

## Translation

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MEMBERSHIP  
May 12, 2015

# CONSOLIDATED FINANCIAL RESULTS for the Fiscal Year Ended March 31, 2015 <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 24, 2015  
Scheduled date to commence dividend payments: June 25, 2015  
Scheduled date to file securities report: June 25, 2015  
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, 2015 (From April 1, 2014 to March 31, 2015)

### (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, 2015	149,938	(3.1)	2,466	(26.0)	2,014	(39.0)	(1,817)	—
March 31, 2014	154,804	(13.4)	3,335	30.9	3,300	25.9	232	—

Note: Comprehensive income  
Fiscal year ended March 31, 2015: 5,685 million yen [ 86.1%]  
Fiscal year ended March 31, 2014: 3,054 million yen [ — %]

	Net income per share	Diluted net income per share	Net income/equity	Ordinary income/total assets	Operating income/net sales
Fiscal year ended	yen	yen	%	%	%
March 31, 2015	(19.91)	—	(3.7)	1.3	1.6
March 31, 2014	2.47	2.06	0.5	2.1	2.2

Reference: Equity in earnings (losses) of affiliates  
Fiscal year ended March 31, 2015: (23) million yen  
Fiscal year ended March 31, 2014: (6) million yen

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	yen
March 31, 2015	159,638	49,650	30.2	567.91
March 31, 2014	156,467	50,907	31.7	526.49

Reference: Equity  
As of March 31, 2015: 48,191 million yen  
As of March 31, 2014: 49,558 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, 2015	6,827	(2,428)	(10,022)	41,972
March 31, 2014	12,429	(1,015)	1,735	46,325

**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, 2014	–	5.00	–	5.00	10.00	941	404.4	1.9
March 31, 2015	–	5.00	–	5.00	10.00	895	–	1.8
Fiscal year ending March 31, 2016 (Forecast)	–	5.00	–	5.00	10.00		70.2	

**3. Consolidated earnings forecasts for the fiscal year ending March 31, 2016****(From April 1, 2015 to March 31, 2016)**

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Six months ending September 30, 2015 (cumulative)	80,000	7.2	1,000	(33.5)	700	(37.3)	200	–	2.19
Fiscal year ending March 31, 2016	170,000	13.4	4,000	62.2	3,300	63.8	1,300	–	14.24

\* **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, 2015	96,290,850 shares
As of March 31, 2014	96,290,850 shares

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

As of March 31, 2015	11,434,356 shares
As of March 31, 2014	2,159,947 shares

C. Average number of shares during the period

Fiscal year ended March 31, 2015	91,269,502 shares
Fiscal year ended March 31, 2014	94,133,019 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, 2014	As of March 31, 2015
<b>Assets</b>		
Current assets		
Cash and deposits	46,775	42,117
Notes and accounts receivable - trade	18,271	18,387
Merchandise and finished goods	17,142	19,647
Work in process	317	334
Raw materials and supplies	762	1,122
Deferred tax assets	1,993	1,276
Other	5,491	5,943
Allowance for doubtful accounts	(158)	(177)
<b>Total current assets</b>	<b>90,595</b>	<b>88,651</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,282	13,722
Accumulated depreciation	(7,967)	(8,446)
Accumulated impairment loss	(373)	(399)
<b>Buildings and structures, net</b>	<b>4,942</b>	<b>4,876</b>
Machinery, equipment and vehicles	1,931	2,169
Accumulated depreciation	(1,191)	(1,420)
Accumulated impairment loss	(0)	(12)
<b>Machinery, equipment and vehicles, net</b>	<b>739</b>	<b>737</b>
Tools, furniture and fixtures	25,614	27,202
Accumulated depreciation	(22,552)	(23,267)
Accumulated impairment loss	(421)	(488)
<b>Tools, furniture and fixtures, net</b>	<b>2,639</b>	<b>3,446</b>
Land	4,293	4,336
Leased assets	5,755	6,937
Accumulated depreciation	(2,929)	(3,498)
Accumulated impairment loss	-	(2)
<b>Leased assets, net</b>	<b>2,825</b>	<b>3,436</b>
Construction in progress	1,323	273
<b>Total property, plant and equipment</b>	<b>16,764</b>	<b>17,106</b>
Intangible assets		
Goodwill	25,707	28,210
Right of using trademark	10,187	11,427
Other	7,578	8,031
<b>Total intangible assets</b>	<b>43,473</b>	<b>47,669</b>
Investments and other assets		
Investment securities	2,243	2,913
Deferred tax assets	103	115
Other	3,424	3,348
Allowance for doubtful accounts	(230)	(226)
<b>Total investments and other assets</b>	<b>5,540</b>	<b>6,151</b>
<b>Total non-current assets</b>	<b>65,778</b>	<b>70,927</b>
Deferred assets		
Bond issuance cost	93	59
<b>Total deferred assets</b>	<b>93</b>	<b>59</b>
<b>Total assets</b>	<b>156,467</b>	<b>159,638</b>

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	8,224	8,639
Short-term loans payable	7,335	8,614
Current portion of long-term loans payable	5,533	5,829
Current portion of bonds with subscription rights to shares	4,900	–
Lease obligations	2,172	2,194
Accounts payable - other	4,365	4,748
Accrued expenses	6,297	5,772
Income taxes payable	453	622
Provision for sales returns	698	488
Allowance for recall	54	94
Sublease loss reserve	133	–
Provision for directors' bonuses	114	–
Provision for contingent loss	258	49
Other	624	517
<b>Total current liabilities</b>	<b>41,166</b>	<b>37,571</b>
Non-current liabilities		
Bonds payable	10,000	10,000
Bonds with subscription rights to shares	7,400	–
Long-term loans payable	37,719	50,893
Lease obligations	640	1,433
Deferred tax liabilities	2,810	3,790
Deferred tax liabilities for land revaluation	551	499
Net defined benefit liability	3,084	3,561
Provision for directors' retirement benefits	206	152
Allowance for investment loss	10	–
Other	1,970	2,084
<b>Total non-current liabilities</b>	<b>64,393</b>	<b>72,416</b>
<b>Total liabilities</b>	<b>105,559</b>	<b>109,987</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	3,459	3,459
Capital surplus	6,743	6,741
Retained earnings	35,320	32,525
Treasury shares	(1,323)	(7,437)
<b>Total shareholders' equity</b>	<b>44,200</b>	<b>35,288</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	433	961
Deferred gains or losses on hedges	216	513
Revaluation reserve for land	68	120
Foreign currency translation adjustment	4,999	11,948
Remeasurements of defined benefit plans	(360)	(641)
<b>Total accumulated other comprehensive income</b>	<b>5,358</b>	<b>12,902</b>
Subscription rights to shares	644	680
Minority interests	704	778
<b>Total net assets</b>	<b>50,907</b>	<b>49,650</b>
<b>Total liabilities and net assets</b>	<b>156,467</b>	<b>159,638</b>

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

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net sales	154,804	149,938
Cost of sales	101,661	97,233
Gross profit	53,142	52,704
Selling, general and administrative expenses		
Packing and transportation expenses	3,044	2,923
Warehousing expenses	3,920	3,904
Advertising expenses	8,262	8,971
Directors' compensations	664	620
Salaries, allowances and bonuses	14,142	13,867
Provision for directors' bonuses	82	6
Retirement benefit expenses	1,202	1,235
Provision for directors' retirement benefits	66	47
Depreciation	2,150	2,173
Research and development expenses	2,243	2,273
Commission fee	2,787	2,930
Provision of allowance for doubtful accounts	24	19
Other	11,214	11,264
Total selling, general and administrative expenses	49,807	50,237
Operating income	3,335	2,466
Non-operating income		
Interest and dividend income	119	91
Amortization of negative goodwill	18	–
Rent income	202	153
Purchase discounts	10	–
Foreign exchange gains	533	210
Other	213	145
Total non-operating income	1,097	601
Non-operating expenses		
Interest expenses	818	809
Sales discounts	1	13
Amortization of bond issuance cost	20	33
Sublease loss reserve	133	–
Other	159	196
Total non-operating expenses	1,132	1,053
Ordinary income	3,300	2,014

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Extraordinary income		
Gain on sales of non-current assets	70	12
Gain on sales of investment securities	839	–
Gain on bargain purchase	69	–
Gain on liquidation of subsidiaries	–	16
Gain on reversal of subscription rights to shares	170	15
Total extraordinary income	1,150	44
Extraordinary losses		
Loss on sales of non-current assets	20	1
Loss on retirement of non-current assets	72	182
Loss on sales of investment securities	547	–
Loss on valuation of investment securities	132	0
Impairment loss	242	161
Business structure improvement expenses	442	–
Loss on business withdrawal	241	–
Settlement fee	–	1,170
Loss from fraud	143	214
Error correction fee	–	78
Other	–	43
Total extraordinary losses	1,842	1,852
Income before income taxes and minority interests	2,607	206
Income taxes - current	1,607	1,124
Refund of income taxes	(2)	(4)
Income taxes - deferred	728	893
Total income taxes	2,333	2,013
Income (loss) before minority interests	274	(1,806)
Minority interests in income	41	10
Net income (loss)	232	(1,817)

**(Consolidated statement of comprehensive income)**

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Income (loss) before minority interests	274	(1,806)
Other comprehensive income		
Valuation difference on available-for-sale securities	(85)	527
Deferred gains or losses on hedges	(611)	296
Foreign currency translation adjustment	3,477	6,949
Remeasurements of defined benefit plans, net of tax	–	(281)
Total other comprehensive income	2,780	7,492
Comprehensive income	3,054	5,685
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,012	5,675
Comprehensive income attributable to minority interests	42	10



**(3) Consolidated statement of changes in equity**  
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	35,840	(1,322)	44,722
Cumulative effects of changes in accounting policies					–
Restated balance	3,459	6,744	35,840	(1,322)	44,722
Changes of items during period					
Dividends of surplus			(753)		(753)
Net income (loss)			232		232
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		(0)		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	–	(0)	(520)	(1)	(522)
Balance at end of current period	3,459	6,743	35,320	(1,323)	44,200

	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	1,292	49,692
Cumulative effects of changes in accounting policies									–
Restated balance	529	828	68	1,522	–	2,948	729	1,292	49,692
Changes of items during period									
Dividends of surplus									(753)
Net income (loss)									232
Purchase of treasury shares									(2)
Disposal of treasury shares									0
Net changes of items other than shareholders' equity	(95)	(611)	–	3,477	(360)	2,410	(85)	(587)	1,737
Total changes of items during period	(95)	(611)	–	3,477	(360)	2,410	(85)	(587)	1,214
Balance at end of current period	433	216	68	4,999	(360)	5,358	644	704	50,907

Fiscal year ended March 31, 2015

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	3,459	6,743	35,320	(1,323)	44,200
Cumulative effects of changes in accounting policies			(36)		(36)
Restated balance	3,459	6,743	35,283	(1,323)	44,163
Changes of items during period					
Dividends of surplus			(941)		(941)
Net income (loss)			(1,817)		(1,817)
Purchase of treasury shares				(6,197)	(6,197)
Disposal of treasury shares		(2)		84	81
Net changes of items other than shareholders' equity					
Total changes of items during period	–	(2)	(2,758)	(6,113)	(8,874)
Balance at end of current period	3,459	6,741	32,525	(7,437)	35,288

	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	433	216	68	4,999	(360)	5,358	644	704	50,907
Cumulative effects of changes in accounting policies									(36)
Restated balance	433	216	68	4,999	(360)	5,358	644	704	50,871
Changes of items during period									
Dividends of surplus									(941)
Net income (loss)									(1,817)
Purchase of treasury shares									(6,197)
Disposal of treasury shares									81
Net changes of items other than shareholders' equity	527	296	51	6,949	(281)	7,544	36	73	7,653
Total changes of items during period	527	296	51	6,949	(281)	7,544	36	73	(1,221)
Balance at end of current period	961	513	120	11,948	(641)	12,902	680	778	49,650

#### (4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	2,607	206
Depreciation	6,630	7,106
Impairment loss	242	161
Loss (gain) on valuation of investment securities	132	0
Amortization of goodwill	1,615	1,651
Amortization of negative goodwill	(18)	–
Gain on bargain purchase	(69)	–
Increase (decrease) in allowance for doubtful accounts	0	(2)
Increase (decrease) in net defined benefit liability	(39)	140
Interest and dividend income	(119)	(91)
Interest expenses	818	809
Loss (gain) on sales of property, plant and equipment	(49)	(11)
Decrease (increase) in notes and accounts receivable - trade	4,279	420
Decrease (increase) in inventories	2,031	(1,828)
Decrease (increase) in accounts receivable - other	32	58
Increase (decrease) in notes and accounts payable - trade	(1,448)	(199)
Increase (decrease) in accounts payable - other	(2,077)	939
Increase (decrease) in accrued expenses	532	(889)
Other, net	(359)	(85)
Subtotal	14,742	8,387
Interest and dividend income received	94	85
Interest expenses paid	(834)	(791)
Income taxes paid	(1,571)	(853)
Net cash provided by (used in) operating activities	12,429	6,827
Cash flows from investing activities		
Payments into time deposits	(0)	(230)
Purchase of property, plant and equipment	(2,914)	(3,564)
Proceeds from sales of property, plant and equipment	398	1,977
Purchase of intangible assets	(780)	(938)
Purchase of investment securities	(4)	(3)
Proceeds from sales of investment securities	459	10
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	810	–
Purchase of shares of subsidiaries	(374)	–
Collection of short-term loans receivable	1,198	5
Other, net	191	315
Net cash provided by (used in) investing activities	(1,015)	(2,428)

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,646	1,157
Proceeds from long-term loans payable	400	17,000
Repayments of long-term loans payable	(5,653)	(5,695)
Proceeds from issuance of bonds	9,923	–
Redemption of bonds	(990)	–
Cash dividends paid	(759)	(944)
Payments for retirement by purchase of convertible bonds	–	(7,400)
Redemption of convertible bonds	–	(4,900)
Repayments of finance lease obligations	(2,828)	(3,122)
Purchase of treasury shares	(2)	(6,197)
Other, net	(1)	79
Net cash provided by (used in) financing activities	1,735	(10,022)
Effect of exchange rate change on cash and cash equivalents	591	1,270
Net increase (decrease) in cash and cash equivalents	13,741	(4,352)
Cash and cash equivalents at beginning of period	32,583	46,325
Cash and cash equivalents at end of period	46,325	41,972