

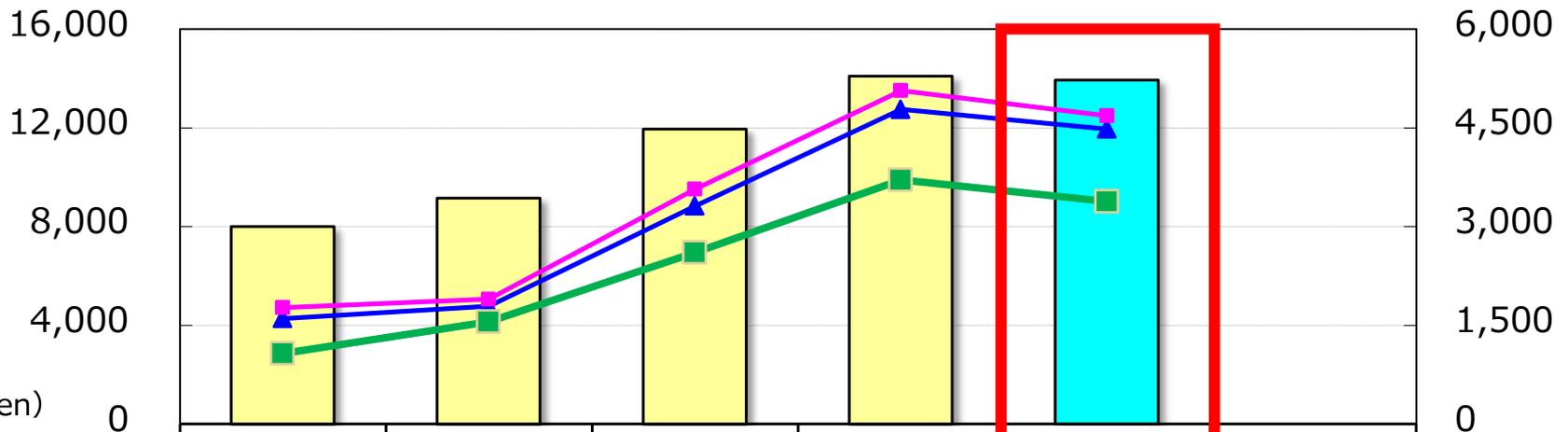
TOEI ANIMATION CO., LTD

For FY Ended June 30, 2019 (April 1, 2019 to June 30, 2019)



FY 2020.3 First Quarter Results – Consolidated

- Both net sales and income decreased due to a reactionary fall from the booking of a multi-year contract for the sales of North American online distribution rights in the same period of the previous year.
- In the domestic licensing segment, a decrease in *DOKKAN BATTLE* was more than offset by an increase in *LEGENDS*, resulting in strong sales of app game development rights.
- Tie-up campaign for the release of the *ONE PIECE STAMPEDE* movie showed strong performance.



(Million Yen)

Net Sales

Income

	2016.3 1Q	2017.3 1Q	2018.3 1Q	2019.3 1Q	2020.3 1Q	% v.s. prior year
Net Sales	7,999	9,154	11,948	14,092	13,935	-1.1%
Cost of Sales	5,135	5,929	7,237	7,534	7,683	2.0%
SG&A	1,261	1,433	1,398	1,775	1,769	-0.3%
Operating Income	1,602	1,791	3,312	4,781	4,482	-6.3%
Ordinary Income	1,769	1,897	3,569	5,067	4,684	-7.6%
Net Income	1,073	1,555	2,606	3,711	3,379	-8.9%

FY2020.3 1Q Results Segment Breakdown – Consolidated

(Million Yen)		FY2019.3 1Q	FY2020.3 1Q	% v.s. prior year
FILM	Net Sales	5,097	4,407	-13.5%
	Segment Income	1,922	1,285	-33.1%
Licensing	Net Sales	7,993	8,205	2.7%
	Segment Income	3,701	3,883	4.9%
Sales of Goods	Net Sales	888	1,143	28.7%
	Segment Income	-17	22	-
Others	Net Sales	140	222	59.0%
	Segment Income	-21	9	-
TOTAL	Net Sales	14,092	13,935	-1.1%
	Operating Income	4,781	4,482	-6.3%

*Numbers for each segment includes intra-company sales.

FY2020.3 1Q Results Segment Analysis (1) (Film)

(Million Yen)		FY19.3 1Q	FY20.3 1Q
Net Sales		14,092	13,935
Film		5,097	4,407
	Movies	142	194
	TVs	582	834
	DVDs	128	144
	Overseas	3,498	2,428
	Others	744	806
Licensing		7,993	8,205
	Japan	4,094	4,613
	Overseas	3,898	3,591
Sales of Goods		888	1,143
Others		140	222

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

Film (↓ 13.5% year on year)

- In Movies, production revenue from *Toei Manga Matsuri* and the box-office success of *Pretty Cure Miracle Universe* resulted in a significant year-on-year growth in sales.
- In TV Anime, revenues rose substantially thanks to strong results, particularly of film production for events.
- In DVDs, revenues increased substantially due to strong sales of Blu-ray/DVD of *DRAGON BALL SUPER: BROLY*.
- In the Overseas segment, revenues decreased considerably due to a reactionary fall from booking of the multi-year contract for the sales of North American online distribution in the previous year, despite strong sales of online distribution rights in China.
- In the Others segment, revenues increased due to strong sales of the online distribution rights.

FY2020.3 1Q Results Segment Analysis (2)

(Licensing/Sales of Goods/Others)

(Million Yen)		FY19.3 1Q	FY20.3 1Q
Net Sales		14,092	13,935
Film		5,097	4,407
	Movies	142	194
	TVs	582	834
	DVDs	128	144
	Overseas	3,498	2,428
	Others	744	806
Licensing		7,993	8,205
	Japan	4,094	4,613
	Overseas	3,898	3,591
Sales of Goods		888	1,143
Others		140	222

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

Licensing (↗ 2.7% year on year)

- In domestic licensing, revenues rose substantially thanks to strong sales of the app game *DRAGON BALL LEGENDS* and licensing for the tie-up promotion preceding the release of the movie *ONE PIECE STAMPEDE*.
- In overseas licensing, revenues decreased due to a reactionary fall from the licensing of *DRAGON BALL FIGHTERZ* and *DRAGON BALL LEGENDS*, which performed well in the same period of the previous year, despite strong sales of the merchandising rights of the *DRAGON BALL* series and *ONE PIECE*, in addition to renewal contracts for app games and new licensing contracts.

Sales of Goods (↑ 28.7% year on year)

- Revenues increased sharply because of the strong sales of tie-up campaign-related products for *ONE PIECE STAMPEDE*.

Others (↑ 59.0% year on year)

- Revenues grew sharply thanks to strong results of *ONE PIECE* events and *BUTT DETECTIVE*'s character shows.

FY2020.3 First Quarter Results Review

(Million Yen)	FY19.3 1Q	FY20.3 1Q	+ -	% v.s. prior year
Net Sales	14,092	13,935	-156	-1.1%
Costs of Sales	7,534	7,683	149	2.0%
Gross Profit	6,557	6,251	-305	-4.7%
SG & A	1,775	1,769	-5	-0.3%
Operating Income	4,781	4,482	-299	-6.3%
Non-Operating Income	286	246	-40	-14.1%
Non-Operating Expense	0	43	43	5,171.7%
Ordinary Income	5,067	4,684	-383	-7.6%
Extraordinary Gain and Loss	-	-17	-17	-
Net Income before tax	5,067	4,666	-401	-7.9%
Income Taxes	1,228	1,128	-100	-8.2%
Income Taxes Adjustment	127	158	30	24.2%
Minority Interest	-	-	-	-
Net Income	3,711	3,379	-331	-8.9%

Net Sales

- Businesses with sharp increases in revenues
1)Licensing Japan[518] ⇒ 2)Sales of Goods[255] ⇒ 3)TV[251]
- Businesses with significant declines in revenues
1)Film Overseas[-1,070] ⇒ 2)Licensing Overseas[-306]

Cost of Sales / Gross Profit

- Gross profit to net sales: 44.9% (Gross profit to net sales last year:46.5%)
1) The ratio of sales for the profitable overseas business decreased.
2) The percentages of the Movies and TV Anime segments, which are the source of intellectual property creation and cost center, increased.

SG&A

- SG&A[-5]
1) Taxes and dues[-54](from 208 in the previous FY to 154 in the current FY)
2) Commision paid[-18](from 145 in the previous FY to 126 in the current FY)

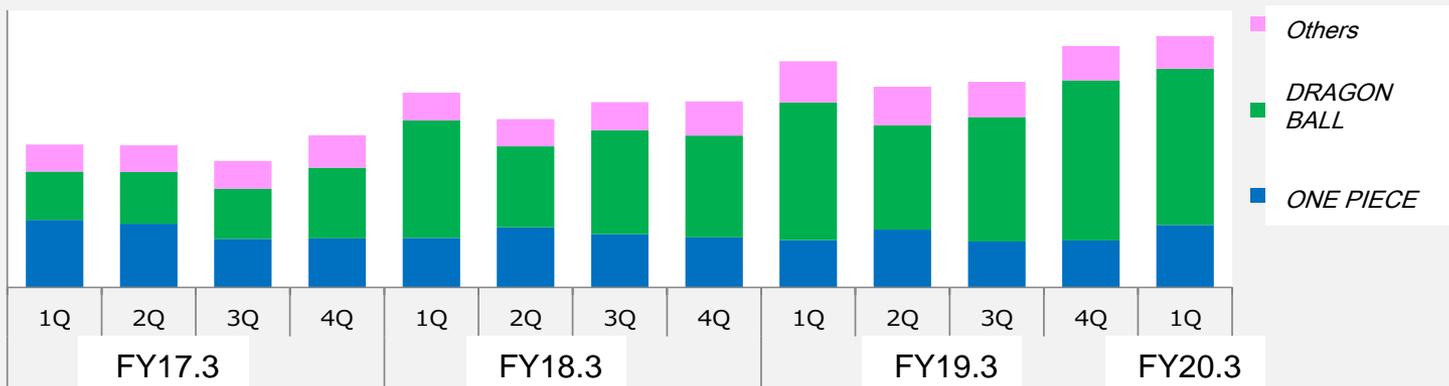
Non-operating Gain and Loss

- Non-operating gain [+43]
1) miscellaneous expenditures[+19]:Loss on valuation of derivatives etc.
2) Exchange loss[+19]

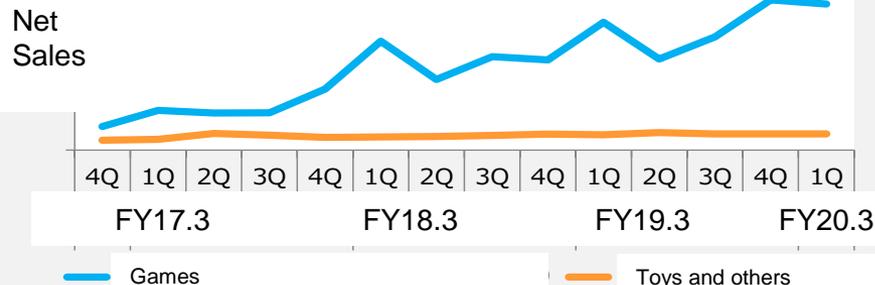
Trends in Domestic Licensing for Major Titles

- **DRAGON BALL** remains at a high level.
- Sales of **DOKKAN BATTLE** fell slightly year on year, which, however, was offset by **LEGENDS**.
- Tie-up campaign for the release of the **ONE PIECE STAMPEDE** movie showed strong performance.

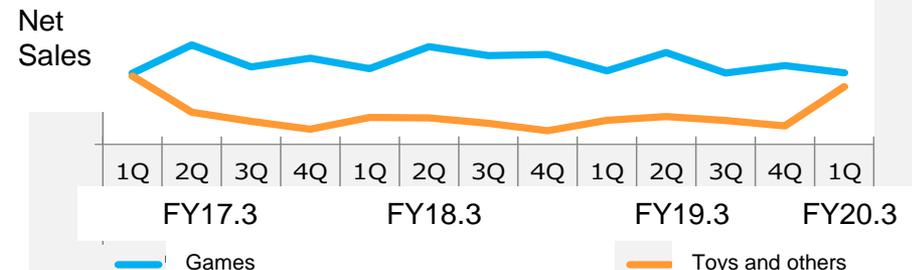
Trends in Domestic Licensing Revenues



Trends in Domestic Licensing Revenues for DRAGON BALL



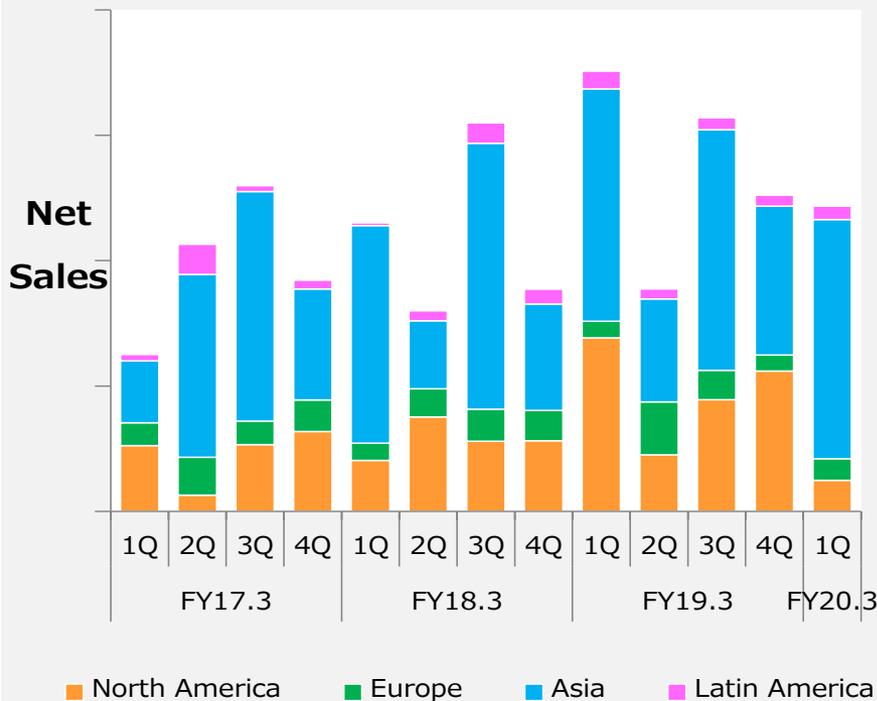
Trends in Domestic Licensing Revenues for ONE PIECE



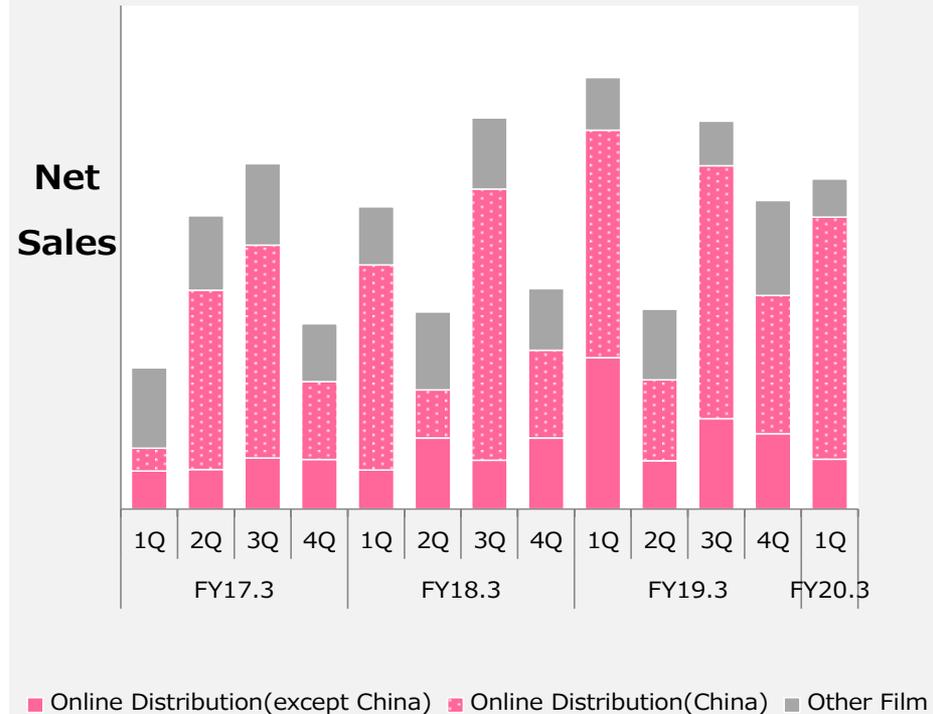
Trends in Film Overseas

- Revenues decreased considerably due to reactionary fall from booking of the multi-year contract for the sales of North American online distribution in the previous year.
- Sales volume of major online distribution rights for China increased.
- The result of the collaborative animation with Saudi Arabia is likely to be posted in or after 2Q.

Trends in Net Sales of Film Overseas



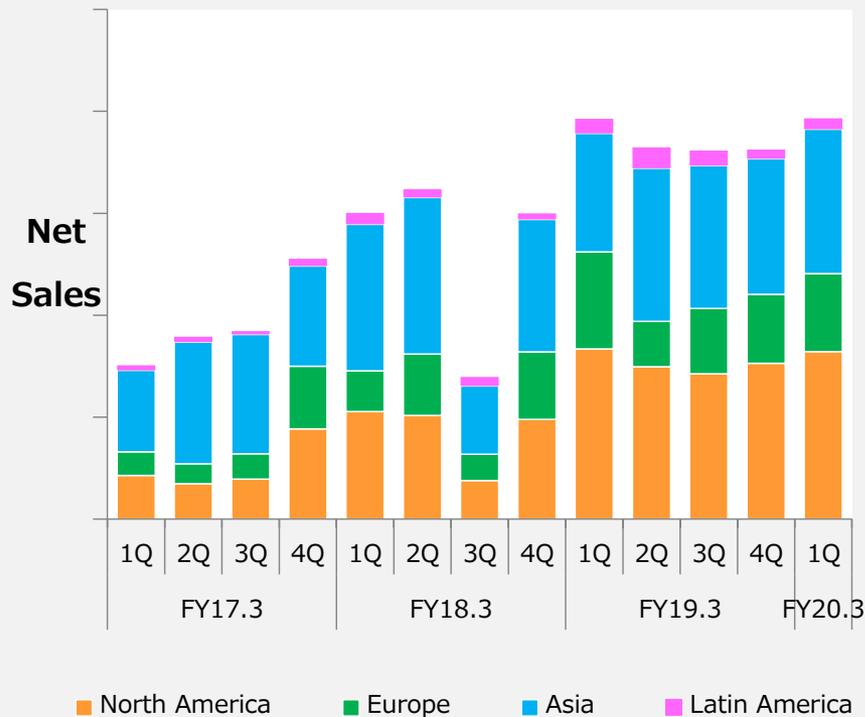
Breakdown of Net Sales by Business



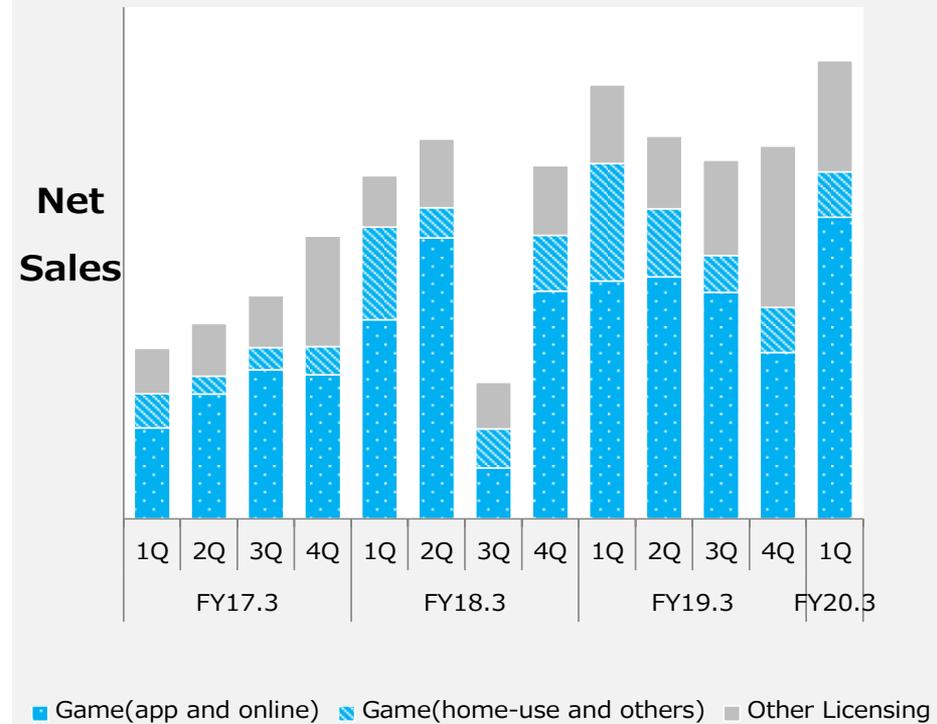
Trends in Licensing Overseas

- Posted multiple cases of minimum guarantees for new and renewed contracts for app games.
- Revenues decreased primarily due to a reactionary fall in the sales of *DRAGON BALL FIGHTERZ*, a home-use game that had sold well in the previous year.
- Renewal of the agreements for existing app games are scheduled in or after 2Q.

Trends in Net Sales of Licensing Overseas



Breakdown of Net Sales by Business



Progress toward Earnings Estimates for FY2020.3

(Million Yen)	FY20.3 1Q	FY20.3 Estimates	Progress
Net Sales	13,935	46,200	30.2%
Operating Income	4,482	12,000	37.4%
Ordinary Income	4,684	12,300	38.1%
Net Income	3,379	8,500	39.8%
Film	4,407	19,600	22.5%
Movies	194	2,300	8.4%
TVs	834	2,200	37.9%
DVDs	144	400	36.1%
Overseas	2,428	11,600	20.9%
Others	806	3,100	26.0%
Licensing	8,205	21,450	38.3%
Japan	4,613	11,350	40.6%
Overseas	3,591	10,100	35.6%
Sales of Goods	1,143	4,500	25.4%
Others	222	650	34.3%

※Estimates are disclosed on May 14, 2019.

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

Movies

- Revenues from Toei Manga Matsuri are sluggish.
- Multiple titles set for release from Q2 onwards.
 - ONE PIECE STAMPEDE (August 9)
 - Star Twinkle Pretty Cure (October 19)
 - Digimon Adventure LAST EVOLUTION (tentative) (February 21)

Film Overseas

- Large contracts signed with China
 - Part is posted in 1Q
 - Posting of the remainder is expected in October (3Q) and January (4Q).
- The result of the collaborative animation with Saudi Arabia is likely to be posted in or after 2Q.

Licensing Japan

- Strong sales of the merchandising rights of ONE PIECE
 - Licensing for the tie-up promotion preceding the release of the movie ONE PIECE STAMPEDE.
 - Forecast: first half is expected to be greater than second half.

Future Initiatives

Schedule

Film	Licensing
Sales of Goods	Others

Topics

Development of New Movies

■ **ONE PIECE STAMPEDE**

- Scheduled to be released on August 9, 2019.
- Planning release mainly in Asia where the title is more popular, such as in China, Hong Kong and Macau from August onwards.



■ **Star Twinkle Pretty Cure the Movie**

- Scheduled to be released on October 19, 2019

■ **Digimon Adventure LAST EVOLUTION (tentative)**

- Scheduled to be released on February 21, 2020

■ **Majo Minarai wo Sagashite (tentative)**

- Scheduled to be released in 2020.
- Magical Do Re Mi 20th anniversary movie.

■ **Sailor Moon Eternal**

- Scheduled to be released in 2020.
- Decision to release prequel and sequel.



■ **The Monkey Prince (tentative)**

- Decision to internationally co-produce a full-scale animation film was finalized

Development of New Distribution Works

■ **SAINT SEIYA: KNIGHTS OF THE ZODIAC**

- Started distribution from July 19, 2019 on Netflix

■ **Jurassic!**

- The Company's original intellectual property created through new planning and projects initiated by young staff members.
- A short movie is expected to be shown in August.



FY20.3 1Q	Release of <i>DRAGON BALL SUPER: BROLY</i> DVD/BD for North America [Apr.16]	Film
	Release of <i>Toei Manga Matsuri</i> [Apr.26]	Licensing
	Release of <i>DRAGON BALL SUPER: BROLY</i> in China [May.24]	Sales of Goods
FY20.3 2Q	Start of broadcast of <i>BUTT DETECTIVE</i> in Korea [Jul.8] Release of <i>BUTT DETECTIVE</i> in Korea [Jul.11]	Others
	Distribution of <i>SAINT SEIYA: KNIGHTS OF THE ZODIAC</i> worldwide on Netflix [Jul.19]	
	Release of <i>ONE PIECE STAMPEDE</i> [Aug.9]	
	Release of short movie <i>Jurassic!</i> on YouTube [August]	
	Release of <i>ONE PIECE STAMPEDE</i> worldwide [from August onwards]	
	Release of <i>Star Twinkle Pretty Cure the Movie</i> [Oct.19]	
FY20.3 3Q~	Scheduled distribution of <i>DRAGON BALL</i> app game for China [2019 fall]	
	Release of <i>Digimon Adventure LAST EVOLUTION (tentative)</i> [Feb.21]	
	Worldwide home-use game <i>DRAGON BALL Z KAKAROT</i> [Beginning of 2020]	
	Release of Movie <i>Majo Minarai wo Sagashite (tentative)</i> [2020]	
	Release of <i>Sailor Moon Eternal</i> [2020]	
	Release of internationally co-produce movie <i>The Monkey Prince (tentative)</i> [TBA]	
	Scheduled distribution of <i>ONE PIECE BON! BON! JOURNEY!!</i> app game [TBA]	
Scheduled distribution of <i>Slum Dunk</i> app game for China [TBA]		
PC browser game <i>DRAGON BALL</i> for China [TBA]		

Initiatives Aimed for Medium and Long-Term Growth

Development of Contents for Further Growth

Challenges for new titles/business



SAINT SEIYA: KNIGHTS OF THE ZODIAC
Netflix original series
Started distribution worldwide from July 19, 2019



The Monkey Prince (tentative)
Collaborative work between Japan, China and the U.S. in animation for families, eyeing the global market



Jurassic!
The Company's original intellectual property created through new planning and projects initiated by young staff members. A short movie is expected to be shown in August.

Challenge for global product development/creation of new hit titles

Activation of existing content



Majo Minarai wo Sagashite (tentative)
20th project of Magical DoReMi
Scheduled to be released in 2020



Digimon Adventure LAST EVOLUTION (tentative)
Scheduled to be released on February 21, 2020



Sailor Moon Eternal
Prequel and sequel are going to be released in 2020

- Scheduled distribution of *Slum Dunk* app game for China

- Licensing for the tie-up promotion preceding the release of the movie *ONE PIECE STAMPEDE* is favorable

- *Ge-Ge-Ge no Kitaro* used for ANGFA commercial

Monetization of well-known titles

Reference (1) Lineup of Titles Being Broadcast



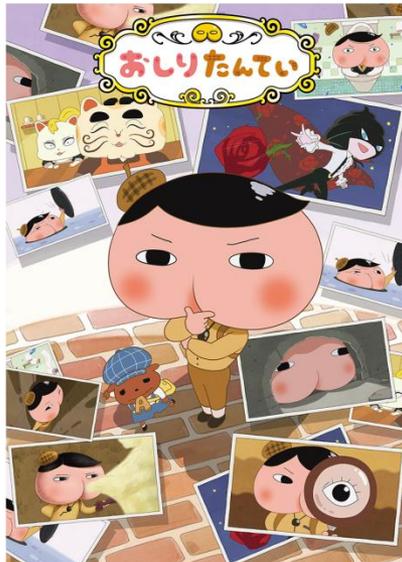
SUN at 8:30am on ABC/TV Asahi Network
Star Twinkle Pretty Cure



SUN at 9:00am on Fuji TV et al.
Ge-Ge-Ge no Kitaro



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



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



July 19, 2019~
on Netflix
*SAINT SEIYA:
KNIGHTS OF THE ZODIAC*

Reference (2) Lineup of New Titles in 2019

Star Twinkle Pretty Cure the Movie
To be released on October 19, 2019



ONE PIECE STAMPEDE
To be released on August 9, 2019



Reference (3) Lineup of New Titles in 2020

Digimon Adventure

LAST EVOLUTION (tentative)

To be released on February 21, 2020

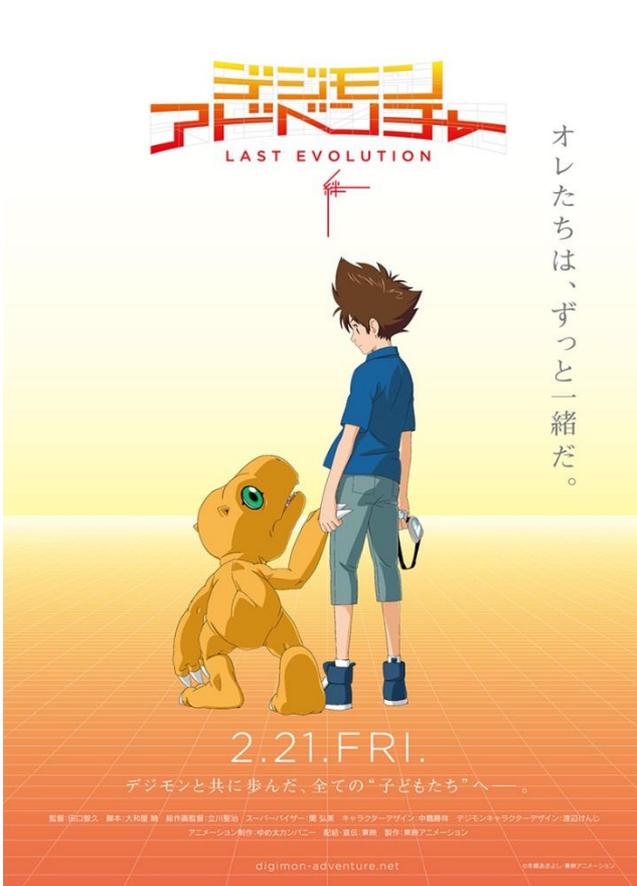
Majo Minarai wo Sagashite

(tentative)

To be released in 2020

Sailor Moon Eternal

To be released in 2020





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.