

## Translation

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August 10, 2011

# CONSOLIDATED FINANCIAL RESULTS for the First Three Months of the Fiscal Year Ending March 31, 2012 <under Japanese GAAP>

Company name: **TOMY COMPANY, LTD.**  
 Listing: First Section of the Tokyo Stock Exchange  
 Code number: 7867  
 URL: <http://www.takaratomy.co.jp/>  
 Representative: Kantaro Tomiyama, President and CEO  
 Contact person: Toshiki Miura, Managing Director, Head of Corporate Administration  
 TEL: +81-3-5654-1548 (from overseas)

Scheduled date to file quarterly securities report: August 12, 2011  
 Scheduled date to commence dividend payments: –  
 Supplementary material on quarterly financial results: None  
 Quarterly financial results presentation meeting: None

(in millions of yen with fractional amounts discarded, unless otherwise noted)

## 1. Consolidated performance for the first three months of the fiscal year ending March 31, 2012 (From April 1, 2011 to June 30, 2011)

### (1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

Three months ended	Net sales		Operating income		Ordinary income		Net income	
		%		%		%		%
June 30, 2011	36,406	7.2	338	(78.6)	16	(99.0)	209	(86.7)
June 30, 2010	33,975	(6.4)	1,580	6.7	1,651	5.3	1,575	7.1

Note: Comprehensive income  
 Three months ended June 30, 2011: (1,668) million yen [ —%]  
 Three months ended June 30, 2010: 982 million yen [ —%]

Three months ended	Net income per share	Diluted net income per share
	yen	yen
June 30, 2011	2.23	1.84
June 30, 2010	16.74	13.81

### (2) Consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
			%	yen
June 30, 2011	152,137	46,726	29.5	477.09
March 31, 2011	94,597	48,744	49.9	501.54

Reference: Equity  
 As of June 30, 2011: 44,912 million yen  
 As of March 31, 2011: 47,214 million yen

## 2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	yen	yen	yen	yen	yen
Fiscal year ended March 31, 2011	–	7.00	–	7.00	14.00
Fiscal year ending March 31, 2012	–				
Fiscal year ending March 31, 2012 (Forecast)		7.00	–	7.00	14.00

Note: Revisions to the cash dividend forecasts most recently announced: None

## 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2012

(From April 1, 2011 to March 31, 2012)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
		%		%		%		%	yen
Six months ending September 30, 2011	96,000	23.7	4,700	(9.9)	4,500	(15.4)	2,500	(48.7)	26.56
Fiscal year ending March 31, 2012	200,000	25.4	11,700	13.3	10,700	5.5	6,200	(30.6)	65.86

Note: Revisions to the consolidated earnings forecasts most recently announced: None

## 4. Others

(1) **Changes in significant subsidiaries during the three months under review** (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

New: 1 company (Company name: Racing Champions Worldwide Limited)

(2) **Application of specific accounting for preparing quarterly consolidated financial statements:**  
Yes

(3) **Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections**

A. Changes in accounting policies due to revisions to accounting standards: None

B. Changes in accounting policies due to other reasons: None

C. Changes in accounting estimates: None

D. Restatement of prior period financial statements after error corrections: None

(4) **Number of issued shares (common stock)**

A. Total number of issued shares at the end of the period (including treasury stock)

As of June 30, 2011	96,290,850 shares
As of March 31, 2011	96,290,850 shares

B. Number of treasury shares at the end of the period

As of June 30, 2011	2,153,358 shares
As of March 31, 2011	2,152,810 shares

C. Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2011	94,137,798 shares
Three months ended June 30, 2010	94,140,033 shares

\* Indication regarding execution of quarterly review procedures

The completion of quarterly review procedures in accordance with the Financial Instruments and Exchange Act is not required for preparing this quarterly financial results report. At the time of disclosure of this quarterly financial results report, the quarterly review procedures in accordance with the Financial Instruments and Exchange Act were incomplete.

\* Proper use of earnings forecasts, and other special matters

The earnings forecasts are based on information currently available to the Company and are subject to a number of uncertainties. Actual business and other results may differ due to various factors.

**Quarterly Consolidated Financial Statements**  
**(1) Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2011	As of June 30, 2011
<b>Assets</b>		
Current assets		
Cash and deposits	29,320	27,325
Notes and accounts receivable-trade	19,188	20,937
Short-term investment securities	264	264
Merchandise and finished goods	10,173	19,131
Work in process	561	507
Raw materials and supplies	1,026	1,336
Deferred tax assets	3,606	4,313
Other	2,938	5,290
Allowance for doubtful accounts	(301)	(351)
Total current assets	<u>66,779</u>	<u>78,756</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	13,005	13,378
Accumulated depreciation	(7,320)	(7,427)
Accumulated impairment loss	(422)	(422)
Buildings and structures, net	<u>5,262</u>	<u>5,528</u>
Machinery, equipment and vehicles	2,277	2,907
Accumulated depreciation	(1,405)	(1,444)
Accumulated impairment loss	(0)	(0)
Machinery, equipment and vehicles, net	<u>871</u>	<u>1,463</u>
Tools, furniture and fixtures	26,569	28,412
Accumulated depreciation	(25,124)	(25,233)
Accumulated impairment loss	(107)	(97)
Tools, furniture and fixtures, net	<u>1,338</u>	<u>3,081</u>
Land	4,837	4,891
Lease assets	2,727	2,513
Accumulated depreciation	(1,380)	(1,213)
Accumulated impairment loss	(136)	-
Lease assets, net	<u>1,210</u>	<u>1,299</u>
Construction in progress	283	277
Total property, plant and equipment	<u>13,803</u>	<u>16,541</u>
Intangible assets		
Goodwill	185	23,164
Other	2,001	20,816
Total intangible assets	<u>2,186</u>	<u>43,980</u>
Investments and other assets		
Investment securities	2,954	2,690
Deferred tax assets	5,586	5,599
Other	3,524	4,823
Allowance for doubtful accounts	(325)	(335)
Total investments and other assets	<u>11,739</u>	<u>12,777</u>
Total noncurrent assets	<u>27,729</u>	<u>73,299</u>

(Millions of yen)

	As of March 31, 2011	As of June 30, 2011
<b>Deferred assets</b>		
Bond issuance cost	88	81
Total deferred assets	88	81
Total assets	94,597	152,137
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	9,804	11,744
Short-term loans payable	4,090	4,014
Current portion of long-term loans payable	604	1,839
Current portion of bonds	1,250	1,150
Current portion of bonds with subscription rights to shares	7,000	7,000
Lease obligations	907	961
Accounts payable-other	3,613	4,314
Accrued expenses	3,812	5,562
Income taxes payable	54	32
Provision	316	449
Other	1,028	2,043
Total current liabilities	32,483	39,112
<b>Noncurrent liabilities</b>		
Bonds payable	2,040	1,785
Bonds with subscription rights to shares	5,300	5,300
Long-term loans payable	986	49,257
Lease obligations	381	429
Deferred tax liabilities for land revaluation	632	632
Provision for retirement benefits	2,504	2,896
Other provision	266	234
Other	1,259	5,763
Total noncurrent liabilities	13,369	66,298
Total liabilities	45,852	105,410

(Millions of yen)

	As of March 31, 2011	As of June 30, 2011
Net assets		
Shareholders' equity		
Capital stock	3,459	3,459
Capital surplus	6,744	6,744
Retained earnings	41,970	41,521
Treasury stock	(1,320)	(1,320)
Total shareholders' equity	50,854	50,404
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(27)	(268)
Deferred gains or losses on hedges	(372)	(563)
Revaluation reserve for land	(7)	(7)
Foreign currency translation adjustment	(3,233)	(4,652)
Total accumulated other comprehensive income	(3,639)	(5,491)
Subscription rights to shares	409	462
Minority interests	1,120	1,352
Total net assets	48,744	46,726
Total liabilities and net assets	94,597	152,137

**(2) Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2010	Three months ended June 30, 2011
Net sales	33,975	36,406
Cost of sales	22,220	24,747
Gross profit	11,754	11,658
Selling, general and administrative expenses		
Packing and transportation expenses	405	439
Warehousing expenses	643	816
Advertising expenses	1,824	1,797
Salaries, allowances and bonuses	3,442	3,560
Research and development expenses	502	571
Commission fee	589	609
Other	2,765	3,525
Total selling, general and administrative expenses	10,173	11,320
Operating income	1,580	338
Non-operating income		
Interest and dividends income	38	44
Amortization of negative goodwill	108	97
Other	110	79
Total non-operating income	257	222
Non-operating expenses		
Interest expenses	70	133
Foreign exchange losses	4	267
Other	112	143
Total non-operating expenses	186	544
Ordinary income	1,651	16
Extraordinary income		
Gain on sales of noncurrent assets	4	4
Reversal of allowance for doubtful accounts	17	-
Other	0	0
Total extraordinary income	22	4
Extraordinary loss		
Loss on sales of noncurrent assets	6	-
Loss on retirement of noncurrent assets	16	0
Loss on adjustment for changes of accounting standard for asset retirement obligations	24	-
Total extraordinary losses	47	0
Income before income taxes and minority interests	1,627	21
Income taxes	45	(162)
Income before minority interests	1,582	183
Minority interests in income (loss)	6	(25)
Net income	1,575	209

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2010	Three months ended June 30, 2011
Income before minority interests	1,582	183
Other comprehensive income		
Valuation difference on available-for-sale securities	(65)	(240)
Deferred gains or losses on hedges	(290)	(191)
Foreign currency translation adjustment	(243)	(1,419)
Total other comprehensive income	(599)	(1,852)
Comprehensive income	982	(1,668)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	976	(1,642)
Comprehensive income attributable to minority interests	5	(25)



**(3) Consolidated statements of cash flows**

(Millions of yen)

	Three months ended June 30, 2010	Three months ended June 30, 2011
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	1,627	21
Depreciation and amortization	978	1,284
Loss on retirement of noncurrent assets	16	0
Increase (decrease) in allowance for doubtful accounts	158	(27)
Increase (decrease) in provision for retirement benefits	103	10
Increase (decrease) in provision for directors' retirement benefits	(9)	(31)
Interest and dividends income	(38)	(44)
Interest expenses	70	133
Loss (gain) on sales of noncurrent assets	1	(4)
Decrease (increase) in notes and accounts receivable-trade	69	3,505
Decrease (increase) in inventories	(1,386)	(1,243)
Increase (decrease) in notes and accounts payable-trade	470	497
Increase (decrease) in accounts payable-other	(643)	(3,145)
Increase (decrease) in accrued expenses	(1,108)	(1,442)
Other, net	(917)	238
Subtotal	(608)	(248)
Interest and dividends income received	38	43
Interest expenses paid	(74)	(134)
Income taxes paid	(458)	(435)
Net cash provided by (used in) operating activities	(1,103)	(774)
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(782)	(861)
Purchase of intangible assets	(348)	(349)
Purchase of investment securities	(1)	(1)
Purchase of investments in subsidiaries	(1)	(33,579)
Other, net	407	(25)
Net cash provided by (used in) investing activities	(727)	(34,817)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	1,225	(71)
Proceeds from long-term loans payable	–	35,272
Repayment of long-term loans payable	(304)	(173)
Redemption of bonds	(355)	(355)
Cash dividends paid	(544)	(553)
Other, net	(427)	(335)
Net cash provided by (used in) financing activities	(405)	33,782
Effect of exchange rate change on cash and cash equivalents	(157)	(185)
Net increase (decrease) in cash and cash equivalents	(2,395)	(1,994)
Cash and cash equivalents at beginning of period	26,638	29,038
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	(155)	–
Increase in cash and cash equivalents resulting from merger	11	–
Cash and cash equivalents at end of period	24,100	27,044