income</b>   | -163           | -108           | -                    |
| <b>Others</b>         | <b>Net Sales</b>        | 229            | 279            | 21.8%                |
|                       | <b>Segment Income</b>   | -72            | -157           | -                    |
| <b>TOTAL</b>          | <b>Net Sales</b>        | 24,455         | 29,740         | 21.6%                |
|                       | <b>Operating Income</b> | 7,496          | 11,138         | 48.6%                |

\* Numbers for each segment include intra-company sales.

# FY2022.3 2Q Results Segment Analysis (1) (Film)

| (Million Yen)         |                 | FY21.3<br>2Q  | FY22.3<br>2Q  |
|-----------------------|-----------------|---------------|---------------|
| <b>Net Sales</b>      |                 | <b>24,455</b> | <b>29,740</b> |
| <b>Film</b>           |                 | <b>9,502</b>  | <b>11,783</b> |
|                       | <b>Movies</b>   | <b>363</b>    | <b>117</b>    |
|                       | <b>TVs</b>      | <b>947</b>    | <b>1,748</b>  |
|                       | <b>DVDs</b>     | <b>297</b>    | <b>214</b>    |
|                       | <b>Overseas</b> | <b>6,599</b>  | <b>7,771</b>  |
|                       | <b>Others</b>   | <b>1,294</b>  | <b>1,932</b>  |
| <b>Licensing</b>      |                 | <b>13,811</b> | <b>16,733</b> |
|                       | <b>Japan</b>    | <b>6,704</b>  | <b>5,994</b>  |
|                       | <b>Overseas</b> | <b>7,107</b>  | <b>10,739</b> |
| <b>Sales of Goods</b> |                 | <b>946</b>    | <b>978</b>    |
| <b>Others</b>         |                 | <b>229</b>    | <b>279</b>    |

\* Numbers for each segment include intra-company sales.

## Film (↑ 24.0% year on year)

- In movies, revenues decreased significantly with the impact of the COVID-19 pandemic and a reactionary decline following the production revenue from multiple movies, including *Sailor Moon Eternal*, posted in the previous year.
- In TV Anime, revenues increased significantly because of the increase in the number of TV titles to be broadcast and other reasons.
- In DVDs, revenues decreased significantly due to a reactionary decline following strong sales of Blu-ray/DVD versions of *ONE PIECE STAMPEDE* in the previous year.
- In the Overseas segment, revenues increased significantly as a great portion of the sales of large online distribution rights in China, which were formerly posted in installments, were posted as a lump sum.
- In the Others segment, revenues increased significantly due to the strong sales of domestic online distribution rights.

# FY2022.3 2Q Results Segment Analysis (2)

## (Licensing/Sales of Goods/Others)

| (Million Yen)         |          | FY21.3<br>2Q  | FY22.3<br>2Q  |
|-----------------------|----------|---------------|---------------|
| <b>Net Sales</b>      |          | <b>24,455</b> | <b>29,740</b> |
| <b>Film</b>           |          | <b>9,502</b>  | <b>11,783</b> |
|                       | Movies   | 363           | 117           |
|                       | TVs      | 947           | 1,748         |
|                       | DVDs     | 297           | 214           |
|                       | Overseas | 6,599         | 7,771         |
|                       | Others   | 1,294         | 1,932         |
| <b>Licensing</b>      |          | <b>13,811</b> | <b>16,733</b> |
|                       | Japan    | 6,704         | 5,994         |
|                       | Overseas | 7,107         | 10,739        |
| <b>Sales of Goods</b> |          | <b>946</b>    | <b>978</b>    |
| <b>Others</b>         |          | <b>229</b>    | <b>279</b>    |

\* Numbers for each segment include intra-company sales.

### Licensing (↑ 21.2% year on year)

- In domestic licensing, revenues declined significantly due to the slowdown of sales of game development rights of *DRAGON BALL* series from the strong sales of the previous year, offsetting strong sales of merchandising rights of *ONE PIECE*, etc.
- In overseas licensing, revenues increased significantly due to the strong sales of the merchandising rights of *DRAGON BALL* series, *ONE PIECE* and *DIGIMON* series, in addition to sales of game development rights of *DRAGON BALL* series and *SLAM DUNK* app games.

### Sales of Goods (↗ 3.4% year on year)

- Revenues increased due to the strong sales of goods mainly in e-commerce in China.

### Others (↑ 21.8% year on year)

- Despite of a significant increase in revenues owing to the vigorous efforts put into the events of the *Pretty Cure* series, general profitability declined because multiple events were downsized due to the prolonged impact of the COVID-19 pandemic.

# FY2022.3 Second Quarter Results Review

|                             | FY21.3<br>2Q | FY22.3<br>2Q | + -   | % v.s.<br>prior year |
|-----------------------------|--------------|--------------|-------|----------------------|
| Net Sales                   | 24,455       | 29,740       | 5,284 | 21.6%                |
| Costs of Sales              | 13,369       | 14,430       | 1,061 | 7.9%                 |
| Gross Profit                | 11,086       | 15,309       | 4,223 | 38.1%                |
| SG & A                      | 3,589        | 4,171        | 581   | 16.2%                |
| Operating Income            | 7,496        | 11,138       | 3,641 | 48.6%                |
| Non-Operating Income        | 331          | 269          | -61   | -18.7%               |
| Non-Operating Expense       | 187          | 325          | 138   | 73.7%                |
| Ordinary Income             | 7,640        | 11,082       | 3,441 | 45.0%                |
| Extraordinary Gain and Loss | -            | -17          | -17   | -                    |
| Net Income Before Tax       | 7,640        | 11,064       | 3,424 | 44.8%                |
| Income Taxes                | 2,023        | 2,784        | 760   | 37.6%                |
| Income Taxes Adjustment     | 15           | 135          | 119   | 755.5%               |
| Minority Interest           | -            | -            | -     | -                    |
| Net Income                  | 5,601        | 8,144        | 2,543 | 45.4%                |

## Net Sales

- Businesses with sharp increases in revenues
  - Licensing Overseas [3,631] ⇒
  - Film Overseas [1,171] ⇒
  - TV [800]
- Businesses with significant declines in revenues
  - Licensing Japan [-710] ⇒
  - Movies [-246] ⇒
  - DVDs [-83]

## Cost of Sales / Gross Profit

- Gross profit to net sales: 51.4% (Gross profit to net sales last year: 45.3%)  
Gross profit to net sales improved as a result of an increase in the ratio of sales in the profitable overseas licensing business and the domestic and overseas distribution business.

## SG & A

- SG&A [+581]
  - Ad expenses [+199]  
(from 181 in the previous FY to 381 in the current FY)
  - Personnel expenses [+170]  
(from 953 in the previous FY to 1,124 in the current FY)

## Non-operating Income and Expense

- Non-operating Income and Expense [-61]  
Dividends earned [-24]
- Non-operating expense [+138]  
Foreign exchange loss [+248]

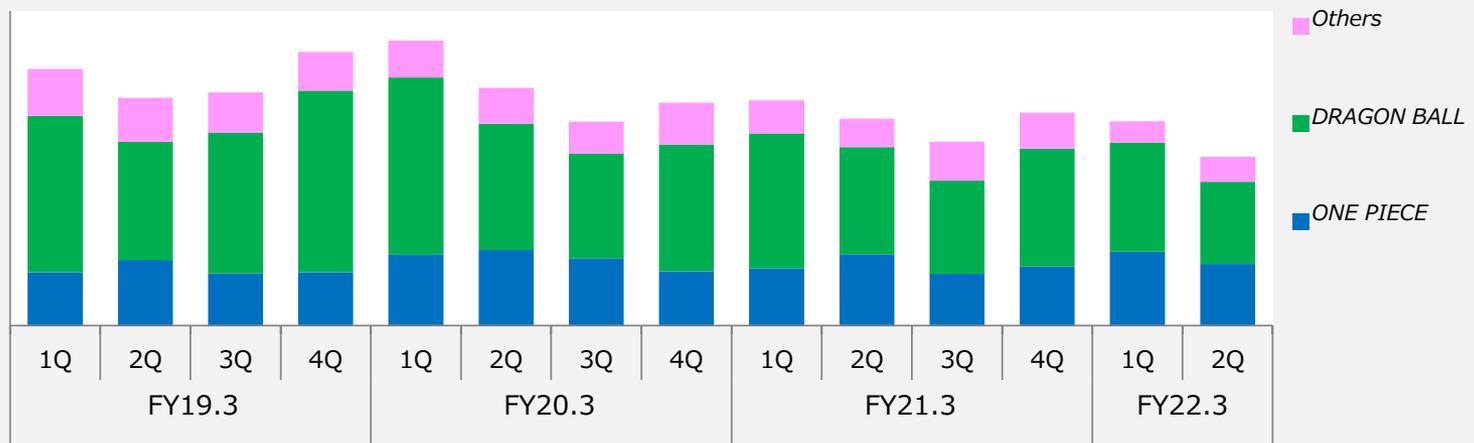
## Extraordinary Gain and Loss

- Extraordinary loss [17]  
Loss on valuation of investment securities

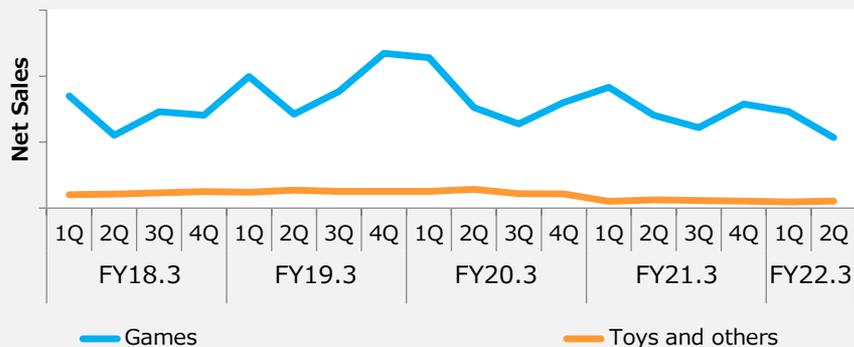
# Trends in Domestic Licensing for Major Titles

- Sales of *DRAGON BALL* series did not reach the level of the previous year.
- First-half sales of *ONE PIECE* increased year on year on a cumulative basis due to sales promotion and strong sales of the merchandising rights.
- Overall, the sales of game development rights is weaker than the previous term.

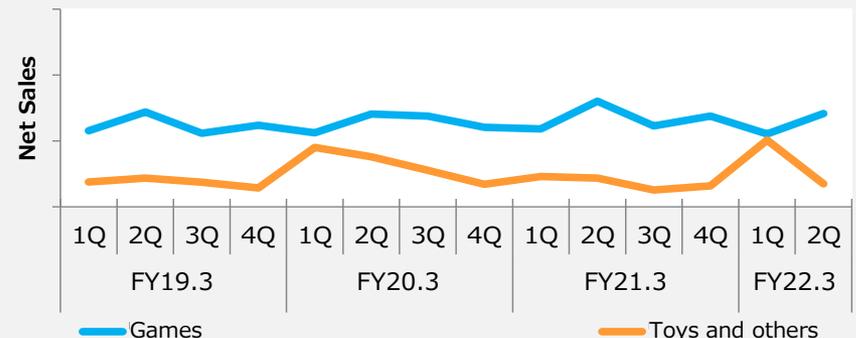
## Trends in Domestic Licensing Revenues



## Trends in Domestic Licensing Revenues for *DRAGON BALL*



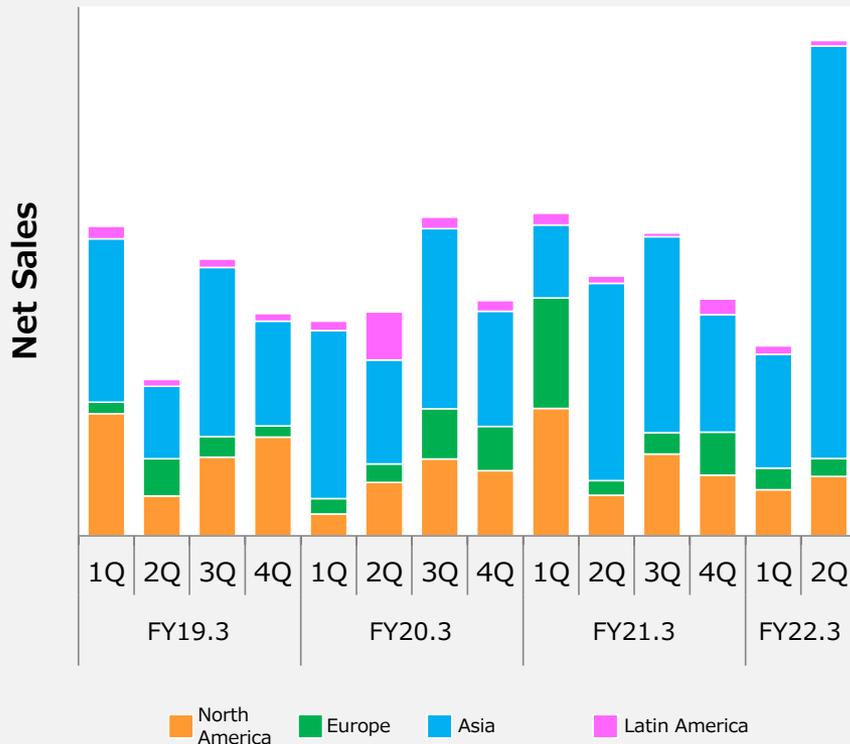
## Trends in Domestic Licensing Revenues for *ONE PIECE*



# Trends in Film Overseas

- Both quarterly and first half sales hit a new record high because TV title sales in sales of large online distribution rights in China, which were formerly posted in installments, were posted as a lump sum.
- In North America, sales of online distribution rights performed strongly.
- A year-on-year reactionary decline and a decrease from the budget are expected in the second half because posting of distributions in China was moved forward.

## Trends in Net Sales of Film Overseas



## Breakdown of Net Sales by Business

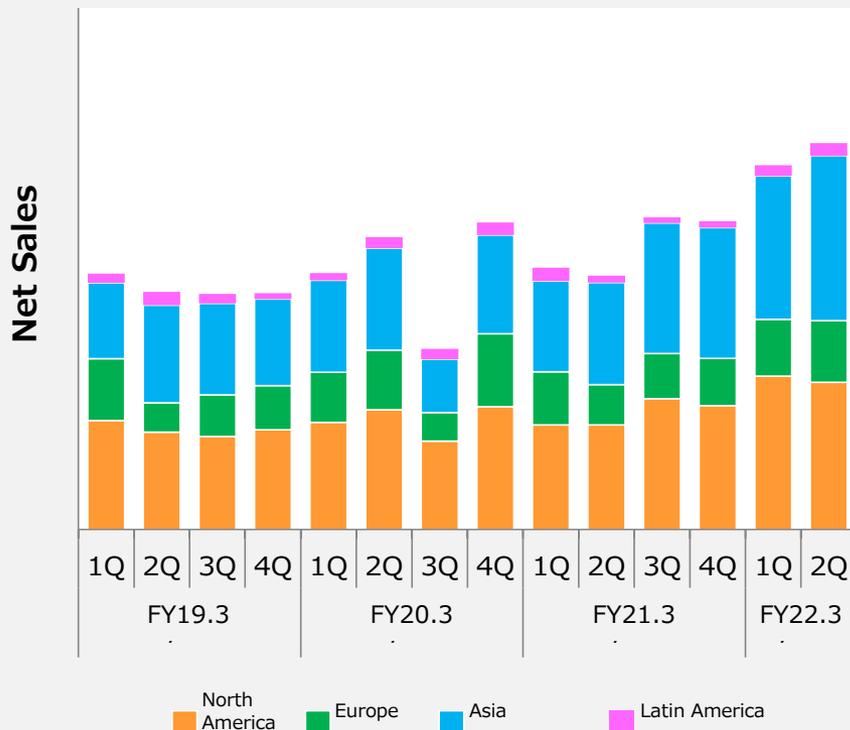


\* Due to consolidated accounting for subsidiaries, the left graph shows consolidated figures while the right graph shows our non-consolidated figures.

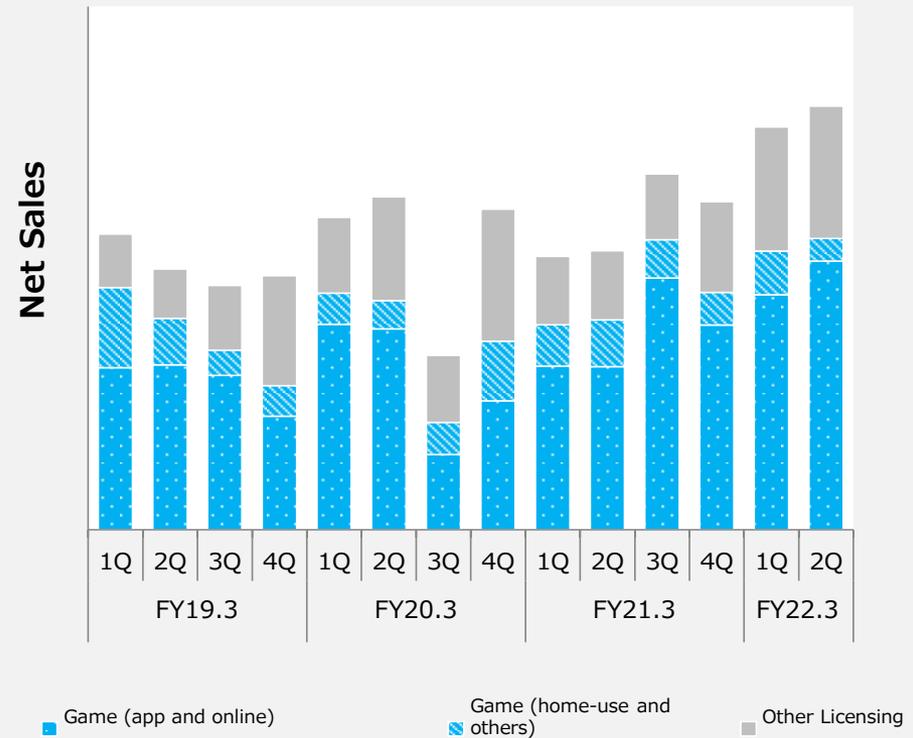
# Trends in Licensing Overseas

- Revenues increased significantly because sales of merchandising rights have grown, in addition to the strong sales of existing app games.
- MG of multiple app games, including new and renewed games, was posted.
- Second-half sales are expected to be weaker than those in the previous term due to MG = profit gained in advance and the significantly increased sales of game development rights in the second half of the previous year, which reflected the demand generated by people staying home.

## Trends in Net Sales of Licensing Overseas



## Breakdown of Net Sales by Business



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

# Revised Earnings Estimates for FY2022.3 – Consolidated

| (Million Yen)           | Full year                      |                                   |       |                   |        |
|-------------------------|--------------------------------|-----------------------------------|-------|-------------------|--------|
|                         | Previous estimates<br>(May 13) | Revised estimates<br>(October 25) | +-    | FY21.3<br>Results | +-     |
| <b>Net Sales</b>        | 51,000                         | 51,000                            | 0     | 51,595            | -595   |
| <b>Operating Income</b> | 11,000                         | 14,500                            | 3,500 | 15,503            | -1,003 |
| <b>Ordinary Income</b>  | 11,300                         | 14,800                            | 3,500 | 16,040            | -1,240 |
| <b>Net Income</b>       | 7,600                          | 10,200                            | 2,600 | 11,067            | -867   |

## [FY2022.3 Grounds for full-year earnings estimates]

- Although deliveries of large-scale theatrical movies, which were scheduled to be posted this term, were moved to the next term onward, sales of merchandizing rights of the *DRAGON BALL* series, *ONE PIECE* and *DIGIMON* series performed strongly in the profitable overseas licensing business.
- In addition, domestic sales of online distribution rights are also strong. These are the grounds for the above estimates.

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

FY2022.3

FY2022.3 onward

(Including the titles with release dates to be announced)

Creating New Titles



**Butt Detective the Movie: The Secret of Souffle Island/Shinkai no Survival!**  
(Toei Manga Matsuri)  
Released on Friday, August 13, 2021



**SHAREDOL**  
A pilot film created through a joint development project with SOTSU  
Released on YouTube on Monday, October 25, 2021



**Future's Folktales**  
Collaborative work with Saudi Arabia  
2nd season goes into production



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



**The Monkey Prince (tentative)**  
Collaborative work involving Japan, China and the U.S.  
Animation for families created with an eye to the global market

Activation of existing content



**Dragon Quest: The Adventure of Dai**  
Started broadcast from Saturday, October 3, 2020



**DIGIMON Ghost Game**  
Started broadcast from Sunday, October 3, 2021



**World Trigger 3rd season**  
Started broadcast from Saturday, October 9, 2021

#slamdunkmovie

**SLAM DUNK**  
Scheduled to be released in fall 2022



**DRAGON BALL Super: Super Hero**  
Scheduled to be released in 2022



**DEVIL BOY**  
New animation starts  
**Birth of KITARO: Mystery of GeGeGe**  
Animated movie production decided

\* Titles in red frames have been added in this term.

Base

- Increase of Titles
  - Change to title-oriented organization
  - Increase new titles and make title lifecycles longer
- Business development and expanded local deployment
  - Enter into the Hollywood business
  - Establish a content planning and production company in Shanghai
    - It will promote exploitation of the Chinese and Asian markets.
- Advancement of production capabilities
  - Build a purpose-specific production system for each title
  - Integrate 2D/3D cutting-edge technologies
  - Promotion of PJ utilizing AI in the production process

# Initiatives Aimed for Medium and Long-Term Growth (Medium to long-term portfolio)

by FY2025 (FY26.3)

Overseas Markets

**Focused Market**



**10** titles or so

- Large projects targeted at Hollywood
- Revival large-scale project

Share knowledge

**10** titles or more

- Large projects targeted at Hollywood
- TV/movie project
- Youtube project
- High-end CG project



Original work

Expand market

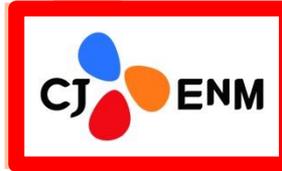


(SAINT SEIYA)



Expand market

Our own work



**10** titles or so

- TV/movie/online distribution projects for grownups
- TV/movie project for kids

Share knowledge

**5** titles or so

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



Domestic market

\* Contents in red frames have been added in this term.

# Future Initiatives

## Schedule

Film   Licensing   Sales of Goods   Others

## Topics

### Status of Animation Works in FY2022.3 2Q

#### ■ TV **DIGIMON Ghost Game**

- A brand new title replaced *DIGIMON Adventure:*, a reboot of the initial series from Sunday, October 3, 2021 onward
- Complete stories with a taste of horror is targeted at elementary school children with the aim of popularizing the *DIGIMON* brand

### Development of New Titles (Projects)

#### ■ TV **World Trigger**

Started broadcasting of 3rd season from Saturday, October 9, 2021

#### ■ The pilot film **SHAREDOL**

- Joint project between our new IP development team and SOTSU's young producers
- Released on Monday, October 25, 2021 on YouTube

#### ■ Movie **SLAM DUNK**

- Scheduled to be released in fall 2022

#### ■ Movie **Dragon Ball Super: Super Hero**

- Scheduled to be released in 2022

#### ■ **DEVIL BOY**

- A new animation project started

#### ■ Movie **Birth of KITARO: Mystery of GeGeGe**

- Film production of the 6th season of TV *GeGeGe no Kitaro* decided

### Development of App Games

#### ■ App game for Japan **Dragon Quest: The Adventure of Dai -Soul Bond-**

- Released in Tuesday, September 28, 2021
- Over 3 million downloads worldwide

FY22.3  
2Q

*Dragon Quest: The Adventure of Dai* Collaboration with Monster Strike [July 15 - Aug. 2]

Release of *Toei Manga Matsuri* [Aug. 13]

Release of *WE ARE ONE.*, an animation work to commemorate both the 100th volume of the One Piece manga and the 1000th episode of *ONE PIECE* anime adaptation [Aug. 30]

Distribution of app game *Dragon Quest: The Adventure of Dai -Soul Bond -* [Sep. 28]

Start of broadcasting of *DIGIMON Ghost Game* [Oct. 3]

Start of broadcast of *World Trigger 3rd season* [Oct. 9]

Distribution of *DIGIMON* app game for China [Oct. 21]

Release of the movie *Tropical-Rouge! Pretty Cure* [Oct. 23]

Release of the pilot film *SHAREDOL* on YouTube [Oct. 25]

Scheduled release of Switch game *Butt Detective Pupu: The Future Great Detective Arrives!* [Nov. 4]

Home-use game *Infinity Strash Dragon Quest: The Adventure of Dai* [2021]

Release of the Switch game *SOUKAITENKI* [2022 spring]

Scheduled release of the movie *SLAM DUNK* [Fall 2022]

Release of *Digimon Survive* (PS4/Switch) [2022]

Release of the movie *Dragon Ball Super: Super Hero* [2022]

Start of new *DEVIL BOY* animation production [TBA]

Release of film *Birth of KITARO: Mystery of GeGeGe* [TBA]

Scheduled release of the Hollywood live-action movie *Knights of the Zodiac (SAINT SEIYA)* [TBA]

Release of internationally co-produced movie *The Monkey Prince (tentative)* [TBA]

FY22.3  
3Q

FY22.3  
4Q-

# About Dividend

## Plan for year-end Dividend

**FY2021.3**

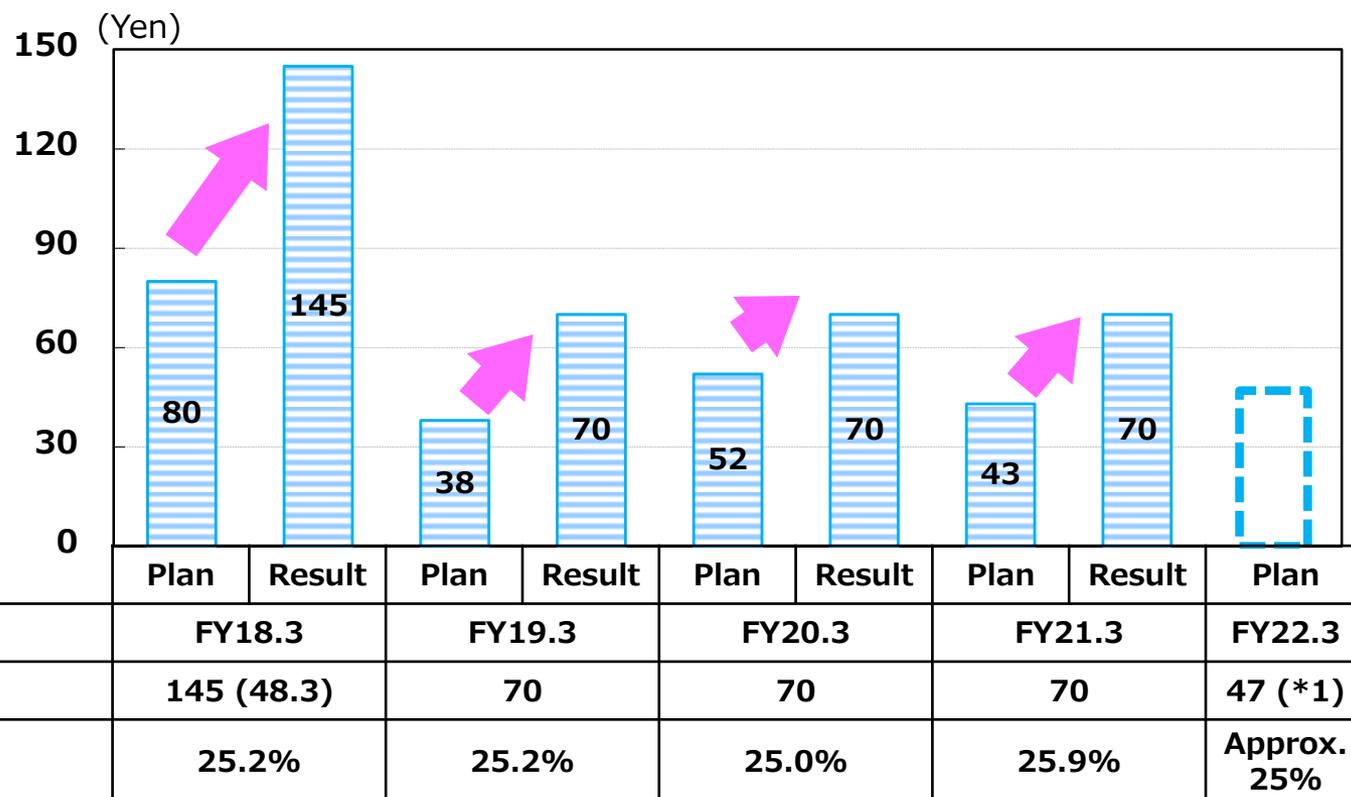
70 per share

**FY2022.3**

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.



\*1 The figure was calculated based on the initial earnings estimates and is to be revised depending on the result.

\*2 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. Starting 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



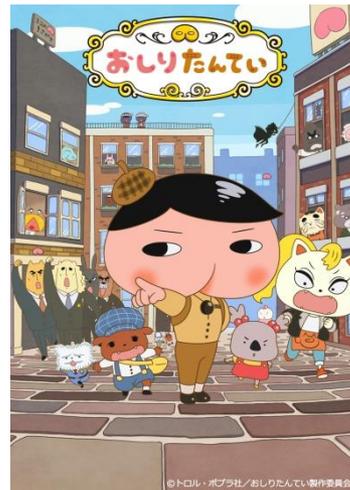
SUN at 9:00am on  
Fuji TV et al.



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



TUE at 6:45pm on  
NHK Educational TV



SAT at 9:00am on  
NHK Educational TV



SAT at 9:30am on  
TV Tokyo et al.



SAT at 1:30 am on  
TV Asahi Network

## Reference (2) Lineup of New Titles in FY2022.3



**Tropical-Rouge! Pretty Cure:**  
Released on  
Saturday, October 23, 2021

# Reference (3) Lineup of New Titles in FY2022.3



**DEVIL BOY**  
New animation starts



**Birth of KITARO: Mystery of GeGeGe**  
Animated movie production decided

#slamdunkmovie

**SLAM DUNK**  
Scheduled to be released  
in fall 2022



**Dragon Ball Super: Super Hero**  
Scheduled to be released in 2022



# 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.