

TOMY Company, Ltd.
Fiscal Year 2012 Results
(April 1, 2012 – March 31, 2013)

May 17, 2013
TSE Securities Code: 7867

FY 2012 Financial Highlights

(April 1, 2012~March 31, 2013)

May 17, 2013

Toshiki Miura
Managing Director
Chief Financial Officer
TOMY Company, Ltd.

FY2012 Consolidated Income statements



¥100million

	FY 2012	FY2011	Difference (Yr-to-Yr comparison)
Sales	1,790	1,872	-82
Operating income	25	101	-76
Operating profit margin	1.4%	5.4%	-4.0%
EBITDA	100	168	-68
EBITDA Margin	5.6%	9.0%	-3.4%
Ordinary income	26	98	-72
Net income	-70	36	-106

* All figures have been rounded down to the nearest ¥100million.

* Amortization of goodwill and intangible assets associated with acquisition of TOMY International (hereafter "TI") :
FY2012 ¥2.6bn, FY2011 ¥2.2bn

* EBITDA=operating income + depreciation + amortization of goodwill

* US\$ FX rate : FY2012 ¥83.10, FY2011 ¥79.08

【Consolidated】

¥100million

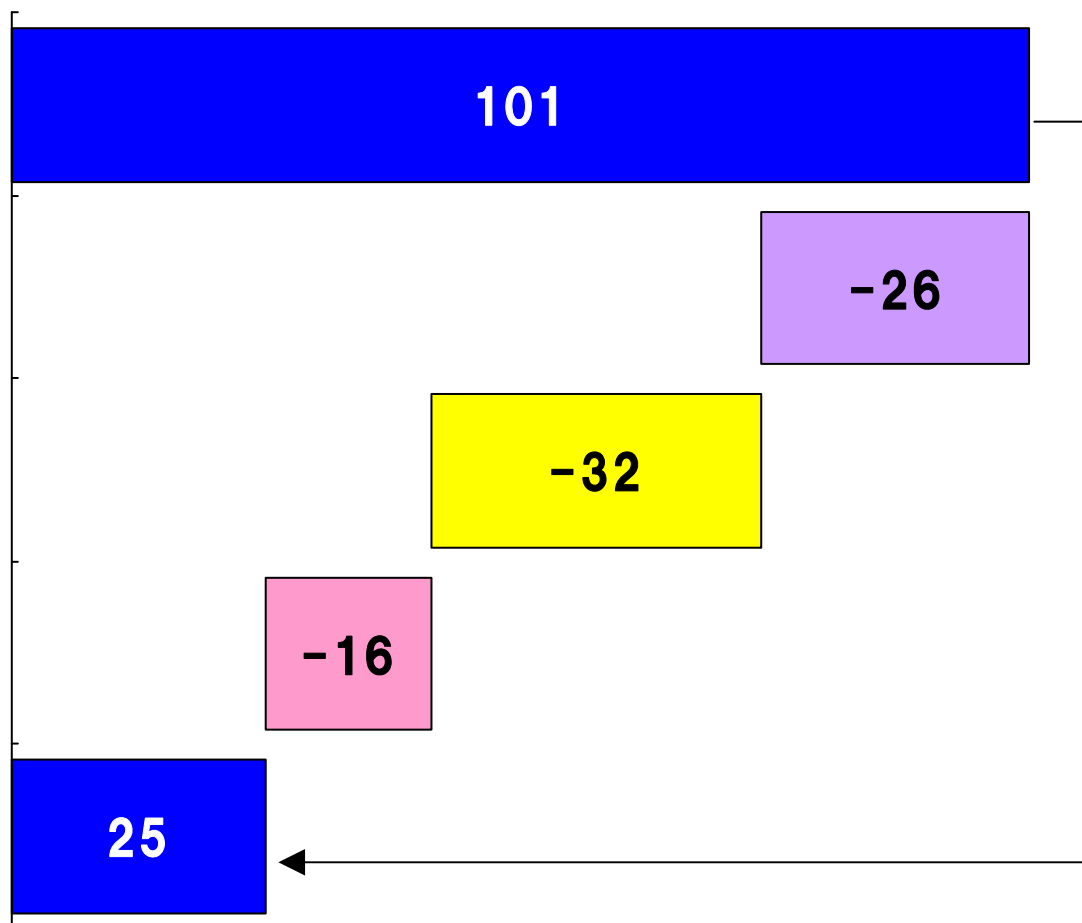
FY 2011 Results
(April 1, 2011- March 31, 2012)

**Gross margin decreased
by sales decline**

**Gross margin decreased by
aggravated cost of sales ratio**

Increase in SG&A

FY 2012 Results
(April 1, 2012- March 31, 2013)



* All figures have been rounded down to the nearest ¥100million.

¥100million

	FY2012	vs. Sales	FY2011	vs. Sales
Cost of Sales	1,238	69.2%	1,261	67.4%

SG&A (total)	526	29.4%	509	27.2%
Personnel expense	189	10.6%	194	10.4%
Advertising expense	96	5.4%	89	4.8%
R&D expenses	27	1.5%	25	1.4%
Distribution expenses	70	4.0%	63	3.4%
Amortization of goodwill and intangible assets associated with acquisition of TI	26	1.5%	22	1.2%

* All figures have been rounded down to the nearest ¥100million.

FY2012 Net Sales by Region



¥100million

Regions	FY2012	FY2011	Difference (Yr-to-Yr comparison)
Japan	1,242	1,195	46
North America, Europe and Oceania	457	583	-126
Asia (excluding Japan)	74	71	3
Others	15	23	-8
Total	1,790	1,872	-82
Ratio of overseas sales	30.6%	36.2%	-5.6%

* All figures have been rounded down to the nearest ¥100million.

FY2012 Consolidated Balance Sheets



¥100million

Items	FY2012	FY2011	Difference (Yr-to-Yr comparison)
Current Assets	862	869	-7
Noncurrent Assets	665	696	-31
Total Assets	1,528	1,566	-38

Current Liabilities	393	352	41
Noncurrent Liabilities	636	696	-60
Total Liabilities	1,030	1,048	-18
Total Net Assets	497	518	-21

Shareholders' Equity	477	494	-17
Shareholders' Equity Ratio	31.2%	31.6%	-0.4%

Inventories	203	170	33
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Cash and deposits	337	376	-39
Total Interest Bearing Debt	662	688	-26
Loans Payable	530	544	-14
Bonds and Convertible Bonds	132	143	-11

* All figures have been rounded down to the nearest ¥100million.

* US\$ FX rate : FY2012 ¥94.05, FY2011 ¥82.19

FY2012 Extraordinary Loss Breakdown



¥100million

Items		Amount	Detail
Extraordinary Loss	Impairment loss	62	Impairment losses of 5.8billion yen on certain intangible assets of TI , Mold, etc
	Special extra retirement payments	8	Severance pay related to call for voluntary retirement.
	Business structure improvement expenses	4	Business restructuring expenses due to integration of The TI Group.
	Others	5	
		79	

* All figures have been rounded down to the nearest ¥100million.

**TOMY Group
Business Plan
in next year (ending March 31, 2014)**

May 17, 2013

**Kantaro Tomiyama
President & CEO
TOMY Company, Ltd.**

1. Declined productivity of domestic toy business
 - (1) Continual decline of domestic toy sales
 - (2) Rising of break-even-point in domestic toy business

2. Worsening situation for some toy peripheral businesses
 - (1) Poor performance and significant fall into deficit by children's apparel business

3. Turmoil and sluggishness in overseas business
 - (1) Baby business of TOMY International performed poorly
 - (2) Turmoil in European business integration caused significant sales decline
 - (3) Anticipatory investments and worsened efficiency left China business unable to depart from an unprofitable business structure

4. Decline in governance functions
 - (1) Slowness of risk avoidance measures toward Group business risks
 - (2) Profits were squeezed due to anticipatory-investment-type revenue structure

1. Establish stable revenue base with domestic business.
2. Focus investment resources to US and European markets and further enhance the globalization process.
3. Explore opportunities in growing Asian market and create foundation for future business.

Based on the “Revitalization Plan” announced on March 25, 2013

Organizational structure for realizing “Revitalization Plan”

- ◇ Execution and guaranty by Head Office executive officers
 - (1) Domestic business
 - (2) Europe business
 - (3) Asia business
 - (4) Consolidated administration system
 - (5) Consolidated management

1. Structural reform for strengthening revenue base of domestic business

Head Office Toy Business Headquarter (person in charge: Mashimo) controls the overall operational execution of the domestic business

(1) Domestic Toy Business

- Net sales on par with previous year ⇒ Reduce break-even-point by 10%
 - * Optimization of personnel composition
 - * Convert personnel cost to a variable cost by strengthening linkage to operating performance
 - * Thorough attention to KPI management
- Conversion of anticipatory-investment-type advertising expenses to a variable cost
- Achievement of spending efficiency by centralizing management to TOMY Marketing Company Ltd. (T2M)
 - * Achievement of efficiency for domestic logistic expenses
 - * Effective allocation of sales promotion expenses for distribution

1. Structural reforms for strengthening revenue base of domestic business

(2) Toy Peripheral Business

- Promotion of sharing of character strategies and maximization of efficiency and synergy under leadership from the Character Business Strategy
 - * Introduction of new sales channels
(for adults, Internet mail-order, convenience stores)
 - * Demonstration of rapid interlocking capability for when acquiring immediately marketable characters

- Rehabilitation of the apparel business
 - * Transfer of character apparel business to T-ARTS Company, Ltd. and demonstration of synergistic effect for broader range of age-group targets.
 - * Thoroughly execute rehabilitative administration and realize sales growth under direct headquarter management (person in charge: Kojima).

2. Constructing growth scenarios by concentrated investment in US and Europe
Head Office Global Business Headquarter (person in charge: Yanagisawa)
controls the overall operational execution of the global business

(1) US and Europe Toy Business

- Realization of growth strategy that positions global contents as the main axis by interlocking the corporate management of the Head Office Global Business Headquarter and TOMY International (TI).
- Implementation of distribution strategy for the stable growth of the established business of agricultural vehicles.
- Promotion of hot-selling product creation from Head Office planned products (e.g., Battrborg)

(2) US and Europe Baby Business

- Implementation of infant feeding business rehabilitation plan
 - * Reconstruction of distribution strategy
 - * Execution of global sales strategy (Incorporating Asia and China Market)
- Expansion of baby brand business
 - * Sales expansion of growth brands “JJ Cole,” “Lamaze,” and “Boon”

3. Creating Medium-Term Growth Scenarios Through Business Trials in Asia

Global Business Headquarter (person in charge: Yanagisawa) controls the overall operational execution of the global business

(1) Rehabilitation of the China Business

- Creation of retail spaces with highly efficient operation
- Full-scale introduction of TI baby merchandize
- Thoroughgoing management of business advancement by person in charge at Head Office

(2) Business trials in Asia

- Thoroughgoing policy to jointly work with distributors in existing markets (South Korea, Taiwan and Hong Kong)
- Commencement of business trials in ASEAN region (especially Indonesia)

4. Constructing and Operating Efficient Global-Based Management System

Head Office Corporate Administrations (person in charge: Kojima) controls the overall operational execution

(1) Global finance structure

- Response to the strong US dollar, strong Euro, and weak yen
- Further reorganization of the Group for corporate growth

(2) Construction of a global system

- Business visualization support by construction of global system strategy
- Global item creation support by integrating global masters

(3) Global risk avoidance

- Strengthening of global legal structure and construction of global insurance

5. Strengthening Governance System and Functions

Reform of Board of Directors

- Operation by Board of Directors that can guaranty the swift revitalization of the Group.
- Speedier and objective decision making process
- Judgment and execution of company business by executive officers with greater transparency

(1) Reduce the number of directors

(13 directors [end of last year shareholder meeting]

⇒ 10 directors [end of current year shareholder meeting])

(2) Strengthen transparency of process for business execution by executive officers (increase ratio of outside directors 38% ⇒ 50%)

- Full-time director candidates 4 candidates
- Part-time director candidates 6 candidates

Note: One candidate is the Representative Director & President of T2M, TOMY Group.

5. Strengthening Governance System and Functions

(3) Role of full-time directors and status of executive officers

- Role and responsibilities of 4 full-time directors (candidates)
 - * Kantaro Tomiyama : President and CEO
 - * Osamu Mashimo : Chief Operating Officer (COO), Toy Business Headquarter
 - * Shigeki Yanagisawaa : COO, Global Business Headquarter
 - * Kazuhiko Kojima :CFO and COO, Corporate Administration

- Role and responsibility of executive officers
 - * Senior operational officers who support COO
 - * COO of their appointed division

Forecast for the year ending March 2014



¥100million

Consolidated	FY2012		FY2013		Six months	Fiscal year
	Six months ending September 30,2012	Fiscal year ending March 31,2013	Six months ending September 30,2013	Fiscal year ending March 31,2014	Difference (Yr-to-Yr comparison)	Difference (Yr-to-Yr comparison)
Sales	835	1,790	880	1,830	45	40
Operating income	11	25	20	50	9	25
Ordinary income	8	26	17	44	9	18
Net income	-2	-71	5	22	7	93

¥100million

Regions	FY2012	FY2013	Difference (Yr-to-Yr comparison)
Japan	1,242	1,160	-82
North America, Europe and Oceania	457	550	93
Asia (excluding Japan)	74	110	36
Others	15	10	-5
Total	1,790	1,830	40
Ratio of overseas sales	30.6%	37.2%	6.6%

Major Product Topics 1

Battroborg 4G

- Wireless Motion-Activated Battling Robots
- Battroborg 20 has a good sale, 300,000 units+ in half year in Japan.



MILLION SPOON



Million Spoon

Game based on Japanese popular TV show.

Hoppe-Chan

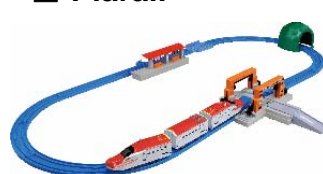
Japanese popular character among teenage girls.

The Long Standing Products

■ Tomica



■ Plarail



■ Licca



ほっぺちゃん



Major Product Topics 2



T-ARTS



TOMY International



BATTROBORG



TOMY GROUP Topics 1

“Prism Stone Harajuku” OPEN !



April
27th

“Pretty Rhythm” official store
opened in Harajuku Tokyo !!



April
21th

“TOMIX” showroom opened in
Ohmiya Saitama.

“TOMIX WORLD” OPEN !



*Now making a movie with
Young and talented actors!!*

“Science Ninja Team Gatchaman”

24th August release

Tomica & Prarail movie
is coming up soon!





This report contains forward-looking statements, targets, plans and strategies for the future. However, these are based on current information and will not guarantee nor warrant any financial estimates or any figures. Therefore, actual results could differ from this report. This is translation on original text in Japanese.