

To all related parties:

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**Notice Concerning Recording of Extraordinary Losses
and Revision of Earnings Forecasts**

TOMY Company, Ltd. (hereinafter “Tomy”) hereby provides notification that it has recorded extraordinary losses and revised its earnings forecasts for the fiscal year ending March 31, 2015, announced on May 13, 2014, as shown below.

1. Occurrence and details of extraordinary losses (consolidated)

As shown below, Tomy recorded extraordinary losses of 1,303 million yen in the first three months of the fiscal year ending March 31, 2015.

1) Loss from fraud: 214 million yen

Loss from fraud has been recorded in connection with the discovery of improper accounting practices at Tomy’s consolidated subsidiary T-ENTAMEDIA Company, Ltd. in past fiscal years (for the details of the improper accounting practices, please refer to “Report Concerning Improper Accounting Practices at Tomy’s Consolidated Subsidiary” disclosed separately today).

2) Settlement cost: 1,084 million yen

A class action lawsuit was filed with the district court in California in the U.S. against Tomy’s U.S. subsidiary TOMY International, Inc. (hereinafter “TI”) based on a claim that TI allegedly violated the Telephone Consumer Protection Act (hereinafter “TCPA”), a federal law in the U.S. TI contended this claim by making assertions including that a TCPA violation hadn’t been established and the criteria for a class action lawsuit have not been satisfied. However, TI recently reached a settlement agreement with the plaintiffs, resulting in the settlement cost shown above (for the details of the settlement, please refer to “Notice Concerning Settlement of Federal Class Action Lawsuit in U.S.” disclosed separately today).

3) Other: 3 million yen

The above amount has been recorded due mainly to loss on sales and retirement of property, plant and equipment.

2. Revision of earnings forecasts

- (1) Revision of consolidated earnings forecasts for the first six months of the fiscal year ending March 31, 2015
(April 1, 2014 to September 30, 2014)

(Millions of yen, except per-share data)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previously announced forecast (A)	81,000	2,000	1,800	600	6.37
Revised forecast (B)	81,000	2,000	1,800	(700)	–
Increase (Decrease) (B-A)	0	0	0	(1,300)	
Increase (Decrease) percentage (%)	0.0	0.0	0.0	–	
(Reference) Actual results for the first six months of the fiscal year ended March 31, 2014	80,562	2,672	2,888	111	1.18

- (2) Revision of consolidated earnings forecasts for the fiscal year ending March 31, 2015
(April 1, 2014 to March 31, 2015)

(Millions of yen, except per-share data)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previously announced forecast (A)	160,000	4,000	3,500	1,000	10.62
Revised forecast (B)	160,000	4,000	3,500	(300)	–
Increase (Decrease) (B-A)	0	0	0	(1,300)	
Increase (Decrease) percentage (%)	0.0	0.0	0.0	–	
(Reference) Actual results for the fiscal year ended March 31, 2014	155,968	3,407	3,372	469	4.99

- (3) Reasons for revision

The consolidated earnings forecasts for the first six months of the fiscal year ending March 31, 2015, and the full year then ending, have been revised in line with the recording of extraordinary losses mentioned above.

The dividend forecast has not been changed as a result of these revisions. As before, Tomy forecasts 5 yen per share for the interim dividend (at the end of the second quarter) and 5 yen per share for the year-end dividend (resulting in an annual dividend of 10 yen per share).

Note concerning forecasts of earnings, etc.

The forecast values that Tomy presents in this material have been determined based on information currently available to Tomy and are subject to a number of uncertainties. Accordingly, actual results may differ from the forecasted values due to the effect of future events.

End of notice