

Translation

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November 8, 2011

CONSOLIDATED FINANCIAL RESULTS for the First Six 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: November 11, 2011
 Scheduled date to commence dividend payments: December 9, 2011
 Supplementary material on quarterly financial results: Yes
 Quarterly financial results presentation meeting: Yes

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

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

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

Six months ended	Net sales		Operating income		Ordinary income		Net income	
		%		%		%		%
September 30, 2011	89,294	15.0	5,060	(3.0)	4,460	(16.1)	2,327	(52.2)
September 30, 2010	77,623	(10.5)	5,216	(7.6)	5,317	(5.2)	4,873	(0.1)

Note: Comprehensive income

Six months ended September 30, 2011: (2,200) million yen [—%]
 Six months ended September 30, 2010: 3,205 million yen [—%]

	Net income per share	Diluted net income per share
Six months ended	yen	yen
September 30, 2011	24.73	20.40
September 30, 2010	51.77	42.71

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of			%	yen
September 30, 2011	154,742	46,529	28.7	471.13
March 31, 2011	94,597	48,744	49.9	501.54

Reference: Equity

As of September 30, 2011: 44,351 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	–	7.00			
Fiscal year ending March 31, 2012 (Forecast)			–	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
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 September 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 September 30, 2011	2,153,696 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)

Six months ended September 30, 2011	94,137,515 shares
Six months ended September 30, 2010	94,139,753 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 September 30, 2011
Assets		
Current assets		
Cash and deposits	29,320	25,324
Notes and accounts receivable-trade	19,188	28,975
Short-term investment securities	264	264
Merchandise and finished goods	10,173	18,299
Work in process	561	527
Raw materials and supplies	1,026	1,149
Deferred tax assets	3,606	5,082
Other	2,938	3,752
Allowance for doubtful accounts	(301)	(392)
Total current assets	66,779	82,982
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	13,005	13,252
Accumulated depreciation	(7,320)	(7,449)
Accumulated impairment loss	(422)	(403)
Buildings and structures, net	5,262	5,399
Machinery, equipment and vehicles	2,277	2,853
Accumulated depreciation	(1,405)	(1,468)
Accumulated impairment loss	(0)	(0)
Machinery, equipment and vehicles, net	871	1,384
Tools, furniture and fixtures	26,569	28,005
Accumulated depreciation	(25,124)	(25,197)
Accumulated impairment loss	(107)	(92)
Tools, furniture and fixtures, net	1,338	2,714
Land	4,837	4,955
Lease assets	2,727	2,845
Accumulated depreciation	(1,380)	(1,234)
Accumulated impairment loss	(136)	-
Lease assets, net	1,210	1,611
Construction in progress	283	236
Total property, plant and equipment	13,803	16,302
Intangible assets		
Goodwill	185	22,360
Other	2,001	20,526
Total intangible assets	2,186	42,887
Investments and other assets		
Investment securities	2,954	2,652
Deferred tax assets	5,586	5,537
Other	3,524	4,634
Allowance for doubtful accounts	(325)	(328)
Total investments and other assets	11,739	12,495
Total noncurrent assets	27,729	71,686

(Millions of yen)

	As of March 31, 2011	As of September 30, 2011
Deferred assets		
Bond issuance cost	88	73
Total deferred assets	88	73
Total assets	94,597	154,742
Liabilities		
Current liabilities		
Notes and accounts payable-trade	9,804	13,185
Short-term loans payable	4,090	4,801
Current portion of long-term loans payable	604	3,064
Current portion of bonds	1,250	1,150
Current portion of bonds with subscription rights to shares	7,000	7,000
Lease obligations	907	1,136
Accounts payable-other	3,613	3,939
Accrued expenses	3,812	5,814
Income taxes payable	54	1,057
Provision	316	486
Other	1,028	1,892
Total current liabilities	32,483	43,529
Noncurrent liabilities		
Bonds payable	2,040	1,515
Bonds with subscription rights to shares	5,300	5,300
Long-term loans payable	986	47,163
Lease obligations	381	626
Deferred tax liabilities	0	4,886
Deferred tax liabilities for land revaluation	632	629
Provision for retirement benefits	2,504	2,890
Other provision	266	234
Other	1,258	1,439
Total noncurrent liabilities	13,369	64,683
Total liabilities	45,852	108,213

(Millions of yen)

	As of March 31, 2011	As of September 30, 2011
Net assets		
Shareholders' equity		
Capital stock	3,459	3,459
Capital surplus	6,744	6,744
Retained earnings	41,970	43,643
Treasury stock	(1,320)	(1,320)
Total shareholders' equity	50,854	52,526
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(27)	111
Deferred gains or losses on hedges	(372)	(828)
Revaluation reserve for land	(7)	(11)
Foreign currency translation adjustment	(3,233)	(7,446)
Total accumulated other comprehensive income	(3,639)	(8,175)
Subscription rights to shares	409	505
Minority interests	1,120	1,672
Total net assets	48,744	46,529
Total liabilities and net assets	94,597	154,742

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

(Millions of yen)

	Six months ended September 30, 2010	Six months ended September 30, 2011
Net sales	77,623	89,294
Cost of sales	51,330	59,566
Gross profit	26,292	29,727
Selling, general and administrative expenses		
Packing and transportation expenses	876	1,107
Warehousing expenses	1,296	1,803
Advertising expenses	4,115	4,265
Salaries, allowances and bonuses	6,829	7,360
Research and development expenses	1,015	1,193
Commission fee	1,188	1,334
Other	5,754	7,602
Total selling, general and administrative expenses	21,076	24,667
Operating income	5,216	5,060
Non-operating income		
Interest and dividends income	50	56
Amortization of negative goodwill	220	195
Other	217	185
Total non-operating income	488	436
Non-operating expenses		
Interest expenses	135	307
Foreign exchange losses	84	542
Equity in losses of affiliates	30	–
Other	136	186
Total non-operating expenses	387	1,036
Ordinary income	5,317	4,460
Extraordinary income		
Gain on sales of noncurrent assets	8	6
Reversal of allowance for doubtful accounts	33	–
Gain on liquidation of subsidiaries	79	–
Other	12	2
Total extraordinary income	134	9
Extraordinary loss		
Loss on sales of noncurrent assets	6	0
Loss on retirement of noncurrent assets	156	4
Loss on valuation of investment securities	33	480
Impairment loss	18	9
Other	96	28
Total extraordinary losses	311	522
Income before income taxes and minority interests	5,140	3,947
Income taxes	276	1,617
Income before minority interests	4,863	2,329
Minority interests in income (loss)	(9)	2
Net income	4,873	2,327

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2010	Six months ended September 30, 2011
Income before minority interests	4,863	2,329
Other comprehensive income		
Valuation difference on available-for-sale securities	(542)	138
Deferred gains or losses on hedges	(710)	(456)
Foreign currency translation adjustment	(405)	(4,212)
Total other comprehensive income	(1,658)	(4,530)
Comprehensive income	3,205	(2,200)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	3,216	(2,203)
Comprehensive income attributable to minority interests	(10)	2

(3) Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2010	Six months ended September 30, 2011
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	5,140	3,947
Depreciation and amortization	1,999	2,700
Impairment loss	18	9
Amortization of goodwill	98	582
Amortization of negative goodwill	(220)	(195)
Interest expenses	135	307
Decrease (increase) in notes and accounts receivable-trade	(5,735)	(4,921)
Decrease (increase) in inventories	(2,667)	(362)
Increase (decrease) in notes and accounts payable-trade	1,980	1,791
Increase (decrease) in accounts payable-other	(606)	(3,706)
Increase (decrease) in accrued expenses	(784)	(964)
Other, net	(672)	1,103
Subtotal	(1,313)	289
Interest and dividends income received	50	54
Interest expenses paid	(138)	(299)
Income taxes paid	(457)	(287)
Net cash provided by (used in) operating activities	(1,859)	(242)
Net cash provided by (used in) investing activities		
Proceeds from withdrawal of time deposits	11	–
Purchase of property, plant and equipment	(1,307)	(1,389)
Proceeds from sales of property, plant and equipment	17	393
Purchase of intangible assets	(605)	(534)
Purchase of investment securities	(3)	(3)
Purchase of investments in subsidiaries	(3)	(33,579)
Other, net	439	(1,472)
Net cash provided by (used in) investing activities	(1,451)	(36,585)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	954	497
Proceeds from long-term loans payable	–	35,267
Repayment of long-term loans payable	(555)	(302)
Redemption of bonds	(925)	(625)
Cash dividends paid	(657)	(659)
Other, net	(824)	(722)
Net cash provided by (used in) financing activities	(2,007)	33,456
Effect of exchange rate change on cash and cash equivalents	(275)	(624)
Net increase (decrease) in cash and cash equivalents	(5,594)	(3,996)
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	20,900	25,041