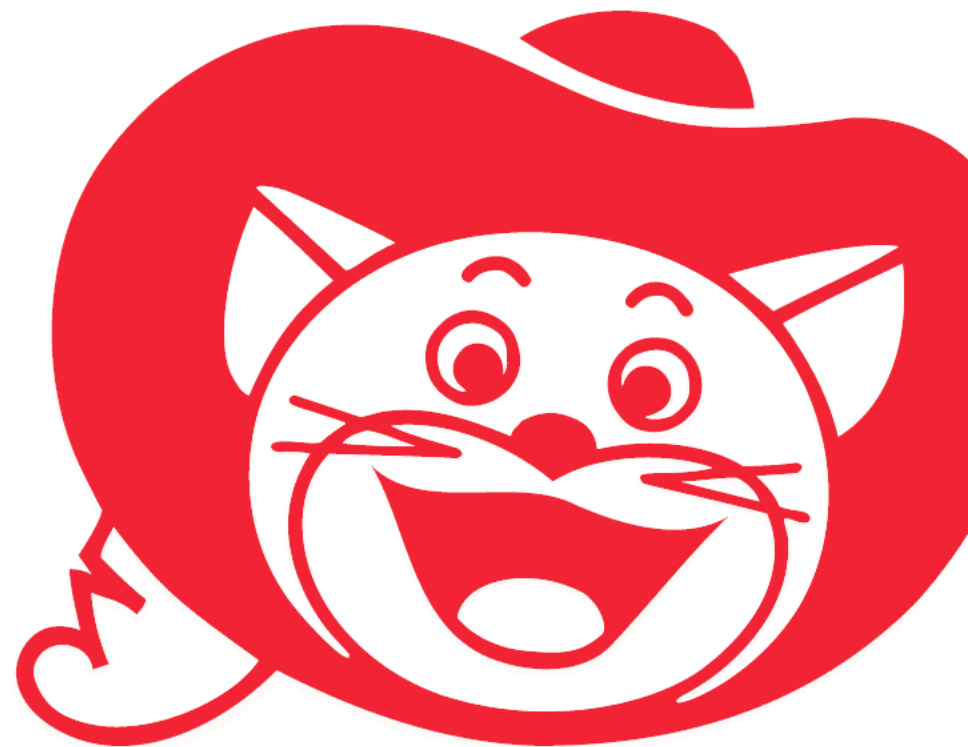


# Financial Results Supplementary Material

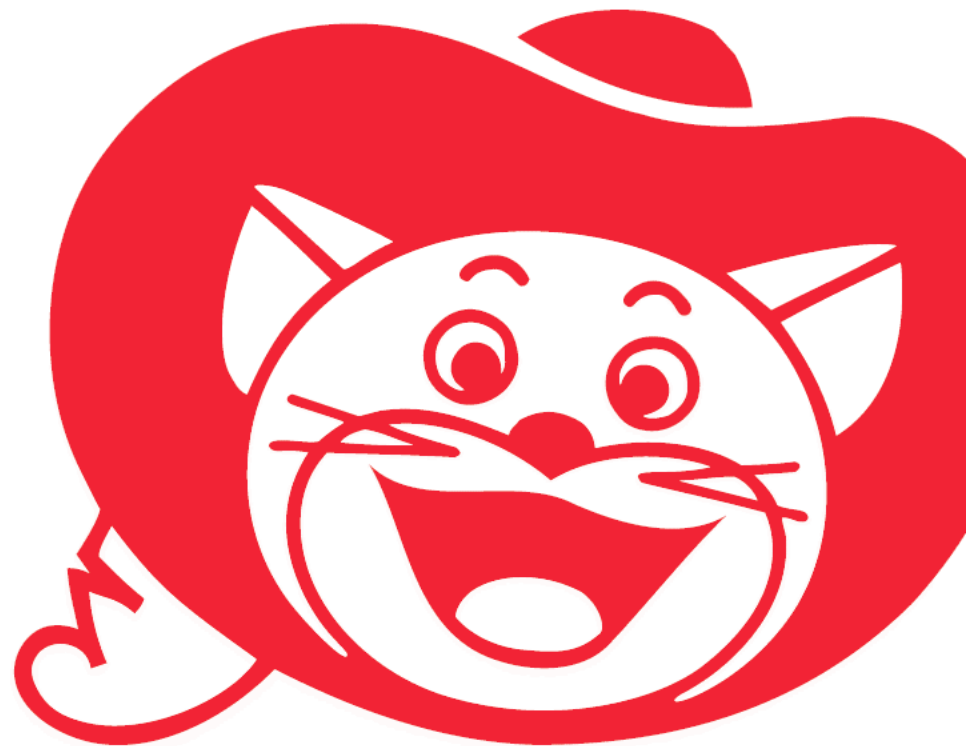


For Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)  
Toei Animation Co., Ltd.

**TOEI ANIMATION CO.,LTD.**

# CONTENTS

- 01. Financial Results for  
Second Quarter Ended  
September 30, 2023
- 02. Outlook for FY2024.3
- 03. Future Business Prospects



01. Financial Results for  
Second Quarter Ended September 30, 2023



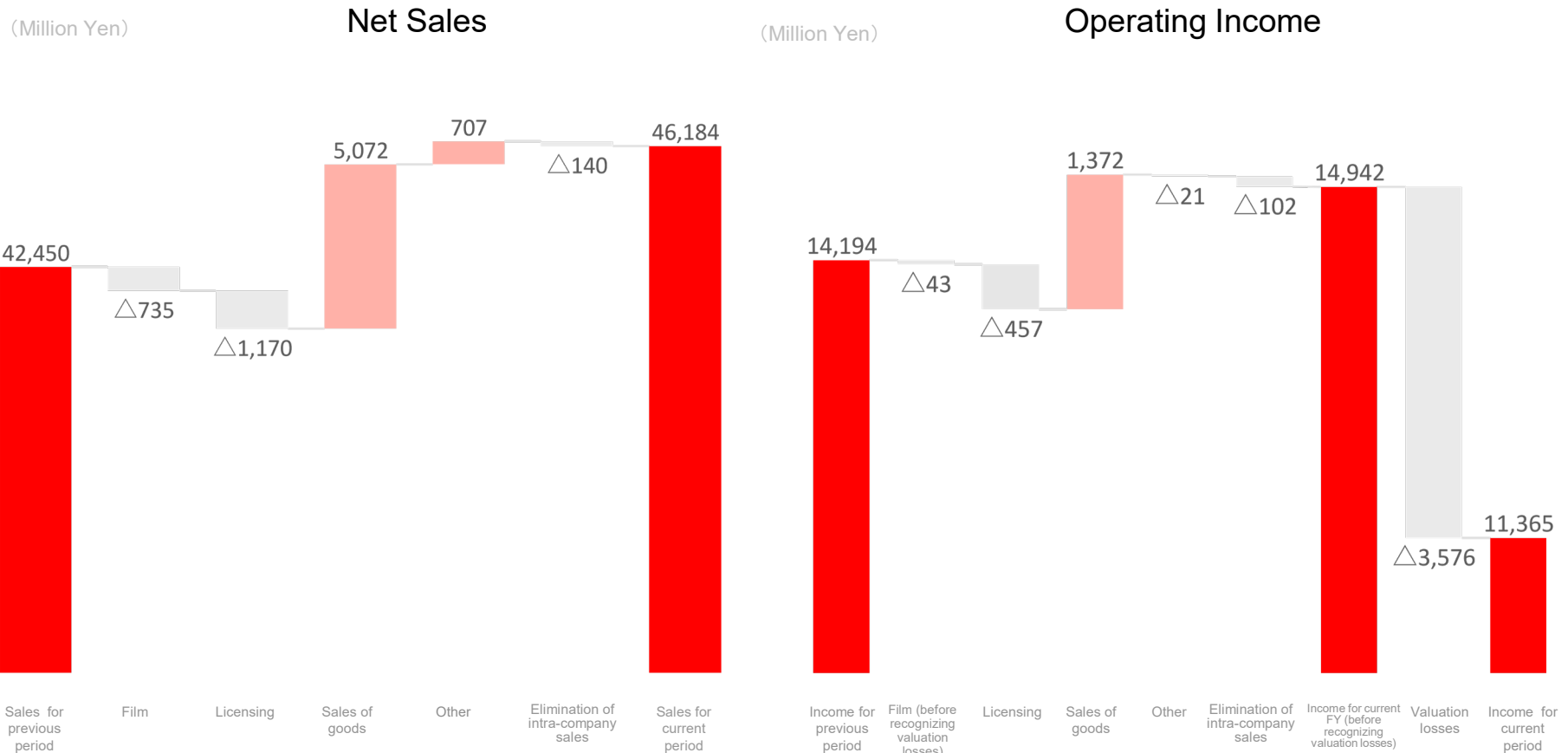
# Financial Results Summary

- Sales renewed record high in the first half of the year. Operating income reached the second highest level following the previous year, when major movie titles were released.
- In addition to continued strong performance in the Sales of Goods Business, sales of domestic and overseas online distribution rights drove performance.
- Achieved results exceeding the forecast at the beginning of the fiscal year despite the recording of losses on evaluation related to “Knights of the Zodiac The Beginning.”

(Million Yen)	FY2024.3 First Half (April–September 2023)			FY2024.3 2Q (July–September 2023)				
	Results	FY2023.3 First Half (April–September 2022)		Results	FY2023.3 2Q (July–September 2022)		FY2023.3 1Q (April–June 2023)	
		Results	YonY		Results	YonY	Results	QonQ
Net Sales	46,184	42,450	8.8%	26,300	24,388	7.8%	19,884	32.3%
Gross Profit	17,986	19,308	△6.8%	12,458	12,765	△2.4%	5,528	125.3%
SG&A	6,621	5,113	29.5%	3,188	2,681	18.9%	3,432	△7.1%
Operating Income (Operating Margin)	11,365 (24.6%)	14,194 (33.4%)	△19.9% (△8.8%)	9,270 (35.2%)	10,084 (41.3%)	△8.1% (△6.1%)	2,095 (10.5%)	342.3% (+24.7%)
Operating Income (excluding the impact of valuation losses) (Operating Margin)	14,942 (32.4%)	14,194 (33.4%)	5.3% (△1.1%)	9,270 (35.2%)	10,084 (41.3%)	△8.1% (△6.1%)	5,672 (30.7%)	342.3% (+24.7%)
Ordinary Income	13,857	15,524	△10.7%	9,919	10,216	△2.9%	3,938	151.9%
Net Income	10,240	11,521	△11.1%	7,120	7,498	△5.0%	3,120	128.1%

# Year-on-Year Changes

- Net sales saw continued strong performance in the Sales of Goods Business despite a significant decline in revenues in the Film Business due to a reactionary decline of the strong sales of the major movie titles released in the same period of the previous fiscal year.
- Operating income declined significantly due to the recording of losses on evaluation of inventories related to “Knights of the Zodiac The Beginning.”
- Operating income excluding the impacts mentioned above was approximately 15 billion yen, a record high level for the half of the year.



## FY2024.3 2Q Results Segment Breakdown

- Film segment saw significant decreases in revenues and income due to the recording of losses on evaluation of a large portion of inventories related to 「Knights of the Zodiac The Beginning.」, in addition to a reactionary decline from strong sales of the major movie titles released in the same period of the previous fiscal year.
- Licensing Business saw declines in revenues and income, as sales did not reach the momentum of the same period of the previous year, particularly in the sales of game development rights.
- Revenues increased greatly due to the success of the shop business for “ONE PIECE” and strong sales of goods related to the movie “THE FIRST SLAM DUNK.”

(Million Yen)		FY2023.3 2Q Results	FY2024.3 2Q Results	% Change
Film	Net Sales	19,847	19,112	△3.7%
	Segment Income	6,353	2,733	△57.0%
Licensing	Net Sales	20,432	19,262	△5.7%
	Segment Income	9,654	9,197	△4.7%
Sales of Goods	Net Sales	1,516	6,589	334.4%
	Segment Income	△ 45	1,326	-
Others	Net Sales	774	1,482	91.3%
	Segment Income	76	55	△27.5%
Total	Net Sales	42,450	46,184	8.8%
	Operating Income	14,194	11,365	△19.9%

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

# FY2024.3 2Q Results Segment Analysis (1) Film

(Million Yen)		FY23/3. 2Q Results	FY24/03. 2Q Results
Net Sales		42,450	46,184
<b>Film</b>		<b>19,847</b>	<b>19,112</b>
	Movies	3,164	1,475
	TVs	1,701	1,391
	DVDs	180	203
	Overseas	12,678	13,789
	Others	2,124	2,251
Licensing		20,342	19,262
	Japan	7,770	7,602
	Overseas	12,662	11,659
Sales of Goods		1,516	6,589
Others		774	1,482

## Film ( ↓ 3.7% year on year)

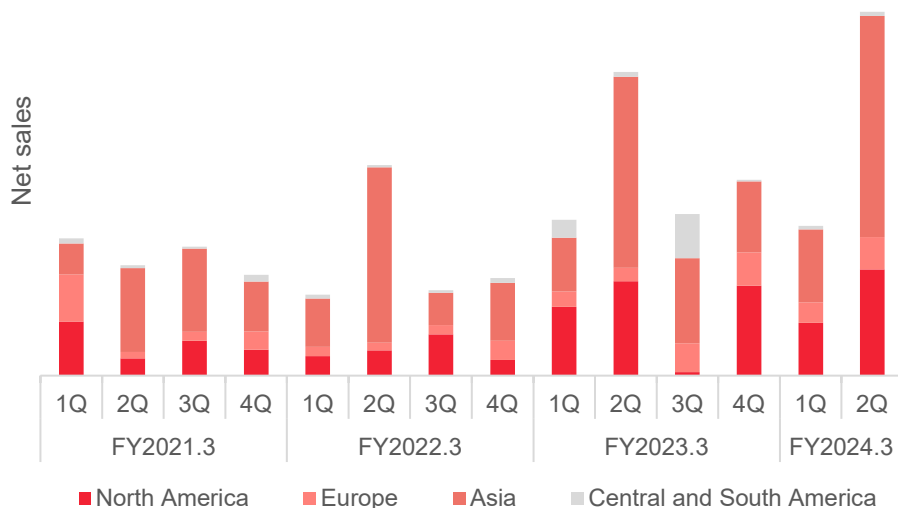
- In the Movies segment, revenues decreased significantly due to the reactionary decline following sales of the movies 「Dragon Ball Super: SUPER HERO」 and 「ONE PIECE FILM RED」, which were released in the same period of the previous fiscal year.
- In the TVs segment, revenues declined significantly due to the decrease in the number of works being broadcast compared to the same period of the previous fiscal year.
- In the DVDs segment, revenues increased significantly due to the release of Blu-ray/DVD versions of “ONE PIECE FILM RED.”
- The Overseas segment only saw a slight decline in revenues thanks to strong sales of overseas screening rights for the movie 「THE FIRST SLAM DUNK」 and online distribution rights for 「One Piece」 series despite a reactionary decline from the strong sales of 「Dragon Ball Super: SUPER HERO」 in the same period of the previous year.
- In the Others segment, revenues increased greatly due to the strong sales of domestic online distribution rights for 「ONE PIECE FILM RED」 and others.

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

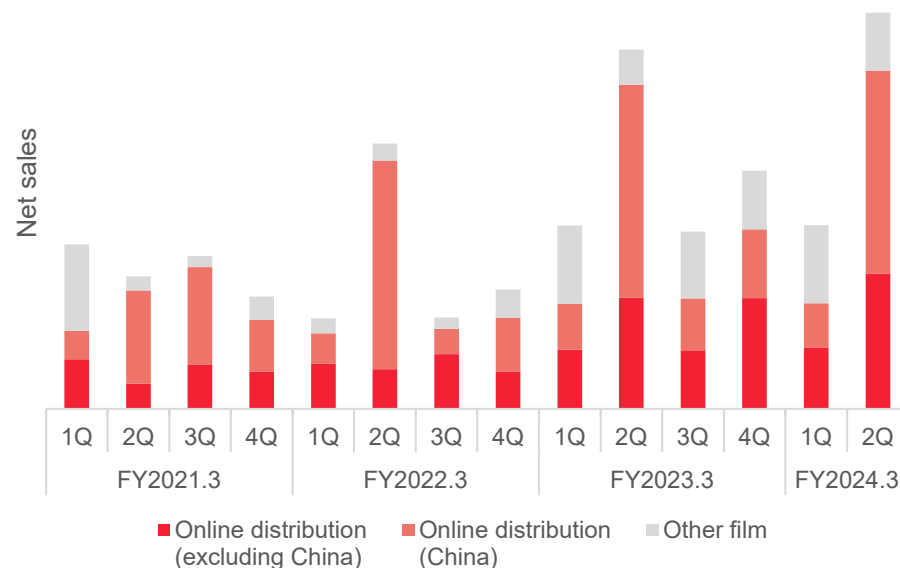
# Trends in Film Overseas

- Sales of theatrical screening rights of the movie 「 THE FIRST SLAM DUNK 」 for Asia were strong despite a reactionary decline in sales of theatrical screening rights of the movie 「Dragon Ball Super: SUPER HERO」 released in the same period of the previous year.
- Sales of large online distribution rights for China and online distribution rights for 「One Piece」 series for North America and Asia were strong.

## Trends in Net Sales of Film Overseas

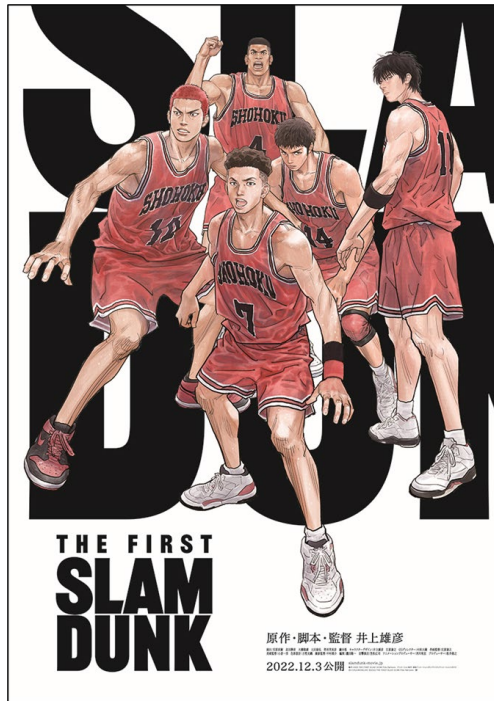


## Breakdown of Net Sales by Business





# Film Business: Topics



## 「THE FIRST SLAM DUNK」

- Show ended August 31st
- Box-office revenue in Japan exceeded ¥15.7 billion
- Ranked all-time No. 13 by box-office revenue in Japan



## 「Precure All Stars F the Movie」

- Screening is currently in progress from September 15th.
- Box-office revenue in Japan exceeded ¥1.3 billion
- Number of spectators reached over a million.

# FY2024.3 2Q Results Segment Analysis (2)

## Licensing, Sales of Goods, Others

(Million Yen)		FY23.3 2Q Results	FY24.3 2Q Results
Net Sales		42,450	46,184
Film		19,847	19,112
	Movies	3,164	1,475
	TVs	1,701	1,391
	DVDs	180	203
	Overseas	12,678	13,789
	Others	2,124	2,251
Licensing		20,432	19,262
	Japan	7,770	7,602
	Overseas	12,662	11,659
Sales of Goods		1,516	6,589
Others		774	1,482

### Licensing ( ↓ 5.7% year on year)

- In domestic licensing, revenues declined as sales of game development rights for “DRAGON BALL” series did not reach the momentum of the same period of the previous year.
- In overseas licensing, revenues declined as sales did not reach the momentum of the same period of the previous year, particularly in the sales of merchandising rights of “DRAGON BALL” series and “DIGIMON” series.

### Sales of Goods ( ↑ 334.4% year on year)

- Revenues increased greatly due to the success of the shop business for “ONE PIECE” and strong sales of goods related to the movie “THE FIRST SLAM DUNK.”

### Others ( ↑ 91.3% year on year)

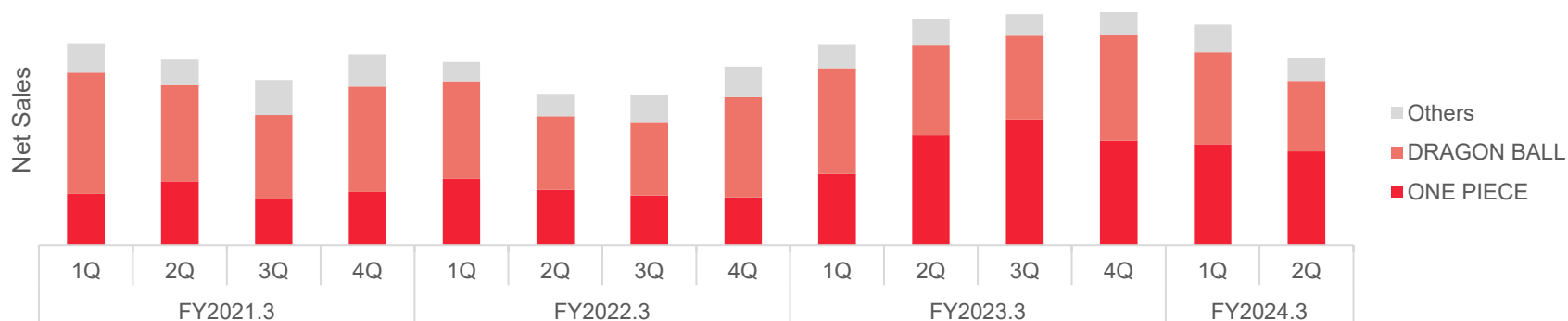
- Revenues increased significantly due to the favorable results of “PRETTY CURE” series events.

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

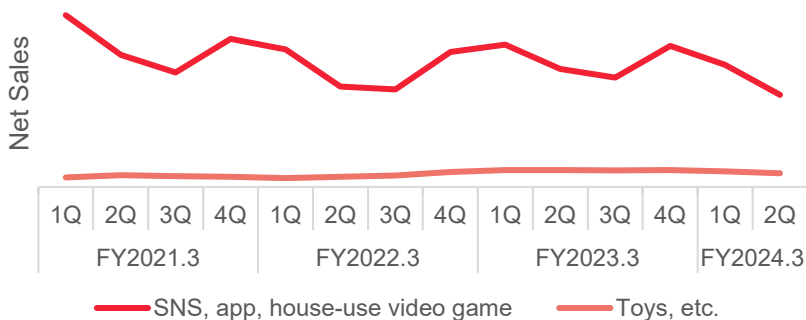
# Trends in Domestic Licensing

- Revenues declined, as sales of game development rights for “DRAGON BALL” series did not reach the momentum of the same period of the previous year.
- “ONE PIECE” continued to enjoy a ripple effect despite a reactionary decline from the campaign for the theatrical release in the same period of the previous year, resulting in strong sales of game development rights and card games.

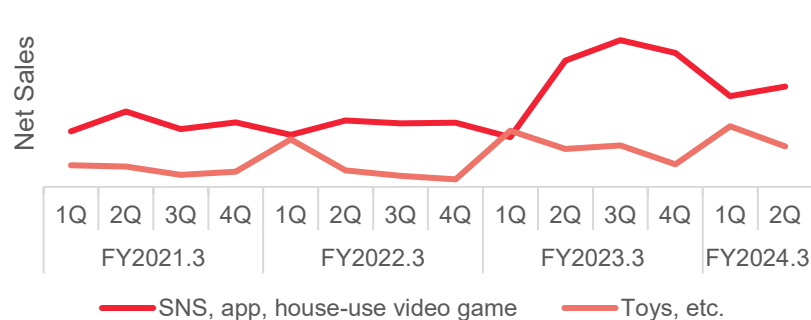
## Trends in Net Sales of Domestic Licensing



## Trends in Net Sales of Domestic Licensing for DRAGON BALL



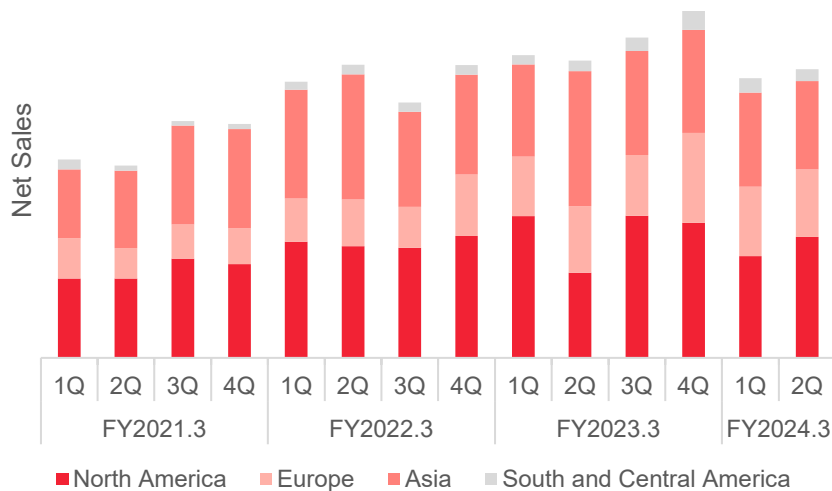
## Trends in Net Sales of Domestic Licensing for ONE PIECE



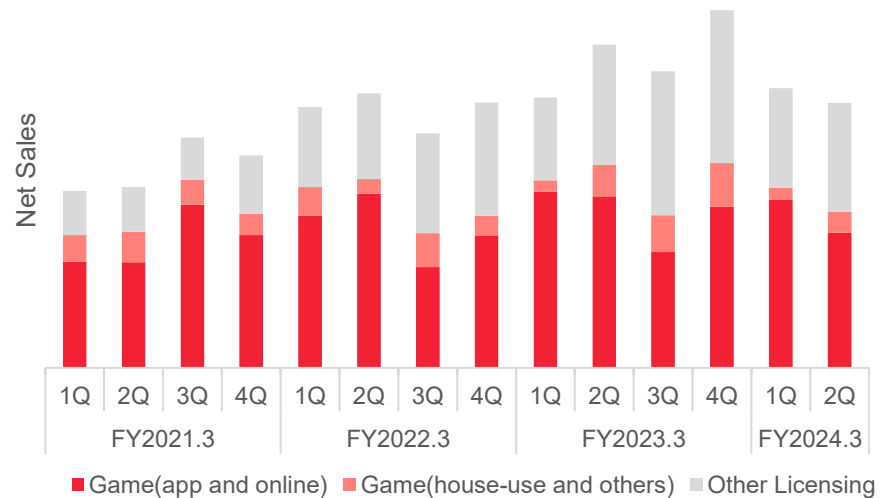
# Trends in Overseas Licensing

- Sales of merchandising rights of “ONE PIECE” performed strongly, particularly in North America and Europe, due to increased recognition gained through exposure expansion measures over multiple years and the movie released in the previous year.
- Revenues of game development rights decreased mainly in 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



ONE PIECE Card Game Booster Pack  
Awakening of the New Era OP-04

## Overseas Licensing



ONE PIECE Apparel



ONE PIECE Figure

## Sales of Goods



THE FIRST SLAM DUNK official merchandise



Mugiware Store (Ikebukuro store)

# FY2024.3 2Q Results Review

- Sales renewed record high in the first half of the year due to continued strong performance in the Sales of Goods Business, sales of domestic and overseas online distribution rights.
- Achieved results exceeding the forecast at the beginning of the fiscal year despite the recording of losses on evaluation related to “Knights of the Zodiac The Beginning” and increased advertising expenses.
- A large portion of non-operating income is due to the posting of foreign exchange gains.

(Million Yen)

	FY23.3 2Q Results	FY24.3 2Q Results	Change	% Change
Net Sales	42,450	46,184	3,734	8.8%
Cost of Sales	23,142	28,197	5,055	21.8%
Gross Profit	19,308	17,986	△1,321	△6.8%
SG&A	5,113	6,621	1,507	29.5%
Operating Income	14,194	11,365	△2,828	△19.9%
Non-Operating Income	1,341	2,523	1,182	88.1%
Non-Operating Expenses	12	31	19	159.1%
Ordinary Income	15,524	13,857	△1,666	△10.7%
Extraordinary Gain and Loss	-	-	-	-
Net Income Before Tax	15,524	13,857	△1,666	△10.7%
Income Taxes	4,191	4,016	△175	△4.2%
Income Taxes Adjustment	△189	△399	△209	-
Minority Interest	-	-	-	-
Net Income	11,521	10,240	△1,280	△11.1%



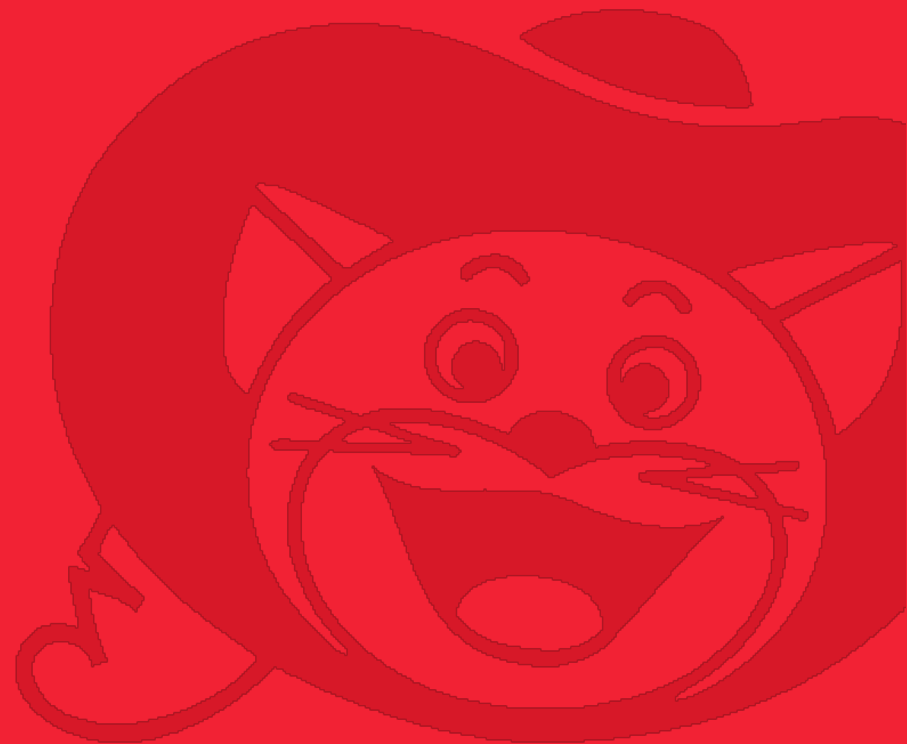
# Balance Sheet Digest

- The decrease in finished works is mainly due to the recording of losses on evaluation of a large portion of inventories of “Knights of the Zodiac The Beginning ,” which resulted in a small balance.
- “Other” of the current assets increased mainly due to an increase in fair value of derivatives.

(Million Yen)

Account title	2023.3	2023.9	Change	Account title	2023.3	2023.9	Change
Cash and deposits	66,909	72,098	5,189	Notes and accounts payable - trade	22,763	21,600	△1,163
Notes and accounts receivable – trade	24,975	25,601	626	Other	12,386	11,097	△1,288
Work in process	8,417	8,605	187	Current liabilities	35,150	32,697	△2,452
Finished works	3,716	366	△3,350	Non-current liabilities	855	1,007	152
Other	6,683	10,074	3,390	Total liabilities	36,006	33,705	△2,300
Current assets	110,702	116,745	6,042	Shareholders' equity	108,768	112,719	3,950
Property, plant and equipment	8,392	8,255	△136	Total accumulated other comprehensive income	5,734	9,078	3,344
Intangible assets	1,184	1,180	△3	Total net assets	114,502	121,798	7,295
Investments and other assets	30,229	29,321	△908				
Non-current assets	39,806	38,757	△1,048				
<b>Total assets</b>	<b>150,508</b>	<b>155,503</b>	<b>4,994</b>	<b>Total liabilities and net assets</b>	<b>150,508</b>	<b>155,503</b>	<b>4,994</b>

## 02. Outlook for FY2024.3





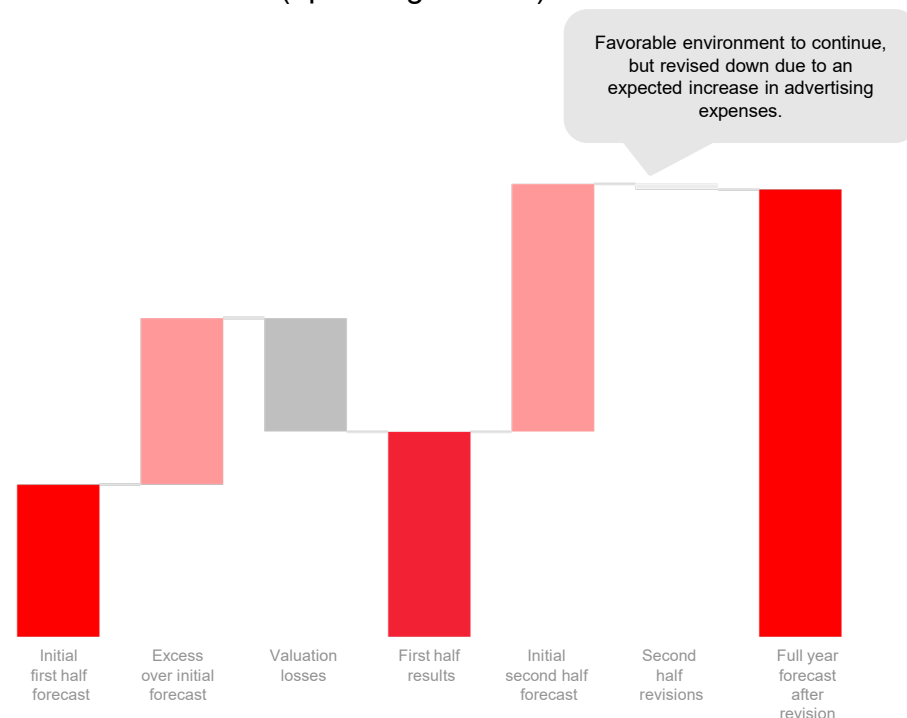
# FY2024.3 Revision of Earnings Estimates - Consolidated

- In the first half of this fiscal year, sales of domestic online distribution rights and merchandising rights, as well as in Sales of Goods Business performed strongly, exceeding the initial forecast, due to the continued ripple effect of the movie released in the previous fiscal year, despite the recording of losses on evaluation related to “Knights of the Zodiac The Beginning.”
- Although strong performance is expected to continue in the second half of the fiscal year, the Company has revised its full-year earnings estimates as shown below due to an expected increase in advertising expenses aimed at further revitalization of anniversary events.

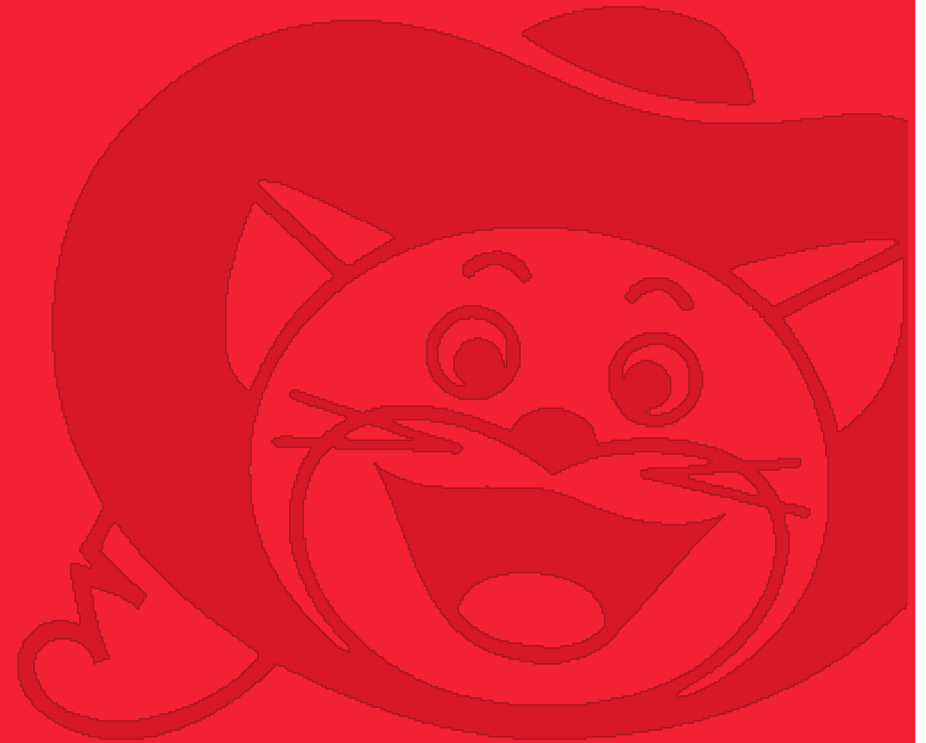
Revision of full-year earnings estimates

(million yen)	Initial forecast (5/11)	Revised forecast (10/24)	Change	% Change
Net Sales	72,000	82,000	+10,000	13.9%
Operating Income	17,500	19,000	+1,500	8.6%
Ordinary Income	17,800	20,000	+2,200	12.4%
Net Income	12,000	13,500	+1,500	12.5%

Breakdown of revised earnings estimates (operating income)

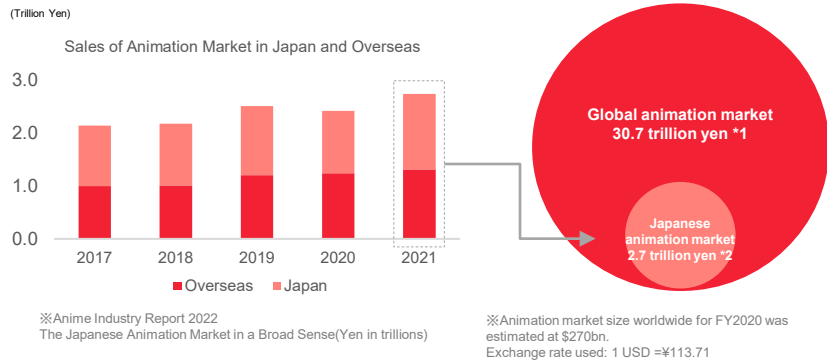


## 03. Future Business Prospects



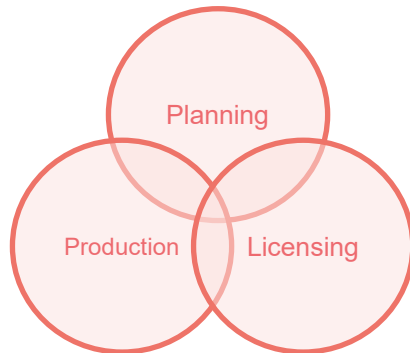
# Future Business Prospects

## Responding to global growth



- Expand overseas sales of Japanese animation
- Sufficient room to expand into global market

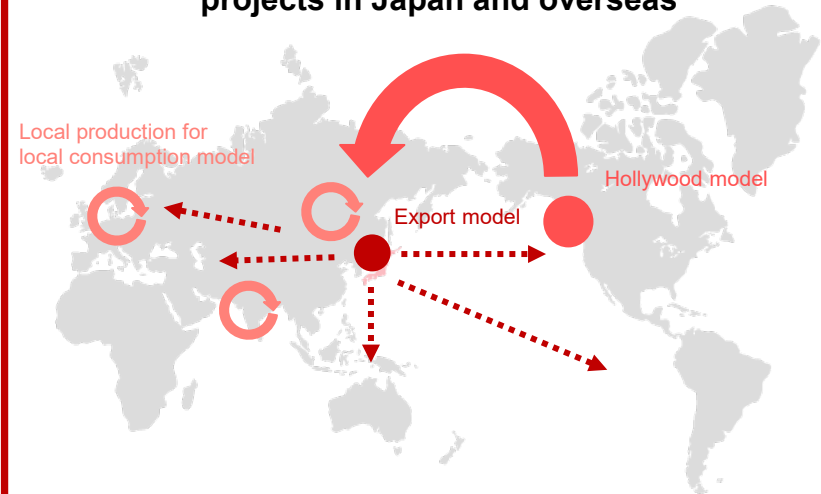
## Company's Strengths



- Stable revenue foundation based on abundant titles in library
- Stable production structure and high production
- Global sales and box-office network

## IP expanding strategy

### Plan, produce, and develop diverse original projects in Japan and overseas



#### Overseas export business

Overseas sales of leading library titles

#### Developing the global market

#### Hollywood-type business

Acquire global distribution network

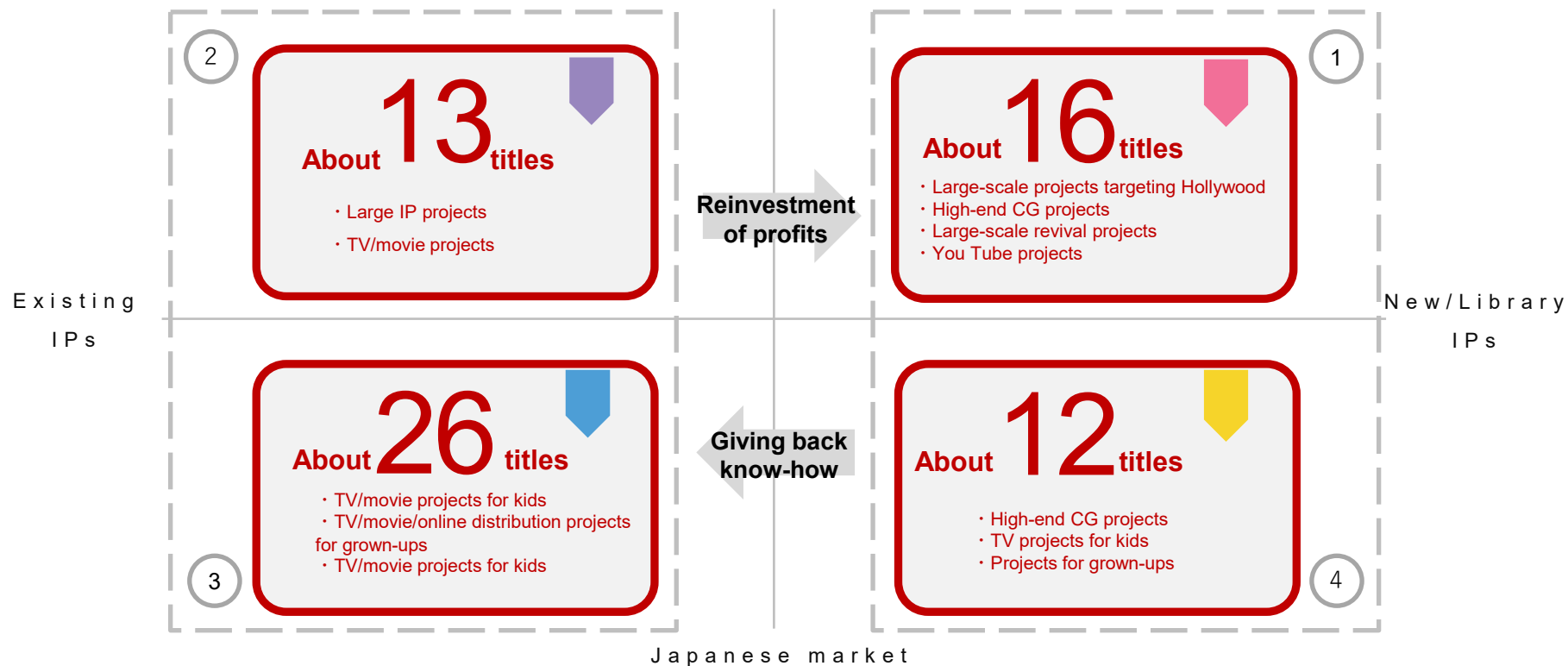
#### Business with Local production for local consumption

Entering into partnerships in the Middle East, Asia and Europe

# 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



「Precure Allstars-f」  
Released on Friday,  
September 15



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



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



「The Birth of Kitaro  
: The Mystery of GeGeGe」  
Scheduled to be started on Friday,  
November 17



「Dragon Ball DAIMA」  
Fall 2024

Works for FY2024

## Creating new IPs/ Library IPs

Works from business with Local production for local consumption



「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



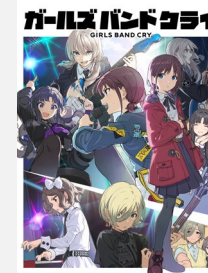
「Asateer」  
Season 2 goes into  
production in a collaboration  
with Saudi Arabia

Works from 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

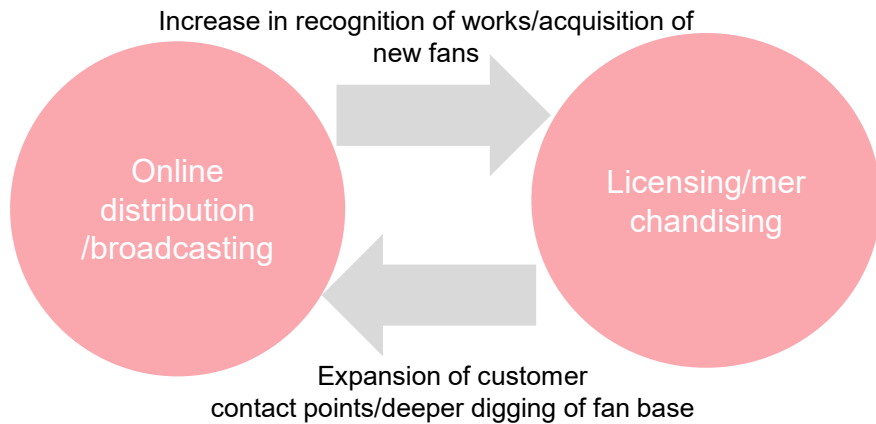


「Girls Band Cry」  
Completely new original  
animation  
Project launch on May 29, 2023

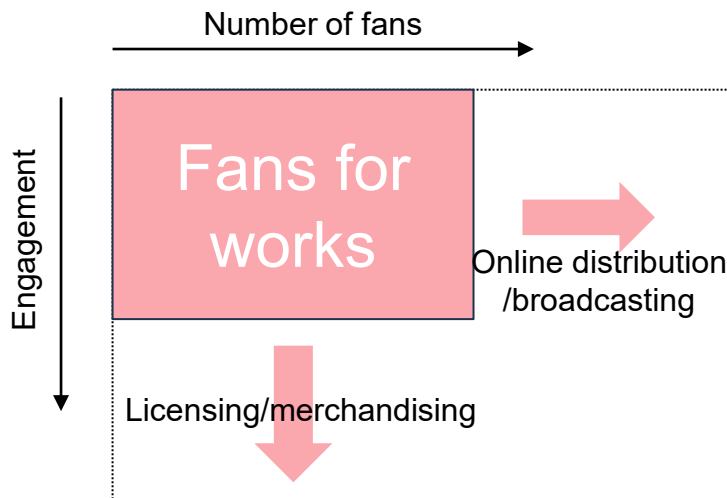
# IP expanding strategy

- Actively promote film development to acquire a fan base. Increase the number of customer contact points through multifaceted development of merchandising, etc.
- Increased recognition through film development will spread to the Licensing Business bringing about the benefits of increased engagement.

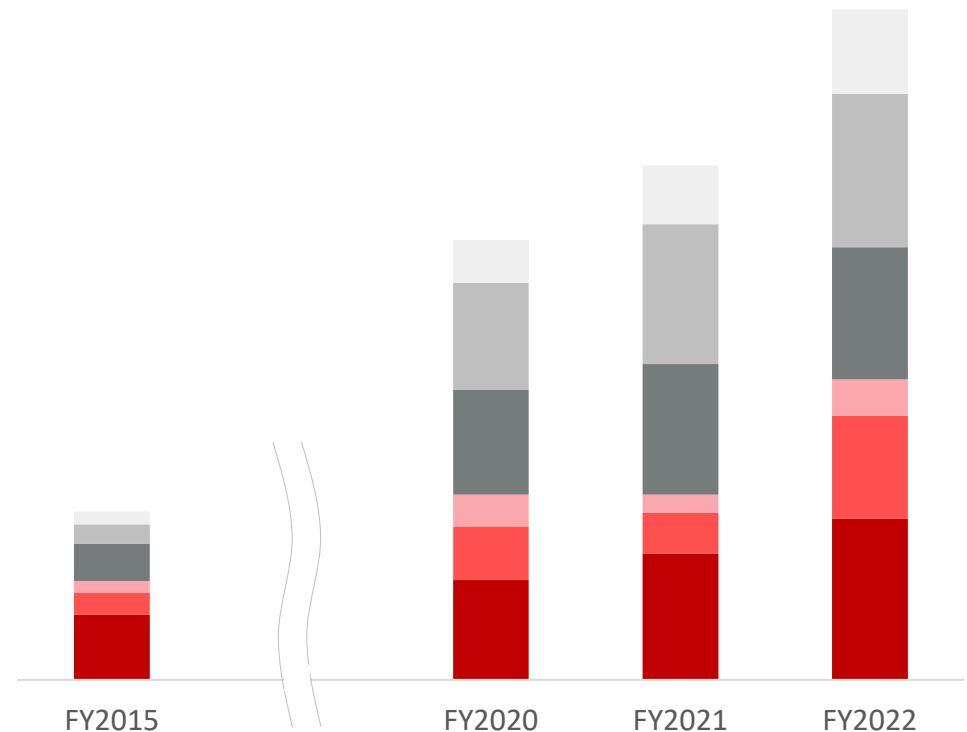
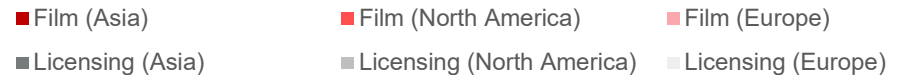
Consumption circulation  
through business development across broad areas



Business expansion through number of fans x engagement



Development results by region



# Dividends

- Implementation of financial policy focused on balancing a robust financial foundation, investments in new businesses, and returns to investors.
- For FY2024.3, it plans to decide the dividend reflecting the earnings status.

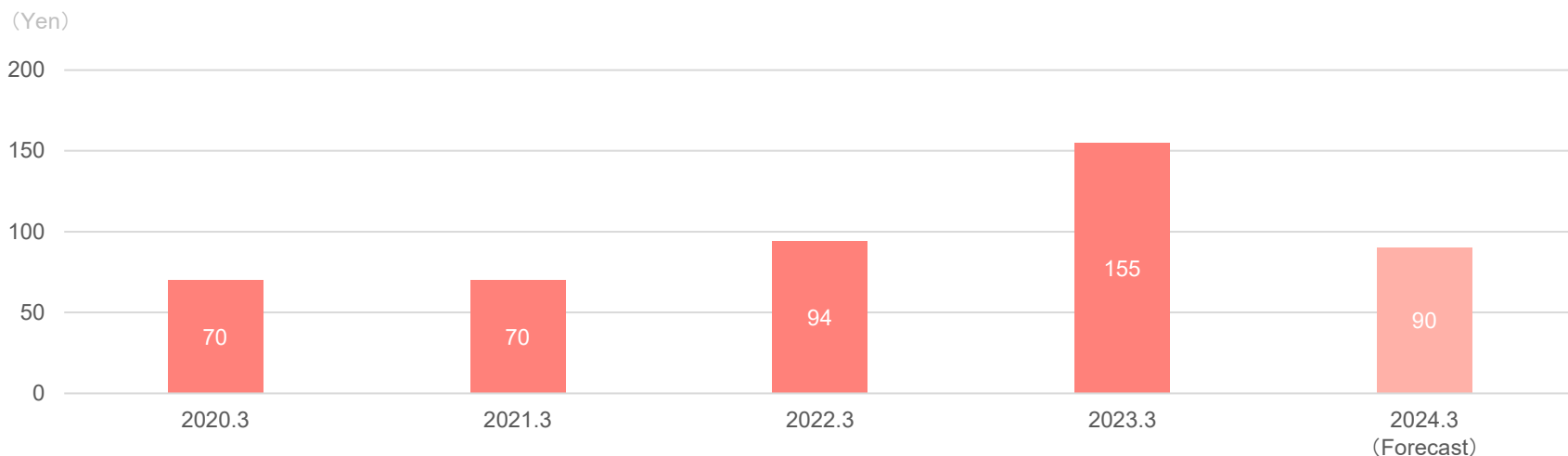
## Year-end dividend

FY2023.3

**155** yen per share

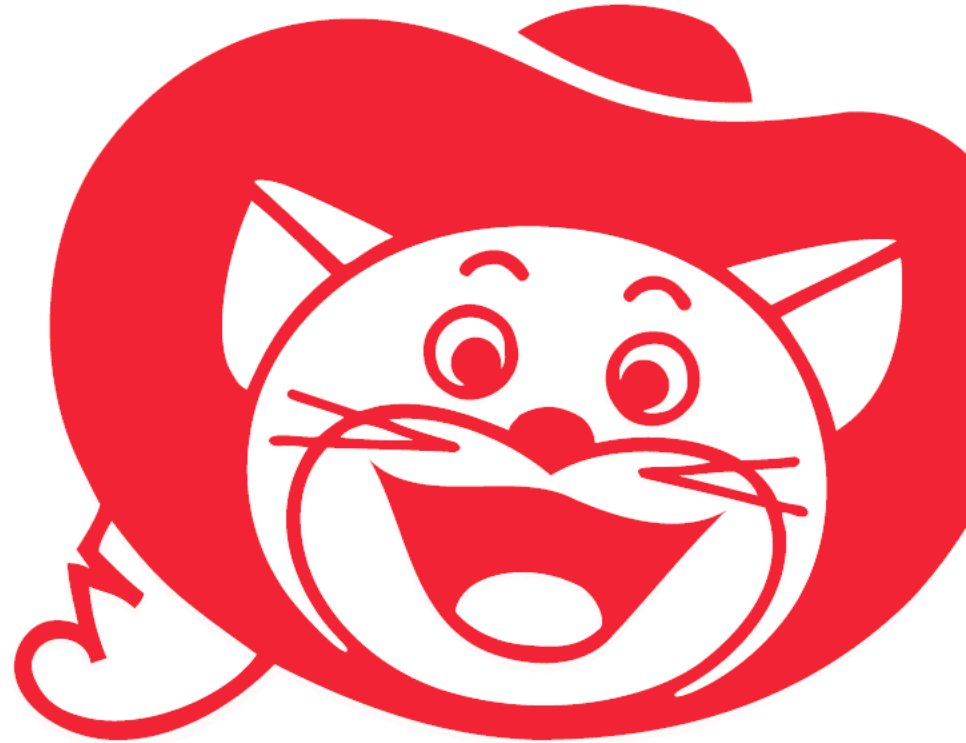
FY2024.3

To be comprehensively  
judged reflecting earnings



※In cases where payout ratio is at a level similar to the current fiscal year based on initial earnings forecast

**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.