

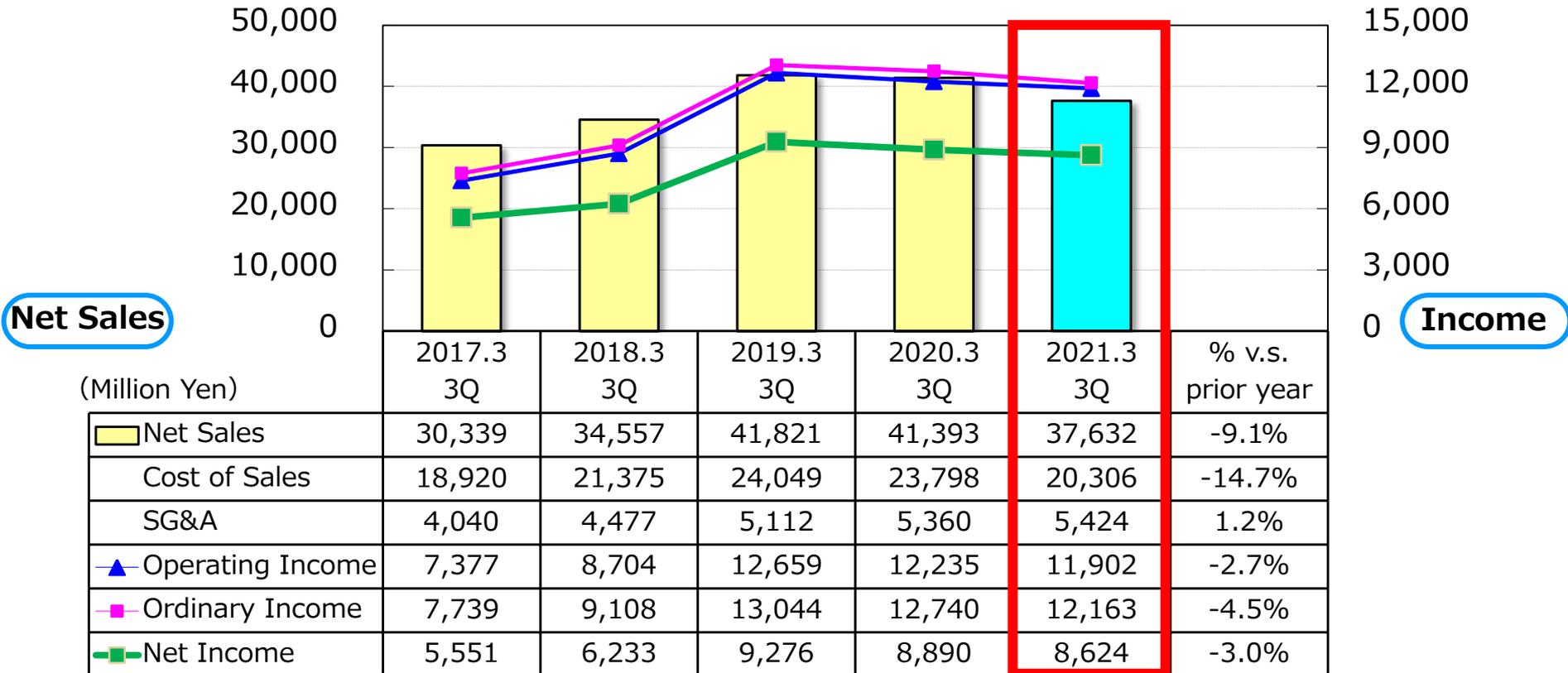
TOEI ANIMATION CO., LTD

For FY Ended December 31, 2020 (April 1, 2020 to December 31, 2020)



FY2021.3 Third Quarter Results – Consolidated

- Net sales and each income decreased year on year.
- There has been a reactionary decline in Domestic Licensing since the same period of the previous year in addition to a decrease in the number of films being developed, the voluntary closure of character goods sales stores and the postponement and cancellation of events, etc. associated with the COVID-19 pandemic.
- In overseas business, consolidated cumulative 3Q sales hit a record high due to the delivery of theatrical movies for Saudi Arabia and strong sales the theatrical screening rights and app game development rights.



FY2021.3 3Q Results Segment Breakdown –Consolidated

(Million Yen)		FY2020.3 3Q	FY2021.3 3Q	% v.s. prior year
FILM	Net Sales	15,660	14,603	-6.7%
	Segment Income	3,849	4,177	8.5%
Licensing	Net Sales	21,743	21,197	-2.5%
	Segment Income	10,491	10,391	-1.0%
Sales of Goods	Net Sales	3,438	1,607	-53.3%
	Segment Income	63	-159	-
Others	Net Sales	668	272	-59.3%
	Segment Income	-14	-139	-
TOTAL	Net Sales	41,393	37,632	-9.1%
	Operating Income	12,235	11,902	-2.7%

*Numbers for each segment includes intra-company sales.

FY2021.3 3Q Results Segment Analysis (1) (Film)

(Million Yen)		FY20.3 3Q	FY21.3 3Q
Net Sales		41,393	37,632
Film		15,660	14,603
	Movies	1,440	562
	TVs	2,344	1,663
	DVDs	406	422
	Overseas	8,567	10,018
	Others	2,900	1,936
Licensing		21,743	21,197
	Japan	11,702	9,656
	Overseas	10,040	11,540
Sales of Goods		3,438	1,607
Others		668	272

* The figures for each segment include intra-company sales.

Film (↘ 6.7% year on year)

- In Movies, revenues declined significantly due to the postponed release of multiple titles due to the COVID-19 pandemic and a reactionary fall after the movie *ONE PIECE STAMPEDE* was a hit in the same period of the previous year.
- In TV Anime, revenues declined sharply due to a reactionary fall due to strong results of sound production for games and film production for events in the previous year.
- In DVDs, revenues increased due to strong sales of Blu-ray/DVD of *ONE PIECE STAMPEDE*.
- In the Overseas segment, revenues increased significantly due to strong sales of theatrical screening rights in North America and online distribution rights in North America and Asia, in addition to the delivery of theatrical movies for Saudi Arabia.
- In the Others segment, revenues fell sharply due to a reactionary fall from the strong sales of the online distribution rights in the previous year and the effect of terminating the service for the social game *SAINT SEIYA Galaxy Spirits*.

FY2021.3 3Q Results Segment Analysis (2)

(Licensing/Sales of Goods/Others)

(Million Yen)		FY20.3 3Q	FY21.3 3Q
Net Sales		41,393	37,632
Film		15,660	14,603
	Movies	1,440	562
	TVs	2,344	1,663
	DVDs	406	422
	Overseas	8,567	10,018
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Licensing		21,743	21,197
	Japan	11,702	9,656
	Overseas	10,040	11,540
Sales of Goods		3,438	1,607
Others		668	272

* The figures for each segment include intra-company sales.

Licensing (↘ 2.5% year on year)

- In domestic licensing, revenues fell sharply due to the slowdown of sales of game development rights of *DRAGON BALL* series compared to the strong sales from the previous fiscal year and due to the reactionary decline in the sales of the merchandising rights linked to the movie *ONE PIECE STAMPEDE* and licensing deals for game machines in the previous term.
- In overseas licensing, revenues increased significantly due to strong sales of the app game *DRAGON BALL* series for Europe and America, and *Slam Dunk* for Asia.

Sales of Goods (↓ 53.3% year on year)

- Revenues declined sharply due to voluntary closure of character goods sales store arisen from the spread of the coronavirus and etc. in addition to a reactionary decline in goods sales related to the movie *ONE PIECE STAMPEDE*, which were strong in the previous term.

Others (↓ 59.3% year on year)

- Revenues substantially decreased due to the impact of the postponement/cancellation of events associated with the coronavirus pandemic.

FY2021.3 Third Quarter Results Review

(Million Yen)	FY20.3 3Q	FY21.3 3Q	+ -	% v.s. prior year
Net Sales	41,393	37,632	-3,761	-9.1%
Costs of Sales	23,798	20,306	-3,491	-14.7%
Gross Profit	17,595	17,326	-269	-1.5%
SG & A	5,360	5,424	64	1.2%
Operating Income	12,235	11,902	-333	-2.7%
Non-Operating Income	532	473	-58	-11.0%
Non-Operating Expense	27	212	184	675.7%
Ordinary Income	12,740	12,163	-576	-4.5%
Extraordinary Gain and Loss	-25	-	-	-
Net Income before tax	12,714	12,163	-25	-4.3%
Income Taxes	3,724	3,375	-551	-8.8%
Income Taxes Adjustment	100	96	-3	-3.9%
Minority Interest	-	-	-	-
Net Income	8,890	8,624	-266	-3.0%

Net Sales

- Businesses with sharp increases in revenues
1)Licensing Overseas[1,499] ⇒2)Film Overseas[1,450] ⇒ 3)DVDs[16]
- Businesses with significant declines in revenues
1)Licensing Japan[-2,046] ⇒2)Sales of Goods [-1,831] ⇒ 3)Film Others[-963]

Cost of Sales / Gross Profit

- Gross profit to net sales :46.0%
(Gross profit to net sales last year :42.5%)
Gross profit to net sales improved as a result of an increase in the ratio of sales in the profitable overseas business.

SG&A

- SG&A[+64]
1)Personnel expenses[+240]
(from 1,263 in the previous FY to 1,504 in the current FY)
2)Commission paid[+131]
(from 377 in the previous FY to 508 in the current FY)

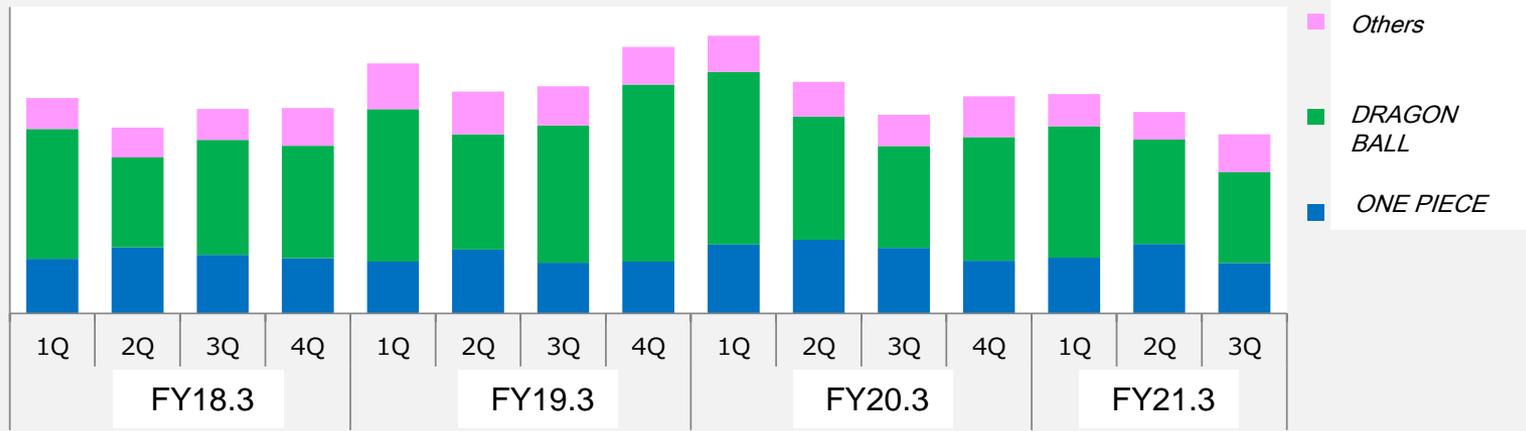
Non-operating Income and Expense

- Non-operating income[-58]
Equity gains of affiliated companies[-54]
(from 54 in the previous FY to 0 in the current FY)
- Non-operating expense[+184]
Miscellaneous expense[+123]

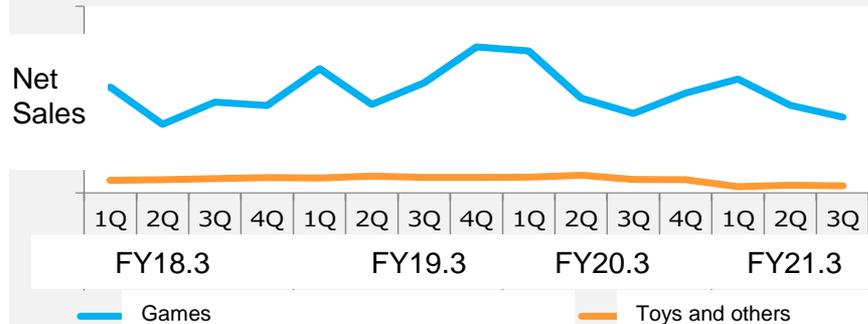
Trends in Domestic Licensing for Major Titles

- Sales of *DRAGON BALL* series did not reach the strong sales from a year earlier.
- There was a reactionary fall in the sales of the merchandising rights linked to the movie *ONE PIECE STAMPEDE* in the previous term.
- Overall, revenues significantly fell year on year due to a reactionary fall from large contracts for game machines.

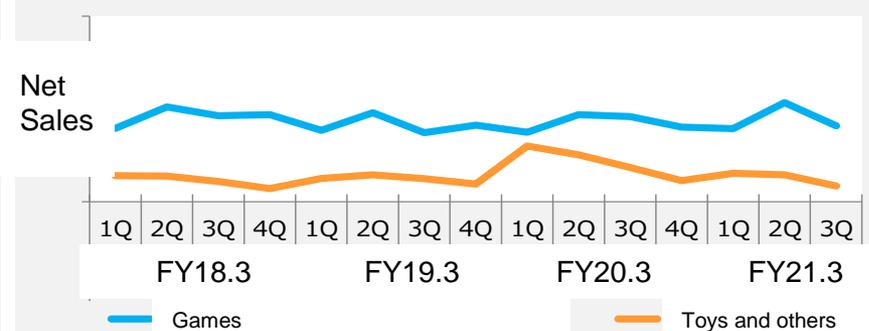
Trends in Domestic Licensing Revenues



Trends in Domestic Licensing Revenues for *DRAGON BALL*



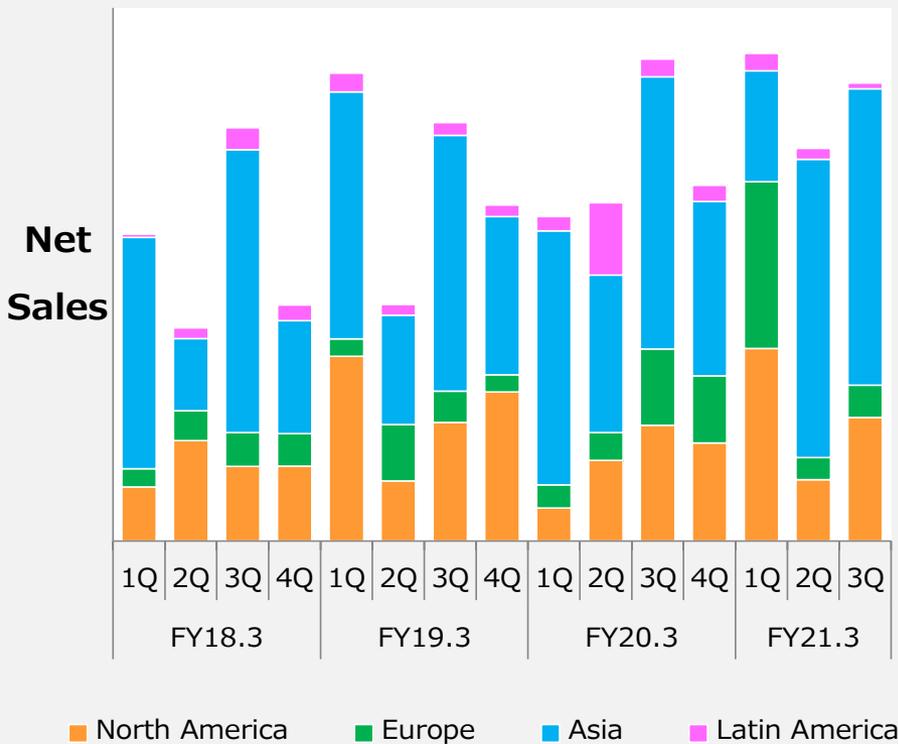
Trends in Domestic Licensing Revenues for *ONE PIECE*



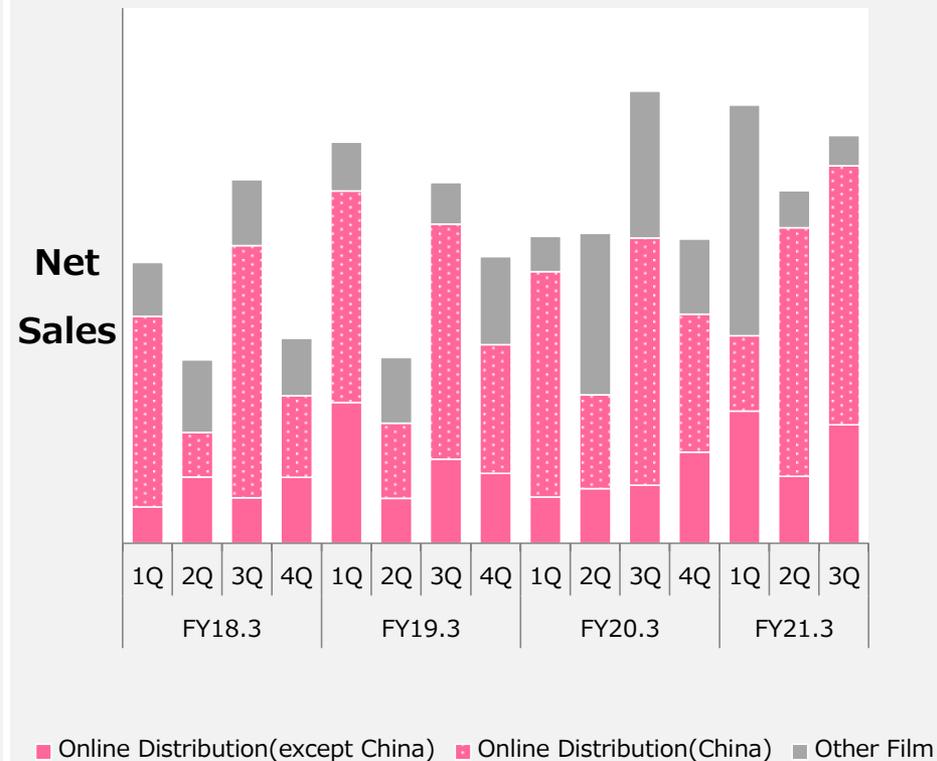
Trends in Film Overseas

- Revenues significantly increased year on year due to the income from movies for Saudi Arabia, which were posted in 1Q, and additional income from the sales of the theatrical screening rights of *DRAGON BALL SUPER: BROLY*, etc.
- Sales of online distribution rights increased in North America and Asia.
- Sales of large online distribution rights for China performed strongly due to the addition of the number of titles.

Trends in Net Sales of Film Overseas



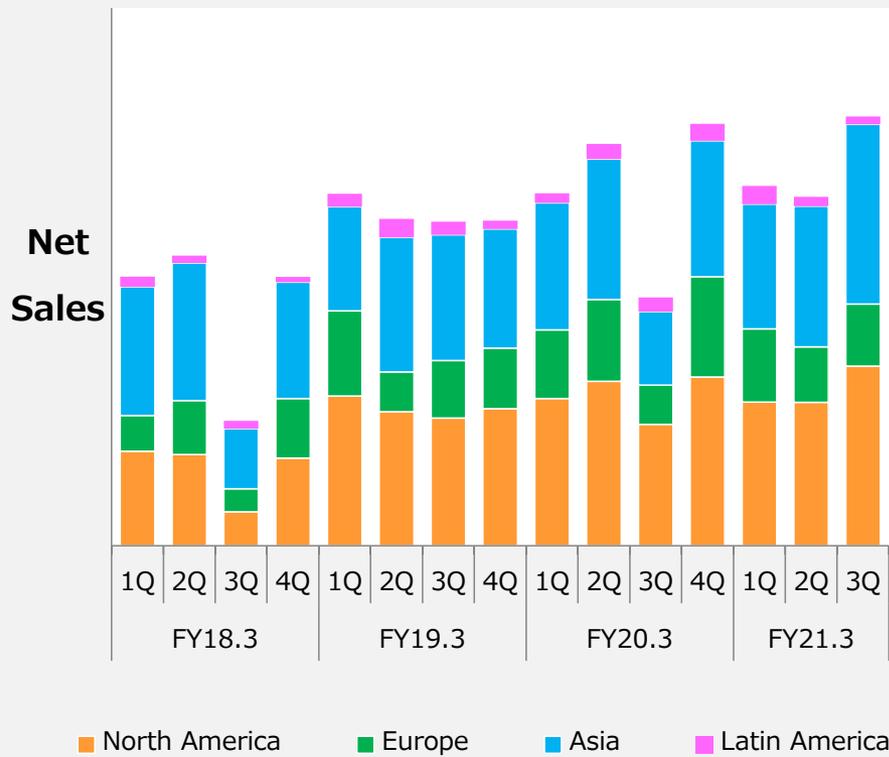
Breakdown of Net Sales by Business



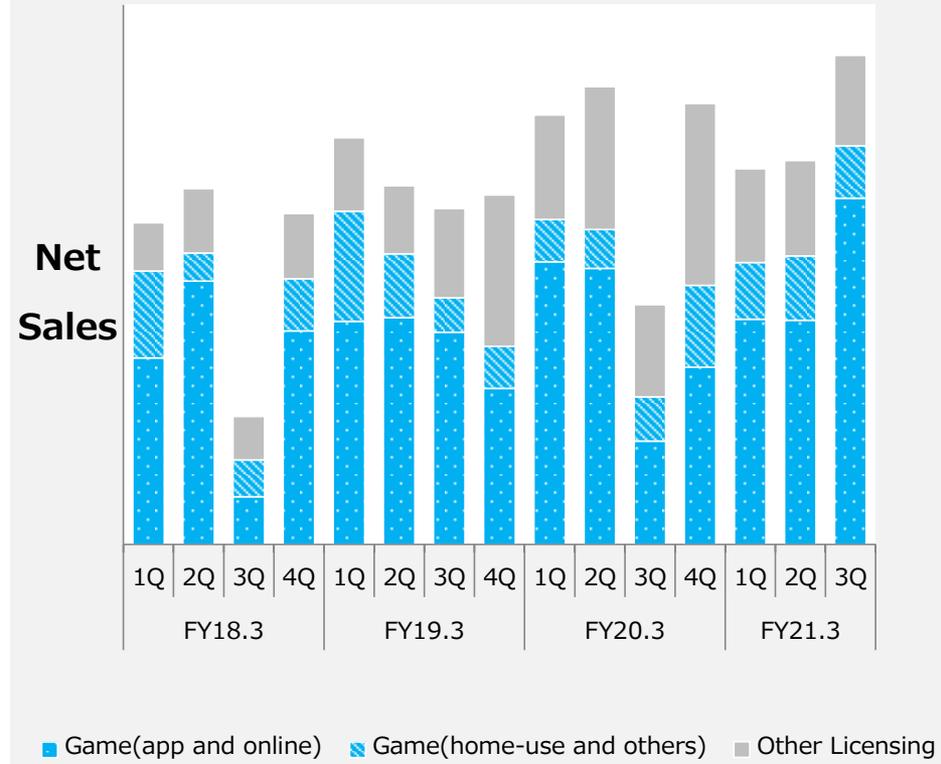
Trends in Licensing Overseas

- Revenues increased significantly due to strong performance of the app games *DRAGON BALL* and *Slam Dunk*.
- The home-use game *DRAGONBALL Z KAKAROT* also remained strong.
- The number of new contracts for game development rights fell year on year.

Trends in Net Sales of Licensing Overseas



Breakdown of Net Sales by Business



Revised Estimates for FY2021.3 – Consolidated

(Million Yen)	FY21.3(full year)				
	Previous Estimates (May. 14, 2020)	Revised Estimates (Jan. 25, 2021)	+ -	FY20.3 Results	+ -
Net Sales	50,000	50,600	600	54,819	-4,219
Operating Income	10,000	14,000	4,000	16,094	-2,094
Ordinary Income	10,300	14,300	4,000	16,455	-2,155
Net Income	7,000	10,000	3,000	11,437	-1,437

【FY2021.3 Grounds for earnings estimates】

- Sales and profit are anticipated to surpass the previous forecast due to strong performances that were above the initial forecast in the sales of game development rights for *Slam Dunk* and *DRAGON BALL* in the licensing overseas segment, delivery of movies for Saudi Arabia in the film overseas segment, and sales of the theatrical screening rights of *DRAGON BALL SUPER: BROLY* in North America.
- Though domestic and overseas sales of game development rights are expected to remain firm in 4Q, the forecast is as above because of the uncertainty that remains due to the COVID-19 pandemic.

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

FY2021.3

FY2022.3-

Creating
New Titles



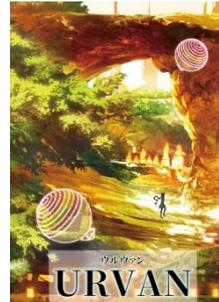
MARK & COOPENS

Collaborative work of original animation with TAKARA TOMY
Showing from December 25, 2020 on YouTube



Tokyo 7th Sisters

Fostering popular idols
Film adaptation of a smartphone game
To be released on February 26, 2021



Short film URVAN

Aiming for regional revitalization, industry-university cooperation and creating new IP
Showing from February 12, 2021 on YouTube

NO
IMAGE

Future's Folktales

Collaborative work with MANGA PRODUCTIONS in 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 between Japan, China and the U.S. in animation for families, eyeing the global market

Activation of
existing
content



Digimon Adventure: The Adventure of Dai

Started broadcast on April 5, 2020



Dragon Quest: The Adventure of Dai

Started broadcast on October 3, 2020



Sailor Moon Eternal

Prequel/sequel were released on January 8/February 11, 2021



World Trigger 2nd season

Started broadcast on January 9, 2021

#slamdunkmovie

Slam Dunk

Animation production decided

New works
of the
leading
titles are
ongoing

Base

- Organizational change (Establishment of Planning Dept.)
 - Change from a function-specific organization to title-oriented organization

- Expansion of production capabilities
 - Promotion of digital drawing and AI development
 - Reinforcement of cooperation with external studios

- Acquisition of new business partners and new business development
 - Establish contents planning company in Shanghai which promote exploitation of the Chinese and Asian markets.

Future Initiatives

Schedule

Film Licensing
Sales of Goods Others

FY21.3 3Q	Opening of <i>Sailor Moon Store</i> in Fukuoka [Oct.2]
	Start of broadcast of <i>Dragon Quest: The Adventure of Dai</i> [Oct.3]
	Release of <i>Pretty Cure Miracle Leap</i> [Oct.31]
	Release of <i>Looking for Magical DoReMi</i> [Nov.13]
	Opening of <i>Sailor Moon Store</i> in Shinsaibashi [Nov.20]
FY21.3 4Q	Opening of <i>LB POP-UP THEATER</i> in Shinsaibashi [Nov.20]
	Distribution of <i>Slam Dunk</i> app game for Europe and Latin America [November]
	Release of <i>Sailor Moon Eternal</i> prequel [Jan.8]
	Start of broadcast of <i>World Trigger 2nd season</i> [Jan.9]
	Digital card game <i>Super DRAGON BALL Heroes</i> BM-6 [Jan.21]
	Scheduled distribution of <i>ONE PIECE</i> app game for China [early February of 2021]
	Release of <i>Sailor Moon Eternal</i> sequel [Feb.11]
	Release of <i>Tokyo 7th Sisters</i> [Feb.26]
	Release of <i>Digimon Survive</i> (PS4/Switch) [2021 fall]
	Scheduled distribution of app game <i>Dragon Quest: The Adventure of Dai</i> [2021]
FY22.3 1Q-	Home-use game <i>Infinity Strash Dragon Quest: The Adventure of Dai</i> [2021]
	Release of short film <i>URVAN</i> on YouTube [February]
	Start of broadcast of <i>World Trigger 3rd season</i> [TBA]
	Scheduled distribution of <i>Digimon</i> app game for China [TBA]
	Release of the movie <i>Slam Dunk</i> [TBA]
	Release of internationally co-produce movie <i>The Monkey Prince (tentative)</i> [TBA]

Topics

Status of Animation Works in FY2021.3

- **TV *Dragon Quest: The Adventure of Dai***
-Started broadcasting from October 3, 2020.
-The licensing of card games and other products is in progress.
-Games and app games are to be released in 2021.
- **Movie *Sailor Moon Eternal* prequel**
-Released on January 8, 2020.
-Though box-office revenue was affected by the state of emergency, the tie-up campaign contributed to income.

Development of New Titles

- **TV *World Trigger***
-Started broadcasting of 2nd season on TV asahi from January 9, 2021.
-The production and broadcast of a 3rd season was also decided.
- **Movie *Sailor Moon Eternal* sequel**
-Released on February 11, 2021
- **Movie *Tokyo 7th Sisters***
-Scheduled to be released on February 26, 2021
- **Movie *Slam Dunk***
-Animation production decided

Development of App Games

- **App Game *Slam Dunk***
-Extending worldwide, mainly in Asia, Europe and Latin America
- **App Game *ONE PIECE* for China**
-Scheduled distribution in early February of 2021

About Dividend

Plan for year-end Dividend

FY2020.3

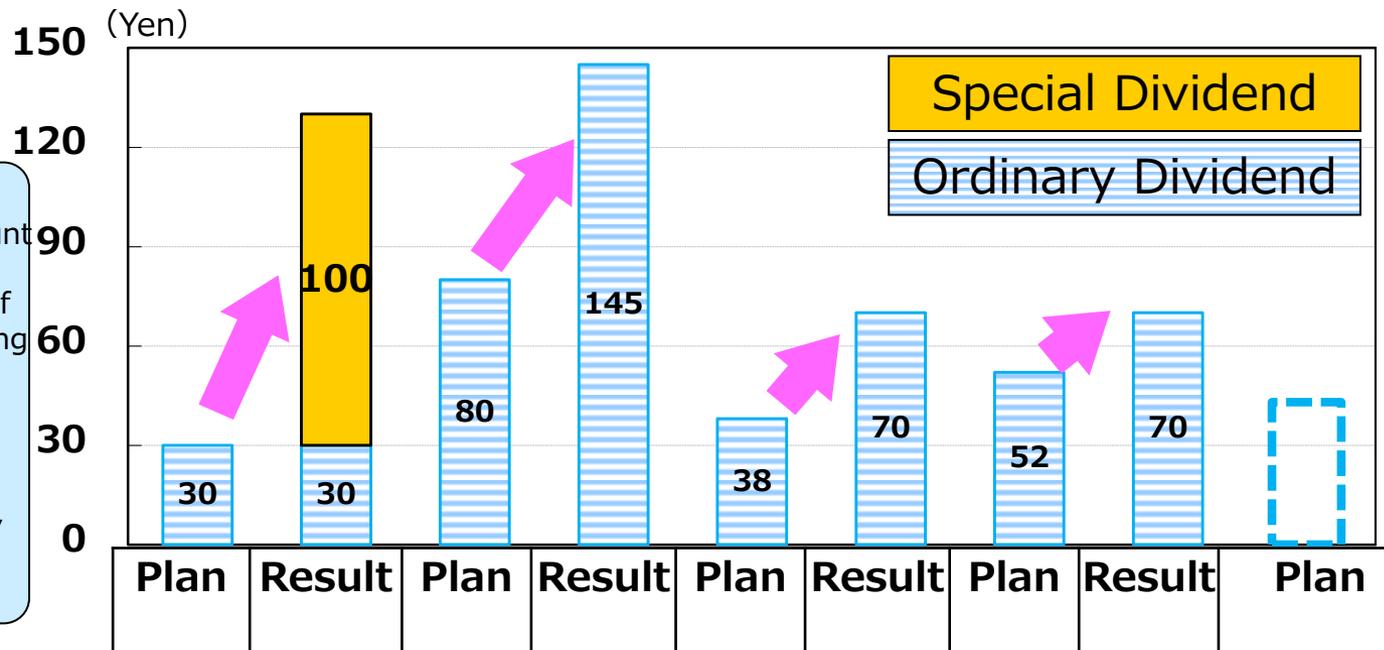
¥70 per share

FY2021.3

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.



Fiscal year	FY17.3	FY18.3	FY19.3	FY20.3	FY21.3
※ Dividend per share	130(43.3)	145(48.3)	70	70	43
Payout ratio	24.6%	25.2%	25.2%	25.0%	25%

*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. On and after 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
Healin' Good ♥ Pretty Cure



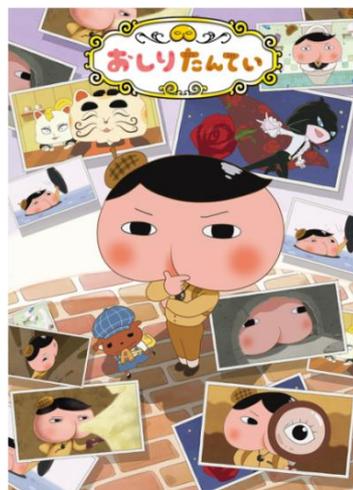
SUN at 9:00am on
Fuji TV et al.
Digimon Adventure:



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



TUE at 6:45pm on NHK
Educational TV
*Fushigi Dagashiya
Zenitendo*



SAT at 9:00am
on NHK
Educational TV
BUTT DETECTIVE



SAT at 9:30am on TV Tokyo
et al.
*Dragon Quest:
The Adventure of Dai*



SUN at 1:30am on TV
Asahi et al.
*World Trigger
2nd season*

Reference (2) Lineup of New Titles in FY2021.3

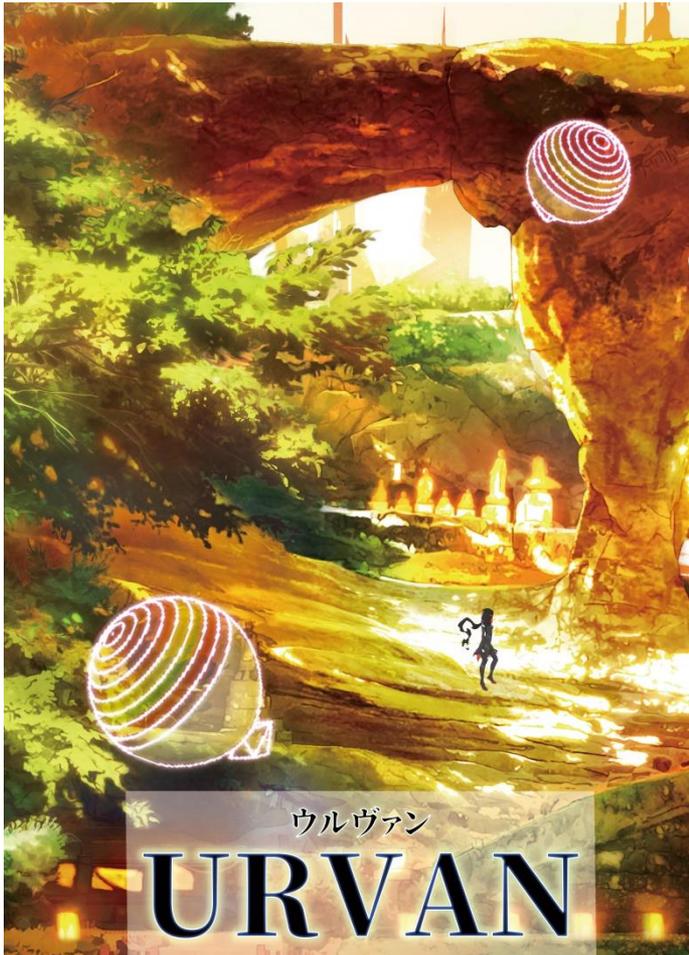


Sailor Moon Eternal Sequel
Released on February 11, 2021



Tokyo 7th Sisters
To be released on February 26,
2021

Reference (3) Lineup of New Titles for FY2021.3-



Short film *URVAN*
Showing from February 12, 2021
on YouTube

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Slam Dunk
Animation 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.