

TOEI ANIMATION CO., LTD.

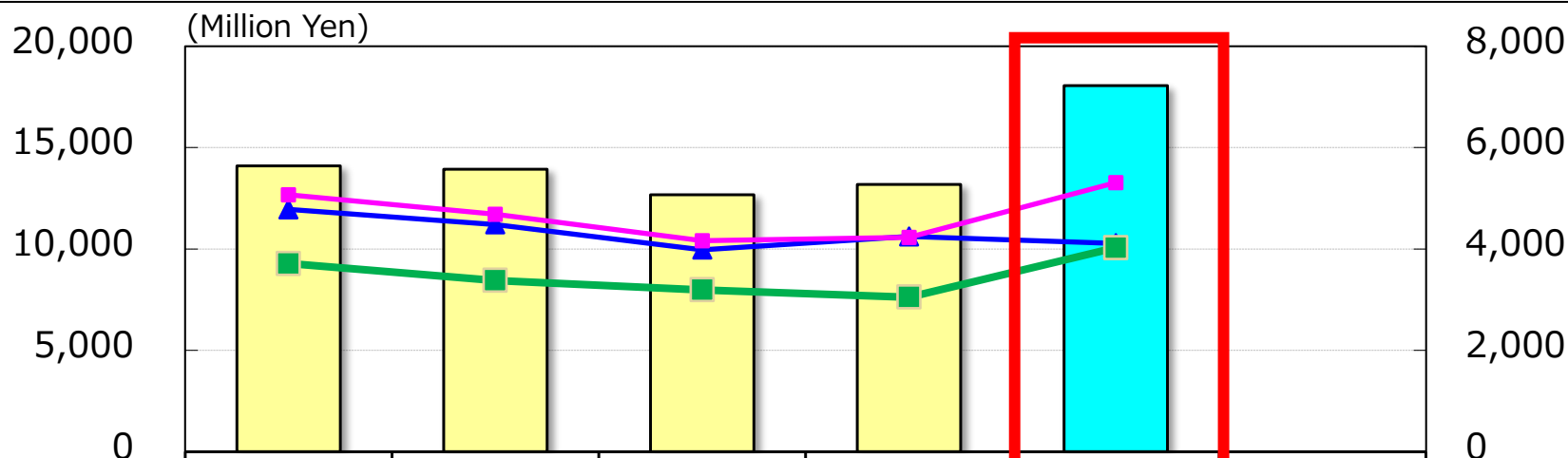
July 28, 2022

For First Quarter Ended June 30, 2022 (April 1, 2022 to June 30, 2022)



FY2023.3 First Quarter Results – Consolidated

- Quarterly sales hit new record high mainly because of strong sales related to the movies *Dragon Ball Super: Super Hero* and *ONE PIECE FILM RED*.
- Operating income rate decreased due to accumulated production costs and advertising expenses for animation works.
- Ordinary income and net income hit new record highs due to non-operating income items such as dividend income from invested companies and a foreign exchange gain associated with the weakening yen.



Net Sales

Income

Net Sales	14,092	13,935	12,676	13,187	18,061	37.0%
Cost of Sales	7,534	7,683	6,855	6,834	11,519	68.5%
SG&A	1,775	1,769	1,834	2,107	2,432	15.4%
Operating Income	4,781	4,482	3,986	4,245	4,110	-3.2%
Ordinary Income	5,067	4,684	4,163	4,227	5,307	25.5%
Net Income	3,711	3,379	3,192	3,048	4,023	32.0%

FY2023.3 1Q Results Segment Breakdown – Consolidated

(Million Yen)		FY2022.3 1Q	FY2023.3 1Q	% increase/ decrease
Film	Net Sales	4,314	7,684	78.1%
	Segment Income	948	554	-41.6%
Licensing	Net Sales	8,491	9,563	12.6%
	Segment Income	4,264	4,486	5.2%
Sales of Goods	Net Sales	331	535	61.6%
	Segment Income	-87	-36	-
Others	Net Sales	64	318	394.6%
	Segment Income	-88	48	-
TOTAL	Net Sales	13,187	18,061	37.0%
	Operating Income	4,245	4,110	-3.2%

* Numbers for each segment include intra-company sales.

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

(Million Yen)		FY22.3 1Q	FY23.3 1Q
Net Sales		13,187	18,061
Film		4,314	7,684
	Movies	24	1,242
	TVs	871	876
	DVDs	108	98
	Overseas	2,159	4,110
	Others	1,150	1,356
Licensing		8,491	9,563
	Japan	3,222	3,791
	Overseas	5,269	5,771
Sales of Goods		331	535
Others		64	318

* Numbers for each segment include intra-company sales.

Film (↑ 78.1% year on year)

- In movies, revenues increased significantly from the previous year due to the production revenue from *Dragon Ball Super: Super Hero*.
- In TV Amine, revenues remained almost unchanged, partially because of the strong performance of sound production for games, which offset the decreased number of works from the previous year.
- In DVDs, revenues decreased partially due to a reactionary decline following strong sales of Blu-ray/DVD versions of *Looking for Magical Doremi* in the previous year.
- In the Overseas segment, revenues increased significantly from the previous year due to the strong sales of overseas online distribution rights in addition to overseas theatrical screening rights of *Dragon Ball Super: Super Hero*.
- In the Others segment, revenues increased from the previous year due to the strong sales of domestic online distribution rights.

FY2023.3 1Q Results Segment Analysis (2)

(Licensing/Sales of Goods/Others)

(Million Yen)		FY22.3 1Q	FY23.3 1Q
Net Sales		13,187	18,061
Film		4,314	7,684
	Movies	24	1,242
	TVs	871	876
	DVDs	108	98
	Overseas	2,159	4,110
	Others	1,150	1,356
Licensing		8,491	9,563
	Japan	3,222	3,791
	Overseas	5,269	5,771
Sales of Goods		331	535
Others		64	318

Licensing (↑ 12.6% year on year)

- In domestic licensing, revenues increased significantly due to the strong sales of the merchandising rights of *ONE PIECE* and *DRAGON BALL* series, etc., especially the good performance of sales promotion linked to both movies, as well as a major contract for game machines.
- In overseas licensing, revenues increased significantly due to the strong sales of the merchandising rights of the *DRAGON BALL* series, and *ONE PIECE*, in addition to sales of game development rights of the *ONE PIECE* and *DIGIMON* series.

Sales of Goods (↑ 61.6% year on year)

- Though revenues increased due to the success of the shop business for *ONE PIECE* and strong sales of goods related to *Sailor Moon* series, they did not return to the level before the COVID-19 pandemic.

Others (↑ 394.6% year on year)

- Revenues increased on the good results of *World Trigger* series events.

* Numbers for each segment include intra-company sales.

FY2023.3 First Quarter Results Review

(Million Yen)	FY22.3 1Q	FY23.3 1Q	+-	% v.s. prior year
Net Sales	13,187	18,061	4,874	37.0%
Costs of Sales	6,834	11,519	4,684	68.5%
Gross Profit	6,352	6,542	190	3.0%
SG&A	2,107	2,432	325	15.4%
Operating Income	4,245	4,110	-134	-3.2%
Non-Operating Income	229	1,203	973	424.2%
Non-Operating Expense	246	5	-240	-97.6%
Ordinary Income	4,227	5,307	1,079	25.5%
Extraordinary Gain and Loss	-8	-	8	-
Net Income Before Tax	4,219	5,307	1,087	25.8%
Income Taxes	893	1,200	306	34.3%
Income Taxes Adjustment	278	84	-194	-69.8%
Minority Interest	-	-	-	-
Net Income	3,048	4,023	974	32.0%

Net Sales

- Businesses with sharp increases in revenues
 - 1) Film Overseas [**1,950**] ⇒ 2) Movies [**1,218**] ⇒ 3) Licensing Japan [**569**]
- Businesses with significant declines in revenues
 - 1) DVDs [**-9**]

Cost of Sales / Gross Profit

- Gross profit to net sales: **36.2%** (Gross profit to net sales last year: 48.2%)
It declined from the previous term due to costs related to production of multiple theatrical movies and advertising.

SG&A

- SG&A [**+325**]
 - 1) Outsourcing expenses [**+90**] (from 109 in the previous FY to 199 in the current FY)
 - 2) Personnel expenses [**+43**] (from 593 in the previous FY to 637 in current FY)

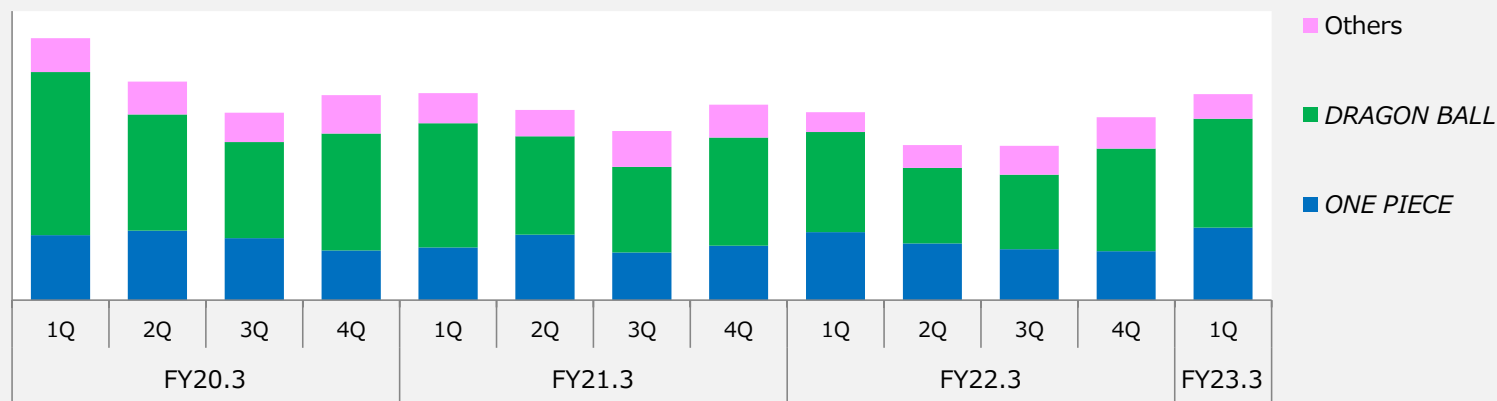
Non-operating Income and Expense

- Non-operating income and expense [**+973**]
 - 1) Miscellaneous revenue (including foreign exchange gain) [**+478**]
 - 2) Dividends earned [**+459**]
- Non-operating expense [**-240**]
 - 1) Foreign exchange loss [**-191**]
 - 2) Equity loss of affiliates [**-54**]

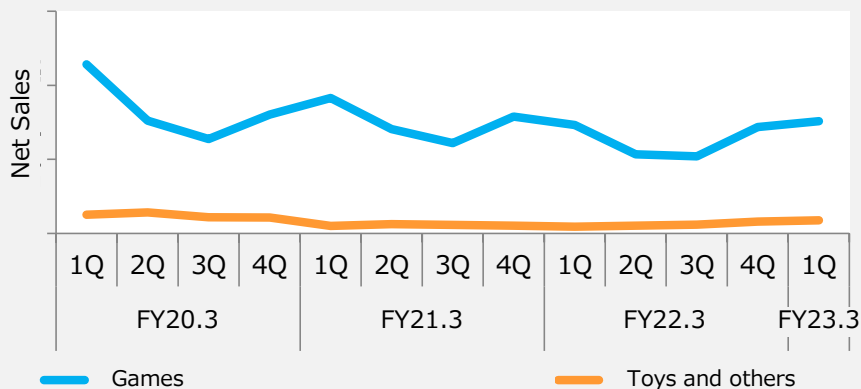
Trends in Domestic Licensing for Major Titles

- Overall sales increased from the previous term due to strong sales of merchandising rights, including sales promotion of theatrical movies.
- Sales of both the game development rights and merchandising rights of the *DRAGON BALL* series were strong.
- Sales increased from the previous term overall due to the strong sales of merchandising rights of *ONE PIECE*, despite a slight decline in sales of its game development rights.

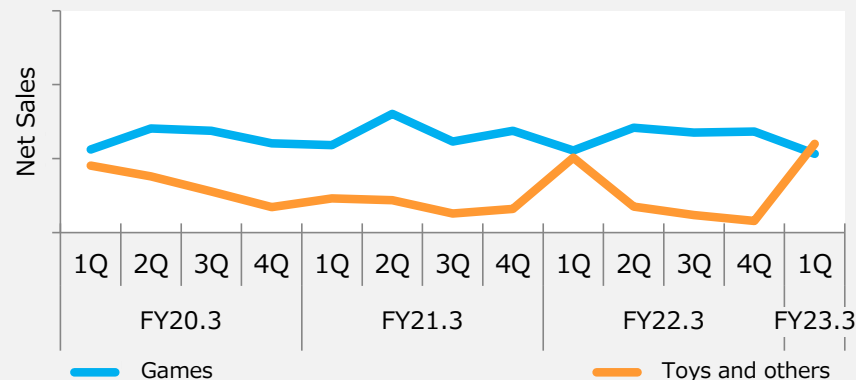
Trends in Domestic Licensing Revenues



Trends in Domestic Licensing Revenues for *DRAGON BALL*



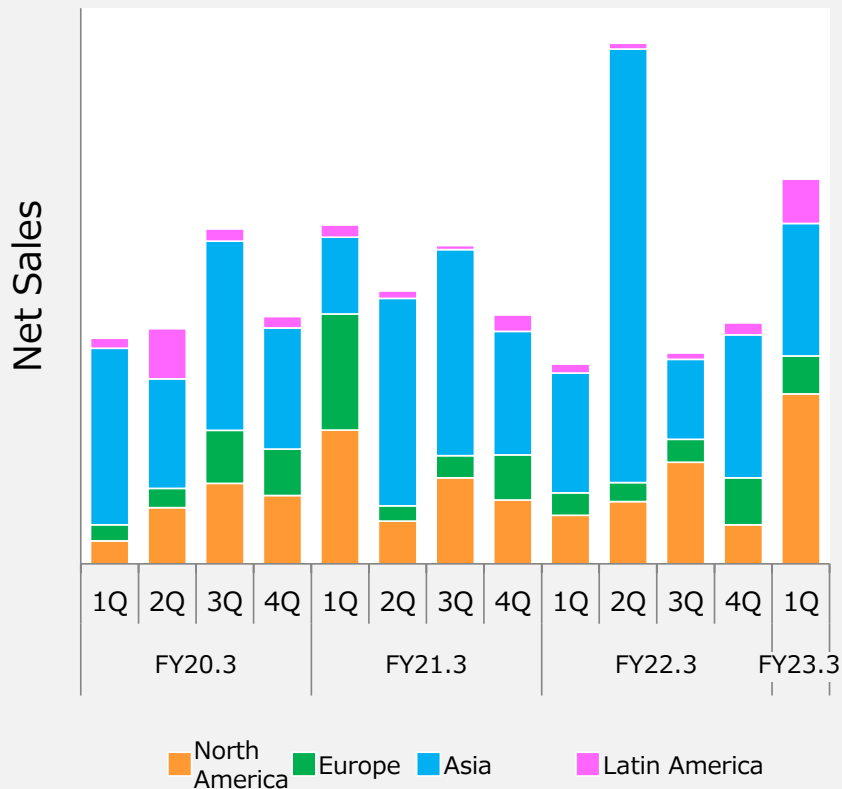
Trends in Domestic Licensing Revenues for *ONE PIECE*



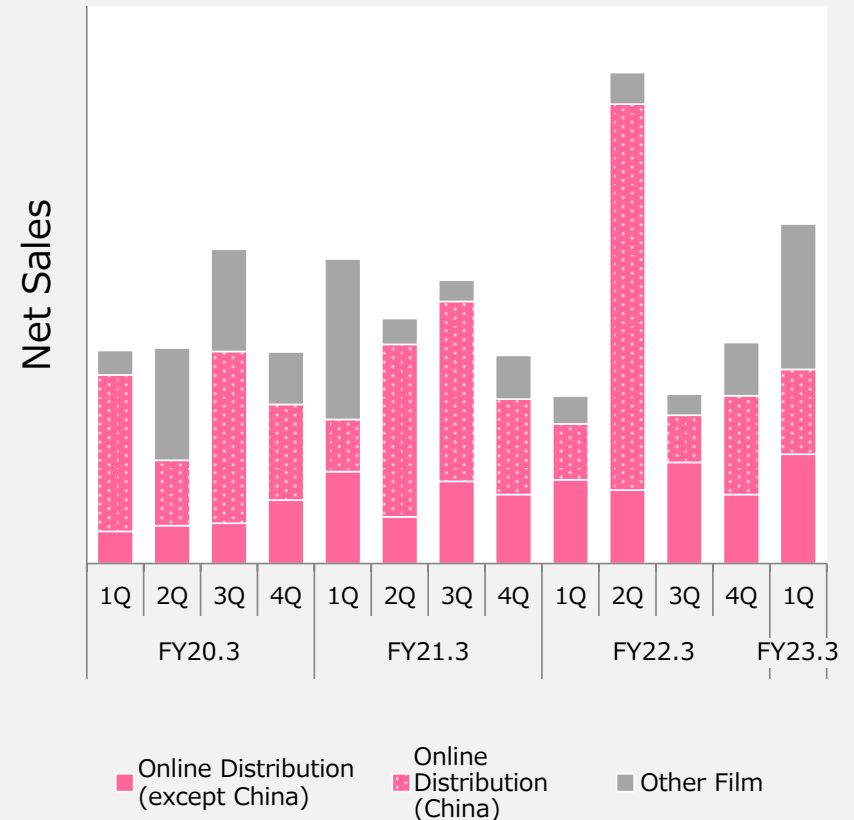
Trends in Film Overseas

- Sales increased significantly from the previous term due to strong sales of theatrical screening rights of *DRAGON BALL* in North America and other countries.
- In China, sales of online distribution rights of *ONE PIECE*, etc. remained strong.
- Sales from the production of a new series of *SAINT SEIYA*, the full 3D CG animation work, were posted.

Trends in Net Sales of Film Overseas



Breakdown of Net Sales by Business

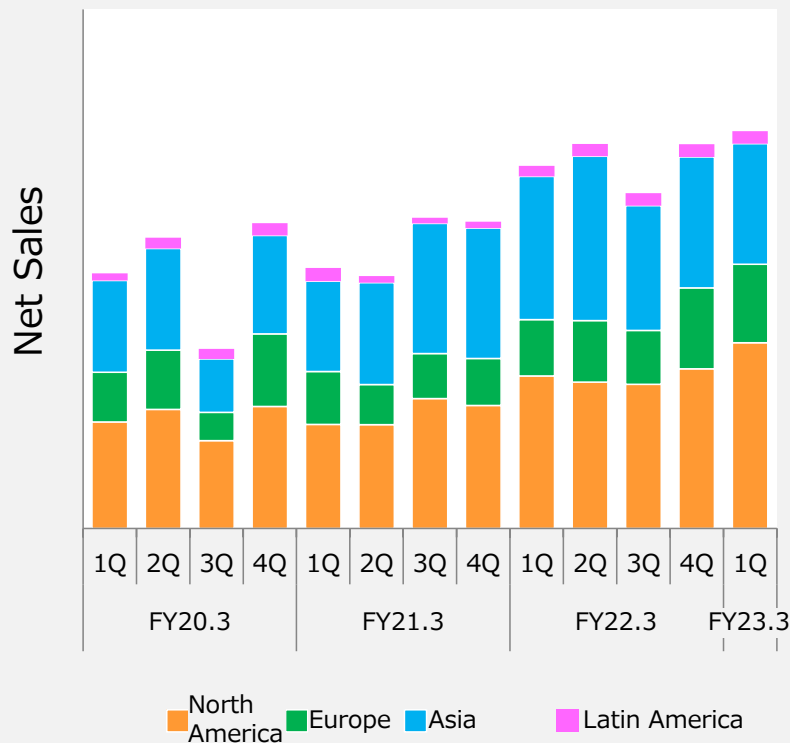


* Due to consolidated accounting for subsidiaries, the left graph shows consolidated figures while the right graph shows our non-consolidated figures.

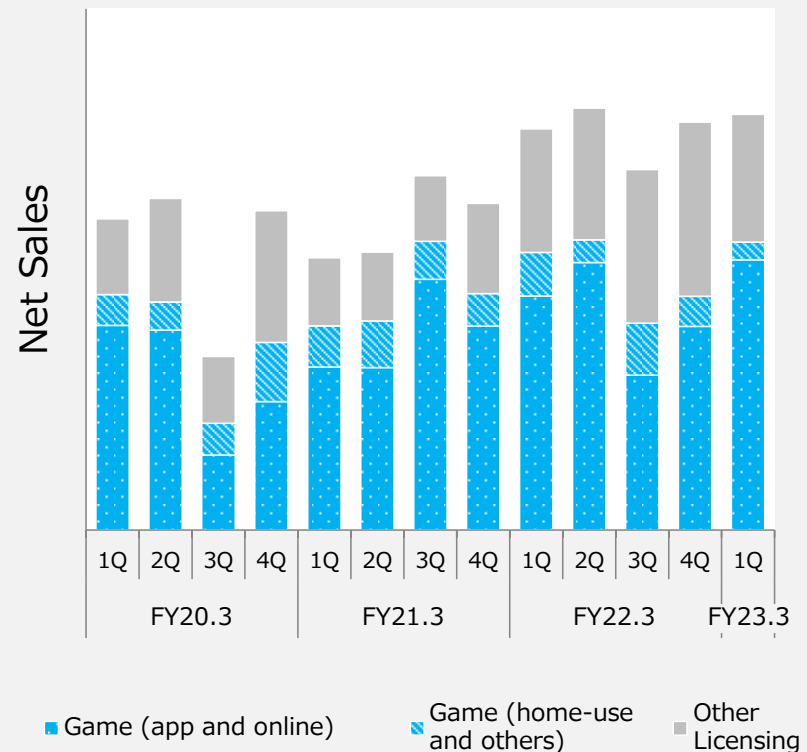
Trends in Licensing Overseas

- Revenues increased due to the strong sales of merchandising rights of the *DRAGON BALL* series in Europe and North America, and sales of merchandising rights of *ONE PIECE* in China.
- Sales of game development rights of the *DRAGON BALL* series, *ONE PIECE*, and *DIGIMON* for China, which was released last autumn, were good.
- MG of new app games was posted for China.

Trends in Net Sales of Film Overseas



Breakdown of Net Sales by Business



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

Progress toward Earnings Estimates for FY2023.3

(Million Yen)	FY23.3 1Q	FY23.3 Estimates	FY23.3 Progress
Net Sales	18,061	70,000	25.8%
Operating Income	4,110	18,300	22.5%
Ordinary Income	5,307	18,900	28.1%
Net Income	4,023	13,500	29.8%
Film	7,684	30,100	25.5%
Movies	1,242	7,300	17.0%
TVs	876	2,700	32.5%
DVDs	98	300	32.8%
Overseas	4,110	16,700	24.6%
Others	1,356	3,100	43.8%
Licensing	9,563	34,400	27.8%
Japan	3,791	11,900	31.9%
Overseas	5,771	22,500	25.6%
Sales of Goods	535	3,900	13.7%
Others	318	1,600	19.9%

Movies

- Delivery and release of large titles of movies such as *ONE PIECE* and *DRAGON BALL* in 2Q and *SLAM DUNK* in 3Q are expected.

Overseas

- The posting of large online distribution rights for China has been scheduled, since the previous term, in the second quarter.

Film Others

- Domestic sales of online distribution rights are strong, making good progress in comparison with both the plan and the previous term.

Japan

- Sales of both game development rights and merchandising rights are strong, mainly because of the movie effects, and have started smoothly.

Overseas

- Sales of the game development rights of *DRAGON BALL*, *ONE PIECE* and *DIGIMON* were good, as were sales of merchandising rights of *DRAGON BALL* and *ONE PIECE*.

Others (Event)

- A recovery from the COVID-19 pandemic is expected, e.g. large events in summer, etc.

* Estimates are disclosed on May 12, 2022.

* Numbers for each segment include intra-company sales.

Future Initiatives

Schedule

Film Licensing
Sales of Goods Others

FY23.3 1Q	Began terrestrial broadcasting of <i>Miraculous: Tales of Ladybug and Cat Noir</i> [April 2]
	<i>Galaxy Express 999 THE MUSICAL</i> performed [April 8-18]
	The company online shopping site relaunched as the official TOEI ANIMATION store [April 14]
	Release of <i>Dragon Ball Super: Super Hero</i> [June 11]
FY23.3 2Q	Release of the first series of <i>ONE PIECE</i> trading cards [July 8]
	Release of <i>Digimon Survive</i> (PS4/Switch) [July 28]
	Release of <i>ONE PIECE FILM RED</i> [August 6]
	Advanced broadcasting of a new season of the full 3D CG animation <i>SAINT SEIYA Knights of the Zodiac</i> is scheduled in overseas countries [2022 Summer]
	Scheduled release of the movie <i>Delicious Party ♡ Pretty Cure</i> [September 23]
	Scheduled release of <i>DRAGON BALL: THE BREAKERS</i> for PS4/Switch/Xbox One/STEAM [October 13, 2022]
	Scheduled release of <i>THE FIRST SLAM DUNK</i> [December 3]
FY23.3 3Q-	Release of the Switch game <i>SOUKAITENKI</i> [December 8]
	Scheduled release of <i>ONE PIECE ODYSSEY</i> for PS5/PS4/Xbox/STEAM [2022]
	Movie <i>Sailor Moon Cosmos</i> Scheduled release of Parts 1 and 2 [2023 early Summer]
	Release of film <i>Birth of KITARO: Mystery of GeGeGe</i> [Fall 2023]
	Scheduled release of the Hollywood live-action movie, <i>Knights of the Zodiac (SAINT SEIYA)</i> [2023]
	<i>DEVIL BOY</i> Scheduled worldwide exclusive streaming as a series for Netflix [2023]
Scheduled release of internationally co-produced movie <i>The Monkey Prince (tentative)</i> [TBA]	
Scheduled release of Home-use game <i>Infinity Strash Dragon Quest: The Adventure of Dai</i> [TBA]	

Topics

Status of Animation Works in FY2023.3 1Q

- **Movie *Dragon Ball Super: Super Hero***
 - Released on Saturday, June 11, 2022
 - A big hit at movie theaters all around Japan

Development of New Titles

- **Movie *ONE PIECE FILM RED***
 - Released on Saturday, August 6, 2022
- **Movie *Delicious Party ♡ Pretty Cure***
 - To be released on Friday, September 23, 2022
- **Broadcasting of a new season of *SAINT SEIYA Knights of the Zodiac***
 - Broadcasting of a new season of the full 3D CG animation that was broadcast in 2019 was determined
 - Scheduled advanced overseas broadcasting at Crunchyroll / iQIYI in the summer of 2022
- **Movie *THE FIRST SLAM DUNK***
 - Scheduled to be released on Saturday, December 3, 2022
- **Movie *Sailor Moon Cosmos***
 - Scheduled successive release of two parts (Part 1 and Part 2) in the early summer of 2023
- **Movie *Birth of KITARO: Mystery of GeGeGe***
 - Scheduled to be released in fall 2023
- **Scheduled release of the Hollywood live-action movie *Knights of the Zodiac (SAINT SEIYA)***
 - Scheduled to be released globally in 2023
- **Distribution of *DEVIL BOY***
 - Scheduled worldwide exclusive streaming as a series for Netflix in 2023

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

Creating
New Titles



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



Miraculous: Tales of Ladybug and Cat Noir
First terrestrial broadcast on Saturday, April 2, 2022

NO
IMAGE

Saint Seiya: Knights of the Zodiac - Battle for Sanctuary -
Scheduled advanced broadcasting of a new season of the full 3D CG animation overseas in the summer of 2022

New

To be added in this term.



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

NO
IMAGE

Future's Folktales Season 2
goes into production in a collaboration with Saudi Arabia



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 Ball Super: Super Hero
Released on Saturday, June 11, 2022 and now playing



ONE PIECE FILM RED
Released on Saturday, August 6, 2022 and now playing

New

To be added in this term.



Movie Delicious Party Pretty Cure
To be released on Friday, September 23, 2022

THE FIRST
SLAM
DUNK

THE FIRST SLAM DUNK
Scheduled to be released on Saturday, December 3, 2022

New

To be added in this term.



Sailor Moon Cosmos Part 1 and Part 2
Scheduled successive release of Part 1 and Part 2 in the early summer of 2023



DEVIL BOY
Scheduled worldwide exclusive streaming as a series for Netflix in 2023



Birth of KITARO: Mystery of GeGeGe
Animation movie scheduled to be released in fall 2023

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

Reference (1) (Works being broadcasted)



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



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



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



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



FRI at 6:40pm on
NHK Educational TV



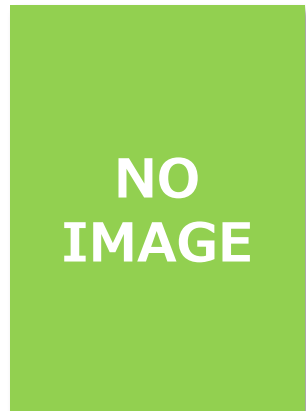
SAT at 9:00am on
NHK Educational TV

Reference (2) (Lineup of New Titles from FY2023.3)



ONE PIECE FILM RED

Released on Saturday, August 6,
2022



Saint Seiya: Nights of the Zodiac - Battle for Sanctuary -

Advanced overseas broadcasting in 2022
Summer



Movie Delicious Party ♡ Pretty Cure

To be released on Friday,
September 23, 2022



THE FIRST SLAM DUNK
scheduled to be released on
Saturday, December 3, 2022

Reference (3) (Lineup of New Titles from FY2023.3)



Sailor Moon Cosmos
Scheduled successive
release of Part 1 and
Part 2 in the early
summer of 2023



DEVIL BOY
Scheduled to be
exclusively streamed on
Netflix in 2023



**Birth of KITARO:
Mystery of GeGeGe**
Scheduled to be
released in theaters in
the autumn of 2023



TOEI ANIMATION

Since 1956

[Precautions regarding outlook]

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