

Translation

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February 7, 2012

CONSOLIDATED FINANCIAL RESULTS for the First Nine 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: February 10, 2012
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 nine months of the fiscal year ending March 31, 2012 (From April 1, 2011 to December 31, 2011)

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

	Net sales		Operating income		Ordinary income		Net income	
		%		%		%		%
Nine months ended								
December 31, 2011	148,150	18.4	10,402	1.8	9,638	(6.5)	3,952	(57.7)
December 31, 2010	125,159	(12.9)	10,217	(15.5)	10,311	(14.0)	9,336	(8.3)

Note: Comprehensive income
Nine months ended December 31, 2011: 558 million yen [(93.0) %]
Nine months ended December 31, 2010: 8,016 million yen [—%]

	Net income per share	Diluted net income per share
Nine months ended	yen	yen
December 31, 2011	41.99	34.65
December 31, 2010	99.18	81.82

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of			%	yen
December 31, 2011	166,860	48,679	27.8	492.98
March 31, 2011	94,597	48,744	49.9	501.54

Reference: Equity
As of December 31, 2011: 46,407 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	186,000	16.6	10,000	(3.2)	9,000	(11.3)	3,200	(64.2)	33.99

Note: Revisions to the consolidated earnings forecasts most recently announced: Yes

4. Others

(1) **Changes in significant subsidiaries during the nine 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 December 31, 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 December 31, 2011	2,153,425 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)

Nine months ended December 31, 2011	94,137,432 shares
Nine months ended December 31, 2010	94,139,525 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 December 31, 2012
Assets		
Current assets		
Cash and deposits	29,320	29,886
Notes and accounts receivable-trade	19,188	38,359
Short-term investment securities	264	264
Merchandise and finished goods	10,173	17,219
Work in process	561	466
Raw materials and supplies	1,026	888
Deferred tax assets	3,606	4,942
Other	2,938	3,963
Allowance for doubtful accounts	(301)	(455)
Total current assets	66,779	95,536
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	13,005	13,229
Accumulated depreciation	(7,320)	(7,524)
Accumulated impairment loss	(422)	(402)
Buildings and structures, net	5,262	5,301
Machinery, equipment and vehicles	2,277	1,717
Accumulated depreciation	(1,405)	(815)
Accumulated impairment loss	(0)	(0)
Machinery, equipment and vehicles, net	871	901
Tools, furniture and fixtures	26,569	25,217
Accumulated depreciation	(25,124)	(22,520)
Accumulated impairment loss	(107)	(92)
Tools, furniture and fixtures, net	1,338	2,604
Land	4,837	4,903
Lease assets	2,727	2,941
Accumulated depreciation	(1,380)	(1,370)
Accumulated impairment loss	(136)	—
Lease assets, net	1,210	1,571
Construction in progress	283	442
Total property, plant and equipment	13,803	15,725
Intangible assets		
Goodwill	185	22,385
Other	2,001	20,494
Total intangible assets	2,186	42,880
Investments and other assets		
Investment securities	2,954	2,652
Deferred tax assets	5,586	5,652
Other	3,524	4,671
Allowance for doubtful accounts	(325)	(325)
Total investments and other assets	11,739	12,651
Total noncurrent assets	27,729	71,256

(Millions of yen)

	As of March 31, 2011	As of December 31, 2012
Deferred assets		
Bond issuance cost	88	66
Total deferred assets	88	66
Total assets	94,597	166,860
Liabilities		
Current liabilities		
Notes and accounts payable-trade	9,804	13,495
Short-term loans payable	4,090	10,774
Current portion of long-term loans payable	604	4,234
Current portion of bonds	1,250	1,050
Current portion of bonds with subscription rights to shares	7,000	7,000
Lease obligations	907	1,127
Accounts payable-other	3,613	5,233
Accrued expenses	3,812	6,252
Income taxes payable	54	3,418
Provision	316	528
Other	1,028	1,555
Total current liabilities	32,483	54,670
Noncurrent liabilities		
Bonds payable	2,040	1,260
Bonds with subscription rights to shares	5,300	5,300
Long-term loans payable	986	45,901
Lease obligations	381	560
Deferred tax liabilities	0	4,870
Deferred tax liabilities for land revaluation	632	553
Provision for retirement benefits	2,504	2,945
Other provision	266	247
Other	1,258	1,871
Total noncurrent liabilities	13,369	63,510
Total liabilities	45,852	118,181

(Millions of yen)

	As of March 31, 2011	As of December 31, 2012
Net assets		
Shareholders' equity		
Capital stock	3,459	3,459
Capital surplus	6,744	6,744
Retained earnings	41,970	44,609
Treasury stock	(1,320)	(1,320)
Total shareholders' equity	50,854	53,492
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(27)	118
Deferred gains or losses on hedges	(372)	(568)
Revaluation reserve for land	(7)	63
Foreign currency translation adjustment	(3,233)	(6,698)
Total accumulated other comprehensive income	(3,639)	(7,084)
Subscription rights to shares	409	551
Minority interests	1,120	1,720
Total net assets	48,744	48,679
Total liabilities and net assets	94,597	166,860

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

(Millions of yen)

	Nine months ended December 31, 2010	Nine months ended December 31, 2011
Net sales	125,159	148,150
Cost of sales	82,589	99,457
Gross profit	42,569	48,692
Selling, general and administrative expenses		
Packing and transportation expenses	1,446	2,147
Warehousing expenses	2,082	2,789
Advertising expenses	6,666	6,748
Salaries, allowances and bonuses	10,181	11,147
Research and development expenses	1,552	1,755
Commission fee	1,721	2,016
Other	8,701	11,686
Total selling, general and administrative expenses	32,352	38,290
Operating income	10,217	10,402
Non-operating income		
Interest and dividends income	62	84
Amortization of negative goodwill	349	293
Other	346	282
Total non-operating income	759	660
Non-operating expenses		
Interest expenses	202	518
Foreign exchange losses	211	679
Equity in losses of affiliates	43	-
Other	207	226
Total non-operating expenses	665	1,424
Ordinary income	10,311	9,638
Extraordinary income		
Gain on sales of noncurrent assets	11	40
Reversal of allowance for doubtful accounts	42	-
Gain on liquidation of subsidiaries	79	-
Other	13	2
Total extraordinary income	147	43

(Millions of yen)

	Nine months ended December 31, 2010	Nine months ended December 31, 2011
Extraordinary loss		
Loss on sales of noncurrent assets	6	4
Loss on retirement of noncurrent assets	205	62
Loss on valuation of investment securities	54	480
Impairment loss	18	9
Loss on disaster	–	851
Loss on liquidation of subsidiaries	93	–
Other	96	276
Total extraordinary losses	475	1,684
Income before income taxes and minority interests	9,984	7,997
Income taxes	622	3,998
Income before minority interests	9,361	3,998
Minority interests in income	25	46
Net income	9,336	3,952

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2010	Nine months ended December 31, 2011
Income before minority interests	9,361	3,998
Other comprehensive income		
Valuation difference on available-for-sale securities	(172)	145
Deferred gains or losses on hedges	(709)	(195)
Revaluation reserve for land	–	75
Foreign currency translation adjustment	(463)	(3,465)
Total other comprehensive income	(1,345)	(3,440)
Comprehensive income	8,016	558
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	7,991	511
Comprehensive income attributable to minority interests	24	46

(3) Consolidated statements of cash flows

(Millions of yen)

	Nine months ended December 31, 2010	Nine months ended December 31, 2011
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	9,984	7,997
Depreciation and amortization	3,089	4,145
Impairment loss	18	9
Loss (gain) on valuation of investment securities	54	480
Amortization of goodwill	147	920
Amortization of negative goodwill	(349)	(293)
Interest expenses	202	518
Decrease (increase) in notes and accounts receivable-trade	(12,357)	(14,175)
Decrease (increase) in inventories	(2,080)	1,156
Increase (decrease) in notes and accounts payable-trade	1,568	2,160
Increase (decrease) in accounts payable-other	162	(2,475)
Increase (decrease) in accrued expenses	(78)	(333)
Other, net	101	1,104
Subtotal	462	1,214
Interest and dividends income received	62	79
Interest expenses paid	(204)	(513)
Income taxes paid	(651)	(508)
Net cash provided by (used in) operating activities	(331)	272
Net cash provided by (used in) investing activities		
Proceeds from withdrawal of time deposits	11	–
Purchase of property, plant and equipment	(2,093)	(2,037)
Proceeds from sales of property, plant and equipment	22	680
Purchase of intangible assets	(886)	(724)
Purchase of investment securities	(5)	(5)
Purchase of investments in subsidiaries	(3)	(33,579)
Other, net	543	(1,443)
Net cash provided by (used in) investing activities	(2,411)	(37,110)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	4,407	6,491
Proceeds from long-term loans payable	500	35,261
Repayment of long-term loans payable	(2,267)	(585)
Redemption of bonds	(1,280)	(980)
Cash dividends paid	(1,290)	(1,294)
Other, net	(1,147)	(1,073)
Net cash provided by (used in) financing activities	(1,077)	37,819
Effect of exchange rate change on cash and cash equivalents	(334)	(416)
Net increase (decrease) in cash and cash equivalents	(4,155)	565
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	22,339	29,604