

May 22,2015

To all related parties:

Name of the Company: TOMY Company, Ltd.
Name of the Representative: KantaroTomiyama
President & CEO
(Code No. 7867; The First Section of the Tokyo Stock Exchange)
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Board Director
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Notice Concerning Issuance of Stock Options (Subscription Rights to Shares) to Executive Officers and Employees, and to Directors and Employees of Subsidiaries

This is to provide notification that TOMY Company, Ltd. (hereinafter “Tomy”) resolved at a meeting of the Board of Directors, held on May 22,2015, to submit a proposal at the 64rd Ordinary General Meeting of Shareholders, to be held on June 24, 2015, seeking approval of shareholders, pursuant to the provisions of Articles 236, 238 and 239 of the Companies Act, for the entrustment to Tomy’s Board of Directors of the authority to decide subscription requirements for subscription rights to shares as stock options.

Tomy has introduced a stock options system for Executive Officers and employees of Tomy and Directors and employees of Tomy’s subsidiaries, to further promote the motivation to contribute to the improvement of consolidated earnings and a management that gives serious consideration to shareholders.

In 2013, Tomy changed the method used to determine the exercise price for stock options through the introduction of a minimum required share price as a condition. Specifically, if the amount calculated by the existing method to determine the exercise price is lower than this minimum required share price, the minimum required share price shall become the exercise price.

The minimum required share price is set at ¥658, the same level as the exercise price for the 4th and 5th issue of stock options granted on September 1, 2011.

Recognizing that Tomy’s performance is currently at the same level as in fiscal 2011, Tomy decided to introduce the minimum required share price based on its belief that the exercise price should at least exceed the exercise price for stock options granted in fiscal 2011, and in order that already issued stock options may be exercised.

In addition, under Tomy’s stock options system, Outside Directors and Audit & Supervisory Board Members are not granted stock options in order to maintain their objectivity and independence.

1. Reason for the Necessity to Solicit Persons to Subscribe to the Subscription Rights to Shares with Particularly Advantageous Conditions

Tomy shall issue subscription rights to shares, without contribution, to Executive Officers and employees of Tomy, and to Directors and employees of Tomy's subsidiaries to further promote the motivation to contribute to the improvement of consolidated earnings and a management that gives serious consideration to shareholders.

2. Content and Maximum Number of Subscription Rights to Shares whose Subscription Requirements are Determinable Based on the Matters Approved at this General Meeting of Shareholders

i. Maximum Number of Subscription Rights to Shares whose Subscription Requirements are Determinable Under this Entrustment

The maximum number of subscription rights to shares to be issued under the conditions described in item iii. below shall be 5,000 units.

The maximum number of shares to be delivered upon exercise of subscription rights to shares shall be 500,000 common shares of Tomy, and if the Number of Granted Shares (defined below) is adjusted in accordance with item iii. (1) below, the maximum number of shares shall be the Number of Granted Shares after adjustment multiplied by the aforementioned maximum number of subscription rights to shares.

ii. Monetary Payment in Exchange for Subscription Rights to Shares

No monetary payment is required concerning the subscription rights to shares whose subscription requirements are determinable under this entrustment.

iii. Content of Subscription Rights to Shares whose Subscription Requirements are Determinable under this Entrustment

(1) Class and Number of Shares to be Issued upon Exercise of Subscription Rights to Shares

The class of shares to be issued upon exercise of subscription rights to shares shall be common shares of Tomy, and the number of shares to be issued upon exercise of each subscription right to shares (hereinafter referred to as the "Number of Granted Shares") shall be 100 shares.

However, the Number of Granted Shares shall be adjusted by the following formula if Tomy conducts a share split (including allotment of common shares of Tomy without contribution; the same shall apply to any reference to a share split hereinafter) or share consolidation of its common shares after the date for the allotment of subscription rights to shares (hereinafter referred to as the "Allotment Date").

$$\text{Number of Granted Shares after adjustment} = \frac{\text{Number of Granted Shares before adjustment}}{\text{Share split/consolidation ratio}}$$

In addition to the above, if any adjustment of the Number of Granted Shares is appropriate after the Allotment Date, Tomy may adjust the Number of Granted Shares within a reasonable extent.

Any fraction less than one share resulting from the above adjustment shall be disregarded.

For details, please refer to the press release available at the following
http://www.takaratomy.co.jp/release/pdf/i150522_02.pdf