

TOEI ANIMATION CO., LTD

For FY Ended December 31, 2016 (April 1, 2016 to December 31, 2016)



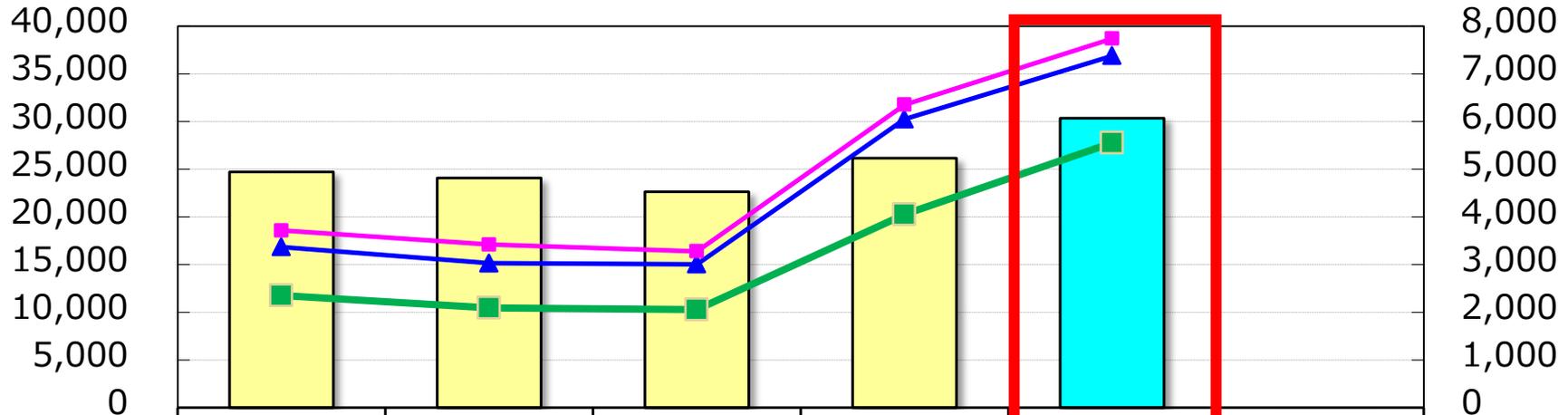
FY2017.3 Third Quarter Results – Consolidated

- Good performance of both domestic segment and overseas segment with record high net sales and incomes.
- Expansion of license sales for app games both in the domestic segment and the overseas segment.
- Active licensing and sales of goods due to the effect of *ONE PIECE FILM GOLD* in Japan.

Net Sales

(Million Yen)

Income



FY2013.3 3Q FY2014.3 3Q FY2015.3 3Q FY2016.3 3Q FY2017.3 3Q % v.s. prior year

Net Sales	24,708	24,067	22,639	26,144	30,339	16.0%
Cost of Sales	17,900	17,283	15,413	16,128	18,920	17.3%
SG&A	3,436	3,753	4,217	3,965	4,040	1.9%
Operating Income	3,370	3,030	3,008	6,050	7,377	21.9%
Ordinary Income	3,716	3,421	3,280	6,354	7,739	21.8%
Net Income	2,351	2,097	2,057	4,054	5,551	36.9%

FY2017.3 3Q Results Segment Breakdown – Consolidated

(Million Yen)		FY2016.3 3Q	FY2017.3 3Q	% v.s. prior year
FILM	Net Sales	10,735	12,010	11.9%
	Segment Income	2,534	3,022	19.3%
Licensing	Net Sales	10,829	12,778	18.0%
	Segment Income	4,825	5,919	22.7%
Sales of Goods	Net Sales	3,711	4,669	25.8%
	Segment Income	9	188	1848.1%
Others	Net Sales	994	1,071	7.8%
	Segment Income	15	44	193.5%
TOTAL	Net Sales	26,144	30,339	16.0%
	Operating Income	6,050	7,377	21.9%

*Numbers for each segment includes intra-company sales.

FY2017.3 3Q Results Segment Analysis (1) (Film)

(Million Yen)		FY16.3 3Q	FY17.3 3Q
Net Sales		26,144	30,339
Operating Income		6,050	7,377
Film		10,735	12,010
	Movies	727	1,429
	TVs	2,320	2,467
	DVDs	892	550
	Overseas	5,286	5,881
	Others	1,509	1,680
Licensing		10,829	12,778
	Japan	6,902	7,693
	Overseas	3,926	5,084
Sales of Goods		3,711	4,669
Others		994	1,071

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

Film (↑ 11.9% year on year)

- In Movies, revenues rose sharply backed by the hit movie *ONE PIECE FILM GOLD*.
- In TV Anime, revenues increased due to the strong performance of sound production for games, etc., despite a decrease in the number of titles aired and distributed (from eight to six).
- In DVDs, revenues substantially decreased due to the incorporation of sound production games into TV Anime.
- In the Overseas segment, revenues substantially increased due to the good performance of sales of TV broadcast rights of *DRAGON BALL* series all over the world, *DRAGON BALL Z Resurrection 'F'* in Central and South America and the right to show *ONE PIECE FILM GOLD* in theaters for Asia, in addition to online distribution licensing, including large-scale contracts for China.
- In the Others segment, revenues substantially increased due to the expansion of the fixed-amount online distribution market and good performance of the online distribution service.

FY2017.3 3Q Results Segment Analysis (2)

(Licensing/Sales of Goods/Others)

(Million Yen)		FY16.3 3Q	FY17.3 3Q
Net Sales		26,144	30,339
Operating Income		6,050	7,377
Film		10,735	12,010
	Movies	727	1,429
	TVs	2,320	2,467
	DVDs	892	550
	Overseas	5,286	5,881
	Others	1,509	1,680
Licensing		10,829	12,778
	Japan	6,902	7,693
	Overseas	3,926	5,084
Sales of Goods		3,711	4,669
Others		994	1,071

Licensing (↑ 18.0% year on year)

- In domestic licensing, revenues substantially increased due to the app games of *DRAGON BALL*, a tie-up for the theatrical release of *ONE PIECE FILM GOLD* and the solid performance of licensing for promotion.
- In overseas licensing, revenues increased substantially, reflecting the strong sales of the app game *DRAGON BALL Z DOKKAN BATTLE* and *ONE PIECE TREASURE CRUISE* in the whole world, and the *SAINT SEIYA* series app game in China.

Sales of Goods (↑ 25.8% year on year)

- Revenues increased considerably due to the strong sales of collaborative and promotional products, and merchandise sales at overseas events in support of the theatrical release of *ONE PIECE FILM GOLD*.

Others (↗ 7.8% year on year)

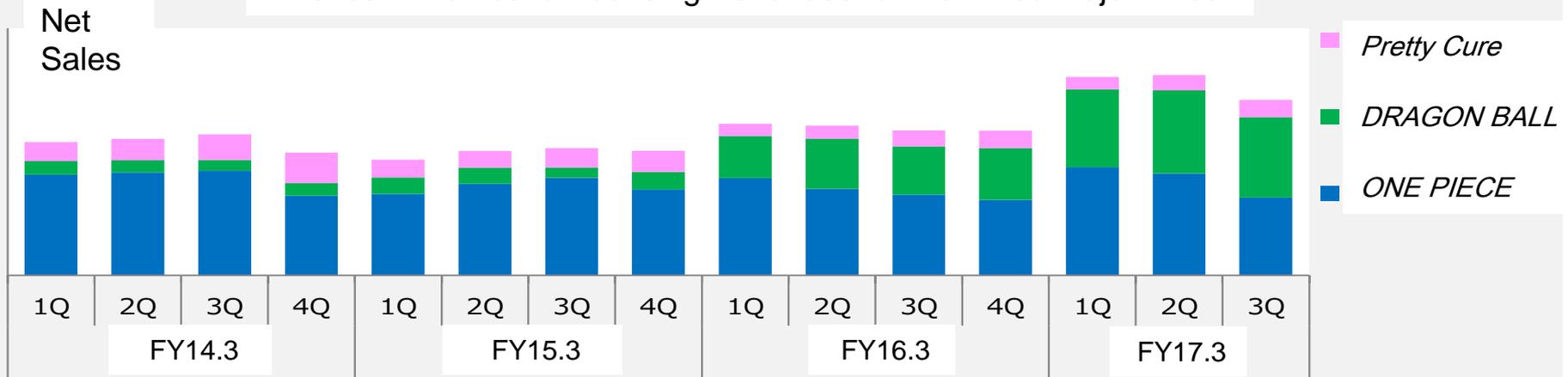
- Revenues rose due to the favorable operation of events related to *SAINT SEIYA* series and *DRAGON BALL* series.

* The figures for each segment include intra-company sales

Trends in Domestic Licensing for Major Titles

- Success with actions linked with the release of the movie *ONE PIECE*.
- Revenues from app games of *DRAGON BALL* and *ONE PIECE* remained strong.
- Expansion of the weight of the two major titles and the reliance on app games.

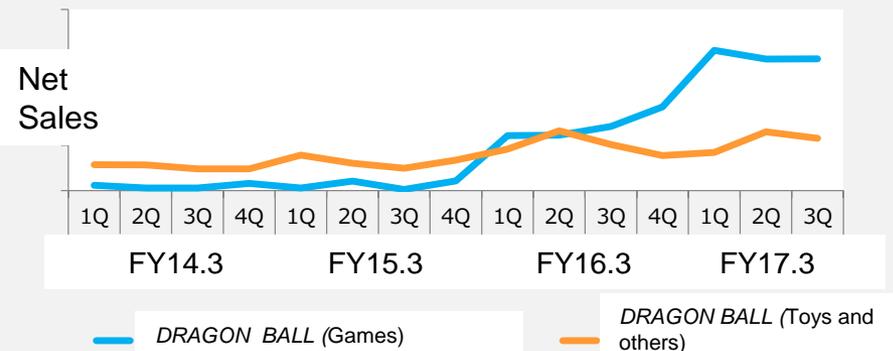
Trends in Domestic Licensing Revenues for the Three Major Titles



Trends in Domestic Licensing Revenues for *ONE PIECE*



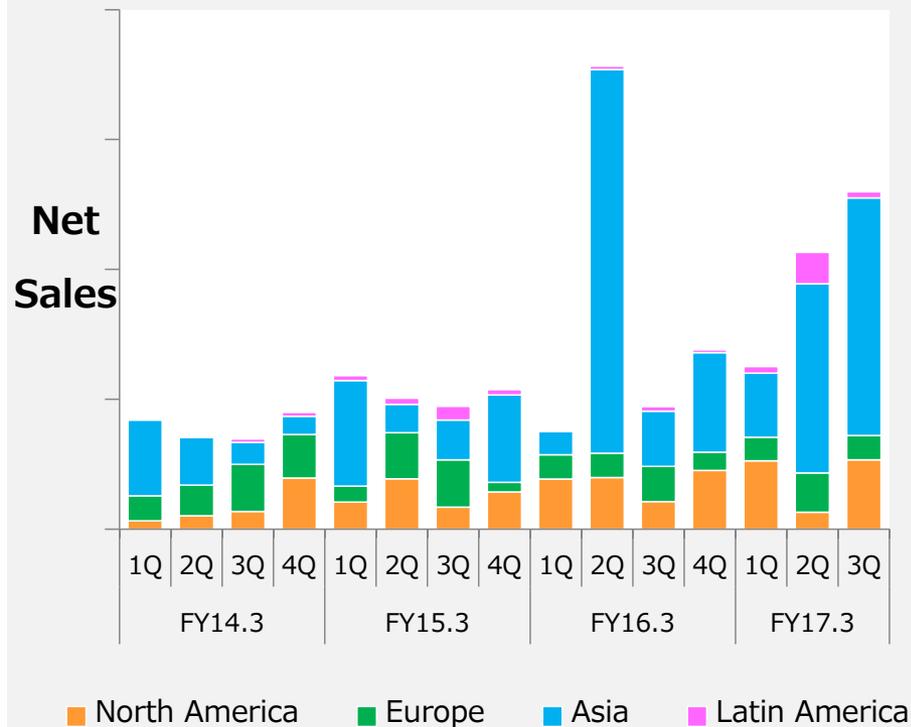
Trends in Domestic Licensing Revenues for *DRAGON BALL*



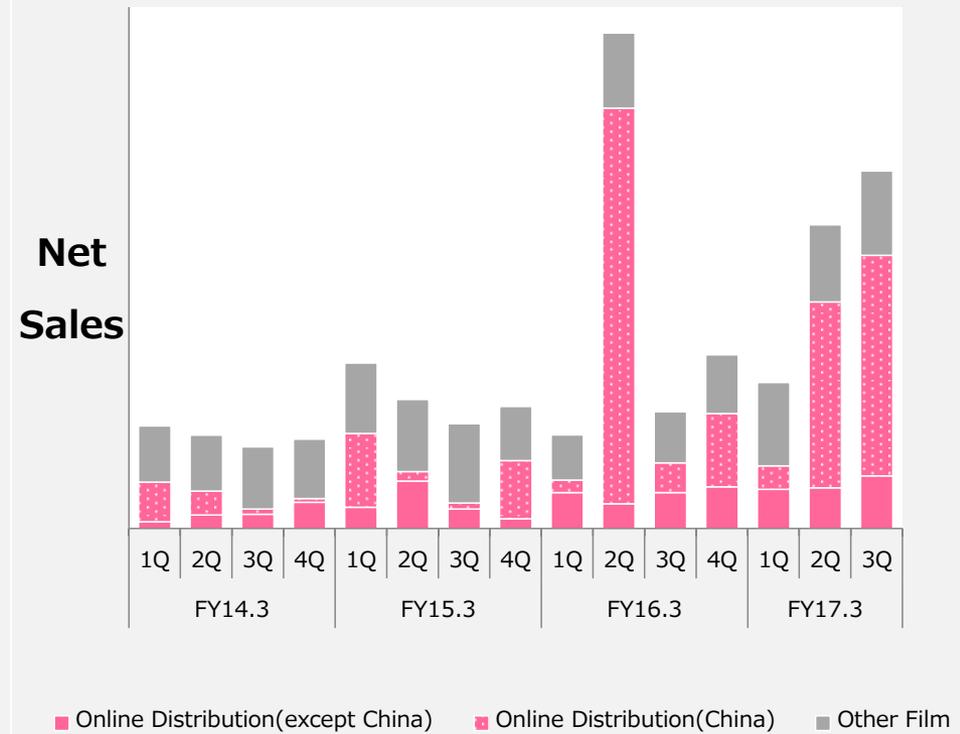
Trends in Film Overseas

- Maintenance of firm sales of large-scale online distribution licensing for China.
- Good performance of overseas shows of both *DRAGON BALL Z Resurrection 'F'* and *ONE PIECE FILM GOLD*.
- The influence of exchange rates covered by a sales increase.

Trends in Net Sales of Film Overseas



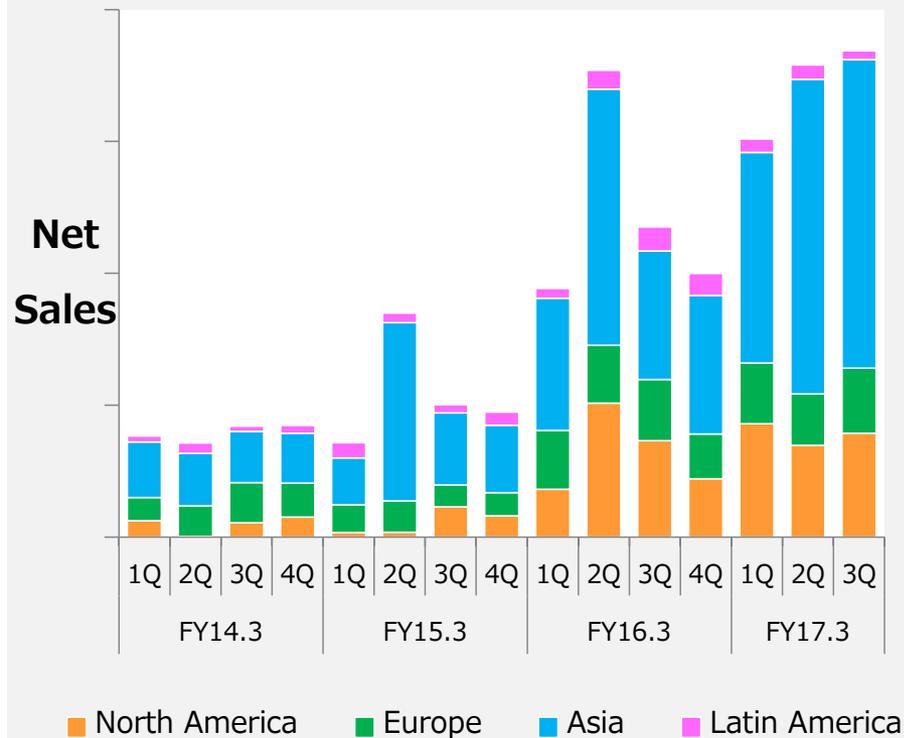
Breakdown of Net Sales by Business



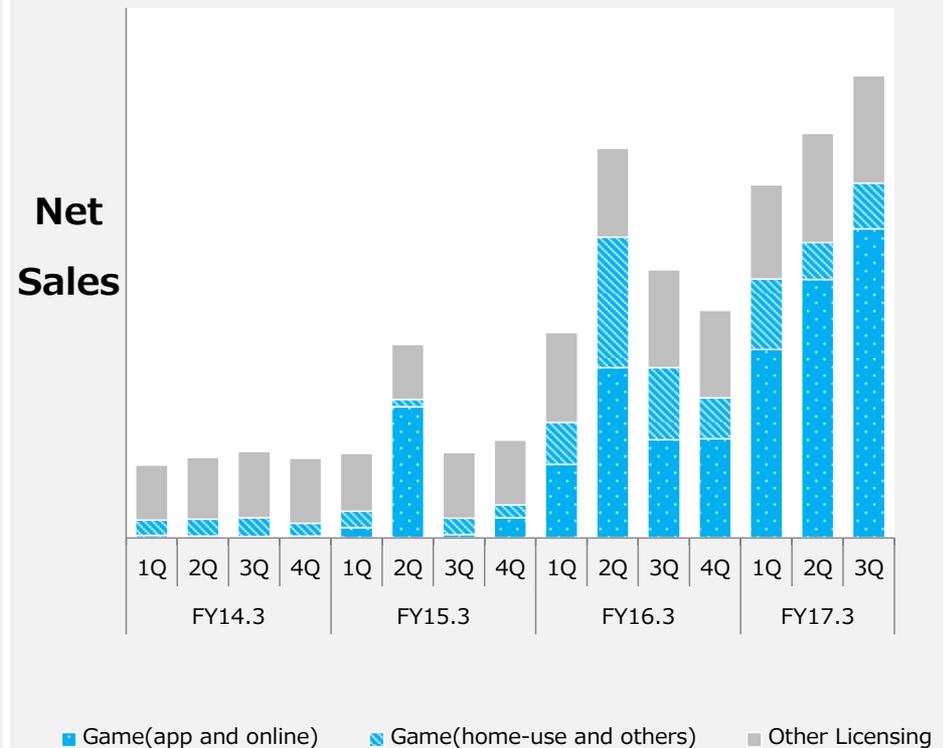
Trends in Licensing Overseas

- Continued good performance driven by sales of gaming rights of *DRAGON BALL* and *ONE PIECE*.
- Asia (China) market continues to expand.
- Sharp sales expansion of *DRAGON BALL* using the app gaming rights as a lever.

Trends in Net Sales of Licensing Overseas



Breakdown of Net Sales by Business



FY2017.3 Third Quarter Results Review

(Million Yen)	FY16.3 3Q	FY17.3 3Q	+ -	% v.s. prior year
Net Sales	26,144	30,339	4,194	16.0%
Costs of Sales	16,128	18,920	2,791	17.3%
Gross Profit	10,015	11,418	1,402	14.0%
SG & A	3,965	4,040	74	1.9%
Operating Income	6,050	7,377	1,327	21.9%
Non-Operating Income	359	372	12	3.6%
Non-Operating Expense	55	10	-44	-80.8%
Ordinary Income	6,354	7,739	1,385	21.8%
Extraordinary Gain and Loss	-220	204	424	-
Net Income before tax	6,134	7,943	1,809	29.5%
Income Taxes	1,978	2,545	566	28.6%
Income Taxes Adjustment	101	-153	-254	-
Minority Interest	-	-	-	-
Net Income	4,054	5,551	1,497	36.9%

Net Sales

- Businesses with sharp increases in revenues
 - Licensing Overseas[1,158] ⇒
 - Sales of Goods[958] ⇒
 - Licensing Japan[790] ⇒
 - Movies[701]⇒
 - Film Overseas[595]
- Businesses with significant declines in revenues
 - DVDs[-342]

Cost of Sales / Gross Profit

- The cost rate: 62.4% (61.7% in the previous FY)
The cost rate materially worsened due to theater animation. In profitable licensing, revenues substantially increased. Consequently, the overall cost rate remains the same.

SG&A

- SG&A[+74]
 - Advertising expenses[+76] (from 298 in the previous FY to 374 in the current FY)
 - Taxes and dues[+68] (from 113 in the previous FY to 182 in the current FY)
 - Provision for retirement benefits[+64] (from 70 in the previous FY to 135 in the current FY)

Extraordinary Gain and Loss

- Extraordinary gain[260]
gain on sales of securities
- ※extraordinary loss [220] due to the cost for demolishing Oizumi Studio in the previous FY

Progress toward Earnings Estimates for FY2017.3

			FY17.3 Initial estimates(full year) Disclosed on May 12, 2016		FY17.3 Revised estimates(full year) Disclosed on October 24, 2016	
(Million Yen)	FY16.3 3Q	FY17.3 3Q	Estimates	Progress	Estimates	Progress
Net Sales	26,144	30,339	30,500	99.5%	35,400	85.7%
Operating Income	6,050	7,377	5,700	129.4%	7,700	95.8%
Ordinary Income	6,354	7,739	6,000	129.0%	8,100	95.6%
Net Income	4,054	5,551	3,800	146.1%	5,800	95.7%
Film	10,735	12,010	13,200	91.0%		
Movies	727	1,429	2,000	71.5%		
TVs	2,320	2,467	2,600	94.9%		
DVDs	892	550	900	61.2%		
Overseas	5,286	5,881	5,900	99.7%		
Others	1,509	1,680	1,800	93.4%		
Licensing	10,829	12,778	11,700	109.2%		
Japan	6,902	7,693	8,000	96.2%		
Overseas	3,926	5,084	3,700	137.4%		
Sales of Goods	3,711	4,669	4,600	101.5%		
Others	994	1,071	1,000	107.1%		

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

Future Initiatives <Domestic>

Schedule(Domestic)

Film Licensing
Sales of Goods Others

FY17.3 3Q	Start of broadcast of <i>Digimon Universe App Monsters</i> [Oct.1]
	Start of broadcast of <i>Tiger Mask W</i> [Oct.1]
	Start of the <i>Cinema Kabuki ONE PIECE</i> in theaters [Oct.22]
	Release of <i>Witchy Pretty Cure! The Movie Wonderful! Cure Mofurun!</i> [Oct.29]
	PS4 DRAGON BALL XENOVERSE 2 [Nov.2]
	Digital card game <i>Super DRAGON BALL Heroes</i> [Nov.17]
	Collaboration cafe "DRAGON BALL x TOWER RECORDS" [November]
FY17.3 4Q	3DS <i>Digimon Universe App Monsters</i> [Dec.1]
	Release of <i>POPIN Q</i> [Dec.23]
	Release of <i>ONE PIECE FILM GOLD</i> DVD/BD [Dec.28]
	Start of DRAGON BALL x GEORGIA campaign [Jan.9]
	Start of DRAGON BALL x EAST JAPAN RAILWAY Stamp Rally [Jan.10-Feb.27]
	Digital card game <i>Super DRAGON BALL Heroes</i> [Jan.12]
	Opening of "Pretty Cure Pretty Store" in Osaka [Feb.4]
FY18.3 1Q~	Start of broadcast of " <i>Kira Kira☆Pretty Cure A La Mode</i> " [Feb.5]
	Start of broadcast of <i>DRAGON BALL Super</i> Universe Survival saga [Feb.5]
	<i>Digimon Adventure tri.</i> Chapter 4 to be put on theaters [Feb.25]
	Release of <i>Pretty Cure Dream Stars!</i> [Mar.18]
FY18.3 1Q~	3DS DRAGON BALL Heroes: Ultimate Mission X [Apr.27]
	Start of broadcast of <i>KADO: The Right Answer</i> [April]
	Start of the project <i>Mazinger Z the Movie (tentative)</i>

Topics

Development of *Dragon Ball series*

■ TV **DRAGON BALL Super**

- Scheduled broadcast new chapter "Universe Survival" saga from February 5
- Active development of merchandising(card game etc), campaign and game(3DS)

■ App Game **DRAGON BALL Z DOKKAN BATTLE**

- More than 128 million downloads in the world for iOS and Android

Development of *Pretty Cure series*

■ TV *Kira Kira☆Pretty Cure A La Mode*

- Start of broadcast (14th series title) from February 5
- Following the previous title on a recovery track, active development of secondary use mainly with toys.

■ "Pretty Store" in Osaka

- Scheduled opening at Abeno Q's mall on February 4

■ Movie *Pretty Cure Dream Stars!*

- scheduled to be released on March 18



Development of New Titles

■ *Digimon Adventure tri.*

- The fourth chapter is to be released on February 25

■ TV **KADO: The Right Answer**

- Our first original CG animation series
- Scheduled broadcast on TOKYO MX, MBS, BS Fuji from April 2017

■ Movie *Mazinger Z(tentative)* project has launched

Future Initiatives <Overseas>

Schedule(Overseas)

Film Licensing
Sales of Goods Others

FY17.3 3Q	Release of <i>Dragon Ball Z Resurrection 'F'</i> in China [Oct.21]	Film
	Start of online distribution including simultaneous distribution of <i>DRAGON BALL Super</i> [Oct.23]	Licensing
	PS4 <i>DRAGON BALL XENOVERSE 2</i> for North America and Europe [Oct 25,27]	Sales of Goods
	Release of <i>ONE PIECE FILM GOLD</i> in China [Nov.11]	Film
	Opening of <i>ONE PIECE RESTAURANT</i> for Taiwan [Nov.23]	Others
	Opening of 35 th anniversary event of <i>DR. SLUMP-ARALE-</i> for Hong Kong [Nov.12]	Others
	Release of <i>ONE PIECE FILM GOLD</i> in Spain, Italy and France [November]	Film
	PS4 <i>DRAGON BALL XENOVERSE 2</i> for Asia [Dec.1]	Sales of Goods
	Release of <i>ONE PIECE FILM GOLD</i> in Korea [Dec.8]	Film
	Opening of <i>ONE PIECE CAFÉ and SHOP</i> for Korea [Dec.15]	Others
FY17.3 4Q	Start of 15 th anniversary event of <i>ONE PIECE</i> for Taiwan [Dec.24-Apr.9]	Others
	Start of broadcast of <i>DRAGON BALL Super</i> dubbed version for North America [Jan.7]	Licensing
	Release of <i>ONE PIECE FILM GOLD</i> in North America and Germany [Jan.10]	Film
	Start of broadcast of <i>DRAGON BALL Super</i> dubbed version for Spain [January]	Licensing
	Scheduled distribution of <i>ONE PIECE THOUSAND STORM</i> app game(except China)[January]	Licensing
	Limited-time loadshow of <i>Sailor Moon R</i> for North America [Jan.13]	Others
	Scheduled distribution of <i>ONE PIECE</i> Yesgames version app game for China [2017 spring]	Licensing
	Holding <i>DRAGON BALL Symphonic Adventure</i> for France [May]	Others
	Start of broadcast of <i>DRAGON BALL Super</i> dubbed version for Latin America [Autumn]	Licensing
	Release of <i>ONE PIECE FILM GOLD</i> in Australia [2017]	Film
FY18.3 1Q~		

Topics

Development of *ONE PIECE*

- ONE PIECE FILM GOLD**
 - Released in China on November 11
 - Releasing in Europe, Asia and North America
- App Games**
 - ONE PIECE THOUSAND STORM*
Scheduled to be released in the world(except China) sequentially from January
 - ONE PIECE JIZHAN*
Scheduled to be released from Yesgames in China in spring 2017.



Development of *Dragon Ball series*

- TV DRAGON BALL Super**
 - Start of online distribution including simultaneous distribution on October 23
 - Starting with North America on January 7, scheduled gradual TV broadcast of dubbed version in Europe and Central and South America

Business in China

- Online Distribution Business**
 - Online distribution of multiple titles of *ONE PIECE*, etc. is going to stabilize
 - Concerns about restrictions on content and restrictions on foreign-affiliated companies in China
- App Games**
 - Decrease of new contracts and long-term revenue expansion with existing contracts.
 - DRAGON BALL Z DOKKAN BATTLE*
Keep strong performance



Initiatives Aimed for Medium and Long-Term Growth

Getting back to the basics of planning and production

Accelerate investment to remain a studio selected by the industry and viewers

Establish a new Planning and Production Headquarter

- **Integration of Planning and Production Departments**
Strengthening of cooperation between planning and production
- **Consideration of review of the organization within the production department**
Improvement of schedule and quality of titles

Development of production site environment

- **Strengthening of human resources of studio**
Promotion of recruitment for excellent talents who support titles
- **Reconstruction of Oizumi Studio**
Scheduled to be completed in the August, 2017
- **Renew the system for production progress management**
Establish more sophisticated form

Cultivate new video technology

- **ONE PIECE FILM GOLD MX4D™**
Creation of video which provides the experience of 11 kinds of special effects
- **Pretty Cure DMM VR THEATER**
3D video that can be seen without dedicated glasses

Growth through the development of frontiers

Actively take on new challenges beyond the boundaries of existing businesses in peripheral and overseas segments

Domestic expansion

- **Creation of reimport model for app games business**
Domestic offering of *SAINT SEIYA Galaxy Spirits*, the app game which is popular overseas
- **ONE PIECE Kabuki**
Advance into 2.5 dimension business

Overseas expansion

- **Improve product sales and event business**
Focus on the overseas expansion of events popular in Japan
- **Planning and production of titles released first overseas**
Multiple other planning/production projects are in progress

Evolution into "Emergent Company 2.0."

Promote system development that encourages all employees to think of projects and systems for maximizing profit and create new businesses.

Evaluation system

- **Review of new personnel system and performance evaluation system**
Proceeding with drastic reform of the personnel system and total review of the performance system including contract employees

Other system reform

- **Project under the direct control of the president to ensure organic cooperation vertically and horizontally**
- **Introduction of the contract employee system**
- **Introduction of the overseas training system on a trial basis**

About Dividend

Plan for year-end Dividend

FY2016.3

¥95 per share

(Ordinary Dividend ¥30 + **Special and Anniversary Dividend ¥65**)

FY2017.3

Ordinary Dividend Planned: ¥30+ per share

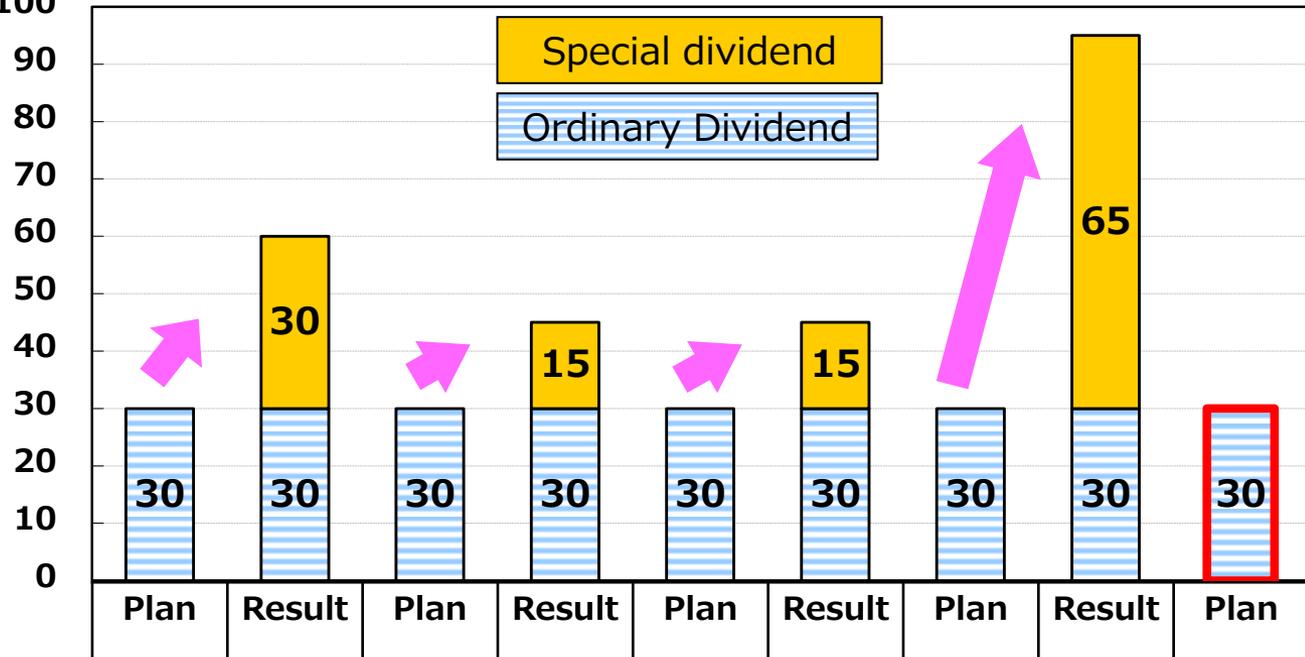
(in consideration of actual results; special dividend)

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.

Based on the annual rate of 30 yen per share, we expect the dividend payout ratio to be approximately 25%, depending on the consolidated financial results.

(Yen) 100



Fiscal Year	FY13.3	FY14.3	FY15.3	FY16.3	FY17.3
Dividend per share	60 yen	45 yen	45 yen	95 yen	30 yen

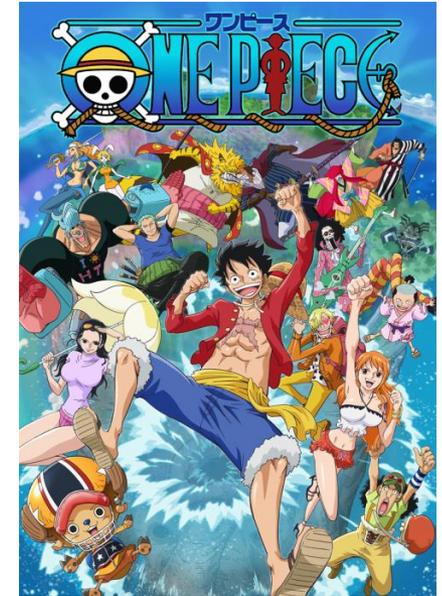
Reference (1) Lineup of Titles Being Broadcast



SUN at 8:30am on ABC/TV Asahi Network
Kira Kira☆Pretty Cure A La Mode



SUN at 9:30am on Fuji TV et al.
Dragon Ball Super



SUN at 9:00am on Fuji TV et al.
ONE PIECE



SAT at 2:30am
on TV Asahi et al.
Tiger Mask W



SAT at 7:00am
on TV Tokyo et al.
*Digimon Universe
App Monsters*

Reference (2) Movies Scheduled for Release in FY2017.3

Digimon Adventure tri. Chapter 4

To be put on theaters on
February 25, 2017



Pretty Cure Dream Stars! The Movie

To be released on March 18, 2017

Reference (3) Lineup of New Titles from FY2018.3~

KADO: The Right Answer

To be aired from April 2017
on TOKYO MX and others

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KADO : The Right Answer



Movie Mazinger Z(tentative)
project has launched



MAZINGER Z COMING SOON

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