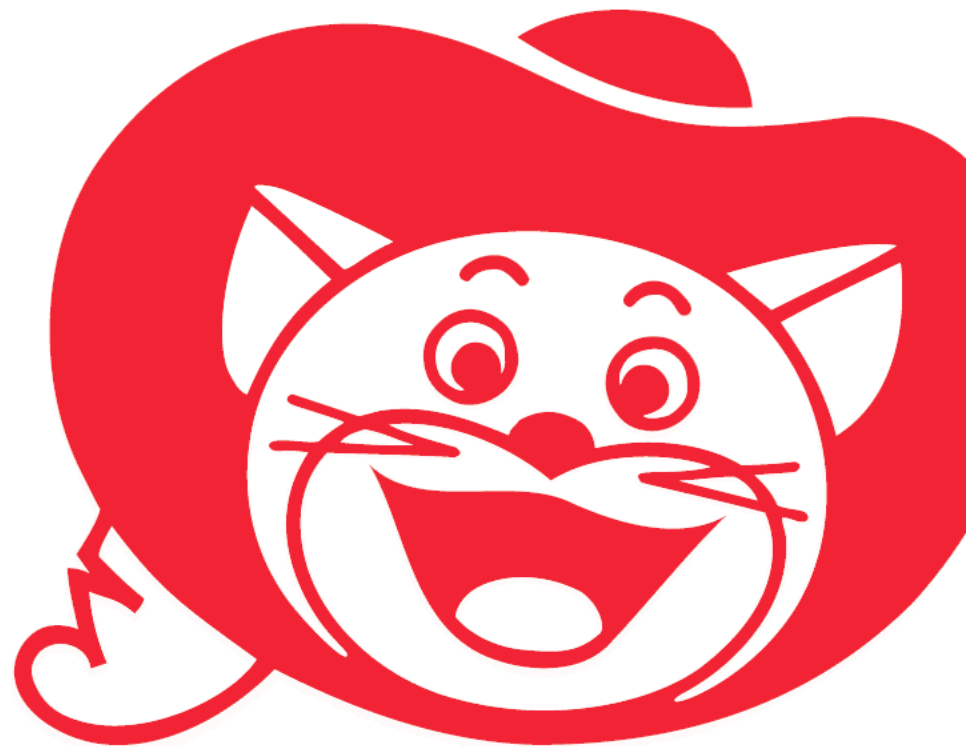


Financial Results Supplementary Material



For Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)
Toei Animation Co., Ltd.

TOEI ANIMATION CO.,LTD.

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- 01. Financial Results for
Third Quarter Ended
December 31, 2023
- 02. Outlook for FY2024.3
- 03. Future Business Prospects



01. Financial Results for
Third Quarter Ended December 31, 2023



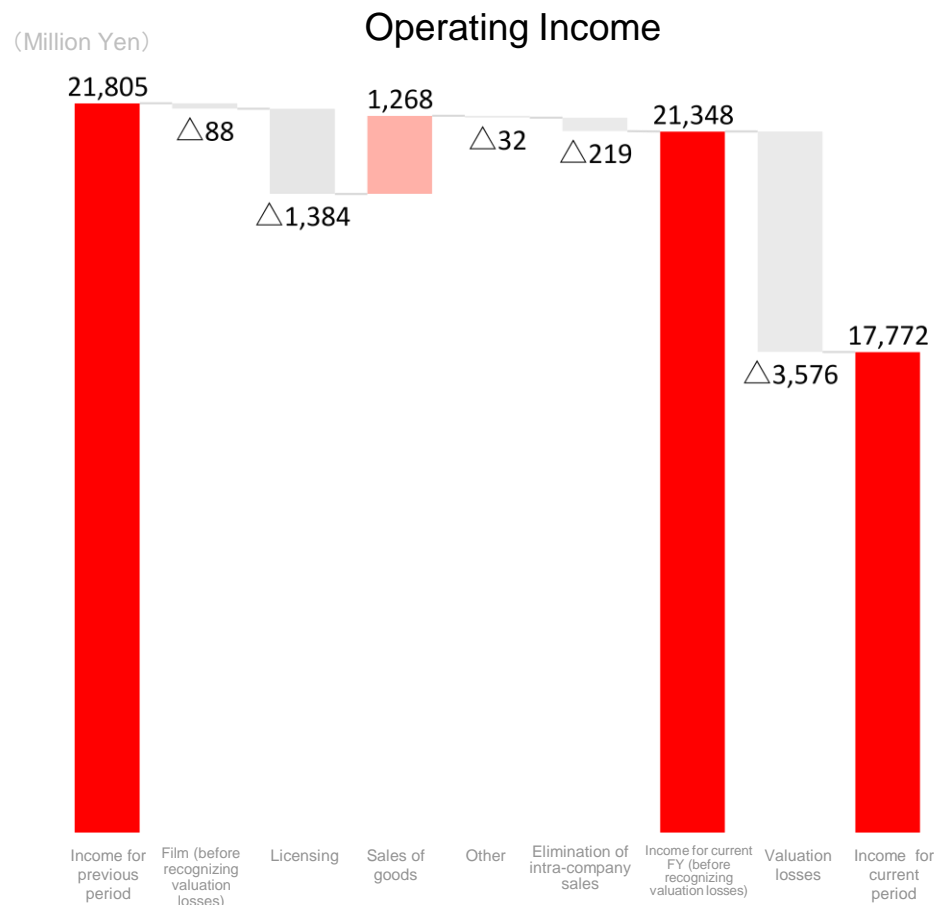
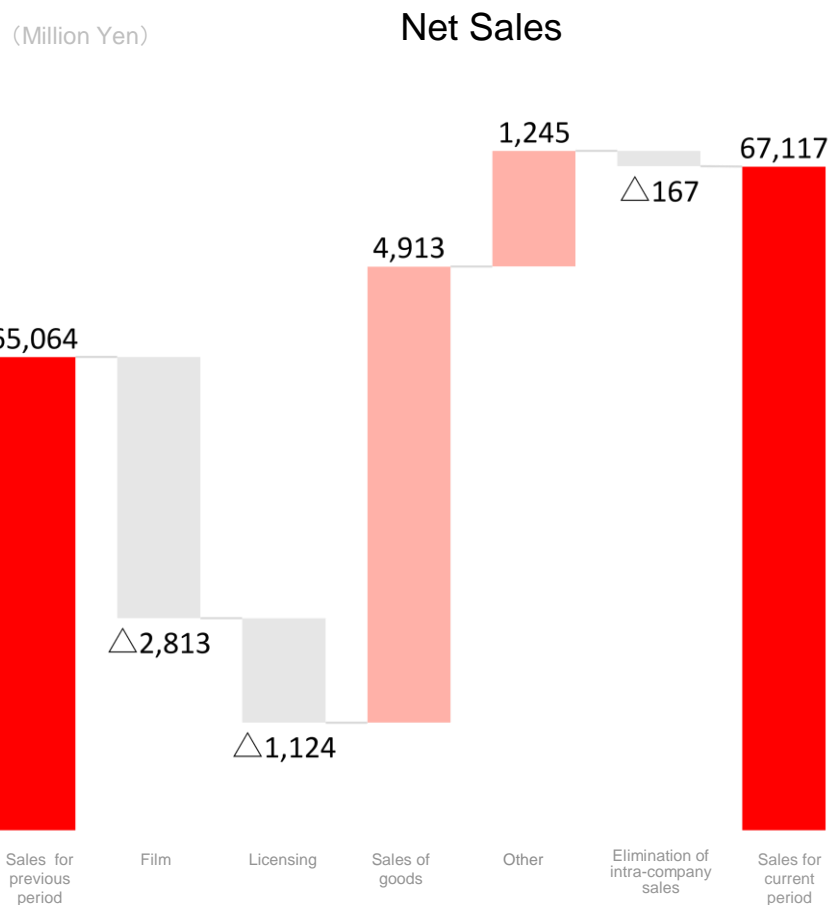
Financial Results Summary

- Sales renewed the record for the April to December period. Operating income is the second highest following the previous fiscal year, when three major movie titles were released.
- The ripple effect of the three big hit movies released in the same period of the previous fiscal year continued to drive the performance of the Sales of Goods Business and overseas distribution rights.
- The full-year forecast was revised upwards due to the strong performance despite the recording of valuation losses related to “Knights of the Zodiac.”

(Million Yen)	FY2024.3 Third Half (April–December 2023)			FY2024.3 3Q (October–December 2023)				
	Results	FY2023.3 Third Half (April–December 2022)		Results	FY2023.3 3Q (October–December 2022)		FY2023.3 2Q (July–September 2023)	
		Results	YoY		Results	YoY	Results	QonQ
Net Sales	67,117	65,064	3.2%	20,933	22,613	Δ7.4%	26,300	Δ20.4%
Gross Profit	27,887	29,744	Δ6.2%	9,900	10,436	Δ5.1%	12,458	Δ20.5%
SG&A	10,114	7,939	27.4%	3,493	2,825	23.6%	3,188	9.6%
Operating Income (Operating Margin)	17,772 (26.5%)	21,805 (33.5%)	Δ18.5% (Δ7.0%)	6,406 (30.6%)	7,610 (33.7%)	Δ15.8% (Δ3.0%)	9,270 (35.2%)	Δ30.9% (Δ4.6%)
Operating Income (excluding the impact of valuation losses) (Operating Margin)	21,348 (31.8%)	21,805 (33.5%)	Δ2.1% (Δ1.7%)	-	-	-	-	-
Ordinary Income	20,300	22,796	Δ10.9%	6,443	7,272	Δ11.4%	9,919	Δ35.0%
Net Income	14,593	16,502	Δ11.6%	4,352	4,980	Δ12.6%	7,120	Δ38.9%

Year-on-Year Changes

- Net sales saw strong performance in the Sales of Goods Business and Other, but revenues declined for the Film and Licensing Businesses due to the reactionary decline from the strong sales from the three major movie titles released in the same period of the previous fiscal year.
- Operating income declined significantly due to the recording of losses on valuation of inventories related to “Knights of the Zodiac” in 1Q.
- Operating income excluding the above impacts was approximately 21.3 billion yen, the second-highest level.



FY2024.3 3Q Results Segment Breakdown

- The Film segment saw a decrease in revenues and income due to the reactionary decline from the three major movie titles released in the same period of the previous fiscal year and the recording of losses on valuation related to “Knights of the Zodiac,” despite the continued strong performance of overseas distribution rights.
- The Licensing Business saw a decline in revenues and income, as the sales of merchandising and game development rights for the “Dragon Ball” series did not reach the momentum of the same period of the previous fiscal year, despite the strong performance of the sales of merchandising and game development rights for “ONE PIECE.”
- Revenues and income increased significantly for the Sales of Goods Business due to the success of the shop business for the “ONE PIECE” and “Pretty Cure” series, despite the slowing of theater merchandise sales and e-commerce after the end of the theatrical release for “THE FIRST SLAM DUNK.”

(Million Yen)		FY2023.3 3Q Results	FY2024.3 3Q Results	% Change
Film	Net Sales	29,277	26,464	△9.6%
	Segment Income	8,534	4,869	△42.9%
Licensing	Net Sales	31,254	30,129	△3.6%
	Segment Income	15,711	14,327	△8.8%
Sales of Goods	Net Sales	3,519	8,432	139.6%
	Segment Income	204	1,473	619.6%
Others	Net Sales	1,186	2,431	105.0%
	Segment Income	48	16	△65.9%
Total	Net Sales	65,064	67,117	3.2%
	Operating Income	21,805	17,772	△18.5%

*Figures for each segment include intra-company sales.

FY2024.3 3Q Results Segment Analysis (1) Film

(Million Yen)		FY23/3. 3Q Results	FY24/03. 3Q Results
Net Sales		65,064	67,117
Film		29,277	26,464
	Movies	5,919	2,296
	TVs	2,266	2,186
	DVDs	290	297
	Overseas	17,180	18,284
	Others	3,620	3,399
Licensing		31,254	30,129
	Japan	11,950	12,113
	Overseas	19,303	18,016
Sales of Goods		3,519	8,432
Others		1,186	2,431

Film (↓ 9.6% year on year)

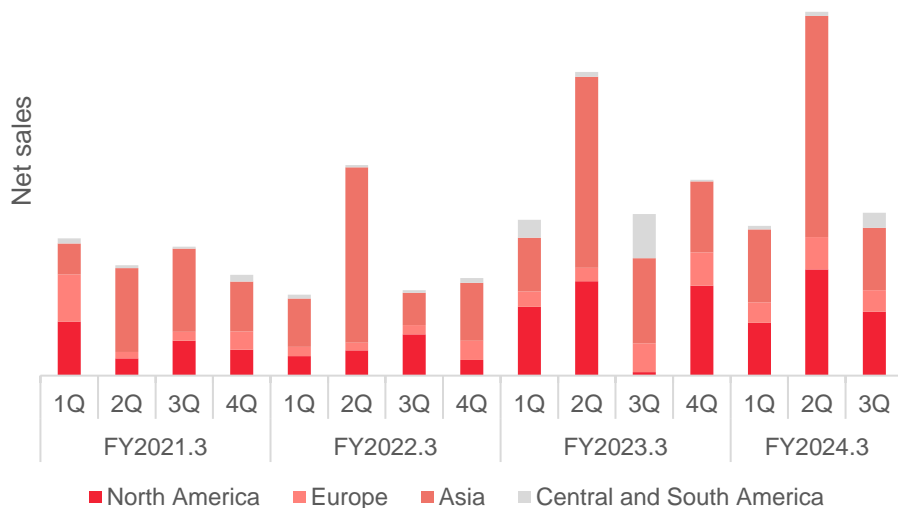
- In the Movies segment, revenues decreased significantly due to the reactionary decline following sales of the big hit movies “Dragon Ball Super: SUPER HERO,” “ONE PIECE FILM RED,” and “THE FIRST SLAM DUNK,” released in the same period of the previous fiscal year, despite the strong performance by “Pretty Cure All Stars F” and “Kitaro Tanjou: GeGeGe no Nazo.”
- In the TVs segment, revenues declined slightly due to a decrease in the number of works being broadcast compared to the same period of the previous fiscal year.
- Revenues increased slightly in the DVDs segment due to the release of Blu-ray/DVD versions of “ONE PIECE FILM RED.”
- In the Overseas segment, revenues increased due to the strong sales of overseas distribution rights for “ONE PIECE” and overseas screening rights for the movie “THE FIRST SLAM DUNK” despite the reactionary decline in sales of overseas screening rights for the movie “Dragon Ball Super: SUPER HERO” which performed well during the same period of the previous fiscal year.
- In the Others segment, revenues decreased due to the domestic online distribution rights sales not reaching the momentum of the same period of the previous fiscal year, among other things.

*Figures for each segment include intra-company sales.

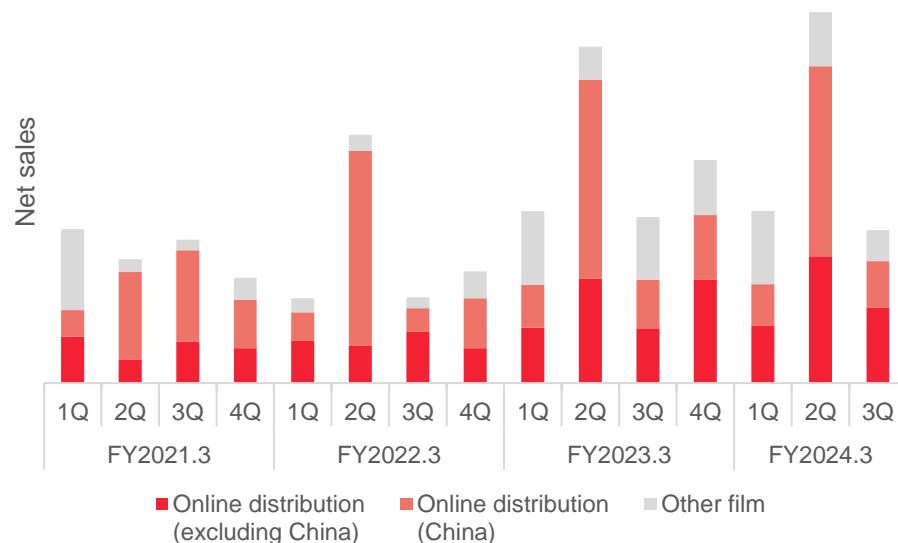
Trends in Film Overseas

- Sales of theatrical screening rights of the movie “THE FIRST SLAM DUNK” for Asia were strong despite the reactionary decline in the sales of theatrical screening rights of the movie “Dragon Ball Super: SUPER HERO” released in the same period of the previous fiscal year.
- Sales of distribution rights for “ONE PIECE” in Asia and North America were strong.

Trends in Net Sales of Film Overseas



Breakdown of Net Sales by Business



Film Business: Topics



「Precure All Stars F the Movie」

- Screening from September 15, 2023
- Box-office revenue in Japan exceeded ¥1.45 billion
- Number of audience attendance reached over a million



「The Birth of Kitaro: The Mystery of GeGeGe」

- Screening from November 17, 2023
- Box-office revenue in Japan exceeded ¥2.3 billion
- Number of audience attendance reached over 1.6 million

*Box-office revenue and audience attendance figures as of January 26, 2024

FY2024.3 3Q Results Segment Analysis (2)

Licensing, Sales of Goods, Others

(Million Yen)		FY23.3 3Q Results	FY24.3 3Q Results
Net Sales		65,064	67,117
Film		29,277	26,464
	Movies	5,919	2,296
	TVs	2,266	2,186
	DVDs	290	297
	Overseas	17,180	18,284
	Others	3,620	3,399
Licensing		31,254	30,129
	Japan	11,950	12,113
	Overseas	19,303	18,016
Sales of Goods		3,519	8,432
Others		1,186	2,431

Licensing (↓ 3.6% year on year)

- In domestic licensing, revenues remained flat due to the strong performance of game development and merchandising rights for “ONE PIECE,” despite the sales of game development rights for the “Dragon Ball” series not reaching the momentum of the same period of the previous fiscal year.
- In overseas licensing, revenues declined as the sales of merchandising rights did not reach the momentum of the same period of the previous fiscal year for the “DIGIMON” and “Dragon Ball” series.

Sales of Goods (↑ 139.6% year on year)

- Revenues increased significantly due to the success of the theater merchandising and e-commerce for the movie “THE FIRST SLAM DUNK” and shop business for the “ONE PIECE” and “Pretty Cure” series.

Others (↑ 105.0% year on year)

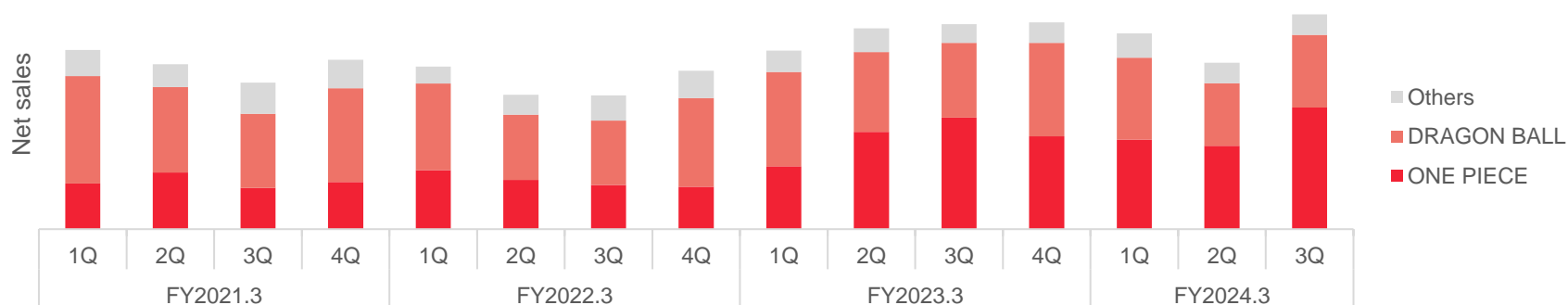
- Revenues increased greatly due to the success of the events for the “Pretty Cure” series.

*Figures for each segment include intra-company sales.

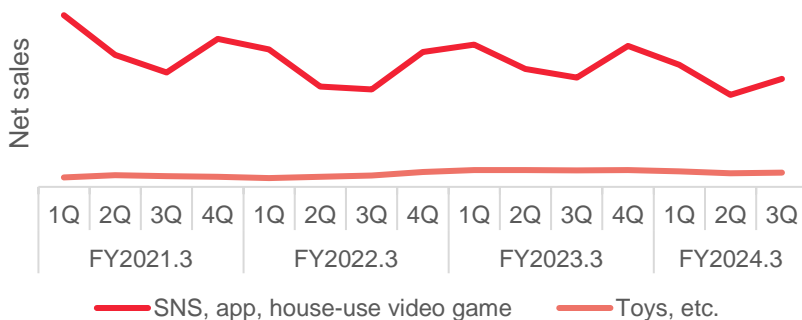
Trends in Domestic Licensing

- Revenues declined as the sales of game development rights for the “Dragon Ball” series did not reach the momentum of the same period of the previous fiscal year.
- Revenues increased for “ONE PIECE,” with the strong sales of game development rights exceeding the momentum during the theatrical release in the previous fiscal year, in addition to the success of merchandising rights, including for card games.

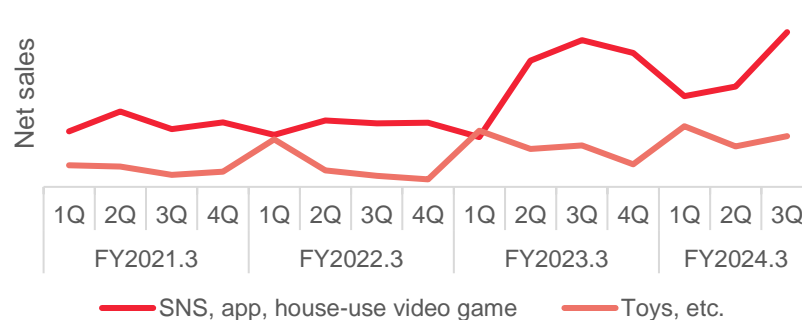
Trends in Net Sales of Domestic Licensing



Trends in Net Sales of Domestic Licensing for DRAGON BALL



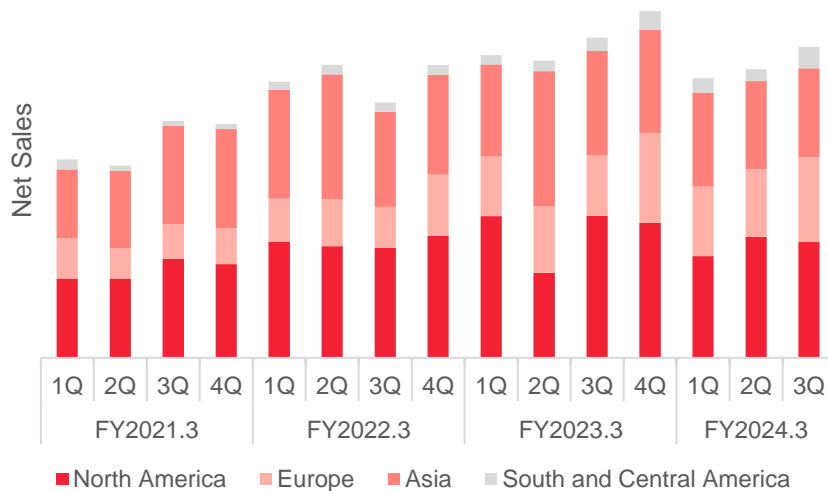
Trends in Net Sales of Domestic Licensing for ONE PIECE



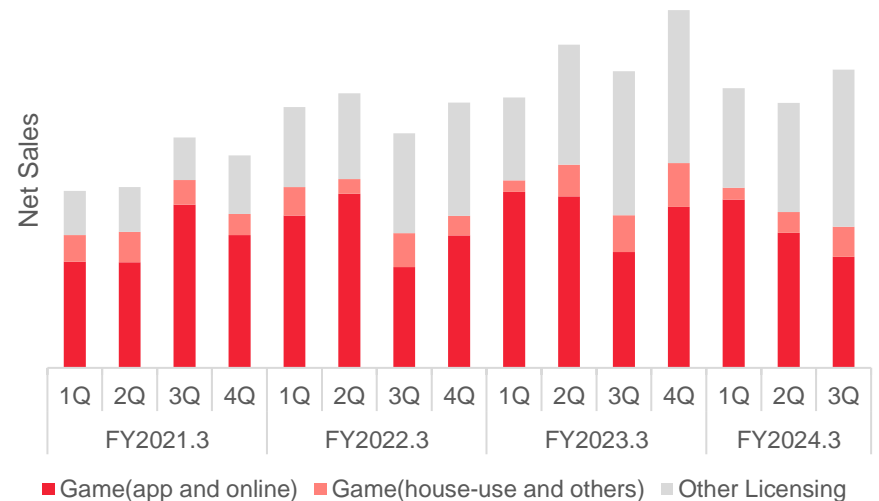
Trends in Overseas Licensing

- Sales of merchandising rights, including card games, performed strongly for “ONE PIECE,” mainly in North America and Europe due to increased recognition gained through exposure expansion measures over multiple years and the movie released in the same period of the previous fiscal year.
- Revenues decreased for game development rights, mainly for the “Dragon Ball” series, for which a collaboration campaign was carried out in the same period of the previous fiscal year.

Trends in Net Sales of Overseas Licensing



Breakdown of Net Sales by Business



Licensing, Sales of Goods, Others Businesses: Topics

Domestic Licensing



ONE PIECE Bounty Rush

Overseas Licensing



ONE PIECE CARD GAME

Sales of Goods



Mugiwara Store (Ikebukuro store)



Ichibankuji ONE PIECE



ONE PIECE Figure



Precure Pretty Store (Osaka store)

FY2024.3 3Q Results Review

- Sales renewed record high for the April to December period due to continued strong performance in the Sale of Goods Business from 1Q and also driven by the overseas distribution rights.
- Full-year earnings estimates are revised upwards due to the continued strong performance despite the recording of losses on valuation of inventories for “Knights of the Zodiac” in 1Q.
- A large portion of non-operating income is from posting foreign exchange gains. (Million Yen)

	FY23.3 3Q Results	FY24.3 3Q Results	Change	% Change
Net Sales	65,064	67,117	2,053	3.2%
Cost of Sales	35,320	39,230	3,910	11.1%
Gross Profit	29,744	27,887	△1,857	△6.2%
SG&A	7,939	10,114	2,175	27.4%
Operating Income	21,805	17,772	△4,032	△18.5%
Non-Operating Income	1,235	2,588	1,352	109.5%
Non-Operating Expenses	244	59	△184	△75.4%
Ordinary Income	22,796	20,300	△2,495	△10.9%
Extraordinary Gain and Loss	-	50	50	-
Net Income Before Tax	22,796	20,351	△2,444	△10.7%
Income Taxes	6,636	5,537	△1,098	△16.6%
Income Taxes Adjustment	△342	220	563	-
Minority Interest	-	-	-	-
Net Income	16,502	14,593	△1,909	△11.6%

Balance Sheet Digest

- Significant decrease in finished works due to the recording of valuation losses for “Knights of the Zodiac” in 1Q.
- “Other” for the current assets increased due to the tax refunds and increase in fair value of derivatives.

(Million Yen)

Account title	2023.3	2023.12	Change	Account title	2023.3	2023.12	Change
Cash and deposits	66,909	72,366	5,457	Notes and accounts payable - trade	22,763	18,621	△4,142
Notes and accounts receivable – trade	24,975	22,797	△2,178	Other	12,386	7,552	△4,834
Work in process	8,417	8,656	239	Current liabilities	35,150	26,173	△8,977
Finished works	3,716	443	△3,273	Non-current liabilities	855	1,629	773
Other	6,683	10,368	3,684	Total liabilities	36,006	27,802	△8,203
Current assets	110,702	114,631	3,929	Shareholders' equity	108,768	117,070	8,302
Property, plant and equipment	8,392	8,232	△159	Total accumulated other comprehensive income	5,734	8,237	2,503
Intangible assets	1,184	1,154	△29	Total net assets	114,502	125,308	10,805
Investments and other assets	30,229	29,091	△1,138				
Non-current assets	39,806	38,479	△1,326				
Total assets	150,508	153,111	2,602	Total liabilities and net assets	150,508	153,111	2,602

02. Outlook for FY2024.3



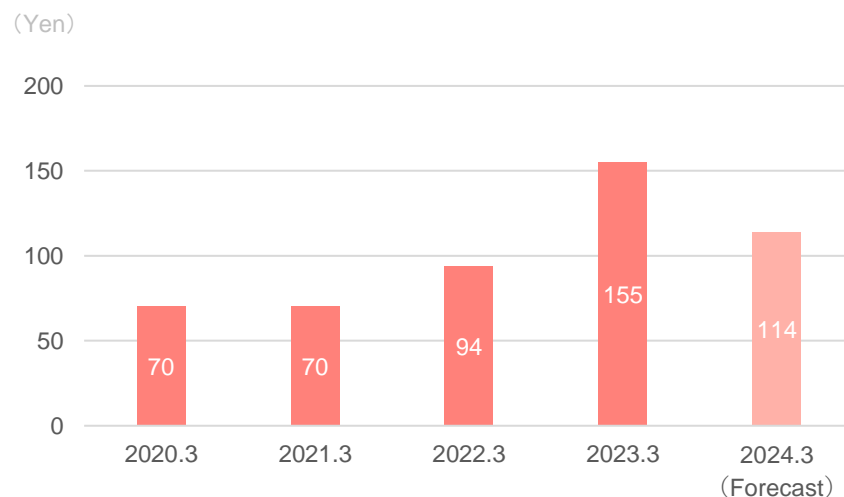
FY2024.3 Revision of Earnings Estimates and Dividend - Consolidated

- Revised upwards as sales of domestic distribution rights, merchandising rights, and Sales of Goods Business exceeded the initial forecast for the April to December period due to the continued ripple effect of the movies released in the previous fiscal year.
- The dividend forecast has been revised to 114 yen per share, applying the same payout ratio as the previous period.

Revision of full-year earnings estimates

(million yen)	Revised forecast (10/24)	Revised forecast (1/29)	Change	% Change
Net Sales	82,000	83,000	+1,000	1.2%
Operating Income	19,000	20,500	+1,500	7.9%
Ordinary Income	20,000	21,500	+1,500	7.5%
Net Income	13,500	15,500	+2,000	14.8%

Year-end dividend



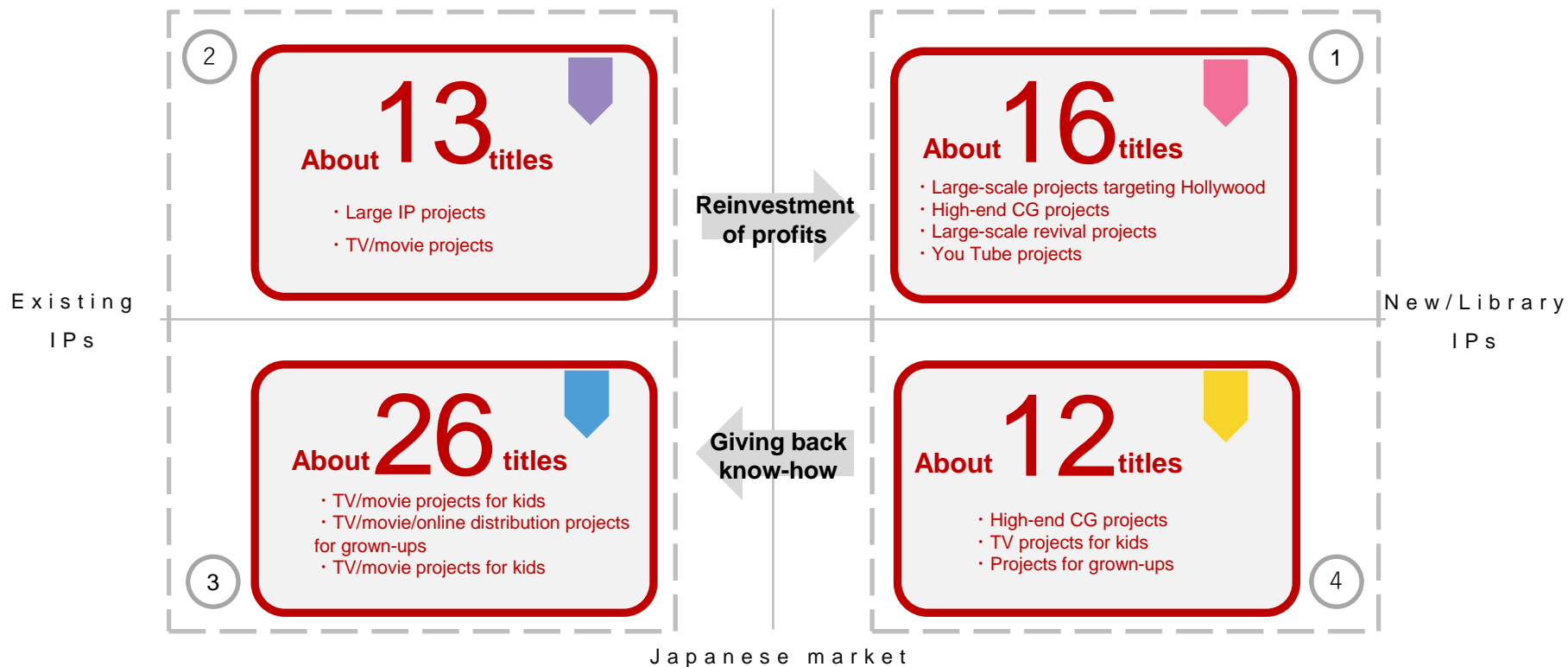
03. Future Business Prospects



Title Portfolio

FY2023 ~ FY2026

Overseas market



	FY2023		FY2024		FY2025	
	Movies	Series	Movies	Series	Movies	Series
New/Library IPs for world	1title	5titles	1title	4titles	2titles	2titles
Existing IPs for world	4titles	1title	0titles	2titles	1title	2titles
Existing IPs for Japan	1title	5titles	2titles	7titles	3titles	4titles
New/Library IPs for Japan	0titles	5titles	0titles	3titles	0titles	2titles

※Estimates

Initiatives for medium- to long-term growth (work development)

Activation of existing IPs

Works for FY2023



「Power of Hope
~Precure Full Bloom~」
Started broadcasting on
Saturday, October 7



「DIGIMON ADVENTURE 02
THE BEGINNING」
Released on Friday,
October 27



「The Birth of Kitaro



「Butt Detective the Movie Farewell,
My Lovely Partner, Butt Detective.」

Released on Friday, November 17

Scheduled to be started on
Wednesday, March 20



「Dragon Ball DAIMA」
Fall 2024

Works for FY2024

Creating new IPs/ Library IPs



「Spicy Candy」

First project by Toei Animation
(Shanghai)
Original musical animation



「MOGMOG PLANET」

Short animation funded by Toei Animation
(Shanghai)
Worldwide rollout started in October 2023



「New Hana no Ko Lunlun」

Remake of the TV animation series “LULU, THE FLOWER ANGEL,”
the first collaboration work between Toei Animation (Shanghai) and
Tencent Video, online distribution to start in 2025



「Dark Holidays」

Co-produced with a French studio
Online distribution started in the
country on October 31, 2023



「Asateer」

Season 2 goes into
production in a collaboration
with Saudi Arabia

Works from business with Local production for local consumption

Works from Hollywood-type business



「The Monkey Prince
(provisional)」

Collaborative work involving Japan,
China and the U.S.
Animation for families created with
an eye to the global market

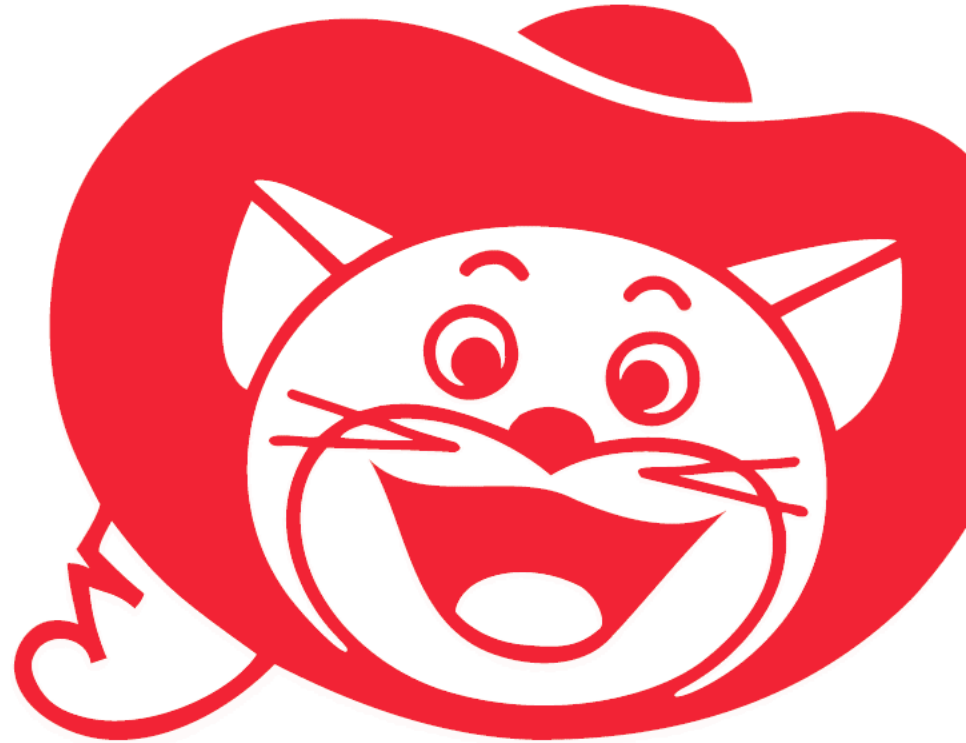
Works for Japan



「Girls Band Cry」
Completely new original
animation

Planned release in April 2024.

TOEI ANIMATION CO.,LTD.



[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.

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