

(English Translation of the Japanese Press Release)

August 7, 2018

To all related parties:

Name of the Company: TOMY Company, Ltd.
Name of the Representative: Kazuhiro Kojima
Representative Director, President & COO
(Code No. 7867; The First Section of the Tokyo Stock Exchange)
Further Inquiries: Hiroya Kutsuzawa
Board Director,
Senior Executive Officer & CFO
Head of Corporate Administrations
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Notice Concerning Issuance of Stock Compensation-Type Stock Options
(Subscription Rights to Shares) to Directors

This is to provide notification that TOMY Company, Ltd. (hereinafter “Tomy”) resolved at a meeting of the Board of Directors, held on the date of this release, to decide the subscription requirements for subscription rights to shares as stock options to Directors of Tomy and solicit those persons to subscribe to the subscription rights to shares, among other matters. The details are provided below.

I. Reason for Issuance of Subscription Rights to Shares

The purpose shall be for Directors of Tomy to share with the shareholders the merits and risks of change in Tomy’s share price and to further enhance the mindset and motivation of contributing to the raising of the share price and increasing the corporate value.

II. Terms and Conditions of Issuance of Subscription Rights to Shares

1. Name of Subscription Rights to Shares:

2018 Stock Compensation-Type Stock Options of TOMY Company, Ltd.

2. Total Number of Subscription Rights to Shares: 252 units

The above number is the number scheduled to be allotted. If the total number of subscription rights to shares to be allotted is decreased, such as in the case where any subscription rights to shares have not been subscribed for, the total number of subscription rights to shares to be allotted shall be the total number of subscription rights to shares to be issued.

3. Class and Number of Shares to Be Granted upon Exercise of Subscription Rights to Shares

The class of shares to be granted upon exercise of subscription rights to shares shall be common shares of Tomy, and the number of shares to be granted 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 and any fraction less than one share resulting from the adjustment shall be disregarded 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 on or after the date for the allotment of subscription rights to shares (hereinafter referred to as the “Allotment Date”).

$$\begin{array}{rcccl} \text{Number of Granted Shares} & & \text{Number of Granted Shares} & & \\ \text{after adjustment} & = & \text{before adjustment} & \times & \text{Share split/consolidation ratio} \end{array}$$

In the case of a share split, the Number of Granted Shares after adjustment shall be applied on or after the date following the base date of that share split (if the base date is not specified, on or after the effective date), while in the case of share consolidation, it shall be applied on or after the effective date. However, in cases where the share split is conducted subject to approval of the proposal to reduce surplus and increase capital or reserve fund at the General Meeting of Shareholders and where the base date for the share split is set on or before the date of conclusion of that General Meeting of Shareholders, the Number of Granted Shares after adjustment shall be applied retrospectively to the date following that base date, on or after the date following the date of conclusion of that General Meeting of Shareholders.

In addition, if an adjustment of the Number of Granted Shares is required on or after the Allotment Date due to Tomy being part of a merger or corporate split or for any other reason, Tomy may adjust the Number of Granted Shares within a reasonable extent.

When adjusting the Number of Granted Shares, Tomy shall notify to each holder of subscription rights to shares described in the subscription rights to shares registry or give a public notice of necessary matters by the date immediately preceding the application date of the Number of Granted Shares after adjustment; provided that, if Tomy is unable to notify them or give a public notice by the date immediately preceding the application date, it shall notify them or give a public notice promptly thereafter.

For details, please refer to the press release available at the following URL:

https://www.takaratomy.co.jp/release/pdf/i180807_03.pdf (Japanese only)

End of notice