

(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 Fiscal Year Ended 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 Fiscal Year Ended March 31, 2014 <under Japanese GAAP>” dated May 13, 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]

May 13, 2014

CONSOLIDATED FINANCIAL RESULTS for the Fiscal Year Ended 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 of ordinary general meeting of shareholders: June 26, 2014
 Scheduled date to commence dividend payments: June 27, 2014
 Scheduled date to file securities report: June 27, 2014
 Supplementary material on financial results: Yes
 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 fiscal year ended March 31, 2014 (From April 1, 2013 to March 31, 2014)

(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, 2014	<u>154,804</u>	(13.4)	<u>3,335</u>	30.9	<u>3,300</u>	25.9	<u>232</u>	—
March 31, 2013	<u>178,745</u>	(4.5)	2,547	(75.0)	2,622	(73.3)	<u>(7,173)</u>	—

Note: Comprehensive income
 Fiscal year ended March 31, 2014: 3,054 million yen [— %]
 Fiscal year ended March 31, 2013: (407) million yen [— %]

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, 2014	<u>2.47</u>	<u>2.06</u>	<u>0.5</u>	<u>2.1</u>	<u>2.2</u>
March 31, 2013	<u>(76.21)</u>	—	<u>(14.8)</u>	<u>1.7</u>	<u>1.4</u>

Reference: Equity in earnings (losses) of affiliates
 Fiscal year ended March 31, 2014: (6) million yen
 Fiscal year ended March 31, 2013: — 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, 2014	<u>156,467</u>	<u>50,907</u>	<u>31.7</u>	<u>526.49</u>
March 31, 2013	<u>152,732</u>	<u>49,692</u>	<u>31.2</u>	<u>506.41</u>

Reference: Equity
 As of March 31, 2014: 49,558 million yen
 As of March 31, 2013: 47,670 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2014	12,429	(1,015)	1,735	46,325
March 31, 2013	6,701	(3,414)	(8,494)	32,583

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, 2013	–	7.00	–	3.00	10.00	941	–	<u>1.9</u>
March 31, 2014	–	5.00	–	5.00	10.00	941	<u>404.4</u>	<u>1.9</u>
Fiscal year ending March 31, 2015 (Forecast)	–	5.00	–	5.00	10.00		94.1	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2015**(From April 1, 2014 to March 31, 2015)**

(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, 2014 (cumulative)	81,000	<u>1.1</u>	2,000	<u>(23.7)</u>	1,800	<u>(36.6)</u>	600	<u>857.6</u>	6.37
Fiscal year ending March 31, 2015	160,000	<u>3.4</u>	4,000	<u>19.9</u>	3,500	<u>6.0</u>	1,000	<u>329.6</u>	10.62

* **Notes**

(1) **Changes in significant subsidiaries during the period** (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) **Changes in accounting policies, changes in accounting estimates, and restatement**

A. Changes in accounting policies due to revisions to accounting standards: Yes

B. Changes in accounting policies due to other reasons: None

C. Changes in accounting estimates: None

D. Restatement: None

(3) **Number of issued shares (common shares)**

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

As of March 31, 2014	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 March 31, 2014	2,159,947 shares
As of March 31, 2013	2,156,023 shares

C. Average number of shares during the period

Fiscal year ended March 31, 2014	94,133,019 shares
Fiscal year ended March 31, 2013	94,135,858 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 sheet

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
Assets		
Current assets		
Cash and deposits	33,764	46,775
Notes and accounts receivable - trade	<u>23,892</u>	<u>18,271</u>
Securities	64	-
Merchandise and finished goods	19,214	17,142
Work in process	368	317
Raw materials and supplies	759	762
Deferred tax assets	2,057	<u>1,993</u>
Other	6,178	5,491
Allowance for doubtful accounts	(158)	(158)
Total current assets	<u>86,142</u>	<u>90,595</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,634	13,282
Accumulated depreciation	(7,935)	(7,967)
Accumulated impairment loss	(456)	(373)
Buildings and structures, net	5,242	4,942
Machinery, equipment and vehicles	2,038	1,931
Accumulated depreciation	(1,117)	(1,191)
Accumulated impairment loss	(0)	(0)
Machinery, equipment and vehicles, net	920	739
Tools, furniture and fixtures	25,608	25,614
Accumulated depreciation	(22,491)	(22,552)
Accumulated impairment loss	(273)	(421)
Tools, furniture and fixtures, net	2,843	2,639
Land	4,729	4,293
Leased assets	5,374	5,755
Accumulated depreciation	(2,182)	(2,929)
Leased assets, net	3,192	2,825
Construction in progress	243	1,323
Total property, plant and equipment	<u>17,172</u>	<u>16,764</u>
Intangible assets		
Goodwill	25,174	25,707
Right of using trademark	9,674	10,187
Other	7,532	7,578
Total intangible assets	<u>42,382</u>	<u>43,473</u>
Investments and other assets		
Investment securities	3,056	2,243
Deferred tax assets	517	103
Other	3,699	3,424
Allowance for doubtful accounts	(276)	(230)
Total investments and other assets	<u>6,998</u>	<u>5,540</u>
Total non-current assets	<u>66,552</u>	<u>65,778</u>

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
Deferred assets		
Bond issuance cost	37	93
Total deferred assets	37	93
Total assets	<u>152,732</u>	<u>156,467</u>
Liabilities		
Current liabilities		
Notes and accounts payable - trade	<u>10,655</u>	<u>8,224</u>
Short-term loans payable	5,971	7,335
Current portion of long-term loans payable	5,497	5,533
Current portion of bonds	990	–
Current portion of bonds with subscription rights to shares	–	4,900
Lease obligations	1,935	2,172
Accounts payable - other	6,479	4,365
Accrued expenses	5,439	6,297
Income taxes payable	478	453
Provision for sales returns	375	698
Allowance for recall	57	54
Sublease loss reserve	–	133
Provision for directors' bonuses	418	114
<u>Provision for contingent loss</u>	<u>53</u>	<u>258</u>
Other	1,023	624
Total current liabilities	39,376	41,166
Non-current liabilities		
Bonds payable	–	10,000
Bonds with subscription rights to shares	12,300	7,400
Long-term loans payable	41,534	37,719
Lease obligations	1,186	640
Deferred tax liabilities	2,800	2,810
Deferred tax liabilities for land revaluation	551	551
Provision for retirement benefits	2,982	–
Provision for directors' retirement benefits	228	206
Net defined benefit liability	–	3,084
Allowance for investment loss	10	10
Other	2,069	1,970
Total non-current liabilities	63,663	64,393
Total liabilities	103,039	105,559

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
Net assets		
Shareholders' equity		
Capital stock	3,459	3,459
Capital surplus	6,744	6,743
Retained earnings	<u>35,840</u>	<u>35,320</u>
Treasury shares	(1,322)	(1,323)
Total shareholders' equity	<u>44,722</u>	<u>44,200</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	529	433
Deferred gains or losses on hedges	828	216
Revaluation reserve for land	68	68
Foreign currency translation adjustment	1,522	4,999
Remeasurements of defined benefit plans	–	(360)
Total accumulated other comprehensive income	<u>2,948</u>	<u>5,358</u>
Subscription rights to shares	729	644
Minority interests	<u>1,292</u>	<u>704</u>
Total net assets	<u>49,692</u>	<u>50,907</u>
Total liabilities and net assets	<u>152,732</u>	<u>156,467</u>

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

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Net sales	<u>178,745</u>	<u>154,804</u>
Cost of sales	<u>123,585</u>	<u>101,661</u>
Gross profit	<u>55,160</u>	<u>53,142</u>
Selling, general and administrative expenses		
Packing and transportation expenses	2,877	3,044
Warehousing expenses	4,213	3,920
Advertising expenses	9,600	8,262
Directors' compensations	821	664
Salaries, allowances and bonuses	14,146	14,142
Provision for directors' bonuses	236	82
Retirement benefit expenses	1,220	1,202
Provision for directors' retirement benefits	77	66
Depreciation	2,609	2,150
Research and development expenses	2,709	2,243
Commission fee	2,578	2,787
Provision of allowance for doubtful accounts	(25)	24
Other	11,545	11,214
Total selling, general and administrative expenses	<u>52,613</u>	<u>49,807</u>
Operating income	<u>2,547</u>	<u>3,335</u>
Non-operating income		
Interest and dividend income	130	119
Amortization of negative goodwill	58	18
Rent income	195	202
Purchase discounts	90	10
Foreign exchange gains	358	533
Other	304	213
Total non-operating income	<u>1,136</u>	<u>1,097</u>
Non-operating expenses		
Interest expenses	830	818
Sales discounts	9	1
Amortization of bond issuance cost	22	20
Sublease loss reserve	-	133
Other	199	159
Total non-operating expenses	<u>1,061</u>	<u>1,132</u>
Ordinary income	<u>2,622</u>	<u>3,300</u>

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Extraordinary income		
Gain on sales of non-current assets	6	70
Gain on sales of investment securities	–	839
Gain on bargain purchase	318	69
Gain on reversal of subscription rights to shares	29	170
Insurance income	197	–
Total extraordinary income	<u>551</u>	<u>1,150</u>
Extraordinary losses		
Loss on sales of non-current assets	2	20
Loss on retirement of non-current assets	114	72
Loss on sales of investment securities	–	547
Loss on valuation of investment securities	9	132
Impairment loss	6,233	242
Business structure improvement expenses	487	442
Loss on business withdrawal	–	241
Special extra retirement payments	860	–
<u>Loss from fraud</u>	<u>80</u>	<u>143</u>
Other	232	–
Total extraordinary losses	<u>8,019</u>	<u>1,842</u>
Income (loss) before income taxes and minority interests	<u>(4,846)</u>	<u>2,607</u>
Income taxes - current	503	1,607
Refund of income taxes	(7)	(2)
Income taxes - deferred	1,764	<u>728</u>
Total income taxes	2,259	<u>2,333</u>
Income (loss) before minority interests	<u>(7,106)</u>	<u>274</u>
Minority interests in income	<u>67</u>	<u>41</u>
Net income (loss)	<u>(7,173)</u>	<u>232</u>

(Consolidated statement of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Income (loss) before minority interests	<u>(7,106)</u>	<u>274</u>
Other comprehensive income		
Valuation difference on available-for-sale securities	307	(85)
Deferred gains or losses on hedges	787	(611)
Foreign currency translation adjustment	5,603	3,477
Total other comprehensive income	<u>6,698</u>	<u>2,780</u>
Comprehensive income	<u>(407)</u>	<u>3,054</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	<u>(475)</u>	<u>3,012</u>
Comprehensive income attributable to minority interests	<u>68</u>	<u>42</u>

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2013

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	3,459	6,744	44,336	(1,321)	53,219
Changes of items during period					
Dividends of surplus			(1,317)		(1,317)
Net income (loss)			<u>(7,173)</u>		<u>(7,173)</u>
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		(0)		0	0
Reversal of revaluation reserve for land			(4)		(4)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	(0)	<u>(8,496)</u>	(0)	<u>(8,496)</u>
Balance at end of current period	3,459	6,744	<u>35,840</u>	(1,322)	<u>44,722</u>

	Accumulated other comprehensive income						Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	222	41	63	(4,081)	–	(3,754)	594	1,745	51,805
Changes of items during period									
Dividends of surplus									(1,317)
Net income (loss)									<u>(7,173)</u>
Purchase of treasury shares									(1)
Disposal of treasury shares									0
Reversal of revaluation reserve for land									(4)
Net changes of items other than shareholders' equity	306	787	4	5,603	–	6,702	135	<u>(452)</u>	<u>6,384</u>
Total changes of items during period	306	787	4	5,603	–	6,702	135	<u>(452)</u>	<u>(2,112)</u>
Balance at end of current period	529	828	68	1,522	–	2,948	729	<u>1,292</u>	<u>49,692</u>

Fiscal year ended March 31, 2014

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	3,459	6,744	<u>35,840</u>	(1,322)	<u>44,722</u>
Changes of items during period					
Dividends of surplus			(753)		(753)
Net income (loss)			<u>232</u>		<u>232</u>
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		(0)		0	0
Reversal of revaluation reserve for land					-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(0)	<u>(520)</u>	(1)	<u>(522)</u>
Balance at end of current period	3,459	6,743	<u>35,320</u>	(1,323)	<u>44,200</u>

	Accumulated other comprehensive income						Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	529	828	68	1,522	-	2,948	729	<u>1,292</u>	<u>49,692</u>
Changes of items during period									
Dividends of surplus									(753)
Net income (loss)									<u>232</u>
Purchase of treasury shares									(2)
Disposal of treasury shares									0
Reversal of revaluation reserve for land									-
Net changes of items other than shareholders' equity	(95)	(611)	-	3,477	(360)	2,410	(85)	<u>(587)</u>	<u>1,737</u>
Total changes of items during period	(95)	(611)	-	3,477	(360)	2,410	(85)	<u>(587)</u>	<u>1,214</u>
Balance at end of current period	433	216	68	4,999	(360)	5,358	644	<u>704</u>	<u>50,907</u>

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Cash flows from operating activities		
Income (loss) before income taxes and minority interests	<u>(4,846)</u>	<u>2,607</u>
Depreciation	6,275	6,630
Impairment loss	6,233	242
Loss (gain) on valuation of investment securities	9	132
Amortization of goodwill	1,424	1,615
Amortization of negative goodwill	(58)	(18)
Gain on bargain purchase	(318)	(69)
Increase (decrease) in provision for retirement benefits	17	–
Increase (decrease) in allowance for doubtful accounts	(104)	0
Increase (decrease) in net defined benefit liability	–	(39)
Interest and dividend income	(130)	(119)
Interest expenses	830	818
Loss (gain) on sales of property, plant and equipment	(3)	(49)
Decrease (increase) in notes and accounts receivable - trade	<u>835</u>	<u>4,279</u>
Decrease (increase) in inventories	(2,029)	2,031
Decrease (increase) in accounts receivable - other	527	32
Increase (decrease) in notes and accounts payable - trade	<u>(1,213)</u>	<u>(1,448)</u>
Increase (decrease) in accounts payable - other	1,277	(2,077)
Increase (decrease) in accrued expenses	(663)	532
Other, net	<u>79</u>	<u>(359)</u>
Subtotal	<u>8,142</u>	<u>14,742</u>
Interest and dividend income received	114	94
Interest expenses paid	(794)	(834)
Income taxes paid	(761)	(1,571)
Net cash provided by (used in) operating activities	<u>6,701</u>	<u>12,429</u>
Cash flows from investing activities		
Payments into time deposits	(111)	(0)
Purchase of property, plant and equipment	(2,457)	(2,914)
Proceeds from sales of property, plant and equipment	155	398
Purchase of intangible assets	(920)	(780)
Purchase of investment securities	(12)	(4)
Proceeds from sales of investment securities	2	459
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	–	810
Purchase of shares of subsidiaries	(8)	(374)
Purchase of treasury shares of subsidiaries	(280)	–
Collection of short-term loans receivable	37	1,198
Other, net	180	191
Net cash provided by (used in) investing activities	<u>(3,414)</u>	<u>(1,015)</u>

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,827	1,646
Proceeds from long-term loans payable	–	400
Repayments of long-term loans payable	(5,522)	(5,653)
Proceeds from issuance of bonds	–	9,923
Redemption of bonds	(1,050)	(990)
Cash dividends paid	(1,313)	(759)
Repayments of finance lease obligations	(2,430)	(2,828)
Other, net	(5)	(3)
Net cash provided by (used in) financing activities	(8,494)	1,735
Effect of exchange rate change on cash and cash equivalents	1,267	591
Net increase (decrease) in cash and cash equivalents	(3,939)	13,741
Cash and cash equivalents at beginning of period	36,522	32,583
Cash and cash equivalents at end of period	32,583	46,325