

To all related parties:

Name of the Company: TOMY Company, Ltd.
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Notice Concerning the Recording of Impairment Losses and Revisions of Full-Year Consolidated Earnings Forecasts

TOMY Company, Ltd. (hereinafter “Tomy”) hereby provides notification that it will record impairment losses for the first nine months of the fiscal year ending March 31, 2024, and has revised its consolidated earnings forecasts for the fiscal year ending March 31, 2024, which was announced on May 9, 2023, as follows.

1. Recording of impairment losses and details thereof

As a result of reviewing the business plan in light of performance in the first nine months, the Company expects to record an impairment loss of ¥2,417 million for the full amount of goodwill of U.S. Consolidated subsidiary Fat Brain Holdings, LLC. In addition, the Company expects to record an impairment loss of ¥254 million for part of the intangible assets and property, plant and equipment of a consolidated subsidiary in Japan. Due to the occurrence of the aforementioned events, the Company plans to record impairment losses of ¥2,672 million for the first nine months of the fiscal year ending March 31, 2024.

2. Revisions of the consolidated earnings forecasts for the fiscal year ending March 31, 2024 (April 1, 2023 to March 31, 2024)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previously announced forecast (A)	Millions of yen 195,000	Millions of yen 13,500	Millions of yen 13,000	Millions of yen 9,000	Yen 98.13
Revised forecast (B)	200,000	17,000	16,500	9,000	98.77
Increase (Decrease) (B-A)	5,000	3,500	3,500	0	–
Increase (Decrease) percentage (%)	2.6	25.9	26.9	0	–
(Reference) Actual results for the fiscal year ended March 31, 2023	187,297	13,119	12,043	8,314	90.66

3. Reasons for revisions

In North America, the toy market overall is sluggish due in part to the settling down of COVID-19 and the effects of inflation. Amid this situation, TOMY International, Inc., the Group’s primary operation, has performed steadily but Fat Brain Holdings,

LLC has been impacted by the market slowdown, causing an impairment of goodwill. Meanwhile in Japan and the Asia region, the toys and toy-related business has continued to perform steadily during the year-end sales season, and the KIDDY LAND retail business, in particular, grew thanks to an impact from inbound tourism and growth in character toy sales. Moreover, T-ARTS Company continues to perform strongly mainly in the GACHA capsule toys businesses due to increased purchases from adults and the rolling out of a broad product lineup. As a result, the Group is now expected to achieve record-high net sales of ¥200,000 million, exceeding the previously announced forecast. With this increase in net sales, record highs are also expected for operating profit and ordinary profit. Due to grow all down the column to ordinary profit, profit attributable to owners of parent is still on target to achieve the previously announced forecast despite the aforementioned impairment losses.

Note concerning forecasts of earnings, etc.

The forecast values that Tomy presents in this material have been determined based on information currently available to Tomy and are subject to a number of uncertainties. Accordingly, actual results may differ from the forecasted values due to the effect of future events.