

Translation

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MEMBERSHIP
May 12, 2011

CONSOLIDATED FINANCIAL RESULTS for the Fiscal Year Ended March 31, 2011 <under Japanese GAAP>

Company name: **TOMY COMPANY, LTD.**
 Listing: First Section of the Tokyo Stock Exchange
 Code number: 7867
 URL: <http://www.takaratomy.co.jp/>
 Representative: Kantaro Tomiyama, President and CEO
 Contact person: Toshiki Miura, Managing Director, Head of Corporate Administration
 TEL: +81-3-5654-1548 (from overseas)

Scheduled date of ordinary general meeting of shareholders: June 24, 2011
 Scheduled date to commence dividend payments: June 27, 2011
 Scheduled date to file securities report: June 27, 2011
 Supplementary material on financial results: Yes
 Financial results presentation meeting: Yes

(in millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated performance for the fiscal year ended March 31, 2011 (From April 1, 2010 to March 31, 2011)

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

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income	
		%		%		%		%
March 31, 2011	159,490	(10.8)	10,327	(1.2)	10,143	(2.3)	8,929	(0.5)
March 31, 2010	178,713	(1.0)	10,456	108.9	10,382	91.0	8,978	551.9

Note: Comprehensive income
 Fiscal year ended March 31, 2011: 7,929 million yen [17.0%]
 Fiscal year ended March 31, 2010: 9,557 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, 2011	94.85	78.26	20.3	10.7	6.5
March 31, 2010	96.60	80.72	25.5	11.1	5.9

Reference: Equity in earnings of affiliates
 Fiscal year ended March 31, 2011: (45) million yen
 Fiscal year ended March 31, 2010: (68) million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of			%	yen
March 31, 2011	94,597	48,744	49.9	501.54
March 31, 2010	95,880	42,062	42.5	432.90

Reference: Equity
 As of March 31, 2011: 47,214 million yen
 As of March 31, 2010: 40,753 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Period-end cash and cash equivalents
Fiscal year ended				
March 31, 2011	8,486	1,169	(6,767)	29,038
March 31, 2010	16,857	(3,033)	(8,538)	26,638

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			
	yen	yen	yen	yen	yen		%	%
Fiscal year ended								
March 31, 2010	–	5.00	–	7.00	12.00	1,129	12.4	3.1
March 31, 2011	–	7.00	–	7.00	14.00	1,317	14.8	3.0
Fiscal year ending March 31, 2012 (Forecast)	–	7.00	–	7.00	14.00		–	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2012 (From April 1, 2011 to March 31, 2012)

In order to forecast our consolidated earnings for the fiscal year ending March 31, 2012, we are scrutinizing our outlook for consolidated business performance, including the performance of RC2 Corporation, which became our wholly-owned subsidiary as of April 29, 2011. In this process, we will factor in the effects of the trend of personal consumption and the move of economic conditions affected by the Great East Japan Earthquake, which occurred on March 11, 2011, on our business performance. TOMY will announce the consolidated earnings forecasts as soon as the results of these studies have been compiled.

4. Others

(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, procedures, and methods of presentation

- A. Changes due to revisions to accounting standards: Yes
 B. Changes due to other reasons: None

(3) Number of issued shares (common stock)

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

As of March 31, 2011	96,290,850 shares
As of March 31, 2010	96,290,850 shares

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

As of March 31, 2011	2,152,810 shares
As of March 31, 2010	2,150,281 shares

C. Average number of shares during the period

Fiscal year ended March 31, 2011	94,139,236 shares
Fiscal year ended March 31, 2010	92,943,399 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 sheets

(Millions of yen)

	As of March 31, 2010	As of March 31, 2011
Assets		
Current assets		
Cash and deposits	26,929	29,320
Notes and accounts receivable-trade	18,299	19,188
Short-term investment securities	264	264
Merchandise and finished goods	9,418	10,173
Work in process	306	561
Raw materials and supplies	1,080	1,026
Deferred tax assets	3,533	3,606
Other	2,654	2,938
Allowance for doubtful accounts	(354)	(301)
Total current assets	62,132	66,779
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	13,363	13,005
Accumulated depreciation	(7,430)	(7,320)
Accumulated impairment loss	(453)	(422)
Buildings and structures, net	5,480	5,262
Machinery, equipment and vehicles	1,618	2,277
Accumulated depreciation	(1,350)	(1,405)
Accumulated impairment loss	(0)	(0)
Machinery, equipment and vehicles, net	267	871
Tools, furniture and fixtures	29,248	26,569
Accumulated depreciation	(27,642)	(25,124)
Accumulated impairment loss	(109)	(107)
Tools, furniture and fixtures, net	1,496	1,338
Land	9,830	4,837
Lease assets	3,344	2,727
Accumulated depreciation	(1,733)	(1,380)
Accumulated impairment loss	(136)	(136)
Lease assets, net	1,475	1,210
Construction in progress	1,070	283
Total property, plant and equipment	19,620	13,803
Intangible assets		
Goodwill	-	185
Other	1,809	2,001
Total intangible assets	1,809	2,186
Investments and other assets		
Investment securities	4,139	2,954
Deferred tax assets	4,634	5,586
Other	3,780	3,524
Allowance for doubtful accounts	(354)	(325)
Total investments and other assets	12,199	11,739
Total noncurrent assets	33,629	27,729

(Millions of yen)

	As of March 31, 2010	As of March 31, 2011
Deferred assets		
Bond issuance cost	118	88
Total deferred assets	118	88
Total assets	95,880	94,597
Liabilities		
Current liabilities		
Notes and accounts payable-trade	10,627	9,804
Short-term loans payable	3,031	4,090
Current portion of long-term loans payable	2,410	604
Current portion of bonds	1,850	1,250
Current portion of bonds with subscription rights to shares	–	7,000
Lease obligations	1,205	907
Accounts payable-other	4,956	3,613
Accrued expenses	4,073	3,812
Income taxes payable	518	54
Deferred tax liabilities	13	–
Provision for sales returns	239	41
Allowance for recall	97	89
Provision for directors' bonuses	225	185
Other	589	1,028
Total current liabilities	29,840	32,483
Noncurrent liabilities		
Bonds payable	3,290	2,040
Bonds with subscription rights to shares	12,300	5,300
Long-term loans payable	2,388	986
Lease obligations	431	381
Deferred tax liabilities	1,097	–
Deferred tax liabilities for land revaluation	632	632
Provision for retirement benefits	2,276	2,504
Provision for directors' retirement benefits	239	256
Allowance for investment loss	–	10
Negative goodwill	79	–
Other	1,242	1,259
Total noncurrent liabilities	23,977	13,369
Total liabilities	53,818	45,852

(Millions of yen)

	As of March 31, 2010	As of March 31, 2011
Net assets		
Shareholders' equity		
Capital stock	3,459	3,459
Capital surplus	6,823	6,744
Retained earnings	34,344	41,970
Treasury stock	(1,318)	(1,320)
Total shareholders' equity	43,309	50,854
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	299	(27)
Deferred gains or losses on hedges	43	(372)
Revaluation reserve for land	(6)	(7)
Foreign currency translation adjustment	(2,892)	(3,233)
Total accumulated other comprehensive income	(2,555)	(3,639)
Subscription rights to shares	230	409
Minority interests	1,078	1,120
Total net assets	42,062	48,744
Total liabilities and net assets	95,880	94,597

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

(Millions of yen)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
Net sales	178,713	159,490
Cost of sales	123,718	106,822
Gross profit	54,994	52,668
Selling, general and administrative expenses		
Packing and transportation expenses	2,435	1,798
Warehousing expenses	2,456	2,699
Advertising expenses	9,298	8,313
Directors' compensations	635	625
Salaries, allowances and bonuses	13,347	13,577
Provision for directors' bonuses	231	182
Retirement benefit expenses	842	844
Provision for directors' retirement benefits	54	59
Depreciation	1,017	1,255
Research and development expenses	2,765	2,183
Commission fee	2,483	2,264
Provision of allowance for doubtful accounts	179	113
Other	8,791	8,424
Total selling, general and administrative expenses	44,538	42,341
Operating income	10,456	10,327
Non-operating income		
Interest and dividends income	79	67
Amortization of negative goodwill	435	486
Rent income	159	143
Purchase discounts	114	78
Other	255	232
Total non-operating income	1,044	1,008
Non-operating expenses		
Interest expenses	402	257
Sales discounts	14	11
Amortization of bond issuance cost	28	29
Foreign exchange losses	334	204
Equity in losses of affiliates	68	45
Commission fee	-	413
Other	269	231
Total non-operating expenses	1,117	1,193
Ordinary income	10,382	10,143

(Millions of yen)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
Extraordinary income		
Gain on sales of noncurrent assets	7	27
Gain on sales of investment securities	48	–
Reversal of allowance for doubtful accounts	73	131
Reversal of provision for directors' retirement benefits	41	–
Gain on liquidation of subsidiaries and affiliates	–	115
Other	18	37
Total extraordinary income	190	311
Extraordinary loss		
Loss on sales of noncurrent assets	3	737
Loss on retirement of noncurrent assets	209	275
Loss on valuation of investment securities	358	565
Impairment loss	602	120
Distribution restructuring expenses	353	–
Business structure improvement expenses	–	387
Other	373	530
Total extraordinary losses	1,899	2,617
Income before income taxes and minority interests	8,673	7,837
Income taxes-current	1,034	632
Income taxes-deferred	(1,392)	(1,807)
Total income taxes	(358)	(1,175)
Income before minority interests	–	9,012
Minority interests in income	53	82
Net income	8,978	8,929

(Consolidated statements of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
Income before minority interests	–	9,012
Other comprehensive income		
Valuation difference on available-for-sale securities	–	(326)
Deferred gains or losses on hedges	–	(416)
Foreign currency translation adjustment	–	(340)
Total other comprehensive income	–	(1,083)
Comprehensive income	–	7,929
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	–	7,846
Comprehensive income attributable to minority interests	–	82

Consolidated statements of changes in net assets

(Millions of yen)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
Shareholders' equity		
Capital stock		
Balance at the end of previous period	3,459	3,459
Changes of items during the period		
Total changes of items during the period	–	–
Balance at the end of current period	3,459	3,459
Capital surplus		
Balance at the end of previous period	7,252	6,823
Changes of items during the period		
Disposal of treasury stock	(429)	0
Change of scope of consolidation	–	(79)
Total changes of items during the period	(429)	(79)
Balance at the end of current period	6,823	6,744
Retained earnings		
Balance at the end of previous period	26,380	34,344
Changes of items during the period		
Dividends from surplus	(919)	(1,317)
Net income	8,978	8,929
Change of scope of consolidation	7	13
Change of scope of equity method	21	–
Reversal of revaluation reserve for land	(124)	1
Total changes of items during the period	7,963	7,626
Balance at the end of current period	34,344	41,970
Treasury stock		
Balance at the end of previous period	(4,343)	(1,318)
Changes of items during the period		
Purchase of treasury stock	(5,834)	(2)
Disposal of treasury stock	8,858	0
Total changes of items during the period	3,024	(2)
Balance at the end of current period	(1,318)	(1,320)
Total shareholders' equity		
Balance at the end of previous period	32,749	43,309
Changes of items during the period		
Dividends from surplus	(919)	(1,317)
Net income	8,978	8,929
Purchase of treasury stock	(5,834)	(2)
Disposal of treasury stock	8,429	0
Change of scope of consolidation	7	(66)
Change of scope of equity method	21	–
Reversal of revaluation reserve for land	(124)	1
Total changes of items during the period	10,559	7,544
Balance at the end of current period	43,309	50,854

(Millions of yen)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	(257)	299
Changes of items during the period		
Net changes of items other than shareholders' equity	556	(326)
Total changes of items during the period	556	(326)
Balance at the end of current period	299	(27)
Deferred gains or losses on hedges		
Balance at the end of previous period	(138)	43
Changes of items during the period		
Net changes of items other than shareholders' equity	182	(416)
Total changes of items during the period	182	(416)
Balance at the end of current period	43	(372)
Revaluation reserve for land		
Balance at the end of previous period	(131)	(6)
Changes of items during the period		
Net changes of items other than shareholders' equity	124	(1)
Total changes of items during the period	124	(1)
Balance at the end of current period	(6)	(7)
Foreign currency translation adjustment		
Balance at the end of previous period	(2,678)	(2,892)
Changes of items during the period		
Net changes of items other than shareholders' equity	(214)	(340)
Total changes of items during the period	(214)	(340)
Balance at the end of current period	(2,892)	(3,233)
Total accumulated other comprehensive income		
Balance at the end of previous period	(3,205)	(2,555)
Changes of items during the period		
Net changes of items other than shareholders' equity	649	(1,083)
Total changes of items during the period	649	(1,083)
Balance at the end of current period	(2,555)	(3,639)
Subscription rights to shares		
Balance at the end of previous period	111	230
Changes of items during the period		
Net changes of items other than shareholders' equity	118	179
Total changes of items during the period	118	179
Balance at the end of current period	230	409
Minority interests		
Balance at the end of previous period	1,010	1,078
Changes of items during the period		
Net changes of items other than shareholders' equity	68	41
Total changes of items during the period	68	41
Balance at the end of current period	1,078	1,120

(Millions of yen)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
Total net assets		
Balance at the end of previous period	30,666	42,062
Changes of items during the period		
Dividends from surplus	(919)	(1,317)
Net income	8,978	8,929
Purchase of treasury stock	(5,834)	(2)
Disposal of treasury stock	8,429	0
Change of scope of consolidation	7	(66)
Change of scope of equity method	21	–
Reversal of revaluation reserve for land	(124)	1
Net changes of items other than shareholders' equity	836	(862)
Total changes of items during the period	11,396	6,681
Balance at the end of current period	42,062	48,744

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	8,673	7,837
Depreciation and amortization	3,856	4,146
Impairment loss	602	120
Loss (gain) on valuation of investment securities	359	565
Increase (decrease) in allowance for doubtful accounts	(50)	(56)
Increase (decrease) in provision for retirement benefits	342	259
Increase (decrease) in allowance for investment loss	(257)	10
Interest and dividends income	(79)	(67)
Interest expenses	402	257
Loss (gain) on sales of property, plant and equipment	–	710
Decrease (increase) in notes and accounts receivable-trade	169	(1,158)
Decrease (increase) in inventories	978	(1,062)
Decrease (increase) in accounts receivable-other	323	(54)
Increase (decrease) in notes and accounts payable-trade	825	(715)
Increase (decrease) in accounts payable-other	279	(591)
Increase (decrease) in accrued expenses	206	(206)
Other, net	1,573	(321)
Subtotal	18,207	9,674
Interest and dividends income received	78	67
Interest expenses paid	(400)	(262)
Income taxes paid	(1,027)	(992)
Net cash provided by (used in) operating activities	16,857	8,486
Net cash provided by (used in) investing activities		
Payments into time deposits	(169)	–
Proceeds from withdrawal of time deposits	600	11
Purchase of property, plant and equipment	(1,741)	(2,386)
Proceeds from sales of property, plant and equipment	32	4,264
Purchase of intangible assets	(1,348)	(1,153)
Purchase of investment securities	(491)	(7)
Proceeds from sales of investment securities	28	42
Purchase of investments in subsidiaries	(7)	(4)
Other, net	62	402
Net cash provided by (used in) investing activities	(3,033)	1,169

(Millions of yen)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(10,911)	1,112
Proceeds from long-term loans payable	–	500
Repayment of long-term loans payable	(1,222)	(3,715)
Redemption of bonds	(1,873)	(1,850)
Proceeds from issuance of bonds with subscription rights to shares	5,246	–
Proceeds from stock issuance to minority shareholders	50	–
Cash dividends paid	(918)	(1,316)
Purchase of treasury stock	(5,834)	–
Proceeds from disposal of treasury stock	8,431	–
Repayments of finance lease obligations	(1,504)	(1,481)
Other, net	0	(15)
Net cash provided by (used in) financing activities	(8,538)	(6,767)
Effect of exchange rate change on cash and cash equivalents	(120)	(344)
Net increase (decrease) in cash and cash equivalents	5,165	2,543
Cash and cash equivalents at beginning of period	21,492	26,638
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	(18)	(155)
Increase in cash and cash equivalents resulting from merger	–	11
Cash and cash equivalents at end of period	26,638	29,038