

Translation

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MEMBERSHIP
May 10, 2012

CONSOLIDATED FINANCIAL RESULTS for the Fiscal Year Ended March 31, 2012 <under Japanese GAAP>

Company name: **TOMY COMPANY, LTD.**
 Listing: First Section of the Tokyo Stock Exchange
 Securities identification code: 7867
 URL: <http://www.takaratomy.co.jp/>
 Representative: Kantaro Tomiyama, President and CEO
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Scheduled date of ordinary general meeting of shareholders: June 27, 2012
 Scheduled date to commence dividend payments: June 28, 2012
 Scheduled date to file securities report: June 28, 2012
 Supplementary material on financial results: Yes
 Financial results presentation meeting: Yes

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

1. Consolidated performance for the fiscal year ended March 31, 2012 (From April 1, 2011 to March 31, 2012)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2012	187,265	17.4	10,186	(1.4)	9,823	(3.2)	3,679	(58.8)
March 31, 2011	159,490	(10.8)	10,327	(1.2)	10,143	(2.3)	8,929	(0.5)

Note: Comprehensive income
 Fiscal year ended March 31, 2012: 3,607 million yen [(54.5)%]
 Fiscal year ended March 31, 2011: 7,929 million yen [(17.0)%]

Fiscal year ended	Net income per share	Diluted net income per share	Net income/equity	Ordinary income/total assets	Operating income/net sales
	yen	yen	%	%	%
March 31, 2012	39.09	32.27	7.6	7.8	5.4
March 31, 2011	94.85	78.26	20.3	10.7	6.5

Reference: Equity in earnings of affiliates
 Fiscal year ended March 31, 2012: 0 million yen
 Fiscal year ended March 31, 2011: (45) million yen

(2) Consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
March 31, 2012	156,654	51,805	31.6	525.46
March 31, 2011	94,597	48,744	49.9	501.54

Reference: Equity
 As of March 31, 2012: 49,465 million yen
 As of March 31, 2011: 47,214 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Period-end cash and cash equivalents
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2012	16,046	(38,048)	29,718	36,522
March 31, 2011	8,486	1,169	(6,767)	29,038

2. Cash dividends

	Annual dividends					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total			
Fiscal year ended	yen	yen	yen	yen	yen	Millions of yen	%	%
March 31, 2011	–	7.00	–	7.00	14.00	1,317	14.8	3.0
March 31, 2012	–	7.00	–	7.00	14.00	1,317	35.8	2.7
Fiscal year ending March 31, 2013 (Forecast)	–	7.00	–	7.00	14.00		26.4	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2013 (From April 1, 2012 to March 31, 2013)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Six months ending September 30, 2012 (cumulative)	87,000	(2.6)	3,000	(40.7)	2,600	(41.7)	1,200	(48.4)	12.75
Fiscal year ending March 31, 2013	190,000	1.5	10,000	(1.8)	9,300	(5.3)	5,000	35.9	53.11

* Notes

- (1) **Changes in significant subsidiaries during the period** (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
New: 1 company (Company name: Racing Champions Worldwide Limited)
- (2) **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

(3) Number of issued shares (common stock)

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

As of March 31, 2012	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 March 31, 2012	2,154,371 shares
As of March 31, 2011	2,152,810 shares

- C. Average number of shares during the period

Fiscal year ended March 31, 2012	94,137,332 shares
Fiscal year ended March 31, 2011	94,139,236 shares

* Indication regarding execution of audit procedures

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

Consolidated Financial Statements
(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2011	As of March 31, 2012
Assets		
Current assets		
Cash and deposits	29,320	37,684
Notes and accounts receivable-trade	19,188	23,597
Short-term investment securities	264	264
Merchandise and finished goods	10,173	15,850
Work in process	561	328
Raw materials and supplies	1,026	845
Deferred tax assets	3,606	3,165
Other	2,938	5,388
Allowance for doubtful accounts	(301)	(221)
Total current assets	66,779	86,904
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	13,005	13,223
Accumulated depreciation	(7,320)	(7,515)
Accumulated impairment loss	(422)	(353)
Buildings and structures, net	5,262	5,355
Machinery, equipment and vehicles	2,277	1,750
Accumulated depreciation	(1,405)	(865)
Accumulated impairment loss	(0)	(0)
Machinery, equipment and vehicles, net	871	884
Tools, furniture and fixtures	26,569	25,192
Accumulated depreciation	(25,124)	(22,461)
Accumulated impairment loss	(107)	(83)
Tools, furniture and fixtures, net	1,338	2,647
Land	4,837	4,861
Lease assets	2,727	2,994
Accumulated depreciation	(1,380)	(1,432)
Accumulated impairment loss	(136)	-
Lease assets, net	1,210	1,562
Construction in progress	283	185
Total property, plant and equipment	13,803	15,498
Intangible assets		
Goodwill	185	23,388
Other	2,001	21,090
Total intangible assets	2,186	44,478
Investments and other assets		
Investment securities	2,954	2,574
Deferred tax assets	5,586	2,774
Other	3,524	4,663
Allowance for doubtful accounts	(325)	(299)
Total investments and other assets	11,739	9,713
Total noncurrent assets	27,729	69,689

(Millions of yen)

	As of March 31, 2011	As of March 31, 2012
Deferred assets		
Bond issuance cost	88	60
Total deferred assets	88	60
Total assets	94,597	156,654
Liabilities		
Current liabilities		
Notes and accounts payable-trade	9,804	11,374
Short-term loans payable	4,090	3,798
Current portion of long-term loans payable	604	5,510
Current portion of bonds	1,250	1,050
Current portion of bonds with subscription rights to shares	7,000	–
Lease obligations	907	1,213
Accounts payable-other	3,613	4,864
Accrued expenses	3,812	5,627
Income taxes payable	54	579
Provision for sales returns	41	253
Allowance for recall	89	84
Provision for directors' bonuses	185	269
Other	1,028	601
Total current liabilities	32,483	35,226
Noncurrent liabilities		
Bonds payable	2,040	990
Bonds with subscription rights to shares	5,300	12,300
Long-term loans payable	986	45,166
Lease obligations	381	506
Deferred tax liabilities	–	4,992
Deferred tax liabilities for land revaluation	632	553
Provision for retirement benefits	2,504	2,947
Provision for directors' retirement benefits	256	245
Allowance for investment loss	10	10
Other	1,259	1,910
Total noncurrent liabilities	13,369	69,623
Total liabilities	45,852	104,849

(Millions of yen)

	As of March 31, 2011	As of March 31, 2012
Net assets		
Shareholders' equity		
Capital stock	3,459	3,459
Capital surplus	6,744	6,744
Retained earnings	41,970	44,336
Treasury stock	(1,320)	(1,321)
Total shareholders' equity	50,854	53,219
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(27)	222
Deferred gains or losses on hedges	(372)	41
Revaluation reserve for land	(7)	63
Foreign currency translation adjustment	(3,233)	(4,081)
Total accumulated other comprehensive income	(3,639)	(3,754)
Subscription rights to shares	409	594
Minority interests	1,120	1,745
Total net assets	48,744	51,805
Total liabilities and net assets	94,597	156,654

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

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Net sales	159,490	187,265
Cost of sales	106,822	126,127
Gross profit	52,668	61,137
Selling, general and administrative expenses		
Packing and transportation expenses	1,798	2,692
Warehousing expenses	2,699	3,667
Advertising expenses	8,313	8,918
Directors' compensations	625	807
Salaries, allowances and bonuses	13,577	14,952
Provision for directors' bonuses	182	168
Retirement benefit expenses	844	1,089
Provision for directors' retirement benefits	59	63
Depreciation	1,255	2,491
Research and development expenses	2,183	2,540
Commission fee	2,264	2,665
Provision of allowance for doubtful accounts	113	(167)
Other	8,424	11,062
Total selling, general and administrative expenses	42,341	50,951
Operating income	10,327	10,186
Non-operating income		
Interest and dividends income	67	107
Amortization of negative goodwill	486	390
Rent income	143	170
Purchase discounts	78	66
Other	232	153
Total non-operating income	1,008	889
Non-operating expenses		
Interest expenses	257	734
Sales discounts	11	8
Amortization of bond issuance cost	29	27
Foreign exchange losses	204	246
Equity in losses of affiliates	45	–
Commission fee	413	114
Other	231	121
Total non-operating expenses	1,193	1,253
Ordinary income	10,143	9,823

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Extraordinary income		
Gain on sales of noncurrent assets	27	124
Gain on sales of investment securities	–	14
Reversal of allowance for doubtful accounts	131	–
Gain on liquidation of subsidiaries and affiliates	115	–
Insurance income	–	669
Other	37	2
Total extraordinary income	311	811
Extraordinary loss		
Loss on sales of noncurrent assets	737	60
Loss on retirement of noncurrent assets	275	103
Loss on sales of investment securities	–	52
Loss on valuation of investment securities	565	482
Impairment loss	120	130
Loss on disaster	129	1,259
Business structure improvement expenses	387	569
Other	401	–
Total extraordinary losses	2,617	2,658
Income before income taxes and minority interests	7,837	7,976
Income taxes-current	632	859
Refund of income taxes	–	(872)
Income taxes-deferred	(1,807)	4,273
Total income taxes	(1,175)	4,260
Income before minority interests	9,012	3,715
Minority interests in income	82	36
Net income	8,929	3,679

(Consolidated statements of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Income before minority interests	9,012	3,715
Other comprehensive income		
Valuation difference on available-for-sale securities	(326)	250
Deferred gains or losses on hedges	(416)	413
Revaluation reserve for land	–	75
Foreign currency translation adjustment	(340)	(848)
Total other comprehensive income	(1,083)	(108)
Comprehensive income	7,929	3,607
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	7,846	3,569
Comprehensive income attributable to minority interests	82	37

(3) Consolidated statements of changes in net assets

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	3,459	3,459
Balance at the end of current period	3,459	3,459
Capital surplus		
Balance at the beginning of current period	6,823	6,744
Changes of items during the period		
Disposal of treasury stock	0	(0)
Change of scope of consolidation	(79)	–
Total changes of items during the period	(79)	(0)
Balance at the end of current period	6,744	6,744
Retained earnings		
Balance at the beginning of current period	34,344	41,970
Changes of items during the period		
Dividends from surplus	(1,317)	(1,317)
Net income	8,929	3,679
Change of scope of consolidation	13	–
Reversal of revaluation reserve for land	1	4
Total changes of items during the period	7,626	2,366
Balance at the end of current period	41,970	44,336
Treasury stock		
Balance at the beginning of current period	(1,318)	(1,320)
Changes of items during the period		
Purchase of treasury stock	(2)	(1)
Disposal of treasury stock	0	0
Total changes of items during the period	(1)	(0)
Balance at the end of current period	(1,320)	(1,321)
Total shareholders' equity		
Balance at the beginning of current period	43,309	50,854
Changes of items during the period		
Dividends from surplus	(1,317)	(1,317)
Net income	8,929	3,679
Purchase of treasury stock	(2)	(1)
Disposal of treasury stock	0	0
Change of scope of consolidation	(66)	–
Reversal of revaluation reserve for land	1	4
Total changes of items during the period	7,544	2,365
Balance at the end of current period	50,854	53,219

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	299	(27)
Changes of items during the period		
Net changes of items other than shareholders' equity	(326)	249
Total changes of items during the period	(326)	249
Balance at the end of current period	(27)	222
Deferred gains or losses on hedges		
Balance at the beginning of current period	43	(372)
Changes of items during the period		
Net changes of items other than shareholders' equity	(416)	413
Total changes of items during the period	(416)	413
Balance at the end of current period	(372)	41
Revaluation reserve for land		
Balance at the beginning of current period	(6)	(7)
Changes of items during the period		
Net changes of items other than shareholders' equity	(1)	71
Total changes of items during the period	(1)	71
Balance at the end of current period	(7)	63
Foreign currency translation adjustment		
Balance at the beginning of current period	(2,892)	(3,233)
Changes of items during the period		
Net changes of items other than shareholders' equity	(340)	(848)
Total changes of items during the period	(340)	(848)
Balance at the end of current period	(3,233)	(4,081)
Total accumulated other comprehensive income		
Balance at the beginning of current period	(2,555)	(3,639)
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,083)	(114)
Total changes of items during the period	(1,083)	(114)
Balance at the end of current period	(3,639)	(3,754)
Subscription rights to shares		
Balance at the beginning of current period	230	409
Changes of items during the period		
Net changes of items other than shareholders' equity	179	185
Total changes of items during the period	179	185
Balance at the end of current period	409	594
Minority interests		
Balance at the beginning of current period	1,078	1,120
Changes of items during the period		
Net changes of items other than shareholders' equity	41	624
Total changes of items during the period	41	624
Balance at the end of current period	1,120	1,745

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Total net assets		
Balance at the beginning of current period	42,062	48,744
Changes of items during the period		
Dividends from surplus	(1,317)	(1,317)
Net income	8,929	3,679
Purchase of treasury stock	(2)	(1)
Disposal of treasury stock	0	0
Change of scope of consolidation	(66)	–
Reversal of revaluation reserve for land	1	4
Net changes of items other than shareholders' equity	(862)	695
Total changes of items during the period	6,681	3,060
Balance at the end of current period	48,744	51,805

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	7,837	7,976
Depreciation and amortization	4,146	5,692
Impairment loss	120	130
Loss on disaster	129	1,259
Loss (gain) on valuation of investment securities	565	482
Amortization of goodwill	195	1,266
Amortization of negative goodwill	(486)	(390)
Increase (decrease) in allowance for doubtful accounts	(56)	(207)
Increase (decrease) in provision for retirement benefits	259	52
Increase (decrease) in allowance for investment loss	10	–
Interest and dividends income	(67)	(107)
Interest expenses	257	734
Loss (gain) on sales of property, plant and equipment	710	(64)
Decrease (increase) in notes and accounts receivable-trade	(1,158)	1,113
Decrease (increase) in inventories	(1,062)	2,791
Decrease (increase) in accounts receivable-other	(54)	(424)
Increase (decrease) in notes and accounts payable-trade	(715)	(293)
Increase (decrease) in accounts payable-other	(591)	(2,617)
Increase (decrease) in accrued expenses	(206)	(1,182)
Other, net	(159)	1,308
Subtotal	9,674	17,518
Interest and dividends income received	67	103
Interest expenses paid	(262)	(720)
Income taxes paid	(992)	(854)
Net cash provided by (used in) operating activities	8,486	16,046
Net cash provided by (used in) investing activities		
Payments into time deposits	(1)	(847)
Purchase of property, plant and equipment	(2,386)	(2,531)
Proceeds from sales of property, plant and equipment	4,264	825
Purchase of intangible assets	(1,153)	(773)
Purchase of investment securities	(7)	(7)
Proceeds from sales of investment securities	42	206
Purchase of investments in subsidiaries	(4)	(33,579)
Other, net	413	(1,340)
Net cash provided by (used in) investing activities	1,169	(38,048)

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	1,112	(669)
Proceeds from long-term loans payable	500	35,259
Repayment of long-term loans payable	(3,715)	(870)
Redemption of bonds	(1,850)	(1,250)
Cash dividends paid	(1,316)	(1,318)
Repayments of finance lease obligations	(1,481)	(1,425)
Other, net	(15)	(6)
Net cash provided by (used in) financing activities	(6,767)	29,718
Effect of exchange rate change on cash and cash equivalents	(344)	(232)
Net increase (decrease) in cash and cash equivalents	2,543	7,484
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	29,038	36,522