

To all related parties:

Name of the Company: TOMY Company, Ltd.
Name of the Representative: Kantaro Tomiyama
President & CEO
(Code No. 7867; The First Section of the Tokyo Stock Exchange)
Further Inquiries: Kazuhiro Kojima
Board Director
Senior Executive Officer & CFO
Head of Corporate Administrations
(TEL: 03-5654-1548)

Notice Concerning Issuance of Stock Compensation-Type Stock Options
(Subscription Rights to Shares) to Directors

This is to provide notification that TOMY Company, Ltd. (hereinafter “Tomy”) resolved at a meeting of the Board of Directors, held on May 22, 2015, to submit a proposal at the 64th Ordinary General Meeting of Shareholders, to be held on June 24, 2015, concerning the determination of the amount of remuneration etc., and specific details regarding the subscription rights to shares as stock options to Tomy’s Directors (excluding Outside Directors).

Note that if this proposal is approved, the remuneration, etc. relating to subscription rights to shares as “ordinary type stock options,” which was approved at the 60th Ordinary General Meeting of Shareholders held on June 24, 2011 and whose paid-in amount per share for the shares to be delivered upon exercise of subscription rights to shares is determined based on the market price, will be abolished.

1. Reason for Proposal

In order to have Tomy’s Directors (excluding Outside Directors) share with the shareholders the merits and risks of change in Tomy’s share price and further boost their desire to contribute to the raising of the share price and increasing the corporate value, Tomy proposes that the shareholders approve the allotment to such Directors of subscription rights to shares as stock compensation-type stock options whose paid-in amount per share for the shares to be delivered upon exercise of subscription rights to shares is 1 yen, as remuneration.

2. Specific Details of Subscription Rights to Shares as Stock Options

i. Class and Number of Shares to Be Granted upon Exercise of Subscription Rights to Shares

The class of shares to be granted upon exercise of subscription rights to shares shall be common shares of Tomy, and the number of shares to be granted upon exercise of each subscription right to shares (hereinafter referred to as the “Number of Granted Shares”) shall be 100 shares. However, the Number of Granted Shares shall be adjusted by the following formula and any fraction less than one share resulting from the adjustment shall be disregarded if Tomy conducts a share split (including allotment of common shares of Tomy without contribution; the same shall apply to any reference to a share split hereinafter) or share consolidation of its common shares on or after the date for the resolution of this proposal (hereinafter referred to as the “Resolution Date”).

$$\begin{array}{l} \text{Number of Granted Shares} \\ \text{after adjustment} \end{array} = \begin{array}{l} \text{Number of Granted Shares} \\ \text{before adjustment} \end{array} \times \text{Share split/consolidation ratio}$$

In addition to the above, if an adjustment of the Number of Granted Shares is required on or after the Resolution Date due to Tomy being part of a merger or corporate split or for any other reason, Tomy may adjust the Number

of Granted Shares within a reasonable extent. Note that if Tomy performs a change to the number of shares per share unit of its common shares (excluding cases involving a share split or share consolidation; the same shall apply to any reference to a change to the number of shares per share unit hereinafter) on or after the Resolution Date, Tomy may adjust the Number of Granted Shares for the subscription rights to shares for whose issuance the resolution of the Board of Directors is made on or after the effective date of the change to the number of shares per share unit, provided that such adjustment is rational and in proportion to the said change to the number of shares per share unit.

ii. Total Number of Subscription Rights to Shares

A total number of 6,600 subscription rights to shares allotted to Directors (excluding Outside Directors) shall be the maximum number of subscription rights to shares allotted within one year from the date of the ordinary general meeting of shareholders for each fiscal year. However, if the Number of Granted Shares is adjusted following a change to the number of shares per share unit of Tomy's common shares, Tomy may rationally adjust the total number of subscription rights to shares in proportion to the said adjustment of the Number of Granted Shares.

iii. Paid-In Amount of Subscription Rights to Shares

The paid-in amount per one subscription right to shares shall be an amount prescribed by the Board of Directors based on the fair value of the subscription rights to shares calculated using a fair calculation method such as the Black-Scholes model when allotting the subscription rights to shares.

iv. Value of Property to Be Contributed upon Exercise of Subscription Rights to Shares

The value of property to be contributed upon exercise of each subscription right to shares shall be the amount obtained by multiplying the amount to be paid in (1 yen) for one share to be delivered upon exercise of each subscription right to shares by the Number of Granted Shares.

v. Period for Exercising Subscription Rights to Shares

The period for exercising subscription rights to shares shall be prescribed by the Board of Directors, and it shall be within 30 years from the day following the day of allotment of the subscription rights to shares.

vi. Restrictions on Acquiring Subscription Rights to Shares by Transfer

Acquiring subscription rights to shares by transfer is subject to the approval of the Board of Directors by its resolution.

vii. Conditions for Exercise of Subscription Rights to Shares

The persons receiving the allotment of the subscription rights to shares shall be able to exercise the subscription rights to shares on or after the day immediately following the day on which they lose their position of Director, Audit & Supervisory Board Member and Executive Officer of Tomy. Other conditions concerning the exercise of subscription rights to shares shall be prescribed by the Board of Directors.

End of notice

(Reference)

Tomy does not allot subscription rights to shares as stock options to Outside Directors, or to non-executive Directors, etc.