

July 29, 2016



TOEI ANIMATION
夢は世界とともに

TOEI ANIMATION CO., LTD

For FY Ended June 30, 2016 (April 1, 2016 to June 30, 2016)



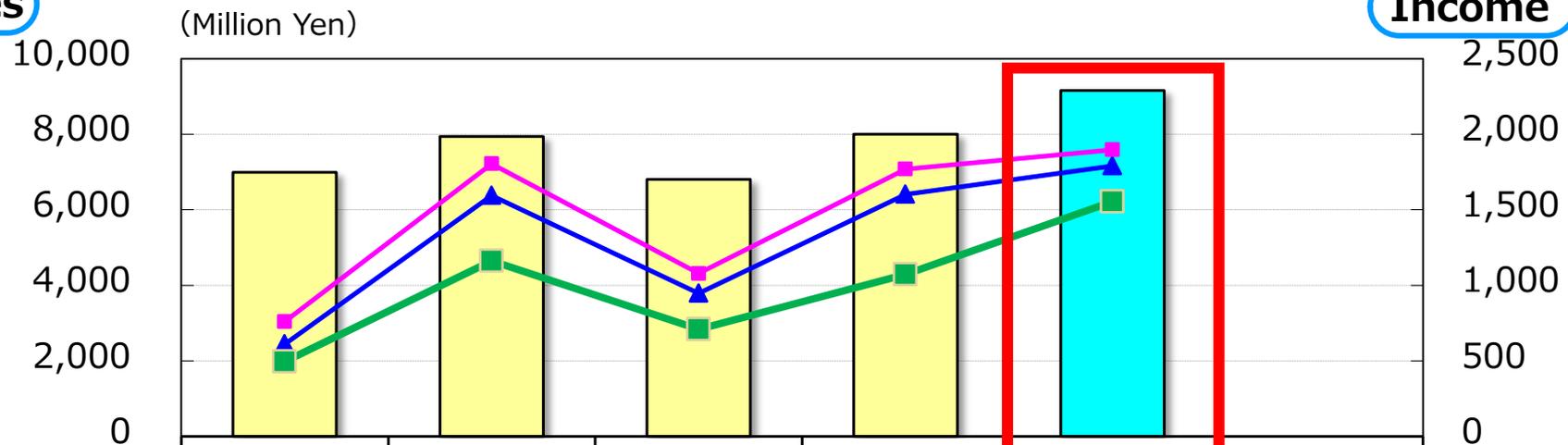
ONE PIECE FILM GOLD
Showing at Theretters
From July. 23rd, 2016

FY 2017.3 First Quarter Results – Consolidated

- Net sales and each income item hit new first-quarter record highs.
- Despite a decline in sales in the domestic segment, overall sales increased significantly because the overseas segment performed well.
- The overseas segment maintained its strong performance in Asia and North America from the previous year.

Net Sales

Income



	FY2013.03 1Q	FY2014.03 1Q	FY2015.03 1Q	FY2016.03 1Q	FY2017.03 1Q	% v.s. prior year
Net Sales	6,992	7,941	6,806	7,999	9,154	14.4%
Cost of Sales	5,116	5,171	4,464	5,135	5,929	15.5%
SG&A	1,262	1,176	1,393	1,261	1,433	13.7%
Operating Income	612	1,594	948	1,602	1,791	11.8%
Ordinary Income	760	1,804	1,079	1,769	1,897	7.2%
Net Income	495	1,161	709	1,073	1,555	44.9%

FY2017.3 1Q Results Segment Breakdown – Consolidated

(Million Yen)		FY2016.3 1Q	FY2017.3 1Q	% v.s. Prior year
FILM	Net Sales	2,841	2,926	3.0%
	Segment Income	411	499	21.4%
Licensing	Net Sales	3,701	4,157	12.3%
	Segment Income	1,629	1,796	10.2%
Sales of Goods	Net Sales	1,229	1,764	43.6%
	Segment Income	-18	95	-
Others	Net Sales	281	381	35.7%
	Segment Income	9	27	190.4%
TOTAL	Net Sales	7,999	9,154	14.4%
	Operating Income	1,602	1,791	11.8%

*Numbers for each segment includes intra-company sales.

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

(Million Yen)		FY16.3 1Q	FY17.3 1Q
Net Sales		7,999	9,154
Operating Income		1,602	1,791
Film		2,841	2,926
	Movies	285	104
	TVs	852	953
	DVDs	335	240
	Overseas	766	1,234
	Others	601	393
Licensing		3,701	4,157
	Japan	2,749	2,646
	Overseas	952	1,511
Sales of Goods		1,229	1,764
Others		281	381

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

Film (3.0% year on year)

- In movies, revenues fell sharply with the absence of a hit equivalent to *DRAGON BALL Z Resurrection 'F'* in the same period of the preceding fiscal year.
- In TV Anime, revenues grew significantly due to the strong results of game audio production, offsetting the decrease in the number of titles aired or distributed (from six to four).
- In DVDs, revenues declined significantly due to the lack of a Blu-ray title similar to that of *Digimon Adventure* in the same period of the previous year.
- In the Overseas segment, revenues jumped significantly, reflecting large online distribution licensing deals in China and North America, and the strong sales of film distribution rights of *DRAGON BALL Z Resurrection 'F'*.
- In the Others segment, revenues fell sharply largely due to the effect of terminating the service for the social game *SAINT SEIYA Galaxy Card Battle*, despite the strong performance of online distribution service.

FY2017.3 1Q Results Segment Analysis (2)

(Licensing/Sales of Goods/Others)

(Million Yen)		FY16.3 1Q	FY17.3 1Q
Net Sales		7,999	9,154
Operating Income		1,602	1,791
Film		2,841	2,926
	Movies	285	104
	TVs	852	953
	DVDs	335	240
	Overseas	766	1,234
	Others	601	393
Licensing		3,701	4,157
	Japan	2,749	2,646
	Overseas	952	1,511
Sales of Goods		1,229	1,764
Others		281	381

Licensing (↑ 12.3% year on year)

- In domestic licensing, revenues suffered a reactionary fall following large licensing deals for game machines in multiple works in the same period of the previous year, despite the strong performance of app games such as *DRAGON BALL Z DOKKAN BATTLE* and products related to *ONE PIECE*.
- In overseas licensing, revenues increased substantially, reflecting the strong sales of gaming rights in China and of the app game *DRAGON BALL Z DOKKAN BATTLE* and *ONE PIECE TREASURE CRUISE* in the whole world.

Sales of Goods (↑ 43.6% 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 (↑ 35.7% year on year)

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

* The figures for each segment include intra-company sales

FY2017.3 First Quarter Results Review

(Million Yen)	FY16.3 1Q	FY17.3 1Q	+ -	% v.s. prior year
Net Sales	7,999	9,154	1,154	14.4%
Costs of Sales	5,135	5,929	793	15.5%
Gross Profit	2,863	3,224	360	12.6%
SG & A	1,261	1,433	172	13.7%
Operating Income	1,602	1,791	188	11.8%
Non-Operating Income	181	189	7	4.1%
Non-Operating Expense	15	83	68	449.1%
Ordinary Income	1,769	1,897	127	7.2%
Extraordinary Gain and Loss	-220	260	480	-
Net Income before tax	1,549	2,157	608	39.2%
Income Taxes	298	584	286	95.8%
Income Taxes Adjustment	177	17	-160	-90.2%
Minority Interest	-	-	-	-
Net Income	1,073	1,555	482	44.9%

Net Sales

- Businesses with sharp increases in revenues
 - 1)Licensing Overseas[558] ⇒ 2)Sales of Goods[535] ⇒ 3)Film Overseas[468]
- Businesses with significant declines in revenues
 - 1)Film Others[-207] ⇒ 2)Movies[-181] ⇒ 3)Licensing Japan[-102]

Cost of Sales / Gross Profit

- The cost rate : 64.8%
(the cost rate last year : 64.2%)
 - 1)Provision for retirement benefits increased due to the introduction of the contract employee system.
 - 2)Meanwhile, due to significant growth in the sales percentage of overseas businesses with low cost, the overall cost rate remained flat.

SG&A

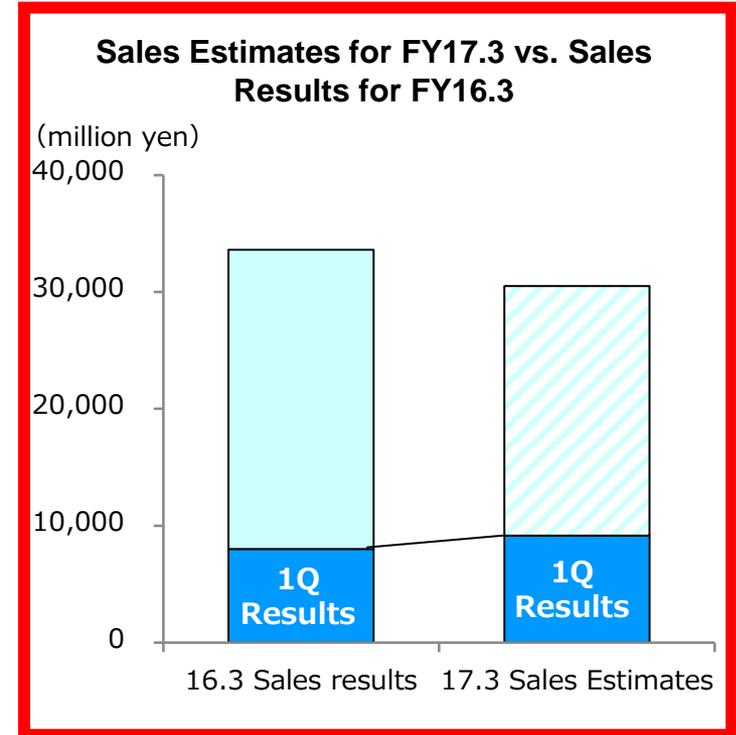
- SG&A[+172]
 - 1)Provision for retirement benefits[+61] (from 23 in the previous FY to 85 in the current FY)
 - 2)Advertising expenses[+47] (from 53 in the previous FY to 101 in the current FY)
 - 3)Personnel expenses[+31](from 331 in the previous FY to 362 in the current FY)

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

(Million Yen)	FY17.3 1Q	FY17.3 Estimates	FY17.3 Progress
Net Sales	9,154	30,500	30.0%
Operating Income	1,791	5,700	31.4%
Ordinary Income	1,897	6,000	31.6%
Net Income	1,555	3,800	40.9%
Film	2,926	13,200	22.2%
Movies	104	2,000	5.2%
TVs	953	2,600	36.7%
DVDs	240	900	26.7%
Overseas	1,234	5,900	20.9%
Others	393	1,800	21.9%
Licensing	4,157	11,700	35.5%
Japan	2,646	8,000	33.1%
Overseas	1,511	3,700	40.8%
Sales of Goods	1,764	4,600	38.4%
Others	381	1,000	38.2%

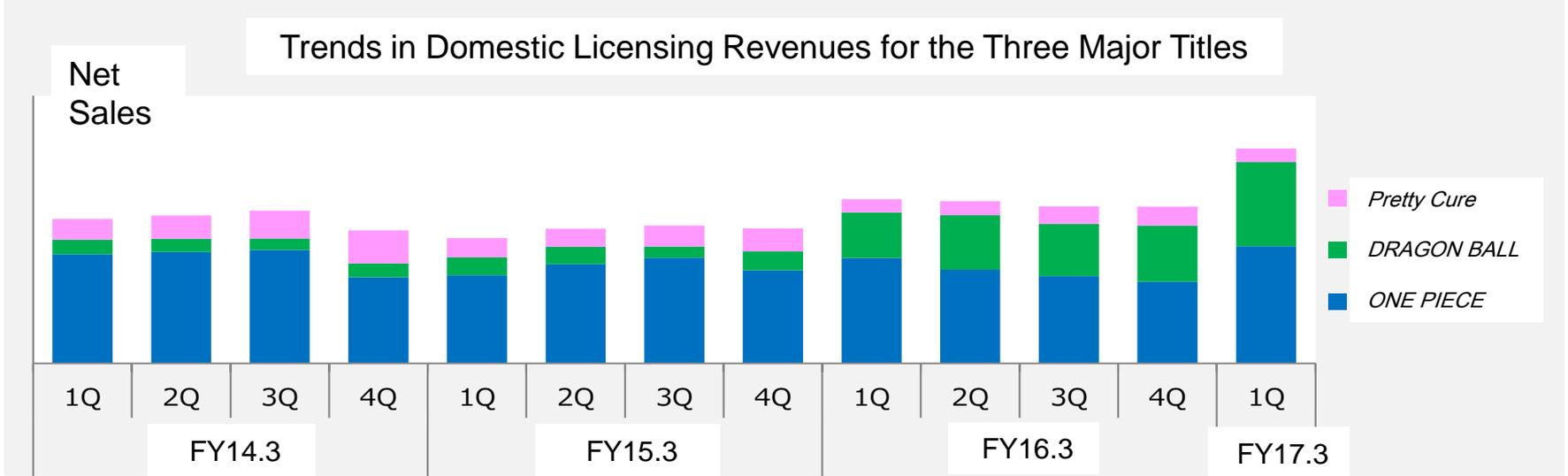


* The estimated values are based on estimations made at the beginning of the fiscal year (disclosed on May 12, 2016).

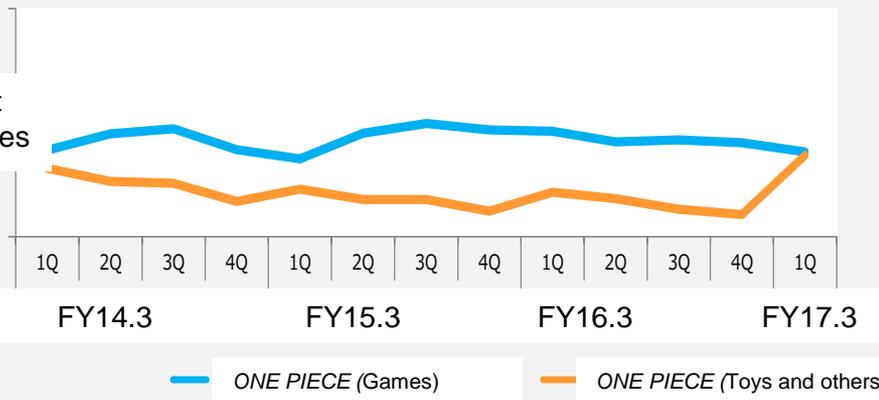
* The figures for each segment include intra-company sales

Trends in Domestic Licensing for Major Titles

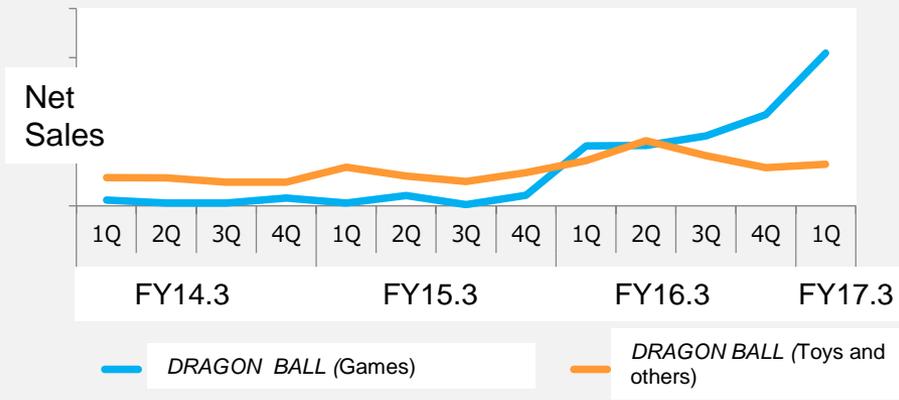
- Revenues from products related to *ONE PIECE* soared thanks to a film.
- Revenues from app games of *DRAGON BALL* remained strong.



Trends in Domestic Licensing Revenues for *ONE PIECE*



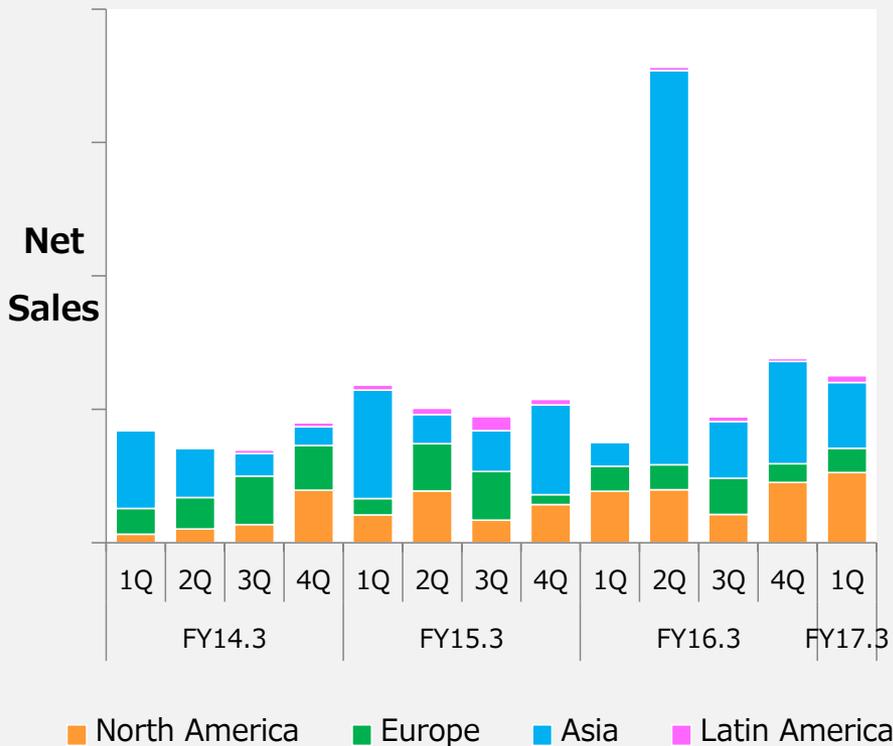
Trends in Domestic Licensing Revenues for *DRAGON BALL*



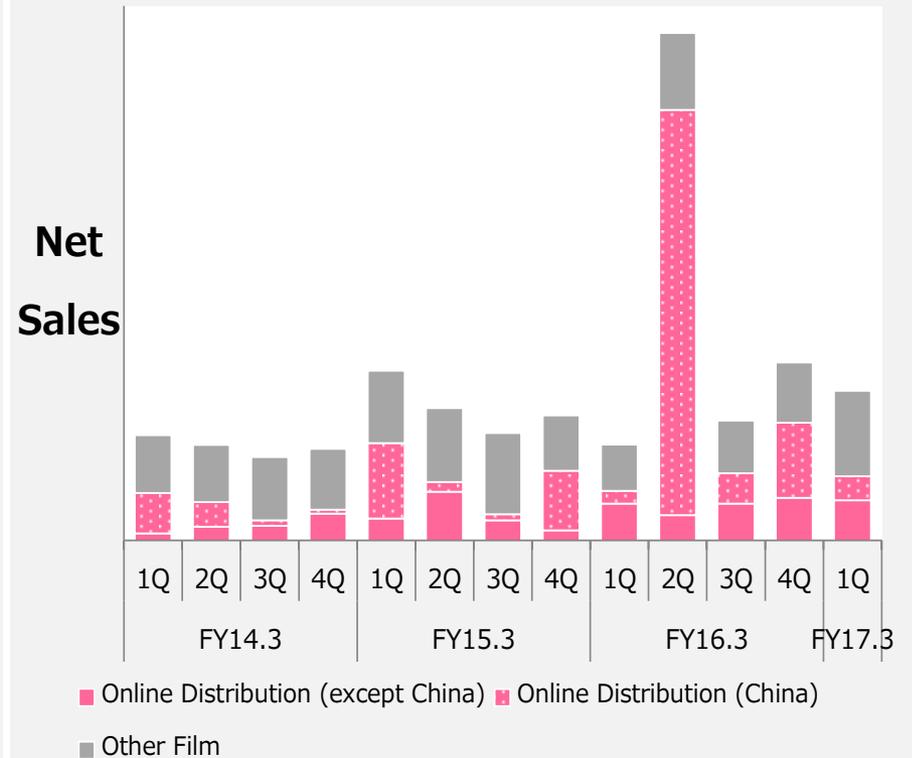
Trends in Film Overseas

- Overseas expansion of *DRAGONBALL Z Resurrection 'F'* proved successful and contributed to revenue growth.
- The sales of online distribution licensing for China performed steadily.
- The influence of exchange rates, changing international circumstances and concerns about restrictions on content in China.

Trends in Net Sales of Film Overseas



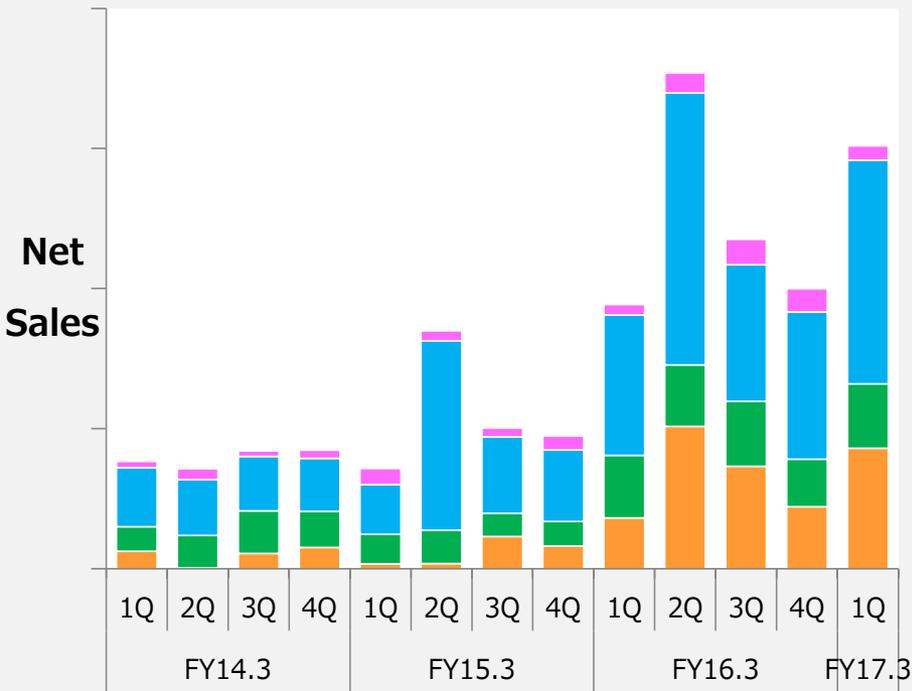
Breakdown of Net Sales by Business



Trends in Licensing Overseas

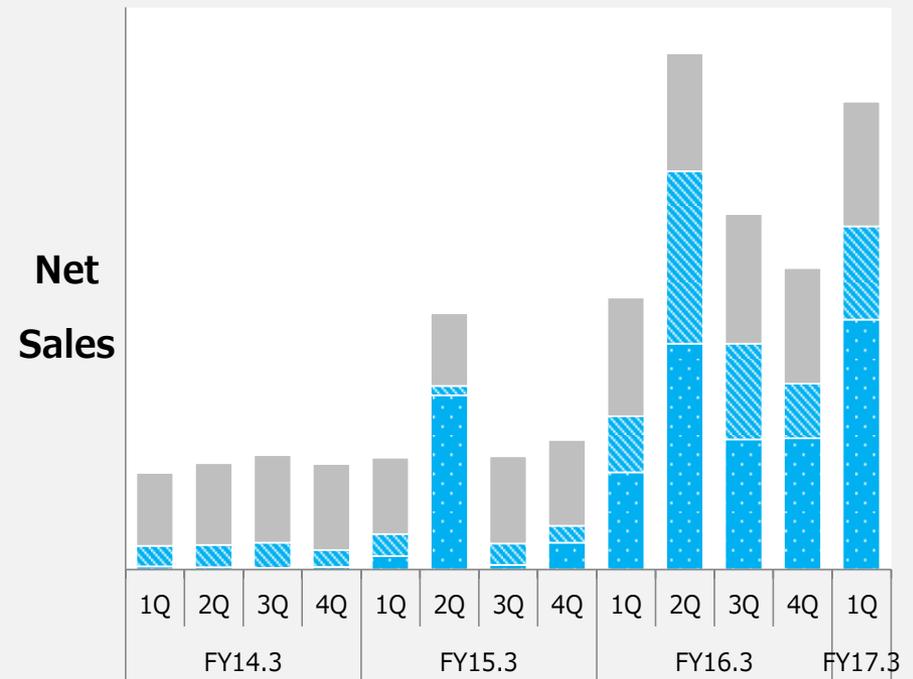
- The sales of app games of *DRAGON BALL* and *ONE PIECE* in the whole world performed strongly.
- There are concerns about the impact of foreign exchange rates and high level of dependency on the right to develop games.

Trends in Net Sales of Licensing Overseas



■ North America
 ■ Europe
 ■ Asia
 ■ Latin America

Breakdown of Net Sales by Business



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

Future Initiatives <Domestic>



Schedule(Domestic)

Film Licensing
Sales of Goods Others

FY17.3 1Q	App game <i>SAINT SEIYA Zodiac Brave</i> (iOS) [Apr.12]
	PS4/PSVita <i>ONE PIECE BURNING BLOOD</i> [Apr.21]
	App game <i>ONE PIECE THOUSAND STORM</i> [Apr.21]
	Opening of "ONE PIECE Mugiwara Store" in Shibuya [Apr.21]
	Start of the third phase of <i>Sailormoon Crystal</i> [April]
	Tie-up campaigns for <i>ONE PIECE FILM GOLD</i> [from April]
	Holding of the Exhibition of <i>PRETTY GURDIAN SAILOR MOON</i> [Apr.16-Jun.19]
	Digital card game <i>DRAGON BALL Heroes GDM-8</i> [May.12]
	Limited-time opening of "Digimon tri. Shop" [May.12-Jun.1]
	Holding of the 30th Anniversary Exhibition of <i>SAINT SEIYA</i> [Jun.18-29]
FY17.3 2Q	USJ <i>ONE PIECE Premiere Summer</i> [Jul.1-Sep.4]
	USJ <i>DRAGON BALL Z THE REAL 4-D</i> [Jul.1-Sep.4]
	Digital card game <i>DRAGON BALL Heroes GDM-9</i> [Jul.14]
	Broadcast of <i>ONE PIECE TVSP HEART OF GOLD</i> [Jul.16]
	Release of <i>ONE PIECE FILM GOLD</i> [Jul.23]
	<i>3DS DRAGON BALL FUSIONS</i> [Aug.4]
	<i>Digimon Adventure tri.</i> Chapter 3 to be put on theaters [Sep.24]
	Start of broadcast of <i>Digimon Universe App Monsters</i> [october]
	Release of <i>Witchy Pretty Cure! The Movie Wonderous! Cure Mofurun!</i> [Oct.29]
	PS4 <i>DRAGON BALL XENOVERSE 2</i> [Nov.2]
FY17.3 3Q~	Start of broadcast of <i>Tiger Mask W</i> [this autumn]
	Release of <i>POPIN Q</i> [this winter]

Topics

Development of *Dragon Ball series*

- **TV *DRAGON BALL Super***
-New chapter "'Future' Trunks" saga began in June 12
-Active development of merchandising(card game, toy, etc)
- **App Game *DRAGON BALL Z DOKKAN BATTLE***
-More than 77.77 million downloads in the world for iOS and Android
- **Event "DRAGON BALL Z THE REAL 4-D"**
-Holding at Universal Studio Japan from July 1

Development of *ONE PIECE*

- **Release of *ONE PIECE FILM GOLD*(Jul.23)**
- For the release, we are preparing to merchandising, a campaign, other measures.
- Special TV program "ONE PIECE: HEART OF GOLD" related to the film was aired (July 16).
- **App Game *ONE PIECE THOUSAND STORM***
-More than 4 million downloads in one month
- Events and stores are actively used as means for promoting the film.

Development of *Digimon series*

- ***Digimon Universe App Monsters***
-An all new TV series begins from October
- ***Digimon Adventure tri.***
-The third chapter is to be released on September 24, followed by the fourth chapter in order
- **App Game *Digimon Linkz***
-More than 4 million downloads

Future Initiatives <Overseas>

Schedule(Overseas)

Film Licensing
Sales of Goods Others

FY17.3
1Q

distribution of *SAINT SEIYA Zodiac Brave* app game for Hong Kong and Macau [Apr.12]

Holding *SEINT SAIYA PEGASUS SYMPHONY* in France [April]

Distribution of *SAINT SEIYA Chongsheng* app game for China [May]

Holding *ONE PIECE MUSIC SYMPHONY* in France [Jul.2]

Holding *ONE PIECE Summer Carnival* in Hong Kong [Jul.8-Aug.7]

FY17.3
2Q

World Premiere of *ONE PIECE FILM GOLD* in Abu Dhabi [Jul.15]

Release of *Digimon Adventure tri.* in North America [Jul.15,17]

Holding *SEINT SAIYA PEGASUS SYMPHONY* in Spain [Jul.23]

Release of *ONE PIECE FILM GOLD* in Hong Kong [Jul.28]

Holding *SEINT SAIYA Docks* in Hong Kong [Aug.8-31]

Scheduled distribution of *Digimon Soul Chaser* app game for Taiwan and Hong Kong [2016]

Scheduled distribution of *Let's Go ONE PIECE* app game for China [2016]

PS4 *DRAGON BALL XENOVERSE 2* [2016]

FY17.3
3Q~

Scheduled distribution of *ONE PIECE* Yesgames version app game for China [2016]

Scheduled distribution of *DRAGON BALL Z* CMGE version app game for China [2016]

Scheduled distribution of *DRAGON BALL Z* Yesgames version app game for China [2016]

Topics

Development of *ONE PIECE*

■ *ONE PIECE FILM GOLD*

- World premiere in Abu Dhabi on July 15
- Planning release/online distribution mainly in regions where the title is more popular, starting from Hong Kong on July 28.

■ App Game *ONE PIECE TREASURE CRUISE*

- Planning to expand areas for online distribution in regions such as North America, Europe, and Southeast Asia

Business in China

■ Online Distribution Business

- Online distribution of multiple titles of *ONE PIECE*, etc. is going to stabilize
- Stronger crackdown on titles that may influence minors in China (our company's titles are not included)



■ App Games

- New contracts for app games will decline from the preceding fiscal year.
- Development of *DRAGON BALL Z DOKKAN BATTLE* was started in March
- Development of *SAINT SEIYA Chongseng* was started in May.
- We plan to develop *Digimon Soul Chaser*, *Let's Go ONE PIECE*, and *ONE PIECE* on Yesgames in 2016

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

Aim to improve production schedules and enhance the quality of productions.

Improving capacity to develop original titles

Continue to develop and produce original titles that will be profit-makers like *ONE PIECE*, *DRAGONBALL*, and *PRETTY CURE*.



Development of production site environment

- **Reconstruction of Oizumi Studio**
Scheduled to be completed in the June, 2017
- **Renew the system for production progress management**
Establish more sophisticated form of production process management

Growth through the development of frontiers

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

Our own box office performance

30th Anniversary Exhibition of SAINT SEIYA

Our first in-house box-office event
Attracted customers more than we expected.

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.

Incentive scheme

Introduce president’s award

Continuously evaluate the activities of employees to compensate for challenges taken on and creative efforts made at the workplace, giving the President’s prize.

Organization and HRM reforms

- **Establish new sales department**
Further increase the secondary use of contents and maximize profit

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

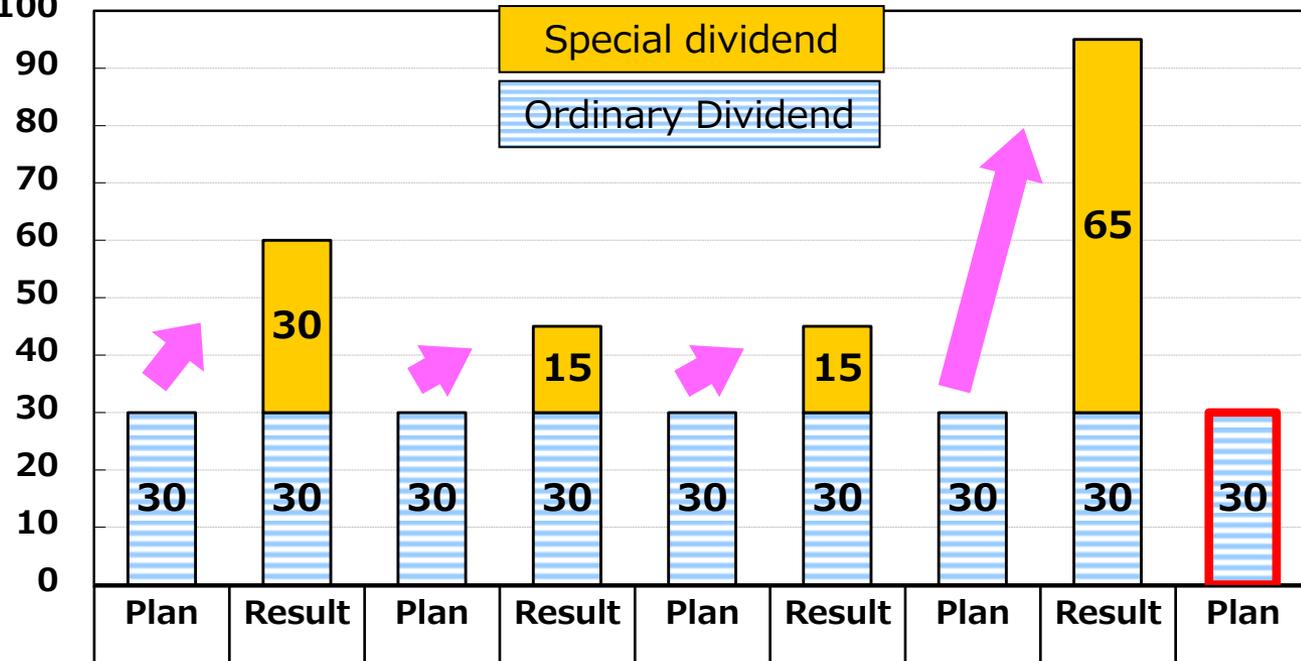
(in consideration of actual results; special dividend)

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



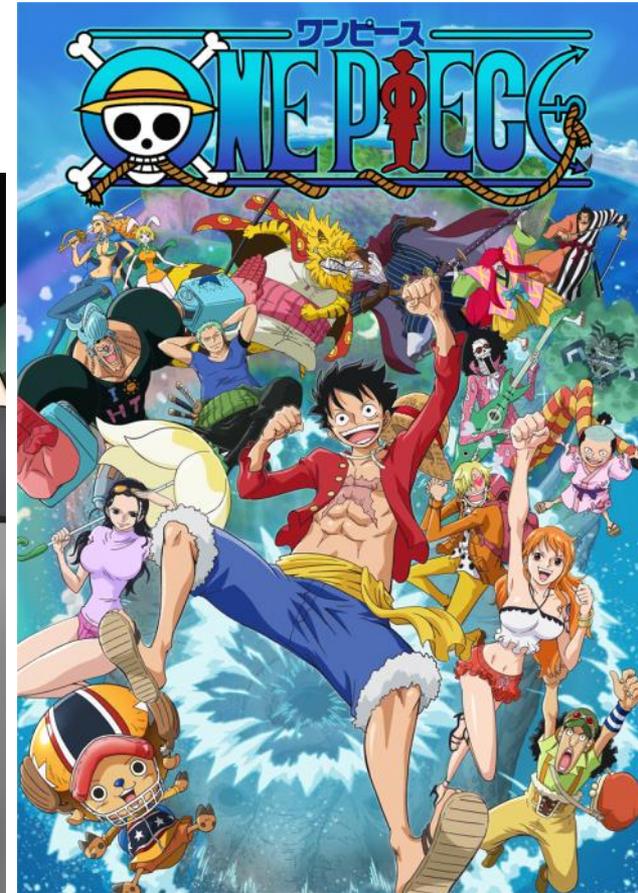
Fiscal Year	FY13.3	FY14.3	FY15.3	FY16.3	FY17.3
Dividend per share	60 yen	45 yen	45 yen	95 yen	30 yen

Reference (1) Lineup of Titles Being Broadcast



SUN at 8:30am on ABC/TV Asahi Network
Witchy Pretty Cure!

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



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

Reference (2) Title Scheduled for Broadcast in FY2017.3



Digimon Universe App Monsters

To be aired from October, 2016 on TV Tokyo et al.



Tiger Mask W

To be aired from this autumn on TV Asahi

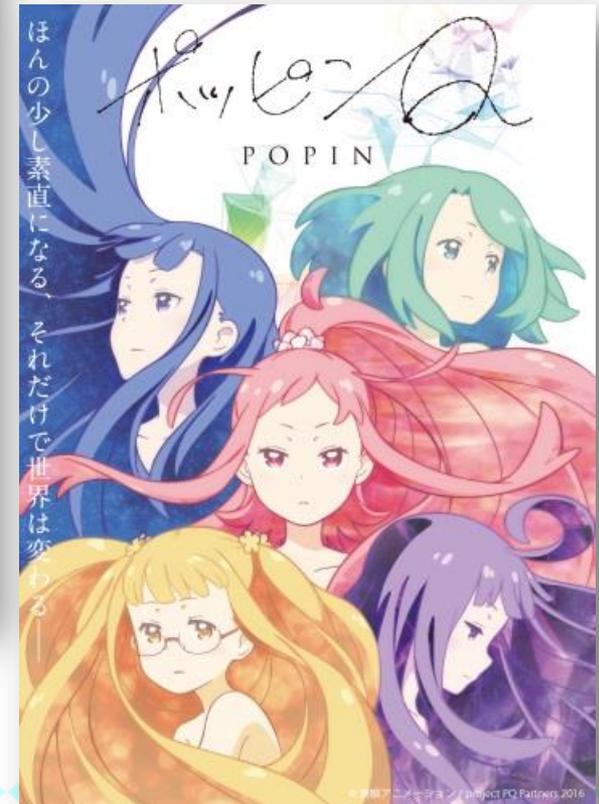
Reference (3) Movies Scheduled for Release

Digimon Adventure tri. Chapter 3

To be put on theaters on
September 24, 2016



**Witchy Pretty Cure! The Movie
Wonderous! Cure Mofurun!**
To be released on October 29, 2016



POPIN Q
To be released in this winter