

TOEI ANIMATION CO., LTD

For FY Ended March 31, 2021 (April 1, 2020 to March 31, 2021)



Toei Manga Matsuri

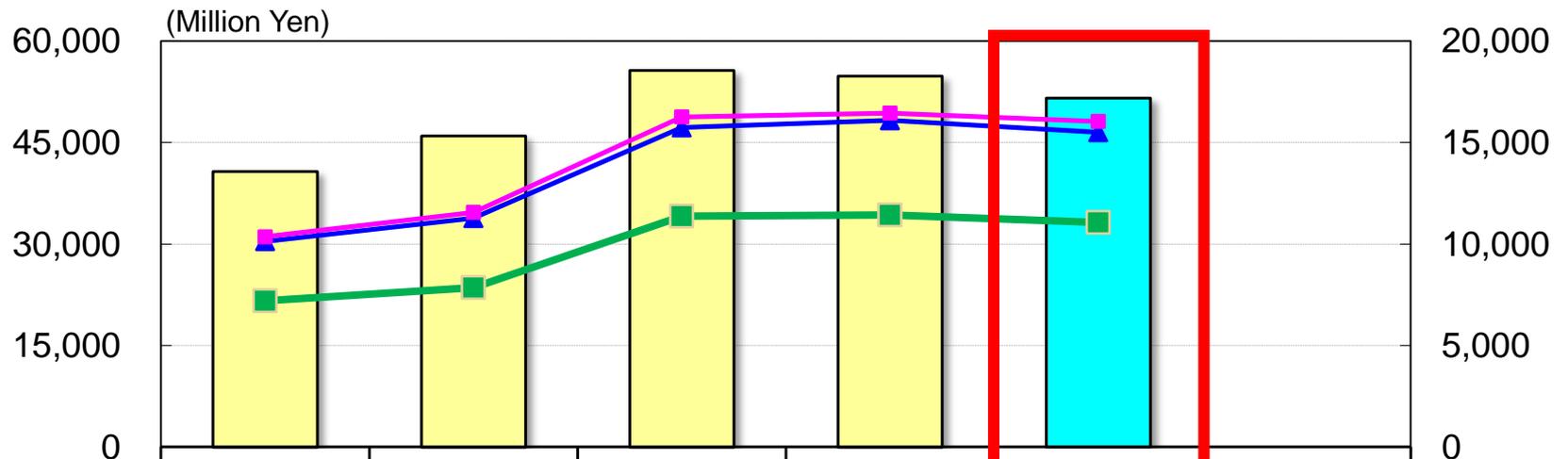
To be released on Friday, August 13, 2021



8.13 (金) 公開

FY2021.3 Results –Consolidated

- Net sales and each income decreased year on year. (Achieving the third highest net sales and income in our history)
- There has also been a reactionary decline in Domestic Licensing since the previous year due to the impacts of weaker box-office revenue, 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, sales hit a record high due to the delivery of theatrical movies for Saudi Arabia and strong sales of theatrical screening rights and app game development rights.



	FY2017.3	FY2018.3	FY2019.3	FY2020.3	FY2021.3	% v.s. prior year
Net Sales	40,747	45,992	55,701	54,819	51,595	-5.9%
Cost of Sales	25,204	28,410	32,862	31,358	28,655	-8.6%
SG&A	5,409	6,309	7,097	7,367	7,436	0.9%
Operating Income	10,133	11,272	15,741	16,094	15,503	-3.7%
Ordinary Income	10,362	11,561	16,265	16,455	16,040	-2.5%
Net Income	7,203	7,847	11,375	11,437	11,067	-3.2%

FY2021.3 Results Segment Breakdown –Consolidated

(Million Yen)		FY2020.3	FY2021.3	% v.s. prior year
FILM	Net Sales	19,925	19,766	-0.8%
	Segment Income	4,533	4,798	5.8%
Licensing	Net Sales	29,751	28,997	-2.5%
	Segment Income	14,503	14,257	-1.7%
Sales of Goods	Net Sales	4,401	2,466	-44.0%
	Segment Income	-7	-183	-
Others	Net Sales	911	446	-51.0%
	Segment Income	-26	-191	-
TOTAL	Net Sales	54,819	51,595	-5.9%
	Operating Income	16,094	15,503	-3.7%

* Numbers for each segment include intra-company sales.

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

(Million Yen)	FY20.3 Results	FY21.3 Results
Net Sales	54,819	51,595
Film	19,925	19,766
Movies	1,714	1,010
TVs	2,891	2,720
DVDs	531	553
Overseas	11,264	12,664
Others	3,523	2,815
Licensing	29,751	28,997
Japan	15,235	13,207
Overseas	14,516	15,790
Sales of Goods	4,401	2,466
Others	911	446

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

Film (↘ 0.8% year on year)

- In Movies, revenues declined significantly due to the COVID-19 pandemic and a reactionary fall after the movie *ONE PIECE STAMPEDE* was a hit in the previous year.
- In TV Anime, revenues declined due to poor results of film production for events associated with the COVID-19 pandemic and a reactionary fall of sound production for games, which was strong in the previous year.
- In DVDs, revenues increased due to strong sales of Blu-ray/DVD versions of *ONE PIECE STAMPEDE*.
- In the Overseas segment, revenues increased significantly due to strong sales of 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 the effect of terminating the service for the app game *SAINT SEIYA Galaxy Spirits* and a reactionary fall from the strong sales of the online distribution rights of *ONE PIECE*, which was strong in the previous year.

FY2021.3 Results Segment Analysis (2)

(Licensing/Sales of Goods/Others)

(Million Yen)		FY20.3 Results	FY21.3 Results
Net Sales		54,819	51,595
Film		19,925	19,766
	Movies	1,714	1,010
	TVs	2,891	2,720
	DVDs	531	553
	Overseas	11,264	12,664
	Others	3,523	2,815
Licensing		29,751	28,997
	Japan	15,235	13,207
	Overseas	14,516	15,790
Sales of Goods		4,401	2,466
Others		911	446

* 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 as well as the reactionary decline in sales of merchandising rights linked to the movie *ONE PIECE STAMPEDE* in the previous year.
- In overseas licensing, revenues increased due to strong sales of the app games *DRAGON BALL* series for Europe and America, and *Slam Dunk* for Asia.

Sales of Goods (↓ 44.0% year on year)

- Revenues declined sharply due to the voluntary closure of character goods sales store associated with the impact of the COVID-19 pandemic, in addition to a reactionary decline in goods sales related to the movie *ONE PIECE STAMPEDE*, which were strong in the previous year.

Others (↓ 51.0% year on year)

- Revenues declined substantially due to the impact of the postponement/cancellation of events associated with the COVID-19 pandemic.

FY2021.3 Results Review

(Million Yen)	FY20.3 Results	FY21.3 Results	+ -	% v.s. prior year
Net Sales	54,819	51,595	-3,223	-5.9%
Costs of Sales	31,358	28,655	-2,702	-8.6%
Gross Profit	23,461	22,939	-521	-2.2%
SG & A	7,367	7,436	69	0.9%
Operating Income	16,094	15,503	-590	-3.7%
Non-Operating Income	509	809	299	58.9%
Non-Operating Expense	147	271	124	84.4%
Ordinary Income	16,455	16,040	-415	-2.5%
Extraordinary Gain and Loss	-29	-46	-16	-
Net Income before tax	16,426	15,994	-432	-2.6%
Income Taxes	5,047	5,009	-37	0.8%
Income Taxes Adjustment	-58	-83	-24	-
Minority Interest	-	-	-	-
Net Income	11,437	11,067	-369	-3.2%

Net Sales

- Businesses with sharp increases in revenues
 - 1) Licensing Overseas [1,400] ⇒ 2) Film Overseas [1,274] ⇒ 3) DVDs [22]
- Businesses with significant declines in revenues
 - 1) Licensing Japan [-2,028] ⇒ 2) Sales of Goods [-1,934] ⇒ 3) Film Others [-707]

Cost of Sales / Gross Profit

- Gross profit to net sales: 44.5% (previous year: 42.8%)
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 [+69]
 - Factors for increase
 - 1) Personnel expenses [+347] (previous year: 1,700, last year: 2,048)
 - 2) Commission paid [+177] (previous year: 534, last year: 712)
 - Factors for decrease
 - 1) Ad expenses [-355] (previous year: 876, last year: 520)

Non-operating Income and Expense

- Non-operating expense [+124]
 - Miscellaneous expense [+149] (previous year: 15, last year: 165)

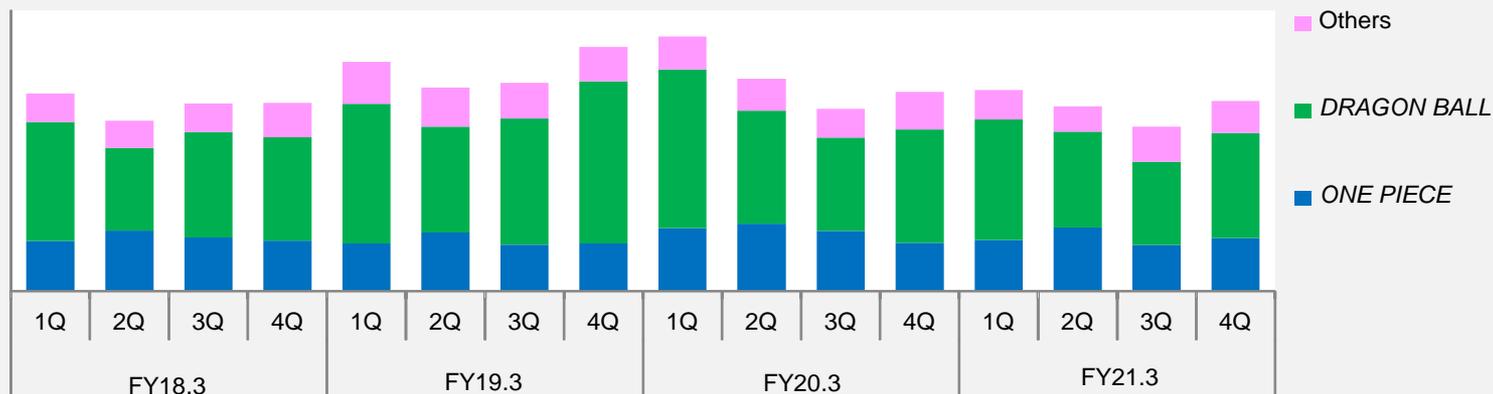
Extraordinary gain and loss

- Extraordinary loss [46]
 - Loss on valuation of investment securities

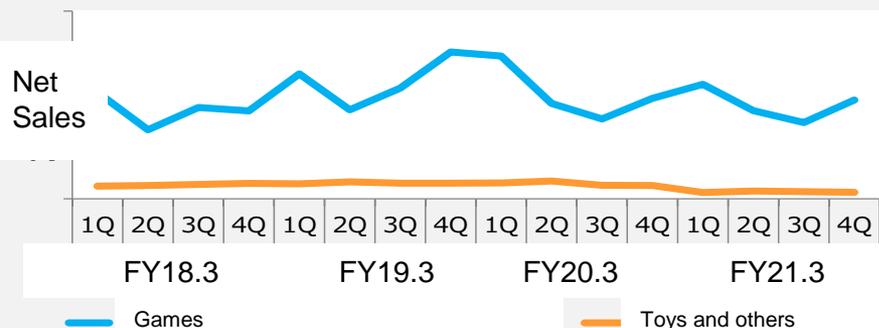
Trends in Domestic Licensing for Major Titles

- Sales of *DRAGON BALL* series did not reach the strong level of a year earlier.
- There was a reactionary fall from the strong sales of merchandising rights linked to the movie *ONE PIECE STAMPEDE* in the previous year.
- Revenue fell sharply due to sluggish sales of both game development rights and merchandising rights, partially because of the COVID-19 pandemic.

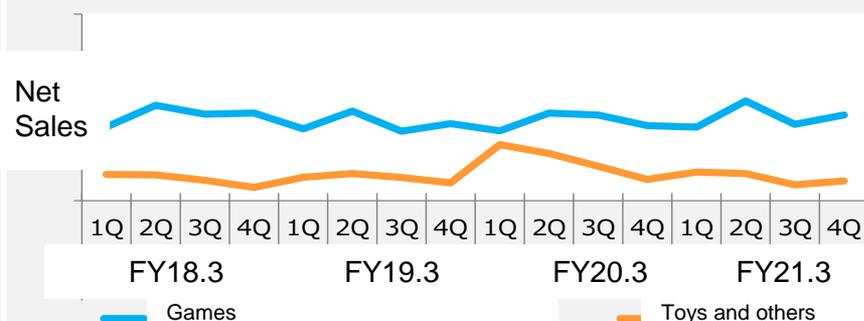
Trends in Domestic Licensing Revenues



Trends in Domestic Licensing Revenues for *DRAGON BALL*



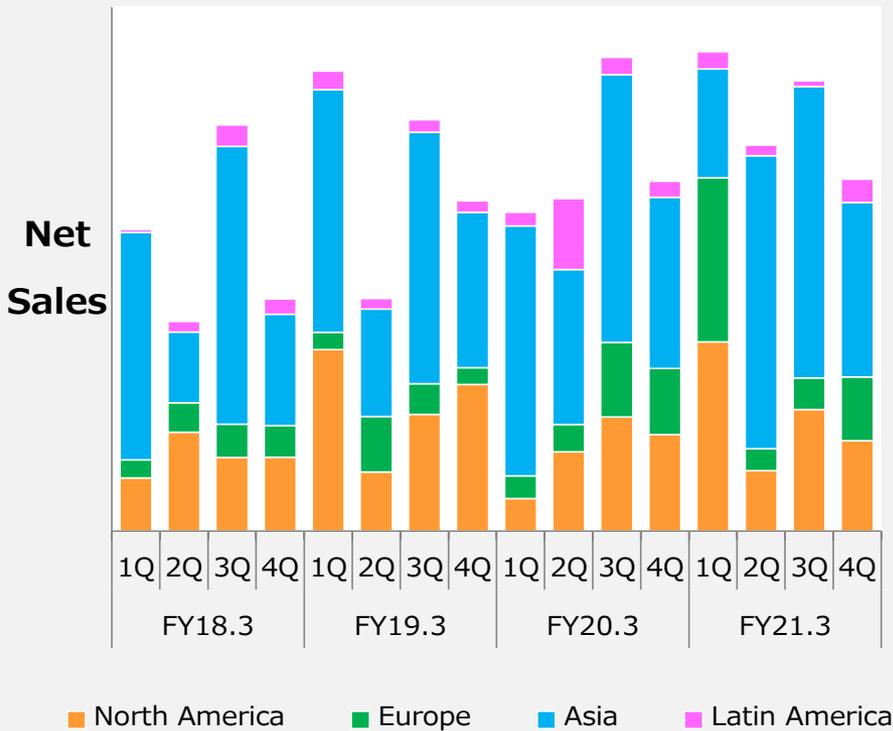
Trends in Domestic Licensing Revenues for *ONE PIECE*



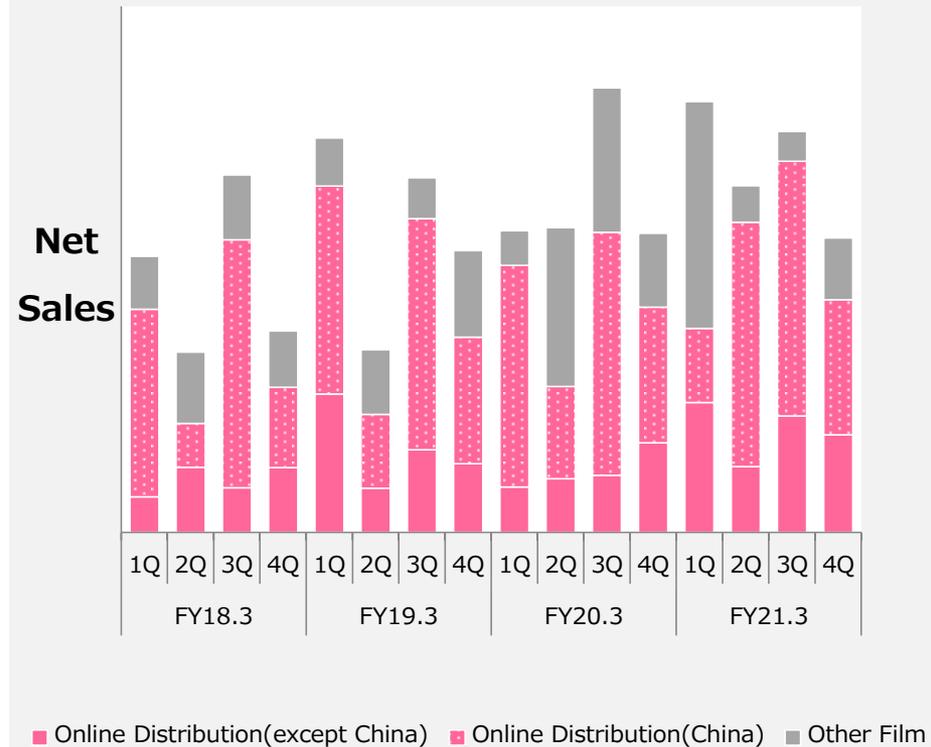
Trends in Film Overseas

- Revenues rose significantly year on year due to income from movies for Saudi Arabia posted in 1Q, and strong sales of online distribution rights throughout the year.
- Sales of online distribution rights increased globally.
- Sales of large online distribution rights for China performed strongly following the addition of a number of titles.

Trends in Net Sales of Film Overseas



Breakdown of Net Sales by Business

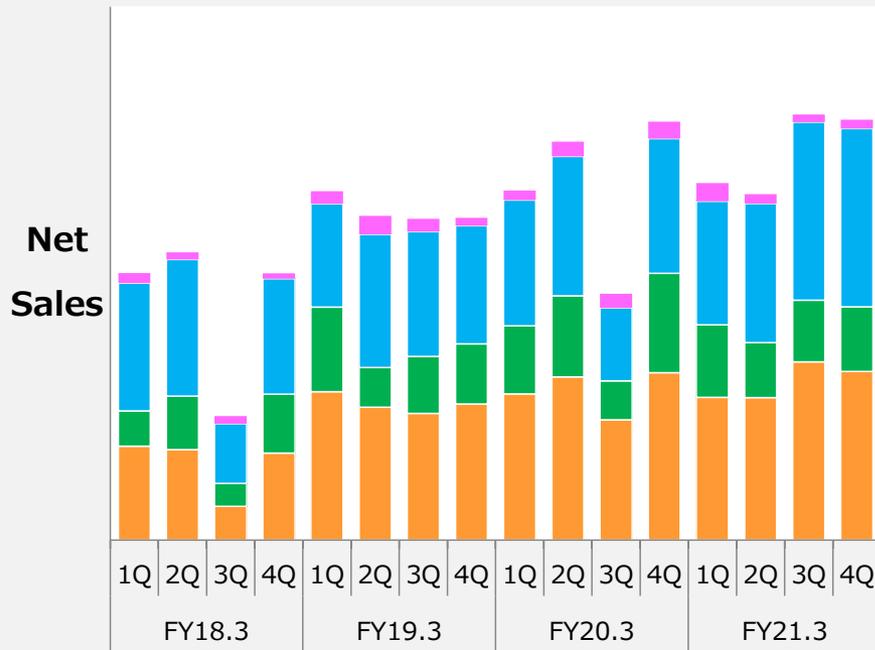


* Due to consolidated accounting for subsidiaries, the left graph shows consolidated figures while the right graph shows our non-consolidated figures.

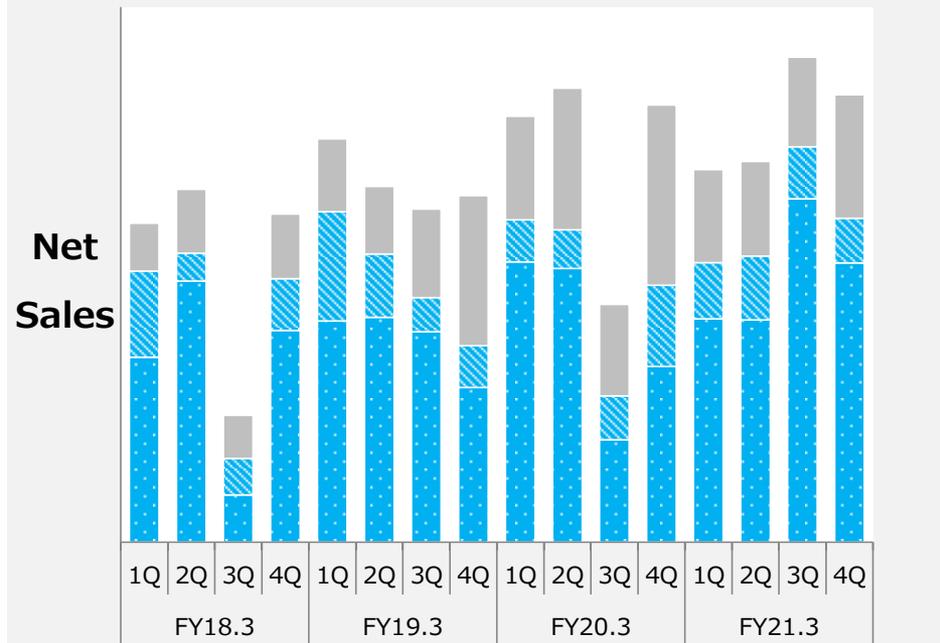
Trends in Licensing Overseas

- Revenues increased year on year due to strong performance of the app games *DRAGON BALL* series and *Slam Dunk*.
- The new and renewed contract MG of multiple app games was posted.
- The home-use game *DRAGONBALL Z KAKAROT* also remained strong, mainly in North America.

Trends in Net Sales of Licensing Overseas



Breakdown of Net Sales by Business



■ North America ■ Europe ■ Asia ■ Latin America

■ Game(app and online) ■ Game(home-use and others) ■ Other Licensing

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

Earnings Estimates for FY2022.3 – Consolidated

	FY21.3 Results	FY22.3 Estimates	% increase/decrease	FY21.3 Initial Estimates
Net Sales	51,595	51,000	-1.2%	50,000
SG & A	7,436	9,000	21.0%	8,130
Operating Income	15,503	11,000	-29.0%	10,000
Ordinary Income	16,040	11,300	-29.6%	10,300
Net Income	11,067	7,600	-31.3%	7,000

[FY2022.3 Grounds for earnings estimates]

- Revenues are expected to decrease due to sluggish sales of app game development rights and demands from staying at home.
- For SG&A, increases in advertising expenses due to the enhancement of title advertising and costs associated with the recovery from the COVID-19 pandemic, etc. are expected.
- We will continue to work actively on production and sales of films, including overseas original titles.
- There is a risk of the postponement of movie and TV title releases, the postponement or cancellation of events and voluntary closure of character goods sales stores due to the impact of the coronavirus pandemic.

Earnings Estimates for FY2022.3: Segment Breakdown

	FY21.3 Results	FY22.3 Estimates
Net Sales	51,595	51,000
Film	19,766	21,500
Movies	1,010	3,300
TVs	2,720	3,320
DVDs	553	280
Overseas	12,664	11,500
Others	2,815	3,100
Licensing	28,997	25,000
Japan	13,207	11,000
Overseas	15,790	14,000
Sales of Goods	2,466	3,000
Others	446	1,500

Film (8.8% year on year)

- Revenues from Movies are likely to increase significantly with the delivery of large titles and theaters returning to full operation as the COVID-19 pandemic subsides.
- In TVs, revenues should increase significantly due to the increase in the number of TV titles to be broadcast.
- In DVDS, revenues are set to decrease given a shrinking market.
- In Overseas, revenues are expected to decrease significantly given a reactionary decline from the delivery of theatrical movies for Saudi Arabia, despite ongoing strong sales of distribution rights, particularly sales of large online distribution rights in China.
- In Others, revenues are expected to rise because a further increase in the sales of distribution rights in Japan is expected.

Licensing (13.8% year on year)

- In licensing (Japan), revenues are expected to fall significantly mainly due to a slowdown in sales of app games, etc.
- In Licensing (overseas), revenues are expected to fall due to a slowdown in sales of existing app games and demand from staying at home, despite merchandising rights MG of app games expected.

Sales of Goods (21.6% year on year)

- Revenues are expected to increase significantly with an improved operating environment for the shop business, etc.

Others (235.6% year on year)

- Revenues are expected to increase significantly with an improved operating environment for the event business.

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

FY2022.3

FY2023.3 onward

Creating New Titles



The Journey
Collaborative work with Saudi Arabia
To be released on June 25, 2021



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 between Japan, China and the U.S. in animation for families,

Activation of existing content



Digimon Adventure:
Started broadcast on April 5, 2020



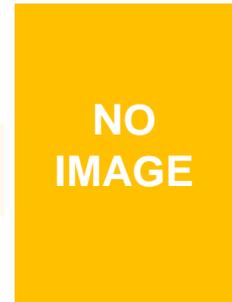
Dragon Quest: The Adventure of Dai
Started broadcast from October 3, 2020



World Trigger 2nd season
Started broadcast on January 9, 2021
3rd season will start in October 2021



Slam Dunk
Animation production decided



DRAGON BALL Super
New movie will be released in 2022



DEVIL BOY
New animation will start
Birth of KITARO: Mystery of GeGeGe (tentative)
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**

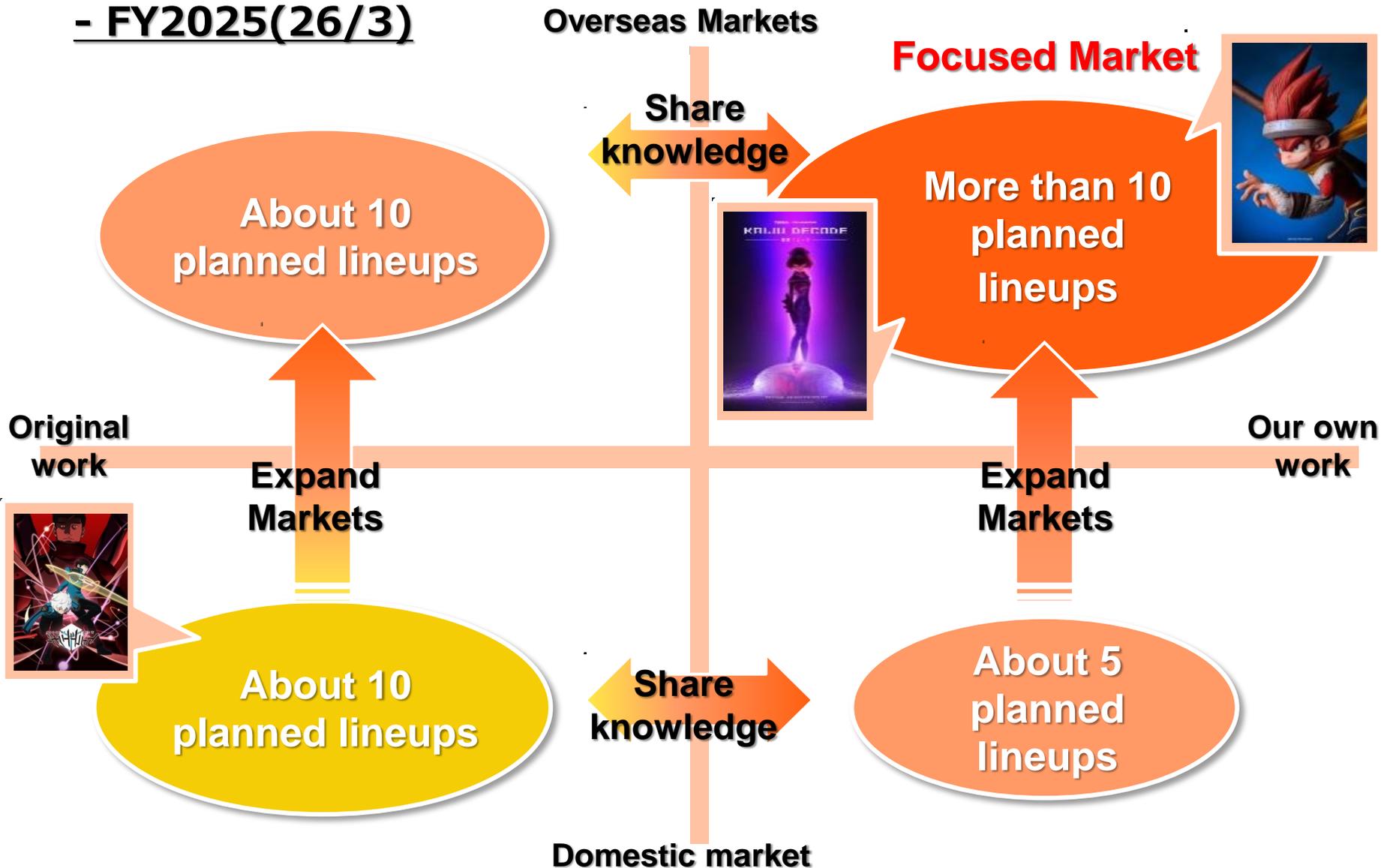
- Enter into the Hollywood business
- Establish a content planning and production company in Shanghai
- Promote exploitation of the Chinese and Asian markets

■ **Advancement of production capabilities**

- Build a purpose-specific production system for each title
- Integrate 2D/3D cutting-edge technologies

Initiatives Aimed for Medium and Long-Term Growth (Mid- and long-term portfolio)

- FY2025(26/3)



Future Initiatives

Schedule

Film	Licensing
Sales of Goods	Others

Topics

Status of Animation Works in FY2021.3 4Q

■ TV *Digimon Adventure*:

- Entered the second year of broadcast in April 2021
- Since the timing to start broadcasting was the same as that of the state of emergency, it struggled to acquire new audiences of children
- The official fan community for core fans was opened

■ Movie *Sailor Moon Eternal*

- Prequel: Released on January 8, 2021, Sequel: Released on February 11, 2021
- Though box office revenue was affected by the state of emergency, the tie-up campaign and strong performance of distribution and store expansion contributed to income.

Development of New Titles

■ TV *World Trigger*

- Broadcasted of 2nd season from January 9, 2021
- Broadcasting of the 3rd season from October 2021 decided

■ Movie *DRAGON BALL Super*

- Scheduled to be released in 2022

■ *DEVIL BOY*

- A new animation project started

■ Movie *Birth of KITARO: Mystery of GeGeGe(tentative)*

- Film production of the 6th season of TV *GeGeGe no Kitaro* decided

■ Movie *Slam Dunk*

- Animation production decided

Development of App Games

■ App Game *ONE PIECE* for China

- Released in April 2021

FY21.3 4Q	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]
	Release of <i>Sailor Moon Eternal</i> sequel [Feb.11]
	Release of short film <i>URVAN</i> [Feb. 12]
	Release of <i>Tokyo 7th Sisters</i> [Feb.26]
	Release of the film <i>Healin'Good Pretty Cure</i> [Mar. 20]
FY22.3 1Q	Opening of the <i>Digimon</i> official fan community <i>DIGIMON PARTNERS</i> [Apr. 1]
	Scheduled distribution of <i>ONE PIECE</i> app game for China [Apr. 2020]
	Release of <i>The Journey</i> , a collaborative work with Saudi Arabia, in Japan [Jun. 25]
	Release of <i>Toei Manga Matsuri</i> [Aug. 13]
	Start of broadcast of <i>World Trigger 3rd season</i> [Oct. 2021]
FY22.3 2Q-	Release of <i>Digimon Survive</i> (PS4/Switch) [2021 fall]
	Scheduled distribution of app game <i>Dragon Quest: The Adventure of Dai</i> [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 a new film of <i>DRAGON BALL Super</i> [2022]
	Scheduled distribution of <i>Digimon</i> app game for China [TBA]
	Start of new <i>DEVIL BOY</i> animation production [TBA]
	Release of film <i>Birth of KITARO: Mystery of GeGeGe(tentative)</i> [TBA]
Release of the movie <i>Slam Dunk</i> [TBA]	
Release of internationally co-produce movie <i>The Monkey Prince (tentative)</i> [TBA]	

About Dividend

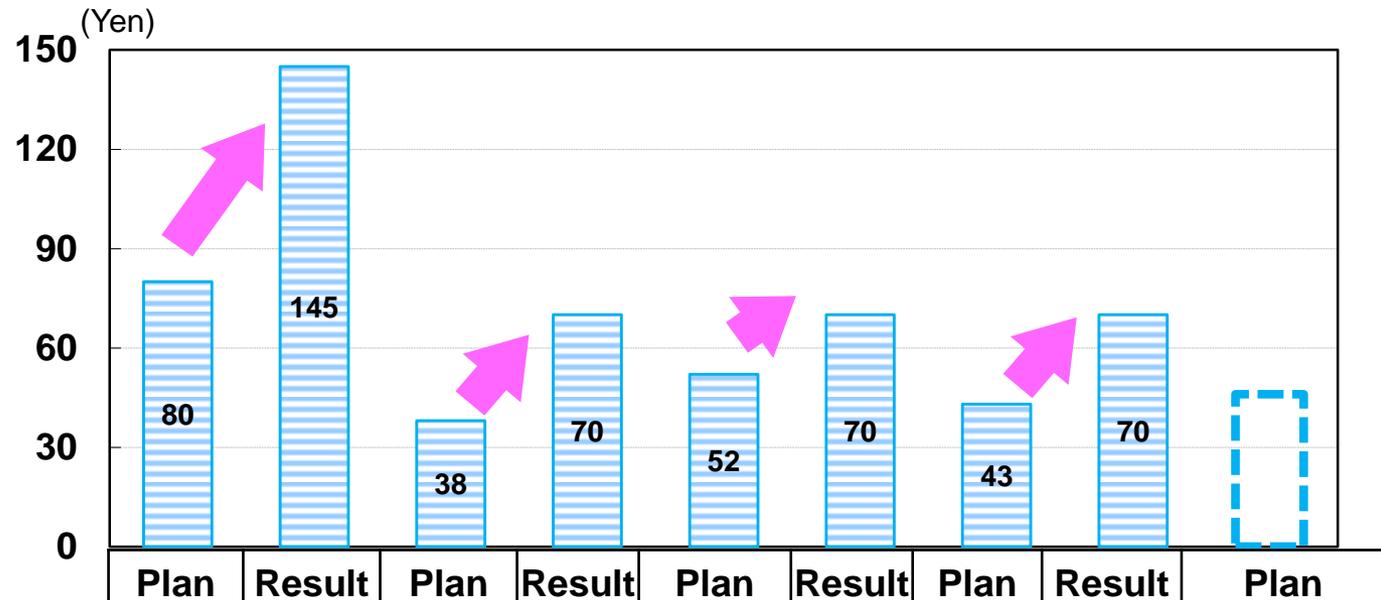
Plan for year-end Dividend

FY2021.3 ¥70 per share

FY2022.3 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.



	Plan	Result	Plan	Result	Plan	Result	Plan		
Fiscal year	FY18.3		FY19.3		FY20.3		FY21.3		FY22.3
* Dividend per share	145 (48.3)		70		70		70		47
Payout ratio	25.2%		25.2%		25.0%		25.9%		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. Starting 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
Tropical-Rouge! 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

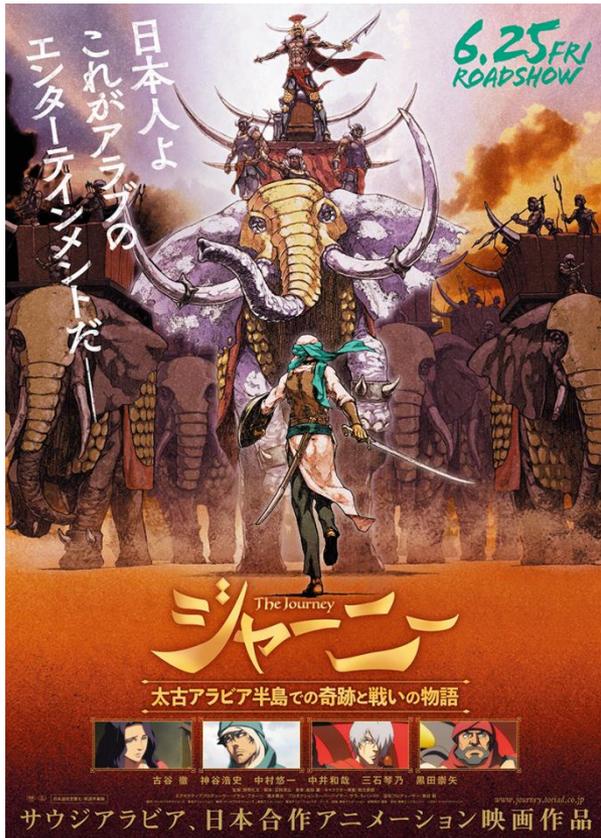


SAT at 9:00am on NHK
Educational TV
BUTT DETECTIVE



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

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



The Journey
To be released on June 25,
2021



Toei Manga Matsuri
To be released on August 13, 2021



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



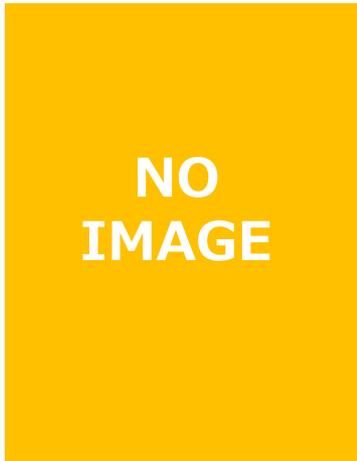
World Trigger 3rd season
Broadcast will start in
October 2021



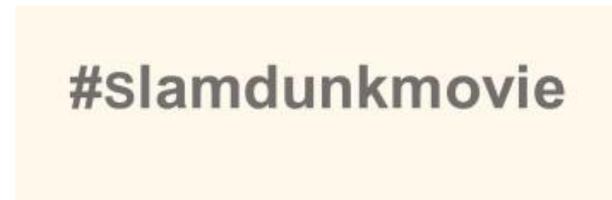
DEVIL BOY
New animation starts



Birth of KITARO:
Mystery of GeGeGe(tentative)
Animated movie production decided



DRAGON BALL Super
To be released in 2022



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.