

(English Translation of the Japanese Press Release)

August 8, 2014

To all related parties:

Name of the Company: TOMY Company, Ltd.
Name of the Representative: Kantaro Tomiyama
President & CEO
(Code No. 7867; The First Section of the Tokyo Stock Exchange)
Further Inquiries: Kazuhiro Kojima
Board Director
Senior Executive Officer
Chief Financial Officer
(TEL: 03-5654-1548)

**(Corrections) Notice Concerning Partial Corrections to
“CONSOLIDATED FINANCIAL RESULTS for the First Six Months
of the Fiscal Year Ending March 31, 2014 <under Japanese GAAP>”**

TOMY Company, Ltd. (hereinafter “Tomy”) has proceeded with operations to revise earnings summaries of previous fiscal years as announced in “Report Concerning Improper Accounting Practices at Tomy’s Consolidated Subsidiary” disclosed today. TOMY has now completed the operations to revise “CONSOLIDATED FINANCIAL RESULTS for the First Six Months of the Fiscal Year Ending March 31, 2014 <under Japanese GAAP>” dated November 12, 2013, and it accordingly announces the details of the corrections.

The corrected document is attached and the places in the document where corrections were made are underlined.

End of notice

Translation

Notice: This English version is a translation of the original Japanese document and is only for reference purposes. In the case where any differences occur between the English version and the original Japanese version, the Japanese version will prevail.

[After Correction]



November 12, 2013

CONSOLIDATED FINANCIAL RESULTS for the First Six Months of the Fiscal Year Ending March 31, 2014 <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
Inquiries: Kazuhiro Kojima, Board Director, Senior Executive Officer & CFO
Head of Corporate Administrations
TEL: +81-3-5654-1548 (from overseas)

Scheduled date to file quarterly securities report: November 14, 2013
Scheduled date to commence dividend payments: December 11, 2013
Supplementary material on quarterly financial results: Yes
Quarterly financial results presentation meeting: Yes (for institutional investors and analysts)

(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, 2014 (From April 1, 2013 to September 30, 2013)

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

Six months ended	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2013	<u>80,139</u>	(3.9)	<u>2,621</u>	136.9	<u>2,837</u>	264.8	<u>62</u>	-
September 30, 2012	<u>83,383</u>	(6.6)	<u>1,106</u>	(78.1)	<u>778</u>	(82.6)	<u>(243)</u>	-

Note: Comprehensive income
Six months ended September 30, 2013: 1,229 million yen [- %]
Six months ended September 30, 2012: (3,430) million yen [- %]

Six months ended	Net income per share	Diluted net income per share
	yen	yen
September 30, 2013	<u>0.67</u>	<u>0.56</u>
September 30, 2012	<u>(2.58)</u>	-

(2) Consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
September 30, 2013	<u>155,848</u>	<u>50,484</u>	<u>31.2</u>	<u>516.23</u>
March 31, 2013	<u>152,732</u>	<u>49,692</u>	<u>31.2</u>	<u>506.41</u>

Reference: Equity
As of September 30, 2013: 48,594 million yen
As of March 31, 2013: 47,670 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, 2013	–	7.00	–	3.00	10.00
Fiscal year ending March 31, 2014	–	5.00			
Fiscal year ending March 31, 2014 (Forecast)			–	5.00	10.00

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

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2014

(From April 1, 2013 to March 31, 2014)

(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
Fiscal year ending March 31, 2014	156,000	(12.7)	5,000	96.3	4,400	67.8	1,800	–	19.12

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

* Notes

- (1) **Changes in significant subsidiaries during the six months under review** (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (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, 2013	96,290,850 shares
As of March 31, 2013	96,290,850 shares

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

As of September 30, 2013	2,157,582 shares
As of March 31, 2013	2,156,023 shares

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

Six months ended September 30, 2013	94,133,926 shares
Six months ended September 30, 2012	94,136,228 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, 2013	As of September 30, 2013
Assets		
Current assets		
Cash and deposits	33,764	31,192
Notes and accounts receivable-trade	<u>23,892</u>	<u>25,796</u>
Securities	64	64
Merchandise and finished goods	19,214	23,004
Work in process	368	597
Raw materials and supplies	759	765
Deferred tax assets	2,057	2,241
Other	6,178	6,231
Allowance for doubtful accounts	(158)	(168)
Total current assets	<u>86,142</u>	<u>89,726</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	13,634	13,535
Accumulated depreciation	(7,935)	(8,140)
Accumulated impairment loss	(456)	(356)
Buildings and structures, net	<u>5,242</u>	<u>5,038</u>
Machinery, equipment and vehicles	2,038	1,894
Accumulated depreciation	(1,117)	(1,089)
Accumulated impairment loss	(0)	(0)
Machinery, equipment and vehicles, net	<u>920</u>	<u>804</u>
Tools, furniture and fixtures	25,608	25,558
Accumulated depreciation	(22,491)	(22,432)
Accumulated impairment loss	(273)	(252)
Tools, furniture and fixtures, net	<u>2,843</u>	<u>2,872</u>
Land	4,729	4,352
Lease assets	5,374	5,968
Accumulated depreciation	(2,182)	(2,619)
Lease assets, net	<u>3,192</u>	<u>3,348</u>
Construction in progress	243	171
Total property, plant and equipment	<u>17,172</u>	<u>16,588</u>
Intangible assets		
Goodwill	25,174	25,361
Other	17,207	17,386
Total intangible assets	<u>42,382</u>	<u>42,748</u>
Investments and other assets		
Investment securities	3,056	2,632
Deferred tax assets	517	437
Other	3,699	3,951
Allowance for doubtful accounts	(276)	(263)
Total investments and other assets	<u>6,998</u>	<u>6,757</u>
Total noncurrent assets	<u>66,552</u>	<u>66,094</u>

(Millions of yen)

	As of March 31, 2013	As of September 30, 2013
Deferred assets		
Bond issuance cost	37	26
Total deferred assets	<u>37</u>	<u>26</u>
Total assets	<u>152,732</u>	<u>155,848</u>
Liabilities		
Current liabilities		
Notes and accounts payable-trade	<u>10,655</u>	<u>13,173</u>
Short-term loans payable	5,971	8,214
Current portion of long-term loans payable	5,497	5,552
Current portion of bonds	990	465
Current portion of bonds with subscription rights to shares	–	4,900
Lease obligations	1,935	2,090
Accounts payable-other	6,479	4,397
Accrued expenses	5,439	6,618
Income taxes payable	478	1,498
Provision	<u>905</u>	<u>749</u>
Other	1,023	974
Total current liabilities	<u>39,376</u>	<u>48,634</u>
Noncurrent liabilities		
Bonds with subscription rights to shares	12,300	7,400
Long-term loans payable	41,534	39,744
Lease obligations	1,186	1,167
Deferred tax liabilities	2,800	2,987
Deferred tax liabilities for land revaluation	551	551
Provision for retirement benefits	2,982	2,656
Other provision	238	204
Other	2,069	2,019
Total noncurrent liabilities	<u>63,663</u>	<u>56,730</u>
Total liabilities	<u>103,039</u>	<u>105,364</u>

(Millions of yen)

	As of March 31, 2013	As of September 30, 2013
Net assets		
Shareholders' equity		
Capital stock	3,459	3,459
Capital surplus	6,744	6,743
Retained earnings	<u>35,840</u>	<u>35,620</u>
Treasury stock	(1,322)	(1,322)
Total shareholders' equity	<u>44,722</u>	<u>44,501</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	529	670
Deferred gains or losses on hedges	828	556
Revaluation reserve for land	68	68
Foreign currency translation adjustment	1,522	2,797
Total accumulated other comprehensive income	<u>2,948</u>	<u>4,092</u>
Subscription rights to shares	729	609
Minority interests	<u>1,292</u>	<u>1,280</u>
Total net assets	<u>49,692</u>	<u>50,484</u>
Total liabilities and net assets	<u>152,732</u>	<u>155,848</u>

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

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013
Net sales	<u>83,383</u>	<u>80,139</u>
Cost of sales	<u>56,190</u>	<u>52,853</u>
Gross profit	<u>27,193</u>	<u>27,286</u>
Selling, general and administrative expenses		
Packing and transportation expenses	1,349	1,506
Warehousing expenses	1,908	1,905
Advertising expenses	4,647	3,851
Salaries, allowances and bonuses	7,385	7,424
Research and development expenses	1,313	875
Commission fee	1,313	1,319
Other	8,167	7,780
Total selling, general and administrative expenses	<u>26,086</u>	<u>24,664</u>
Operating income	<u>1,106</u>	<u>2,621</u>
Non-operating income		
Interest and dividends income	66	68
Foreign exchange gains	–	401
Rent income	94	94
Other	184	149
Total non-operating income	<u>344</u>	<u>714</u>
Non-operating expenses		
Interest expenses	405	415
Foreign exchange losses	165	–
Other	102	83
Total non-operating expenses	<u>673</u>	<u>498</u>
Ordinary income	<u>778</u>	<u>2,837</u>
Extraordinary income		
Gain on sales of noncurrent assets	1	0
Gain on reversal of subscription rights to shares	2	167
Insurance income	122	–
Gain on bargain purchase	304	32
Total extraordinary income	<u>430</u>	<u>201</u>

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013
Extraordinary loss		
Loss on sales of noncurrent assets	0	4
Loss on retirement of noncurrent assets	84	10
Impairment loss	16	4
Loss on sales of investment securities	–	231
Loss on sales of stocks of subsidiaries and affiliates	–	315
Business structure improvement expenses	126	–
Settlement package	190	–
<u>Other</u>	<u>56</u>	<u>141</u>
Total extraordinary losses	<u>473</u>	<u>708</u>
Income before income taxes and minority interests	<u>734</u>	<u>2,331</u>
Income taxes	936	2,255
Income (loss) before minority interests	<u>(201)</u>	<u>75</u>
Minority interests in income	<u>41</u>	<u>13</u>
Net income (loss)	<u>(243)</u>	<u>62</u>

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013
Income (loss) before minority interests	<u>(201)</u>	<u>75</u>
Other comprehensive income		
Valuation difference on available-for-sale securities	(130)	150
Deferred gains or losses on hedges	(487)	(271)
Foreign currency translation adjustment	(2,610)	1,275
Total other comprehensive income	<u>(3,229)</u>	<u>1,153</u>
Comprehensive income	<u>(3,430)</u>	<u>1,229</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	<u>(3,472)</u>	<u>1,215</u>
Comprehensive income attributable to minority interests	<u>41</u>	<u>13</u>

(3) Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	<u>734</u>	<u>2,331</u>
Depreciation and amortization	2,960	3,127
Impairment loss	16	4
Amortization of goodwill	692	815
Amortization of negative goodwill	(29)	(14)
Gain on bargain purchase	(304)	(32)
Gain on reversal of subscription rights to shares	(2)	(167)
Interest expenses	405	415
Decrease (increase) in notes and accounts receivable-trade	<u>(4,834)</u>	<u>(3,117)</u>
Decrease (increase) in inventories	(2,438)	(4,494)
Increase (decrease) in notes and accounts payable-trade	<u>3,034</u>	<u>3,484</u>
Increase (decrease) in accounts payable-other	147	(1,989)
Increase (decrease) in accrued expenses	16	1,036
Other, net	<u>(100)</u>	<u>(617)</u>
Subtotal	<u>296</u>	<u>779</u>
Interest and dividends income received	62	58
Interest expenses paid	(378)	(419)
Income taxes paid	(108)	(1,139)
Net cash provided by (used in) operating activities	<u>(127)</u>	<u>(721)</u>
Net cash provided by (used in) investing activities		
Proceeds from withdrawal of time deposits	351	554
Purchase of property, plant and equipment	(1,146)	(968)
Proceeds from sales of property, plant and equipment	121	213
Purchase of intangible assets	(402)	(368)
Purchase of investment securities	(8)	(2)
Collection of loans receivable	27	1,116
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	–	(5)
Purchase of investments in subsidiaries	–	(19)
Purchase of treasury stock of subsidiaries in consolidation	(280)	–
Other, net	<u>(6)</u>	<u>(303)</u>
Net cash provided by (used in) investing activities	<u>(1,345)</u>	<u>216</u>

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(45)	2,869
Proceeds from long-term loans payable	–	400
Repayment of long-term loans payable	(2,798)	(2,836)
Redemption of bonds	(525)	(525)
Cash dividends paid	(655)	(287)
Repayments of finance lease obligations	(869)	(1,321)
Other, net	(5)	(2)
Net cash provided by (used in) financing activities	(4,899)	(1,704)
Effect of exchange rate change on cash and cash equivalents	(498)	156
Net increase (decrease) in cash and cash equivalents	(6,871)	(2,052)
Cash and cash equivalents at beginning of period	36,522	32,583
Cash and cash equivalents at end of period	29,651	30,531