

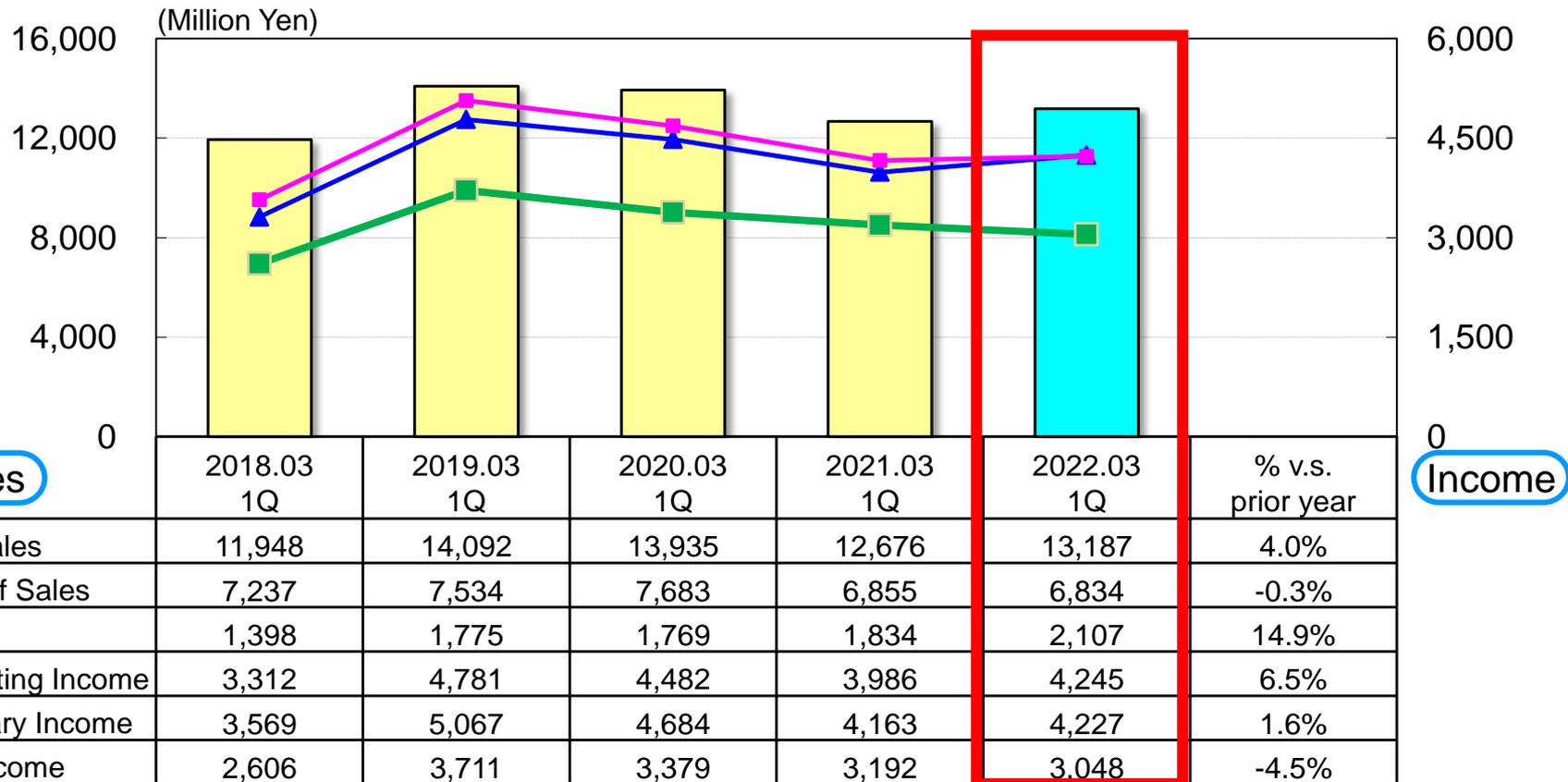
TOEI ANIMATION CO., LTD.

For FY Ended June 30, 2021 (April 1, 2021 to June 30, 2021)



FY2022.3 First Quarter Results – Consolidated

- The third highest first quarter net sales/operating income/ordinary income in our history were achieved.
- In overseas licensing, the sales of both merchandising rights and game development rights were strong, offsetting a reactionary decline in the sales of theatrical movies for Saudi Arabia in the previous year, driving earnings.
- MG posting of large online distribution rights for China and app games is scheduled in the second quarter or later.



Net Sales

Income

FY2022.3 1Q Results Segment Breakdown – Consolidated

(Million Yen)		FY2021.3 1Q	FY2022.3 1Q	% v.s. prior year
FILM	Net Sales	5,133	4,314	-16.0%
	Segment Income	1,509	948	-37.2%
Licensing	Net Sales	7,000	8,491	21.3%
	Segment Income	3,390	4,264	25.8%
Sales of Goods	Net Sales	412	331	-19.8%
	Segment Income	-75	-87	-
Others	Net Sales	143	64	-55.1%
	Segment Income	-34	-88	-
TOTAL	Net Sales	12,676	13,187	4.0%
	Operating Income	3,986	4,245	6.5%

* Numbers for each segment include intra-company sales.

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

(Million Yen)		FY21.3 1Q	FY22.3 1Q
Net Sales		12,676	13,187
Film		5,133	4,314
	Movies	274	24
	TVs	359	871
	DVDs	161	108
	Overseas	3,655	2,159
	Others	681	1,150
Licensing		7,000	8,491
	Japan	3,457	3,222
	Overseas	3,542	5,269
Sales of Goods		412	331
Others		143	64

* Numbers for each segment include intra-company sales.

Film (↓ 16.0% year on year)

- In movies, revenues decreased significantly due to a reactionary decline following the production revenue from several movies such as *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 decreased significantly due to a reactionary decline from the 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 previous year.
- In the Others segment, revenues increased significantly due to the strong sales of domestic online distribution rights.

FY2022.3 1Q Results Segment Analysis (2)

(Licensing/Sales of Goods/Others)

(Million Yen)		FY21.3 1Q	FY22.3 1Q
Net Sales		12,676	13,187
Film		5,133	4,314
	Movies	274	24
	TVs	359	871
	DVDs	161	108
	Overseas	3,655	2,159
	Others	681	1,150
Licensing		7,000	8,491
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	Overseas	3,542	5,269
Sales of Goods		412	331
Others		143	64

* Numbers for each segment include intra-company sales.

Licensing (↑ 21.3% year on year)

- In domestic licensing, revenues declined due to the slowdown of sales of game development rights of *DRAGON BALL* series compared to the strong sales from the previous year despite strong sales of licensing for the tie-up promotion 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 (↓ 19.8% year on year)

- Although there are some early signs of a recovery from the COVID-19 pandemic, revenues declined significantly due to a reactionary decline in novelty goods sales from the tie-up campaigns linked to the movies *Toei Manga Matsuri (BUTT DETECTIVE)* and *Sailor Moon Eternal* in the previous year.

Others (↓ 55.1% year on year)

- Revenues declined significantly due to a reactionary decline after the *BUTT DETECTIVE* and *ONE PIECE* events that took place in the previous year.

FY2022.3 First Quarter Results Review

(Million Yen)	FY21.3 1Q	FY22.3 1Q	+ -	% v.s. prior year
Net Sales	12,676	13,187	510	4.0%
Costs of Sales	6,855	6,834	-20	-0.3%
Gross Profit	5,821	6,352	530	9.1%
SG & A	1,834	2,107	272	14.9%
Operating Income	3,986	4,245	258	6.5%
Non-Operating Income	226	229	2	1.1%
Non-Operating Expense	50	246	195	385.8%
Ordinary Income	4,163	4,227	64	1.6%
Extraordinary Gain and Loss	-	8	8	-
Net Income Before Tax	4,163	4,219	56	1.4%
Income Taxes	798	893	95	11.9%
Income Taxes Adjustment	171	278	106	61.9%
Minority Interest	-	-	-	-
Net Income	3,192	3,048	-144	-4.5%

Net Sales

- Businesses with sharp increases in revenues
 - 1) Licensing Overseas [1,726] ⇒ 2) TV [511] ⇒ 3) Film Others [468]
- Businesses with significant declines in revenues
 - 1) Film Overseas [-1,495] ⇒ 2) Movies [-250] ⇒ 3) Licensing Japan [-235]

Cost of Sales / Gross Profit

- Gross profit to net sales: 48.2% (Gross profit to net sales last year: 45.9%)
Gross profit to net sales improved as a result of an increase in the ratio of sales in the profitable overseas licensing business.

SG & A

- SG&A [+272]
 - 1) Personnel expenses [+107]
(from 485 in the previous FY to 593 in current FY)
 - 2) Ad expenses [+95]
(from 102 in the previous FY to 198 in the current FY)

Non-operating Income and Expense

- Non-operating Income and Expense [+2]
Miscellaneous revenue [+38]
- Non-operating expense [+195]
Foreign exchange loss [+181]

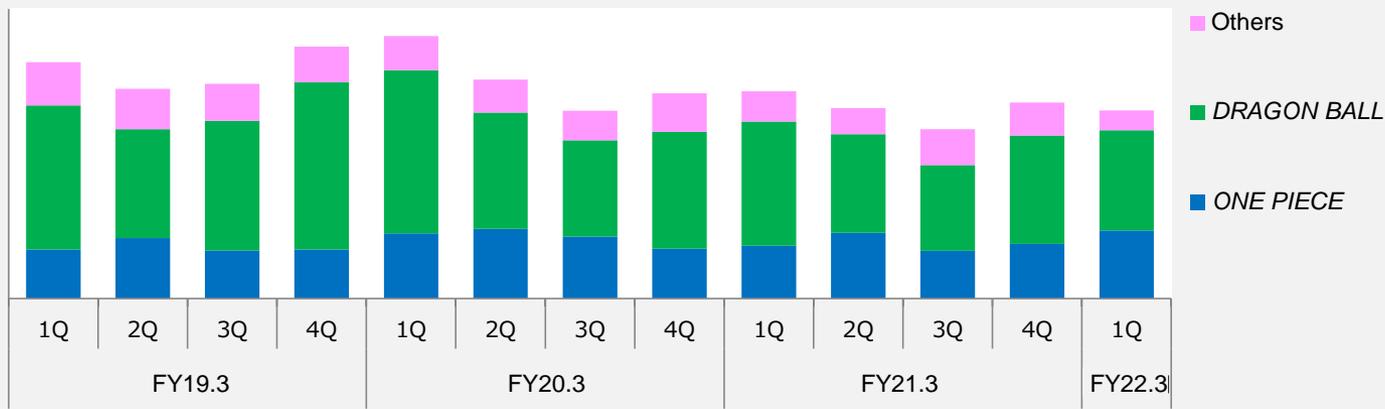
Extraordinary gain and loss

- Extraordinary loss [8]
Loss on valuation of investment securities

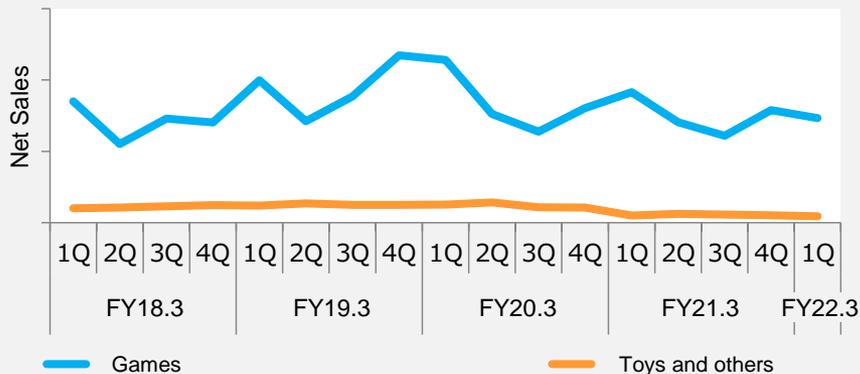
Trends in Domestic Licensing for Major Titles

- Sales of *DRAGON BALL* series did not reach the level of the previous year.
- Sales of *ONE PIECE* increased from the previous term due to the strong sales of the tie-up campaigns and the merchandising rights.
- Overall, the sales of game development rights is weaker than the previous term.

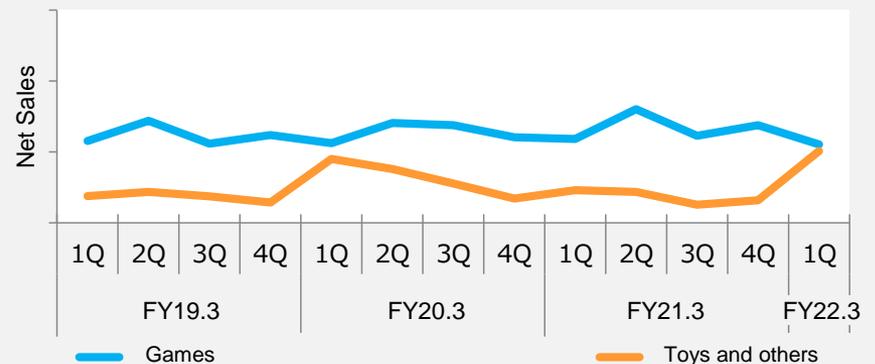
Trends in Domestic Licensing Revenues



Trends in Domestic Licensing Revenues for *DRAGON BALL*



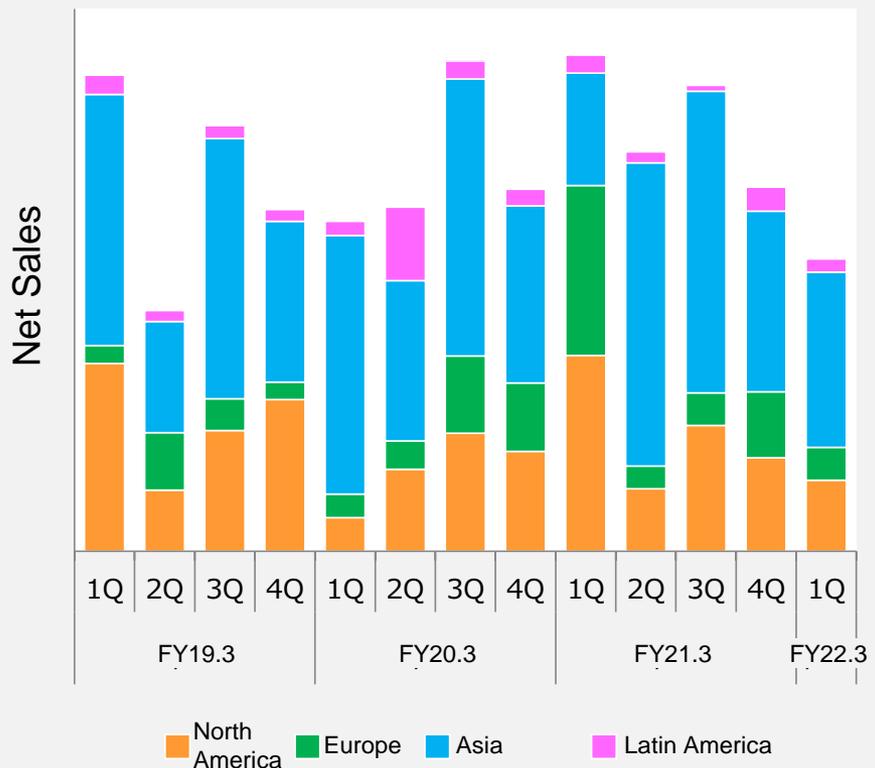
Trends in Domestic Licensing Revenues for *ONE PIECE*



Trends in Film Overseas

- Revenues declined significantly due to a reactionary decline after the delivery of theatrical movies for Saudi Arabia in the previous term.
- Just as in the previous term, a posting of net sales of large online distribution rights for China was postponed into the second quarter.
- Sales of the online distribution rights in the Asian region, except for China, have grown.

Trends in Net Sales of Film Overseas



Breakdown of Net Sales by Business

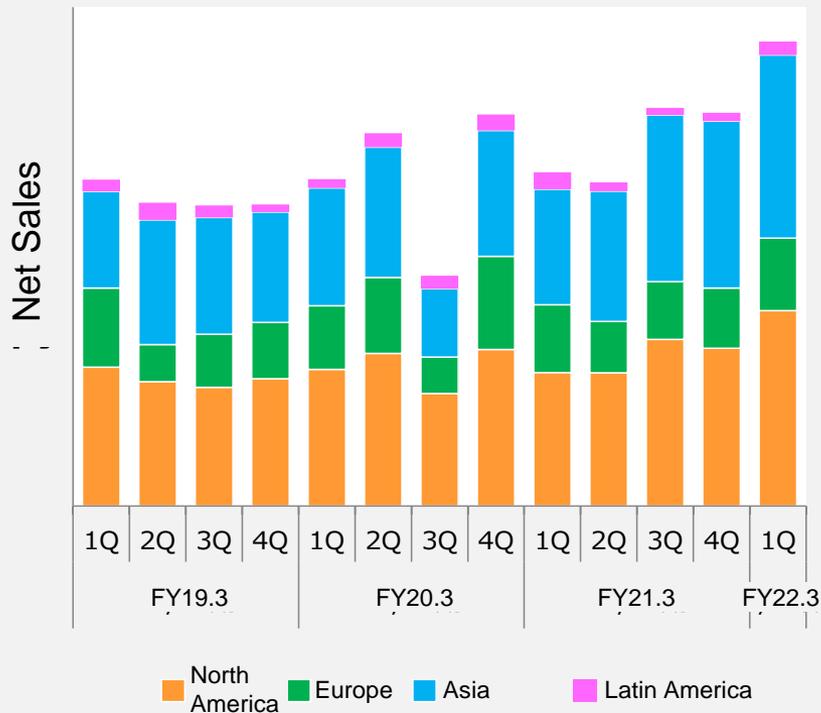


* Due to consolidated accounting for subsidiaries, the left graph shows consolidated figures while the right graph shows our non-consolidated figures.

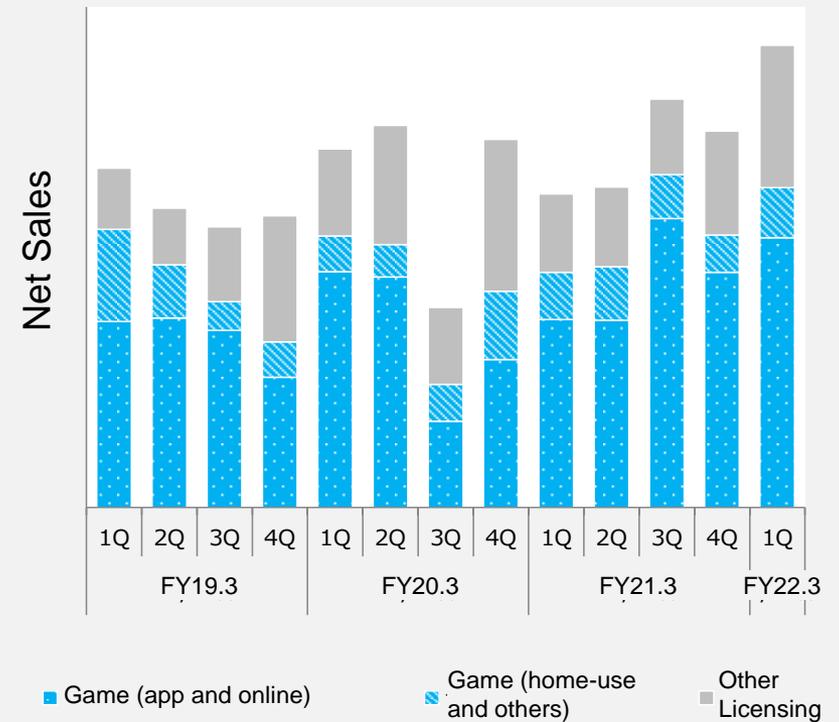
Trends in Licensing Overseas

- Revenues increased significantly because sales of merchandising rights have grown, in addition to the strong sales of existing app games.
- There was remarkable progress in the sales of merchandising rights because demand in overseas markets was captured using the overseas network, which is our strength, and the supervising system.
- Renewal contracts for app games and new licensing contracts are scheduled while revenues are expected to decrease in the second quarter onward due to the expected reactionary decline following the demand generated by people staying home in the previous term.

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 FY2022.3

(Million Yen)	22/03 1Q	FY22.3 Estimates	FY22.3 Progress
Net Sales	13,187	51,000	25.9%
Operating Income	4,245	11,000	38.6%
Ordinary Income	4,227	11,300	37.4%
Net Income	3,048	7,600	40.1%
FILM	4,314	21,500	20.1%
Movies	24	3,300	0.7%
TVs	871	3,320	26.3%
DVDs	108	280	38.6%
Overseas	2,159	11,500	18.8%
Others	1,150	3,100	37.1%
Licensing	8,491	25,000	34.0%
Japan	3,222	11,000	29.3%
Overseas	5,269	14,000	37.6%
Sales of Goods	331	3,000	11.0%
Others	64	1,500	4.3%

Movies

- Despite the delivery of several large titles being expected in the beginning of the term, the timing for their posting is not determined yet.

Overseas

- Just as in the previous term, the sales of large online distribution rights for China scheduled in the first quarter were postponed into 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.

Overseas

- Sales of both game development rights and merchandising rights are strong and increased in comparison with both the plan and the previous term.
- Both positive and negative factors are expected, e.g. several licensing contracts of app games in the second quarter onward and a reactionary decline following the demand generated by people staying home in the previous term.

Others (Event)

- Although progress is slow, a recovery from the COVID-19 pandemic is expected, e.g. large events in summer, etc.

* Estimates are disclosed on May 13, 2021.

* Numbers for each segment include intra-company sales.

Future Initiatives

Schedule

Film Licensing
Sales of Goods Others

	Opening of the Digimon official fan community <i>DIGIMON PARTNERS</i> [Apr. 1]
FY22.3 1Q	Creation of TAB, the new TOEI ANIMATION YouTube channel [May 31]
	Release of <i>The Journey</i> , a collaborative work with Saudi Arabia, in Japan [Jun. 25]
FY22.3 2Q	Casting of group members and other cast members in the new project, <i>Girl's Rock Audition</i>, has begun [June 27]
	Release of <i>Toei Manga Matsuri</i> [Aug. 13]
	Scheduled distribution of <i>Digimon</i> app game for China [Summer 2021]
FY22.3 3Q-	Release of the movie <i>Tropical-Rouge! Pretty Cure</i> [Oct. 23]
	Start of broadcast of <i>World Trigger</i> 3rd season [Oct. 2021]
	Scheduled distribution of app game <i>Dragon Quest: The Adventure of Dai -Soul Bond</i> -[Fall 2021]
	Home-use game <i>Infinity Strash Dragon Quest: The Adventure of Dai</i> [2021]
	Release of the Switch game <i>SOUKAITENKI</i> [2022 spring]
	Release of <i>Digimon Survive</i> (PS4/Switch) [2022]
	Release of the movie, <i>Dragon Ball Super: Super Hero</i> [2022]
	Start of new <i>DEVIL BOY</i> animation production [TBA]
	Release of film <i>Birth of KITARO: Mystery of GeGeGe</i> [TBA]
	Release of the movie <i>SLAM DUNK</i> [TBA]
Release of internationally co-produced movie <i>The Monkey Prince</i> (tentative) [TBA]	

Topics

Status of Animation Works in FY2022.3 1Q

■ TV *Digimon Adventure*:

- Entered the second year of broadcast in April 2021
- The official fan community for core fans was opened
- Sales of the title were fourth in the overall sales due to the increasing sales of the merchandising rights overseas.

Development of New Titles (Projects)

■ TV *World Trigger*

- The 3rd season is scheduled to be broadcast from October 2021

■ The new project, *Girl's Rock Audition*

- A new project combining animation and the activities of an actual group
- Casting started for the girl group's members

■ The 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

■ Movie *SLAM DUNK*

- Animated movie production decided

Development of App Games

■ App game *ONE PIECE* for China

- Released in April 2021

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

- Scheduled distribution in fall 2021

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



The Journey
Collaborative work
with Saudi Arabia
Released on June 25,
2021



**Butt Detective the Movie: The Secret
of Souffle Island/Shinkai no Survival!**
(Toei Manga Matsuri)
To be released on August 13, 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. to
create animation for families, with
an eye toward the global market

Activation of
existing content



Digimon Adventure:
Started broadcast from
April 5, 2020



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



**World Trigger 3rd
season**
Broadcast will start in
October 2021



SLAM DUNK
Animated movie
production decided



**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

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) 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.

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



***Butt Detective the Movie: The Secret of Souffle Island/
Shinkai no Survival! (Toei Manga Matsuri)***

To be released on August 13, 2021



***The movie, Tropical-Rouge!
Pretty Cure: The Snow Princess
and the Miraculous Ring!***

Scheduled to be released on
Saturday, October 23, 2021

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



World Trigger 3rd season
Broadcast will start in
October 2021



DEVIL BOY
New animation starts



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



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

#slamdunkmovie

SLAM DUNK
Animated movie production decided



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.