

(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 Nine 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 Nine Months of the Fiscal Year Ending March 31, 2014 <under Japanese GAAP>” dated February 12, 2014, 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]



February 12, 2014

CONSOLIDATED FINANCIAL RESULTS for the First Nine 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: February 14, 2014
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, 2014 (From April 1, 2013 to December 31, 2013)

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

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
December 31, 2013	<u>123,787</u>	<u>(12.8)</u>	<u>5,646</u>	<u>12.6</u>	<u>6,060</u>	<u>22.6</u>	<u>2,137</u>	<u>71.0</u>
December 31, 2012	<u>141,900</u>	<u>(4.2)</u>	<u>5,014</u>	<u>(51.8)</u>	<u>4,943</u>	<u>(48.7)</u>	<u>1,249</u>	<u>(68.4)</u>

Note: Comprehensive income
Nine months ended December 31, 2013: 6,496 million yen [53.4 %]
Nine months ended December 31, 2012: 4,235 million yen [658.7 %]

	Net income per share	Diluted net income per share
Nine months ended	yen	yen
December 31, 2013	<u>22.71</u>	<u>18.64</u>
December 31, 2012	<u>13.28</u>	<u>10.93</u>

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	yen
December 31, 2013	<u>161,981</u>	<u>54,947</u>	<u>32.9</u>	<u>566.85</u>
March 31, 2013	<u>152,732</u>	<u>49,692</u>	<u>31.2</u>	<u>506.41</u>

Reference: Equity
As of December 31, 2013: 53,358 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	155,000	(13.3)	2,800	9.9	3,000	14.4	200	–	2.12

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

* Notes

- (1) **Changes in significant subsidiaries during the nine 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 December 31, 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 December 31, 2013	2,158,896 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)

Nine months ended December 31, 2013	94,133,564 shares
Nine months ended December 31, 2012	94,136,059 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 December 31, 2013
Assets		
Current assets		
Cash and deposits	33,764	32,275
Notes and accounts receivable-trade	<u>23,892</u>	<u>29,731</u>
Securities	64	–
Merchandise and finished goods	19,214	21,471
Work in process	368	613
Raw materials and supplies	759	767
Deferred tax assets	2,057	2,263
Other	6,178	6,070
Allowance for doubtful accounts	(158)	(205)
Total current assets	<u>86,142</u>	<u>92,988</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	13,634	13,244
Accumulated depreciation	(7,935)	(7,906)
Accumulated impairment loss	(456)	(356)
Buildings and structures, net	<u>5,242</u>	<u>4,981</u>
Machinery, equipment and vehicles	2,038	1,939
Accumulated depreciation	(1,117)	(1,159)
Accumulated impairment loss	(0)	(0)
Machinery, equipment and vehicles, net	<u>920</u>	<u>779</u>
Tools, furniture and fixtures	25,608	25,985
Accumulated depreciation	(22,491)	(22,688)
Accumulated impairment loss	(273)	(364)
Tools, furniture and fixtures, net	<u>2,843</u>	<u>2,932</u>
Land	4,729	4,298
Lease assets	5,374	6,594
Accumulated depreciation	(2,182)	(3,146)
Lease assets, net	<u>3,192</u>	<u>3,448</u>
Construction in progress	243	495
Total property, plant and equipment	<u>17,172</u>	<u>16,936</u>
Intangible assets		
Goodwill	25,174	26,896
Other	17,207	18,418
Total intangible assets	<u>42,382</u>	<u>45,314</u>
Investments and other assets		
Investment securities	3,056	2,522
Deferred tax assets	517	473
Other	3,699	3,988
Allowance for doubtful accounts	(276)	(264)
Total investments and other assets	<u>6,998</u>	<u>6,720</u>
Total noncurrent assets	<u>66,552</u>	<u>68,971</u>

(Millions of yen)

	As of March 31, 2013	As of December 31, 2013
Deferred assets		
Bond issuance cost	37	22
Total deferred assets	37	22
Total assets	<u>152,732</u>	<u>161,981</u>
Liabilities		
Current liabilities		
Notes and accounts payable-trade	<u>10,655</u>	<u>10,832</u>
Short-term loans payable	5,971	9,299
Current portion of long-term loans payable	5,497	5,617
Current portion of bonds	990	270
Current portion of bonds with subscription rights to shares	–	4,900
Lease obligations	1,935	2,152
Accounts payable-other	6,479	5,370
Accrued expenses	5,439	7,616
Income taxes payable	478	2,004
Provision	<u>905</u>	<u>1,113</u>
Other	1,023	1,211
Total current liabilities	<u>39,376</u>	<u>50,388</u>
Noncurrent liabilities		
Bonds with subscription rights to shares	12,300	7,400
Long-term loans payable	41,534	39,398
Lease obligations	1,186	1,247
Deferred tax liabilities	2,800	3,096
Deferred tax liabilities for land revaluation	551	551
Provision for retirement benefits	2,982	2,725
Other provision	238	217
Other	2,069	2,008
Total noncurrent liabilities	<u>63,663</u>	<u>56,644</u>
Total liabilities	<u>103,039</u>	<u>107,033</u>

(Millions of yen)

	As of March 31, 2013	As of December 31, 2013
Net assets		
Shareholders' equity		
Capital stock	3,459	3,459
Capital surplus	6,744	6,743
Retained earnings	<u>35,840</u>	<u>37,225</u>
Treasury stock	(1,322)	(1,323)
Total shareholders' equity	<u>44,722</u>	<u>46,105</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	529	607
Deferred gains or losses on hedges	828	554
Revaluation reserve for land	68	68
Foreign currency translation adjustment	1,522	6,022
Total accumulated other comprehensive income	<u>2,948</u>	<u>7,253</u>
Subscription rights to shares	729	628
Minority interests	<u>1,292</u>	<u>960</u>
Total net assets	<u>49,692</u>	<u>54,947</u>
Total liabilities and net assets	<u>152,732</u>	<u>161,981</u>

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

(Millions of yen)

	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Net sales	<u>141,900</u>	<u>123,787</u>
Cost of sales	<u>97,218</u>	<u>80,394</u>
Gross profit	<u>44,681</u>	<u>43,392</u>
Selling, general and administrative expenses		
Packing and transportation expenses	2,265	2,436
Warehousing expenses	3,189	3,048
Advertising expenses	7,270	6,469
Salaries, allowances and bonuses	10,933	10,678
Research and development expenses	1,811	1,498
Commission fee	1,945	2,064
Other	12,251	11,550
Total selling, general and administrative expenses	<u>39,666</u>	<u>37,746</u>
Operating income	<u>5,014</u>	<u>5,646</u>
Non-operating income		
Interest and dividends income	101	102
Foreign exchange gains	87	703
Rent income	144	146
Other	354	196
Total non-operating income	<u>687</u>	<u>1,149</u>
Non-operating expenses		
Interest expenses	616	622
Other	142	113
Total non-operating expenses	<u>758</u>	<u>735</u>
Ordinary income	<u>4,943</u>	<u>6,060</u>
Extraordinary income		
Gain on sales of noncurrent assets	3	69
Gain on reversal of subscription rights to shares	3	167
Insurance income	148	–
Gain on bargain purchase	304	68
Other	–	4
Total extraordinary income	<u>461</u>	<u>310</u>

(Millions of yen)

	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Extraordinary loss		
Loss on sales of noncurrent assets	1	11
Loss on retirement of noncurrent assets	92	42
Loss on sales of investment securities	–	547
Impairment loss	16	123
Business structure improvement expenses	209	279
Loss on business withdrawal	–	239
Settlement package	191	–
Other	<u>83</u>	<u>213</u>
Total extraordinary losses	<u>593</u>	<u>1,456</u>
Income before income taxes and minority interests	<u>4,810</u>	<u>4,913</u>
Income taxes	3,502	2,732
Income before minority interests	<u>1,308</u>	<u>2,180</u>
Minority interests in income	<u>58</u>	<u>43</u>
Net income	<u>1,249</u>	<u>2,137</u>

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Income before minority interests	<u>1,308</u>	<u>2,180</u>
Other comprehensive income		
Valuation difference on available-for-sale securities	(40)	88
Deferred gains or losses on hedges	525	(274)
Foreign currency translation adjustment	2,441	4,500
Total other comprehensive income	<u>2,927</u>	<u>4,315</u>
Comprehensive income	<u>4,235</u>	<u>6,496</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	<u>4,177</u>	<u>6,451</u>
Comprehensive income attributable to minority interests	<u>58</u>	<u>44</u>

(3) Consolidated statements of cash flows

(Millions of yen)

	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	<u>4,810</u>	<u>4,913</u>
Depreciation and amortization	4,531	4,805
Impairment loss	16	123
Amortization of goodwill	1,036	1,229
Amortization of negative goodwill	(43)	(16)
Gain on bargain purchase	(304)	(68)
Gain on reversal of subscription rights to shares	(3)	(167)
Interest expenses	616	622
Decrease (increase) in notes and accounts receivable-trade	<u>(18,488)</u>	<u>(6,148)</u>
Decrease (increase) in inventories	(4,405)	(1,995)
Increase (decrease) in notes and accounts payable-trade	<u>2,017</u>	<u>791</u>
Increase (decrease) in accounts payable-other	674	(1,178)
Increase (decrease) in accrued expenses	539	1,633
Other, net	<u>559</u>	<u>378</u>
Subtotal	<u>(8,443)</u>	<u>4,923</u>
Interest and dividends income received	89	76
Interest expenses paid	(590)	(625)
Income taxes paid	(288)	(1,263)
Net cash provided by (used in) operating activities	<u>(9,233)</u>	<u>3,110</u>
Net cash provided by (used in) investing activities		
Proceeds from withdrawal of time deposits	360	557
Purchase of property, plant and equipment	(1,800)	(1,795)
Proceeds from sales of property, plant and equipment	141	386
Purchase of intangible assets	(622)	(615)
Purchase of investment securities	(10)	(3)
Collection of loans receivable	28	1,210
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	–	(5)
Purchase of investments in subsidiaries	–	(370)
Purchase of treasury stock of subsidiaries in consolidation	(280)	–
Other, net	(88)	(298)
Net cash provided by (used in) investing activities	<u>(2,272)</u>	<u>(935)</u>

(Millions of yen)

	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	5,975	3,342
Proceeds from long-term loans payable	–	400
Repayment of long-term loans payable	(4,198)	(4,275)
Redemption of bonds	(780)	(720)
Cash dividends paid	(1,282)	(741)
Repayments of finance lease obligations	(1,888)	(1,989)
Other, net	(5)	(2)
Net cash provided by (used in) financing activities	(2,178)	(3,986)
Effect of exchange rate change on cash and cash equivalents	435	823
Net increase (decrease) in cash and cash equivalents	(13,249)	(988)
Cash and cash equivalents at beginning of period	36,522	32,583
Cash and cash equivalents at end of period	23,273	31,595