

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 & CFO
Head of Corporate Administrations
(TEL: 03-5654-1548)

Notice Concerning Dissolution of Capital and Business Alliance with TPG

This is to provide notification that at the meeting of the Board of Directors held on December 3, 2014, TOMY Company, Ltd. (hereinafter “Tomy”) resolved to dissolve its capital and business alliance with TPG (headquarters: San Francisco, U.S.) as described below.

1. Reason for dissolving the capital and business alliance

Tomy has been conducting a capital and business alliance (hereinafter “the Alliance”) with TPG, aimed at raising value in Tomy’s businesses (boost corporate value) since March 2007, as described in its press release, “Notice Concerning Strategic Capital and Business Alliance with TPG,” dated March 6, 2007. During the period of the Alliance, Tomy has achieved certain results from its business alliance with TPG; it acquired the U.S. toymaker RC2 Corporation (currently TOMY International) to gain a global platform, promoted a production shift to Vietnam from a production framework that was biased towards China, strengthened its cost competitiveness, and so other achievements. Meanwhile, Tomy had been studying measures for improving corporate value and shareholder value, including improving indicators of capital efficiency, such as return on equity (ROE), increasing indicators of shareholder profits, such as earnings per share (EPS), and executing capital policy flexibly in accordance with the management environment. As Tomy was considering these, TPG expressed an intention to sell to Tomy its holdings of Tomy’s shares and bonds with stock acquisition rights, in a move that is premised on dissolving the Alliance.

Since Tomy has achieved certain results from the Alliance, and since Tomy’s acquisition of its own shares and bonds with stock acquisition rights would improve capital efficiency, increase indicators showing shareholder profits, and contribute to execution of flexible capital policy, as a result of deliberations between the two companies, they have agreed to dissolve the Alliance as of December 3, 2014.

2. Details of dissolution of the capital and business alliance, etc.

(1) Details of dissolution of the capital and business alliance

Tomy plans to purchase treasury shares through the off-auction own share repurchase trading system (ToSTNeT-3) of the Tokyo Stock Exchange, and has received contact from TPG Richmond I, L.P., a fund operated by TPG and a shareholder of Tomy, expressing its intention to respond to Tomy's purchase of treasury shares by selling all of the common shares of Tomy that it holds (4,450,100 shares) in conjunction with the dissolution of the Alliance. Furthermore, to avoid dilution and reduction of capital efficiency by potential shares, Tomy has also agreed with TPG Richmond I, L.P. and TPG Richmond II, L.P., which are also funds operated by TPG and bondholders of Tomy's bonds with stock acquisition rights, to purchase their holdings of Tomy's bonds with stock acquisition rights in conjunction with the dissolution of the Alliance. Tomy plans to cancel the bonds with stock acquisition rights after acquiring them. For details of the purchase of treasury shares and purchase and cancellation of bonds with stock acquisition rights, please refer to the announcements, "Notice Concerning Decision of Matters Relating to Purchase of Treasury Shares," and, "Notice Concerning Purchase and Cancellation of Bonds with Stock Acquisition Rights," also dated today.

Moreover, in conjunction with the dissolution of the Alliance, two outside directors of Tomy dispatched from TPG plan to retire from their positions.

(2) Shares or equity of TPG and funds operated by TPG held by Tomy

None

(3) Shares of Tomy held by TPG or funds operated by TPG and ratio thereof to the total number of issued shares

Common shares 4,450,100 shares (Ratio to the total number of issued shares: 4.62%)

(Number of shares held by TPG Richmond I, L.P., a fund operated by TPG)

3. Overview of TPG

(1) Name	TPG
(2) Location	San Francisco, U.S.
(3) Name and title of representative	Ronald Cami
(4) Content of business	Investment business
(5) Established	1992

4. Schedule

(1) Board of Directors' resolution date	December 3, 2014
(2) Agreement on dissolution of capital and business alliance	December 3, 2014

5. Future outlook

The impact of the dissolution of the Alliance on Tomy's consolidated business results for the fiscal year ending March 31, 2015 will be negligible.

End of notice

[Reference] Forecast for the fiscal year ending March 31, 2015 (announced on August 8, 2014) and actual results for the fiscal year ended March 31, 2014

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income
Forecast for the fiscal year ending March 31, 2015	160,000	4,000	3,500	(300)
Actual results for the fiscal year ended March 31, 2014	154,804	3,335	3,300	232