

## Translation

Notice: This English version is a translation of the original Japanese document and is only for reference purposes. In the case where any differences occur between the English version and the original Japanese version, the Japanese version will prevail.



May 10, 2019

# CONSOLIDATED FINANCIAL RESULTS for the Fiscal Year Ended March 31, 2019 <under Japanese GAAP>

Company name: **TOMY COMPANY, LTD.**  
 Listing: First Section of the Tokyo Stock Exchange  
 Securities identification code: 7867  
 URL: [www.takaratomy.co.jp](http://www.takaratomy.co.jp)  
 Representative: Kazuhiro Kojima, Representative Director, President & COO  
 Inquiries: Hiroya Kutsuzawa, Board Director, Senior Managing Officer & CFO  
 Head of Corporate Administrations  
 TEL: +81-3-5654-1548 (from overseas)

Scheduled date of ordinary general meeting of shareholders: June 21, 2019  
 Scheduled date to commence dividend payments: June 24, 2019  
 Scheduled date to file securities report: June 24, 2019  
 Supplementary material on financial results: Yes  
 Financial results presentation meeting: Yes (for institutional investors and analysts)

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

## 1. Consolidated performance for the fiscal year ended March 31, 2019 (From April 1, 2018 to March 31, 2019)

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

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2019	176,853	(0.3)	14,407	9.2	14,303	15.2	9,302	16.8
March 31, 2018	177,366	5.8	13,199	70.4	12,420	58.8	7,962	48.2

Note: Comprehensive income  
 Fiscal year ended March 31, 2019: 11,653 million yen [133.6%]  
 Fiscal year ended March 31, 2018: 4,988 million yen [(32.9)%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit/total assets	Operating profit/net sales
	yen	yen	%	%	%
March 31, 2019	97.85	97.63	15.2	10.1	8.1
March 31, 2018	84.74	83.79	14.9	8.4	7.4

Reference: Equity in earnings (losses) of affiliates  
 Fiscal year ended March 31, 2019: 16 million yen  
 Fiscal year ended March 31, 2018: (10) million yen

### (2) Consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
March 31, 2019	143,364	67,315	46.5	700.26
March 31, 2018	139,456	56,322	40.0	591.00

Reference: Equity  
 As of March 31, 2019: 66,692 million yen  
 As of March 31, 2018: 55,757 million yen

### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2019	21,492	(4,038)	(10,057)	53,817
March 31, 2018	16,346	(3,692)	(24,670)	46,206

### 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			
Fiscal year ended	yen	yen	yen	yen	yen	Millions of yen	%	%
March 31, 2018	–	7.00	–	7.00	14.00	1,318	16.5	2.5
March 31, 2019	–	7.00	–	17.00	24.00	2,285	24.5	3.7
Fiscal year ending March 31, 2020 (Forecast)	–	15.00	–	15.00	30.00		30.0	

Note: Breakdown of year-end dividend for the fiscal year ended March 31, 2019: ordinary dividend 7.00 yen, commemorative dividend 10.00 yen

### 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2020

(From April 1, 2019 to March 31, 2020)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Six months ending September 30, 2019 (cumulative)	87,000	(2.4)	6,000	(15.2)	5,900	(19.7)	3,800	(23.2)	39.97
Fiscal year ending March 31, 2020	180,000	1.8	14,500	0.6	14,400	0.7	9,500	2.1	99.93

\* **Notes**

(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, changes in accounting estimates, and restatement**

A. Changes in accounting policies due to revisions to accounting standards: None

B. Changes in accounting policies due to other reasons: None

C. Changes in accounting estimates: None

D. Restatement: None

(3) **Number of issued shares (common shares)**

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

As of March 31, 2019	96,290,850 shares
As of March 31, 2018	96,290,850 shares

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

As of March 31, 2019	1,051,473 shares
As of March 31, 2018	1,947,313 shares

C. Average number of shares during the period

Fiscal year ended March 31, 2019	95,063,140 shares
Fiscal year ended March 31, 2018	93,960,367 shares

\* Financial results reports are exempt from audit conducted by certified public accountants or audit corporation.

\* Proper use of earnings forecasts, and other special matters

(Caution regarding forward-looking statements and others)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors. Please refer to the section of “(4) Outlook for the Fiscal Year Ending March 31, 2020” of “1. Qualitative Information Regarding Consolidated Operating Results” on page 10 of [Attached Material] for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

[Attached Material]

<b>1.</b>	<b>Qualitative Information Regarding Consolidated Operating Results</b> .....	5
<b>(1)</b>	<b>Explanation of Operating Results</b> .....	5
<b>(2)</b>	<b>Overview of Financial Position</b> .....	9
<b>(3)</b>	<b>Cash flows</b> .....	9
<b>(4)</b>	<b>Outlook for the Fiscal Year Ending March 31, 2020</b> .....	10
<b>(5)</b>	<b>Policy on Distribution of Profits and Dividends for the Fiscal Year Ended March 31, 2019 and the Fiscal Year Ending March 31, 2020</b> .....	11
<b>2.</b>	<b>Basic Approach Regarding the Selection of Accounting Standards</b> .....	11
	<b>Consolidated Financial Statements</b> .....	12
<b>(1)</b>	<b>Consolidated balance sheet</b> .....	12
<b>(2)</b>	<b>Consolidated statement of income and consolidated statement of comprehensive income</b> <b>(Consolidated statement of income)</b> .....	14
	<b>(Consolidated statement of comprehensive income)</b> .....	15
<b>(3)</b>	<b>Consolidated statement of changes in equity</b> .....	16
<b>(4)</b>	<b>Consolidated statement of cash flows</b> .....	18
<b>(5)</b>	<b>Notes Regarding Consolidated Financial Statements</b> .....	20
	(Notes regarding assumption of going concern).....	20
	(Changes in method of presentation).....	20
	(Consolidated statement of income related) .....	20
	<b>Segment information</b> .....	24
	<b>Per share information</b> .....	30
	<b>Significant subsequent events</b> .....	31

## 1. Qualitative Information Regarding Consolidated Operating Results

### (1) Explanation of Operating Results

(Highlights Full year of the Fiscal Year Ended March 31, 2019)

- Net sales were nearly flat at ¥176,853 million (down 0.3% year on year). These results reflected strong sales of long-standing products in Japan and new product lines introduced in the current year, along with other factors, as well as an increase in overseas-bound exports of BEYBLADE BURST. However, sales of character products overseas declined.
- Operating profit, ordinary profit and profit attributable to owners of parent all posted record highs. Operating profit was ¥14,407 million (up 9.2% year on year). This was attributable to sales being on par with the previous fiscal year and an increase in gross profit due to improvements to the product mix.  
Ordinary profit was ¥14,303 million (up 15.2% year on year). This was attributable to the growth in operating profit and a decrease in foreign exchange losses.  
Profit attributable to owners of parent was ¥9,302 million (up 16.8% year on year). The growth was driven by the increase in ordinary profit.
- In the Japanese market, in the long-standing PLARAIL brand, products related to SHINKALION, a TV animation series were rolled out in earnest, and enjoyed strong sales. In addition, in the LICCA doll brand, sales of the beauty series and dresses grew, including for AQUA CURL MISAKI-CHAN, as these products continued to gain popularity in the current year following its 50th anniversary events. The trading card game DUEL MASTERS recorded strong sales due to positive effects from enhancement of its product appeal. Moreover, L.O.L. SURPRISE!, which was launched last summer, has expanded into a series product, and gained popularity as a core product of “surprise toys.”
- In the TOMY International Group, collectors’ products for agricultural machinery toys and other products enjoyed solid sales, and Printoss (overseas product name: KiiPix), which originated in Japan, was rolled out in Europe, North America and Australia, and was received well in these markets. On the other hand, sales of character-related toys declined, resulting in lower net sales and profit.

(Qualitative Information Regarding Consolidated Operating Results)

#### <Overview of operating results by segment>

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Change	Rate of change (%)
Net sales	177,366	176,853	(512)	(0.3)
Japan	145,854	148,732	2,877	2.0
Americas	23,415	17,998	(5,417)	(23.1)
Europe	7,322	5,325	(1,996)	(27.3)
Oceania	2,067	1,783	(284)	(13.8)
Asia (excl. Japan)	53,542	54,033	490	0.9
Eliminations and corporate	(54,836)	(51,018)	3,817	–
Operating profit/(loss)	13,199	14,407	1,207	9.2
Japan	14,255	16,734	2,478	17.4
Americas	236	(81)	(317)	–
Europe	(239)	(659)	(419)	–
Oceania	(240)	(21)	218	–
Asia (excl. Japan)	800	903	103	13.0
Eliminations and corporate	(1,612)	(2,468)	(855)	–

## Japan

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Change
Net sales	145,854	148,732	2,877
Operating profit	14,255	16,734	2,478

Net sales in Japan for the fiscal year were ¥148,732 million (up 2.0% year on year), while operating profit was ¥16,734 million (up 17.4% year on year).

In the long-standing PLARAIL range, which celebrates its 60th anniversary in 2019, products related to SHINKALION, a TV animation series were rolled out in earnest, and enjoyed strong sales. This February, Ryōgoku PLARAIL Station was opened on a limited time basis, and in March a collaboration event with the Kyoto Railway Museum was launched. Both of these were part of the start of 60th anniversary events which generated a lot of attention. Also, in the LICCA doll brand, sales of the beauty series and dresses grew, including for AQUA CURL MISAKI-CHAN, a doll that allows users to enjoy arranging different hairstyles, as these products continued to gain popularity in the current year following its 50th anniversary events. In the TOMICA brand, TOMICA 4D products, which have a realistic engine sound and vibrate while idling, attracted attention, and TOMICA Shape-changing Fire Station, where the base automatically changes shape with infrared communication, was popular, as the brand performed well.

The next-generation spinning-top battle toy BEYBLADE BURST gained popularity overseas, with its world championship held in France in November 2018, and its exports from Japan grew significantly. The trading card game DUEL MASTERS gained popularity due to the effects of a review of card contents and other efforts to enhance product appeal, and a variety of tournaments were held throughout Japan, including the competition held in March to determine the best player in Japan, which helped to increase popularity. Moreover, we took proactive steps to develop the in-house contents ZOIDS WILD, which has a dinosaur and animal theme, commencing sales of related products in June 2018, and beginning a TV animation series in July, introducing an arcade gaming machine in January 2019 and launching sales of game software in February.

In products for girls, the photogenic surprise doll L.O.L. SURPRISE!, was made into a more substantial series product after its launch in July 2018, and has become a big hit product in the surprise toys category. The second TV live action series of Magical×Heroine MagimajoPures!, aimed at girls was introduced, and sales of related products were strong due to the rise in character popularity by TV programs and other initiatives. In addition, for the very popular Sumikkogurashi characters, related products were well received, particularly among elementary school girls.

At T-ARTS Company, Ltd., SHINKALION, Kiratto Pri☆chan, INAZUMA ELEVEN, and ZOIDS WILD were expanded its lineup by starting to introduce the amusement machines, in addition to the amusement machine Pokémon Ga-Olé, and shipments of OEM products significantly expanded.

For the reasons described above, net sales increased. Meanwhile, operating profit also increased significantly.

## Americas

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Change
Net sales	23,415	17,998	(5,417)
Operating profit/(loss)	236	(81)	(317)

Net sales in the Americas were ¥17,998 million (down 23.1% year on year), while operating loss was ¥81 million, compared with an operating profit of ¥236 million in the previous fiscal year. The decline in net sales was due to lower sales of character-related toys and the slump in sales of certain baby products. In agricultural machinery toys, sales were strong, partly due to the introduction of collection products, including 100th anniversary commemorative edition products of the original tractor model. In addition, Printoss (overseas product name: KiiPix), a printer that was developed in Japan to allow the easy printing of smartphone photos, was rolled out in the countries including the U.S., Canada, and Mexico, and was well received in these markets.

## Europe

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Change
Net sales	7,322	5,325	(1,996)
Operating loss	(239)	(659)	(419)

Net sales in Europe were ¥5,325 million (down 27.3% year on year), while operating loss was ¥659 million, compared with an operating loss of ¥239 million in the previous fiscal year. The decline in net sales was due to lower sales of character-related toys. The operating loss was attributable to declines in gross profit following discounted sales of certain products. Agricultural machinery toys and baby products recorded robust sales, and Printoss (overseas product name: KiiPix) was rolled out in eight countries, including the UK, France and Germany and gained popularity.

## Oceania

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Change
Net sales	2,067	1,783	(284)
Operating loss	(240)	(21)	218

Net sales in Oceania were ¥1,783 million (down 13.8% year on year), while operating loss was ¥21 million, compared with an operating loss of ¥240 million in the previous fiscal year, which resulted from decreased write-down of inventories. Sales of agricultural machinery toys were strong, aided by the introduction of 100th anniversary commemorative edition products. Although we developed the Printoss (overseas product name: KiiPix) and received favorable responses, sales of character-related toys were down, resulting in the decline in net sales.

## Asia (excl. Japan)

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Change
Net sales	53,542	54,033	490
Operating profit	800	903	103

Net sales in Asia (excl. Japan) were ¥54,033 million (up 0.9% year on year), while operating profit was ¥903 million (up 13.0% year on year). Although Manufacturing subsidiary TOMY (Hong Kong) Ltd. saw a decline in shipments to Europe and North America, net sales and operating profit increased. For the next-generation spinning-top battle toy BEYBLADE BURST, a TV animation show is being broadcast in 10 countries and territories in Asia, and in September 2018, we newly launched new limited-edition products specific to Asia. We also carried out a variety of marketing initiatives, including a tie-up event in South Korea with a company that operates supplementary learning centers, and collaborations with elementary schools in Hong Kong, which helped to increase sales. With regard to the TOMICA brand, in October we launched warm-up sales events in Taiwan, Hong Kong and Singapore for the TOMICA 4D products, which have a realistic engine sound and vibrate while idling, in addition to exhibiting at motor shows in South Korea during November, we worked to further strengthen the brand. As for the PLARAIL brand, sales of THOMAS & FRIENDS-related products were launched primarily in South Korea, and gained popularity. Sales of products related to the LICCA doll brand, now being expanded in Taiwan, Hong Kong, Thailand and Vietnam, also were launched in China in September 2018. In addition, Printoss (overseas product name: KiiPix), which is also marketed in Europe and North America, was launched in China, South Korea and other countries.

Furthermore, in Asia, we aggressively promoted to develop in-house contents, and aired TV broadcasts of the Idol×Warrior MiracleTunes!, a live action series aimed at girls and the TOMICA HYPER RESCUE DRIVE HEAD TV animation series. In addition to this, we started airing the TV animation

ZOIDS WILD in South Korea in October 2018, in Hong Kong and Thailand in November 2018, in Taiwan in December 2018, and in the Philippines and Vietnam in March 2019, also launching toys in each market right around the time of the start of the TV broadcasts. Furthermore, for SHINKALION, in November 2018 we started broadcasting TV animations and selling toys in Hong Kong, and these have proven to be popular.



## (2) Overview of Financial Position

### Assets, Liabilities and Net Assets

#### <Assets>

At the end of the fiscal year ended March 31, 2019, current assets stood at ¥94,115 million, up ¥6,084 million from the end of the previous fiscal year ended March 31, 2018. This is mainly attributable to an increase in cash and deposits, despite a decrease in notes and accounts receivable - trade.

Non-current assets stood at ¥49,249 million, down ¥2,162 million from the end of the previous fiscal year. This is mainly attributable to decreases in construction in progress, goodwill and deferred tax assets.

#### <Liabilities>

At the end of the fiscal year ended March 31, 2019, current liabilities stood at ¥59,319 million, up ¥5,981 million from the end of the previous fiscal year. This is mainly attributable to increases in current portion of long-term loans payable and income taxes payable, despite a decrease in current portion of bonds.

Non-current liabilities stood at ¥16,730 million, down ¥13,065 million from the end of the previous fiscal year. This is mainly attributable to a decrease in long-term loans payable.

#### <Net assets>

At the end of the fiscal year ended March 31, 2019, total net assets were ¥67,315 million, up ¥10,992 million from the end of the previous fiscal year. This is mainly attributable to increases in retained earnings and foreign currency translation adjustment.

## (3) Cash flows

Cash and cash equivalents (hereafter “cash”) at the end of the fiscal year ended March 31, 2019 was ¥53,817 million, an increase of ¥7,611 million compared with the end of the previous fiscal year ended March 31, 2018.

Net cash provided by operating activities was ¥21,492 million, compared with ¥16,346 million provided in the previous fiscal year. Cash was mainly provided by profit before income taxes of ¥13,784 million, depreciation of ¥6,930 million and a decrease in notes and accounts receivable - trade of ¥3,381 million, while cash was mainly used for income taxes paid of ¥3,036 million.

Net cash used in investing activities was ¥4,038 million, compared with ¥3,692 million used in the previous fiscal year. Cash was mainly used for purchase of property, plant and equipment of ¥2,835 million and purchase of intangible assets of ¥1,397 million.

Net cash used in financing activities was ¥10,057 million, compared with ¥24,670 million used in the previous fiscal year. Cash was mainly used for redemption of bonds of ¥10,000 million, repayments of long-term loans payable of ¥6,946 million and repayments of finance lease obligations of ¥3,317 million, despite proceeds from long-term loans payable of ¥10,000 million.

### (Reference) Trends in Cash Flow Indicators

	FY2019	FY2018	FY2017
Equity ratio (%)	46.5	40.0	32.4
Market value equity ratio (%)	76.7	75.4	68.0
Cash flow to interest-bearing liabilities ratio (years)	1.7	2.6	2.6
Interest coverage ratio (times)	60.0	30.4	39.9

\* Equity ratio: equity / total assets

\* Market value equity ratio: market capitalization / total assets

\* Cash flow to interest-bearing liabilities ratio: interest-bearing liabilities / operating cash flow

\* Interest coverage ratio: operating cash flow / interest expenses paid

\*1. All of the figures in the table were calculated based on consolidated financial data.

\*2. Market capitalization was calculated by multiplying the closing stock price at the end of the period by the total number of issued and outstanding shares at the end of the period.

\*3. Cash flow means cash flows from operating activities.

#### (4) Outlook for the Fiscal Year Ending March 31, 2020

The TOMY Group has launched a new Medium-Term Management Plan from the fiscal year ended March 31, 2019 under the management structure that we rolled out in the fourth quarter of the fiscal year ended March 31, 2018. We are pursuing the following business strategies.

1. Promote in-house original global brand strategies
2. Create original brands for Japan and Asia
3. Category No. 1 strategy
4. Expand business in “high-target” products for adults segment and for the elderly segments
5. Expand business in Asia market
6. Comprehensive strategy for business revitalization for Europe and North America

By carrying out these initiatives and steadily executing the base plan, we aimed to achieve net sales of ¥190.0 billion and operating profit of ¥14.0 billion in the fiscal year ending March 31, 2021. However, in addition to satisfactory progress being made in Japan and in the Asia business during the fiscal year ended March 31, 2019, which was the first year of the Medium-Term Management Plan, we also anticipate the full-scale expansion of the highly profitable digital business during the fiscal year ending March 31, 2020. Accordingly, we have revised the operating profit target to ¥16.0 billion.

In the fiscal year ending March 31, 2020, we have provided more substantial content, such as developing in January of this year an amusement machine based on ZOIDS WILD, the toys and TV animation series for which were launched in June 2018 and July 2018 respectively, and releasing game software in February. Going forward, we will actively develop this as one of the new pillars of our in-house original global brands, including full-scale development in Asia, which has already begun. For the transforming robot character TRANSFORMERS and next-generation spinning-top battle toy BEYBLADE BURST, both of which have already been successful at a global level, we will continue to promote domestic sales as well as overseas-bound exports.

With regard to original brands, following on from TOMICA HYPER RESCUE DRIVE HEAD, PLARAIL has been made into TV animation series as SHINKALION, and we have been developing this business not only in Japan but also in Asia. Moreover, with regard to our live action series aimed at girls, which began two years ago and has become increasingly popular, in addition to starting the domestic development of the third series, Secret x Heroine Phantomirage!, we will work on developing the second series, Magical x Heroine MagimajoPures!, in Asia.

We will strengthen sales of category leaders, including long-selling products TOMICA, PLARAIL, and LICCA dolls; the boys' hobby category with BEYBLADE BURST and BAKUGAN; the trading card game category with DUEL MASTERS; and the girls' hobby category with the photogenic surprise doll L.O.L. SURPRISE!. In addition, we are also focusing on the planning, development and marketing of products in other categories.

Furthermore, as well as bolstering the product line-up for the “high-target” segment of toys for adults, such as the precision railway model series TOMIX and the MIRUL and NERUL dolls that enable enjoyable communications, we established a new Digital Planning Headquarters in July 2018, and are working to strengthen the digital business, including apps.

In the Asia market, in addition to continuing to introduce long-standing products and TV character products that are popular in Japan, we are promoting the development of products in the large Chinese market.

With regard to the revitalization of Europe and North America, at TOMY International Group we are introducing new products and promoting the strengthening of core brands. In terms of new products, we are making efforts to introduce some of those developed in Japan, following on from Printoss (overseas product name: KiiPix), which allows smartphone photos to be easily printed, and was a hit product in Japan that was subsequently rolled out globally. With regard to strengthening core brands, we are committing management resources primarily to baby products and to agricultural machinery toys, and will introduce new products to the market going forward.

Through the above efforts, regarding full-year operating results for the fiscal year ending March 31, 2020, the TOMY Group forecasts net sales of ¥180,000 million (up 1.8% compared with the fiscal year ended March 31, 2019), operating profit of ¥14,500 million (up 0.6%), ordinary profit of ¥14,400 million (up 0.7%), and profit attributable to owners of parent of ¥9,500 million (up 2.1%).

**(5) Policy on Distribution of Profits and Dividends for the Fiscal Year Ended March 31, 2019 and the Fiscal Year Ending March 31, 2020**

The Company recognizes the stable return of profits to shareholders as an important priority for management. Our policy is to strengthen the management base and improve the profit margin while deciding on dividends in consideration of performance and dividend payout ratio with a basic intention to continue paying a stable dividend. We will make use of internal reserves for business investment in medium- to long-term growth fields, such as global expansion, while aiming to strengthen our financial position by reducing interest-bearing debt and so forth.

With regard to the year-end dividend per share for the fiscal year ended March 31, 2019, as announced on February 12, 2019, in addition to an ordinary dividend of ¥7 the Company intends to express its gratitude to shareholders by paying a commemorative dividend of ¥10 in recognition of the 95th anniversary of the founding of the Company, for a total of ¥17. Accordingly, we aim to pay an annual dividend of ¥24 per share combined with the dividend paid at the end of the second quarter (interim dividend) of ¥7 per share.

For the fiscal year ending March 31, 2020, we plan to pay an annual dividend of ¥30 per share (including a dividend at the end of the second quarter (interim dividend) of ¥15).

**2. Basic Approach Regarding the Selection of Accounting Standards**

The TOMY Group, to ensure comparability among companies and with past years, creates the Company's consolidated financial statements based on the "Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (excluding Chapter VII and Chapter VIII)" (Ordinance of the Ministry of Finance No. 28 of 1976).

Furthermore, regarding the application of IFRS (International Financial Reporting Standards), the policy is to respond appropriately while considering various conditions in Japan and overseas.

# Consolidated Financial Statements

## (1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	46,302	53,919
Notes and accounts receivable - trade	23,582	20,342
Merchandise and finished goods	12,888	12,487
Work in process	393	476
Raw materials and supplies	1,045	1,175
Other	4,037	5,901
Allowance for doubtful accounts	(219)	(187)
Total current assets	88,030	94,115
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,748	12,602
Accumulated depreciation	(7,919)	(8,087)
Accumulated impairment loss	(408)	(371)
Buildings and structures, net	4,420	4,144
Machinery, equipment and vehicles	2,513	2,546
Accumulated depreciation	(1,770)	(1,863)
Accumulated impairment loss	(17)	(17)
Machinery, equipment and vehicles, net	726	666
Tools, furniture and fixtures	22,926	22,825
Accumulated depreciation	(20,727)	(20,707)
Accumulated impairment loss	(589)	(677)
Tools, furniture and fixtures, net	1,609	1,439
Land	3,991	3,905
Leased assets	7,174	8,523
Accumulated depreciation	(3,313)	(4,604)
Accumulated impairment loss	(0)	(0)
Leased assets, net	3,860	3,919
Construction in progress	661	275
Total property, plant and equipment	15,269	14,349
Intangible assets		
Goodwill	18,006	17,373
Right of using trademark	5,381	5,397
Other	5,282	4,926
Total intangible assets	28,670	27,698
Investments and other assets		
Investment securities	3,054	3,245
Deferred tax assets	2,147	1,710
Other	2,738	2,611
Allowance for doubtful accounts	(468)	(364)
Total investments and other assets	7,472	7,202
Total non-current assets	51,412	49,249
Deferred assets		
Bond issuance cost	13	–
Total deferred assets	13	–
<b>Total assets</b>	<b>139,456</b>	<b>143,364</b>

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	9,976	9,490
Short-term loans payable	7,631	7,250
Current portion of bonds	10,000	–
Current portion of long-term loans payable	3,062	19,285
Lease obligations	2,642	2,851
Accounts payable – other	8,051	8,221
Accrued expenses	8,220	7,930
Income taxes payable	1,726	3,030
Provision for sales returns	383	272
Allowance for recall	182	–
Provision for directors' bonuses	170	160
Other	1,288	824
<b>Total current liabilities</b>	<b>53,338</b>	<b>59,319</b>
Non-current liabilities		
Long-term loans payable	22,098	8,929
Lease obligations	1,217	1,386
Deferred tax liabilities	1,078	1,056
Deferred tax liabilities for land revaluation	472	472
Net defined benefit liability	2,693	2,754
Provision for directors' retirement benefits	124	140
Allowance for recall – NCL	372	381
Other	1,737	1,610
<b>Total non-current liabilities</b>	<b>29,795</b>	<b>16,730</b>
<b>Total liabilities</b>	<b>83,134</b>	<b>76,049</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	3,459	3,459
Capital surplus	9,095	9,152
Retained earnings	35,881	43,818
Treasury shares	(1,271)	(687)
<b>Total shareholders' equity</b>	<b>47,165</b>	<b>55,743</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,083	1,179
Deferred gains or losses on hedges	(140)	434
Revaluation reserve for land	585	624
Foreign currency translation adjustment	7,727	9,505
Remeasurements of defined benefit plans	(664)	(793)
<b>Total accumulated other comprehensive income</b>	<b>8,591</b>	<b>10,949</b>
Share acquisition rights	175	211
Non-controlling interests	389	410
<b>Total net assets</b>	<b>56,322</b>	<b>67,315</b>
<b>Total liabilities and net assets</b>	<b>139,456</b>	<b>143,364</b>

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

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net sales	177,366	176,853
Cost of sales	105,148	103,375
Gross profit	72,217	73,478
Selling, general and administrative expenses	59,018	59,071
Operating profit	13,199	14,407
Non-operating income		
Interest and dividend income	198	237
Rent income	153	147
Other	184	142
Total non-operating income	536	527
Non-operating expenses		
Interest expenses	539	361
Sales discounts	35	52
Amortization of bond issuance cost	15	13
Foreign exchange losses	495	27
Other	229	176
Total non-operating expenses	1,315	631
Ordinary profit	12,420	14,303
Extraordinary income		
Gain on sales of non-current assets	23	7
Gain on sales of investment securities	–	29
Gain on reversal of share acquisition rights	8	16
Reversal of allowance for doubtful accounts	–	120
Gain on sales of investments in capital	208	164
Reversal of allowance for recall	–	83
Other	–	2
Total extraordinary income	239	424
Extraordinary losses		
Impairment loss	1,359	915
Provision of allowance for doubtful accounts	529	–
Allowance for recall	513	–
Loss on business withdrawal	245	–
Other	45	27
Total extraordinary losses	2,692	943
Profit before income taxes	9,967	13,784
Income taxes – current	2,645	4,446
Income taxes – deferred	(664)	4
Total income taxes	1,980	4,450
Profit	7,986	9,334
Profit attributable to non-controlling interests	24	31
Profit attributable to owners of parent	7,962	9,302

**(Consolidated statement of comprehensive income)**

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Profit	7,986	9,334
Other comprehensive income		
Valuation difference on available-for-sale securities	348	96
Deferred gains or losses on hedges	(1,273)	574
Foreign currency translation adjustment	(2,274)	1,777
Remeasurements of defined benefit plans, net of tax	201	(129)
Total other comprehensive income	(2,997)	2,319
Comprehensive income	4,988	11,653
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,963	11,621
Comprehensive income attributable to non-controlling interests	25	32

### (3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	3,459	9,045	29,264	(2,073)	39,696
Changes of items during period					
Dividends of surplus			(1,123)		(1,123)
Profit attributable to owners of parent			7,962		7,962
Purchase of treasury shares				(7)	(7)
Disposal of treasury shares		49		810	860
Change in ownership interest of parent due to transactions with non-controlling interests		(0)			(0)
Reversal of revaluation reserve for land			(221)		(221)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	49	6,616	802	7,469
Balance at end of current period	3,459	9,095	35,881	(1,271)	47,165

	Accumulated other comprehensive income						Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	735	1,133	364	9,999	(866)	11,366	182	365	51,611
Changes of items during period									
Dividends of surplus									(1,123)
Profit attributable to owners of parent									7,962
Purchase of treasury shares									(7)
Disposal of treasury shares									860
Change in ownership interest of parent due to transactions with non-controlling interests									(0)
Reversal of revaluation reserve for land									(221)
Net changes of items other than shareholders' equity	347	(1,273)	221	(2,272)	201	(2,774)	(7)	23	(2,757)
Total changes of items during period	347	(1,273)	221	(2,272)	201	(2,774)	(7)	23	4,711
Balance at end of current period	1,083	(140)	585	7,727	(664)	8,591	175	389	56,322



Fiscal year ended March 31, 2019

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	3,459	9,095	35,881	(1,271)	47,165
Changes of items during period					
Dividends of surplus			(1,326)		(1,326)
Profit attributable to owners of parent			9,302		9,302
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		48		585	634
Change in ownership interest of parent due to transactions with non-controlling interests		8			8
Reversal of revaluation reserve for land			(38)		(38)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	56	7,936	583	8,577
Balance at end of current period	3,459	9,152	43,818	(687)	55,743

	Accumulated other comprehensive income						Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	1,083	(140)	585	7,727	(664)	8,591	175	389	56,322
Changes of items during period									
Dividends of surplus									(1,326)
Profit attributable to owners of parent									9,302
Purchase of treasury shares									(1)
Disposal of treasury shares									634
Change in ownership interest of parent due to transactions with non-controlling interests									8
Reversal of revaluation reserve for land									(38)
Net changes of items other than shareholders' equity	96	574	38	1,777	(129)	2,357	36	20	2,415
Total changes of items during period	96	574	38	1,777	(129)	2,357	36	20	10,992
Balance at end of current period	1,179	434	624	9,505	(793)	10,949	211	410	67,315

**(4) Consolidated statement of cash flows**

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
<b>Cash flows from operating activities</b>		
Profit before income taxes	9,967	13,784
Depreciation	7,986	6,930
Impairment loss	1,359	915
Amortization of goodwill	1,436	1,436
Gain on reversal of share acquisition rights	(8)	(16)
Loss on sales of investments in capital	(208)	(164)
Increase (decrease) in allowance for doubtful accounts	486	(154)
Increase (decrease) in provision	387	(286)
Increase (decrease) in net defined benefit liability	(247)	(55)
Interest and dividend income	(198)	(237)
Interest expenses	539	361
Foreign exchange losses (gains)	(162)	73
Loss (gain) on sales of property, plant and equipment	(23)	(7)
Loss (gain) on sales of investment securities	–	(29)
Decrease (increase) in notes and accounts receivable – trade	(2,812)	3,381
Decrease (increase) in inventories	1,087	321
Decrease (increase) in prepaid expenses	691	(591)
Decrease (increase) in advance payments	(147)	(348)
Increase (decrease) in notes and accounts payable – trade	721	(648)
Increase (decrease) in accounts payable - other	(0)	799
Increase (decrease) in accrued expenses	(622)	(349)
Other, net	(283)	(465)
Subtotal	19,949	24,651
Interest and dividend income received	194	236
Interest expenses paid	(538)	(358)
Income taxes paid	(3,259)	(3,036)
Net cash provided by (used in) operating activities	16,346	21,492
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,956)	(2,835)
Proceeds from sales of property, plant and equipment	203	81
Purchase of intangible assets	(1,189)	(1,397)
Proceeds from sales of investments in capital	208	164
Other, net	41	(52)
Net cash provided by (used in) investing activities	(3,692)	(4,038)

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	193	(299)
Proceeds from long-term loans payable	–	10,000
Repayments of long-term loans payable	(22,375)	(6,946)
Redemption of bonds	–	(10,000)
Cash dividends paid	(1,123)	(1,322)
Repayments of finance lease obligations	(3,018)	(3,317)
Purchase of treasury shares	(7)	(1)
Proceeds from disposal of treasury shares	757	568
Proceeds from sales and leasebacks	905	1,264
Other, net	(1)	(3)
Net cash provided by (used in) financing activities	(24,670)	(10,057)
Effect of exchange rate change on cash and cash equivalents	(308)	215
Net increase (decrease) in cash and cash equivalents	(12,324)	7,611
Cash and cash equivalents at beginning of period	58,530	46,206
Cash and cash equivalents at end of period	46,206	53,817

## (5) Notes Regarding Consolidated Financial Statements

(Notes regarding assumption of going concern)

Nothing to note.

(Changes in method of presentation)

*Changes in accordance with application of “Partial Amendments to Accounting Standard for Tax Effect Accounting”*

The TOMY Group has applied the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) effective from the beginning of the fiscal year ended March 31, 2019. Accordingly, deferred tax assets (if any) were presented under investments and other assets and deferred tax liabilities (if any) were presented under non-current liabilities.

As a result, in the consolidated balance sheet of the previous fiscal year, deferred tax assets under current assets decreased ¥2,125 million and deferred tax assets under investments and other assets increased ¥1,766 million. In addition, deferred tax liabilities included in other under current liabilities decreased ¥4 million and deferred tax liabilities under non-current liabilities decreased ¥354 million. As the deferred tax assets and deferred tax liabilities of the same taxable entity are presented as offsetting each other, total assets and total liabilities decreased ¥359 million each, compared with the position prior to making changes.

(Consolidated statement of income related)

### 1. Reversal of allowance for doubtful accounts

In the current fiscal year, a reversal of allowance for doubtful accounts of ¥120 million was recorded in conjunction with a partial repayment, etc., of a provision of allowance for doubtful accounts recorded as a result of a U.S. toy retailer filing under the respective bankruptcy laws of the United States and Canada.

### 2. Reversal of allowance for recall

In the current fiscal year, a reversal of allowance for recall for boys’ toys of ¥83 million was recorded.

### 3. Impairment Losses

In the previous fiscal year, the TOMY Group recorded impairment loss on the following asset groups.

Use	Type	Location	Impairment loss (millions of yen)
Welfare facilities among business assets	Land Buildings and structures	Kamagaya, Chiba	110
Stores among business assets (retail stores)	Buildings and structures Tools, furniture and fixtures	Mibu, Tochigi, Mooka, and Kanuma Tochigi	16
Business assets	Right of using trademark	Dyersville, Iowa USA	888
Business assets	Intangible assets (other)	Katsushika, Tokyo	203
Stores among business assets (retail stores)	Buildings and structures	Sakai, Osaka, etc.	34
Business assets	Tools, furniture and fixtures Intangible assets (other)	Exeter, Devon, England, etc.	105

The TOMY Group classifies its business assets into groups by management account, which is based on associations according to location and type of business. For rental assets and idle assets, individual properties are grouped in the smallest units possible.

For the welfare facilities among the above business assets, as we plan to sell the assets, we reduced the book value to the recoverable value and recorded the amount of the reduction (¥110 million) as impairment loss in extraordinary losses. The breakdown of this impairment loss was ¥37 million in land and ¥72 million in buildings and structures.

Furthermore, the net sale value was used to measure the recoverable value for these assets, and the net sale value is calculated using the planned sale value.

Regarding the stores (retail stores) among the above business assets in Tochigi, because there was a significant divergence when comparing the recoverable value and book value with the conclusion of either a sales contract or the decision to sell, we reduced the book value to the recoverable value and recorded the amount of the reduction (¥16 million) as impairment loss in extraordinary losses. The breakdown of this impairment loss was ¥14 million in buildings and structures and ¥2 million in tools, furniture and fixtures.

Furthermore, the net sale value was used to measure the recoverable value for these assets, and the net sale value is calculated using the sales contracts, etc.

Regarding the above US business assets, due to the fact that the relevant assets' recoverability for certain licenses, etc. had not been recognized, we reduced the book value to the recoverable value and recorded the amount of the reduction (¥888 million) as impairment loss in extraordinary losses. The breakdown of this impairment loss was ¥888 million in right of using trademark.

Furthermore, the utility value was used to measure the recoverable value for these asset groups, and because no future cash flow is expected, the utility value is valued at zero.

Regarding other business assets and stores among business assets (retail stores), we have continuously recorded operating losses, and because the estimated amount of total future cash flow falls below the book value of the individual assets, we reduced the book value to the recoverable value and recorded the amount of the reduction (¥344 million) as impairment loss in extraordinary losses. The breakdown of this impairment loss was ¥216 million in intangible assets (other), ¥23 million in buildings and structures, and ¥103 million in tools, furniture and fixtures.

Moreover, the net sale value or the utility value was used to measure the recoverable value for these assets. The net sale value is valued at zero, because the Company plans to dispose of the assets in question. Because no future cash flow is expected, the utility value is valued at zero.

In the current fiscal year, the TOMY Group recorded impairment loss on the following asset groups.

Use	Type	Location	Impairment loss (millions of yen)
Stores among rental assets	Land Buildings and structures	Mibu, Tochigi	41
Business assets	Intangible assets (other)	Katsushika, Tokyo	39
Idle assets	Land	Mibu, Tochigi	9
Business assets	Right of using trademark	Dyersville, Iowa USA	526
Business assets	Investments and other assets (other) Tools, furniture and fixtures Intangible assets (other)	Exeter, Devon, England	234
Stores among business assets (retail stores and showrooms)	Buildings and structures Tools, furniture and fixtures Investments and other assets (other)	Chiyoda, Tokyo, etc.	63

The TOMY Group classifies its business assets into groups by management account, which is based on associations according to location and type of business. For rental assets and idle assets, individual properties are grouped in the smallest units possible.

Regarding the stores among the above rental assets in Tochigi, because there was a significant divergence when comparing the recoverable value and book value with the conclusion of either a sales contract or the decision to sell, we reduced the book value to the recoverable value and recorded the amount of the reduction (¥41 million) as impairment loss in extraordinary losses. The breakdown of this impairment loss was ¥31 million in land and ¥10 million in buildings and structures.

Furthermore, the net sale value was used to measure the recoverable value for these assets, and the net sale value is calculated using the planned sale value.

For the above business assets in Katsushika, Tokyo, as services using intangible assets were terminated, we reduced the book value to the recoverable value and recorded the amount of the reduction (¥39 million) as impairment loss in extraordinary losses. The breakdown of this impairment loss was ¥39 million in intangible assets (other).

Moreover, the net sale value or the utility value was used to measure the recoverable value for these assets. The net sale value is valued at zero, because the Company plans to dispose of the assets in question. Because no future cash flow is expected, the utility value is valued at zero.

Regarding the above idle assets in Tochigi, we reduced the book value to the recoverable value and recorded the amount of the reduction (¥9 million) as impairment loss in extraordinary losses. The breakdown of this impairment loss was ¥9 million in land.

Regarding the above US business assets, due to the fact that the relevant assets' recoverability for certain licenses, etc. had not been recognized, we reduced the book value to the recoverable value and recorded the amount of the reduction (¥526 million) as impairment loss in extraordinary losses. The breakdown of this impairment loss was ¥526 million in right of using trademark.

Furthermore, the utility value was used to measure the recoverable value for these asset groups, and because no future cash flow is expected, the utility value is valued at zero.

Regarding the above business assets in England, we have continuously recorded operating losses, and because the estimated amount of total future cash flow falls below the book value of the individual assets, we reduced the book value to the recoverable value and recorded the amount of the reduction (¥234 million) as impairment loss in extraordinary losses. The breakdown of this impairment loss was ¥138 million in investments and other assets (other), ¥85 million in tools, furniture and fixtures, and ¥11 million in intangible assets (other).

Moreover, the net sale value or the utility value was used to measure the recoverable value for these assets. The net sale value is valued at zero, because the Company plans to dispose of the assets in question. Because no future cash flow is expected, the utility value is valued at zero.

Regarding the stores among business assets (retail stores and showrooms), because there was a significant divergence when comparing the recoverable value and book value in line with the decision to withdraw, we reduced the book value to the recoverable value and recorded the amount of the reduction (¥63 million) as impairment loss in extraordinary losses. The breakdown of this impairment loss was ¥40 million in buildings and structures, ¥21 million in tools, furniture and fixtures, and ¥1 million in investments and other assets (other).

Furthermore, the net sale value was used to measure the recoverable value for these assets, and the net sale value is calculated using the sales contracts, etc.

4. Provision of allowance for doubtful accounts

In the previous fiscal year, a provision of allowance for doubtful accounts of ¥529 million was recorded as a result of a U.S. toy retailer filing under the respective bankruptcy laws of the United States and Canada.

5. Allowance for recall

In the previous fiscal year, we estimated the projected amount of product self-recall costs for the Company's infant toys and boys' toys and recorded ¥513 million as allowance for recall.

6. Loss on business withdrawal

In the previous fiscal year, we recorded ¥245 million of various costs related to Lightseekers, the app-linked toy business in Europe, the US, and Australia, as loss on business withdrawal.

## **Segment information**

### **a. Segment Information**

#### **1. Overview of reportable segments**

The reportable segments of the TOMY Group are constituent units of the Company whose separate financial information is obtainable. These segments are periodically examined by the Board of Directors for the purpose of deciding the allocation of business resources and evaluating the operating results.

The TOMY Group operates toy (including nursery business) and toy peripheral businesses (including mini-capsule toys, amusement machines, and toys with candy, etc.) in Japan and overseas. The TOMY Group aims to push ahead with further overseas development and transform itself into a truly global group of toy companies. For this reason, the Group's operations are classified into five reportable segments: "Japan," "Americas," "Europe," "Oceania," and "Asia (excl. Japan)."

#### **2. Method of calculating net sales, profit or loss, assets and other items by reportable segment**

The method of accounting for reportable segment is roughly the same as the method described in "Important Items Concerning the Presentation of the Consolidated Financial Statements."

Profit of reportable segments is operating profit-based values. Intersegment sales and transfers are based on actual market values.

Effective from the current fiscal year, as the TOMY Group has applied "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018), the total amount of segment assets for the previous fiscal year has been retroactively restated.



### 3. Information regarding net sales, profit or loss, assets and other items by reportable segment

Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(Millions of yen)

	Japan	Americas	Europe	Oceania	Asia (excl. Japan)	Total
Net sales						
External customers	132,839	23,343	7,296	2,063	11,822	177,366
Inter-segment sales and transfers	13,015	71	25	3	41,719	54,836
Total	145,854	23,415	7,322	2,067	53,542	232,202
Segment profit (loss)	14,255	236	(239)	(240)	800	14,811
Segment assets	66,478	28,607	3,238	2,996	24,762	126,085
Other items						
Depreciation	6,669	844	19	16	302	7,852
Amortization of goodwill	–	679	–	78	678	1,436
Increase in property, plant and equipment and intangible assets	6,170	194	133	1	526	7,026

(Note) Amounts of segment liabilities are not periodically provided or used by the supreme decision-making organization of the Company.

Fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)

(Millions of yen)

	Japan	Americas	Europe	Oceania	Asia (excl. Japan)	Total
Net sales						
External customers	139,492	17,904	5,306	1,746	12,404	176,853
Inter-segment sales and transfers	9,240	93	18	36	41,629	51,018
Total	148,732	17,998	5,325	1,783	54,033	227,872
Segment profit (loss)	16,734	(81)	(659)	(21)	903	16,875
Segment assets	69,760	29,213	2,385	2,847	25,795	130,002
Other items						
Depreciation	5,675	786	25	14	299	6,801
Amortization of goodwill	–	679	–	78	678	1,436
Increase in property, plant and equipment and intangible assets	5,769	134	121	2	302	6,330

(Note) Amounts of segment liabilities are not periodically provided or used by the supreme decision-making organization of the Company.

**4. Differences between the total amounts in reportable segments and the amount recorded on the consolidated financial statements and details (Reconciliation)**

(Millions of yen)

Net sales	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Reportable segments total	232,202	227,872
Inter-segment eliminations	(54,836)	(51,018)
Net sales on the consolidated financial statements	177,366	176,853

(Millions of yen)

Profit	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Reportable segments total	14,811	16,875
Inter-segment eliminations	1,255	462
Corporate expenses (Note)	(2,867)	(2,930)
Operating profit on the consolidated financial statements	13,199	14,407

(Note) Corporate expenses primarily comprise selling, general and administrative expenses not allocable to reportable segment.

(Millions of yen)

Assets	As of March 31, 2018	As of March 31, 2019
Reportable segments total	126,085	130,002
Inter-segment eliminations	(16,028)	(16,031)
Corporate assets (Note)	29,399	29,393
Total assets on the consolidated financial statements	139,456	143,364

(Note) Corporate assets primarily comprise cash and deposits (surplus funds) not allocable to reportable segment.

(Millions of yen)

Other items	Reportable segments total		Adjustments		Amount on the consolidated financial statements	
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Depreciation	7,852	6,801	133	129	7,986	6,930
Amortization of goodwill	1,436	1,436	–	–	1,436	1,436
Increase in property, plant and equipment and intangible assets	7,026	6,330	61	14	7,088	6,345

**b. Related Information****I. Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)****1. Information by product and service**

This information has been omitted as net sales to external customers in a single product or service category account for more than 90% of net sales recorded in the consolidated statement of income.

**2. Regional information****(1) Net sales**

(Millions of yen)

Japan	North America			Other	Total
		Of which, U.S.A			
112,643	32,530	30,539		32,192	177,366

**(2) Property, plant and equipment**

(Millions of yen)

Japan	North America	Asia (excl. Japan)	Other	Total
10,507	807	3,905	49	15,269

**3. Information by major customer**

Because there is no major external customer who accounts for 10% or more of the net sales on the consolidated statements of income, this information is omitted.

**II. Fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)****1. Information by product and service**

This information has been omitted as net sales to external customers in a single product or service category account for more than 90% of net sales recorded in the consolidated statement of income.

**2. Regional information****(1) Net sales**

(Millions of yen)

Japan	North America			Other	Total
		Of which, U.S.A			
117,339	30,463	28,336		29,051	176,853

**(2) Property, plant and equipment**

(Millions of yen)

Japan	North America	Asia (excl. Japan)	Other	Total
9,731	739	3,839	37	14,349

**3. Information by major customer**

Because there is no major external customer who accounts for 10% or more of the net sales on the consolidated statements of income, this information is omitted.

**c. Information regarding impairment loss of non-current assets by reportable segment**

Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(Millions of yen)

	Japan	Americas	Europe	Oceania	Asia (excl. Japan)	Corporate	Total
Impairment loss	365	888	105	–	–	–	1,359

Fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)

(Millions of yen)

	Japan	Americas	Europe	Oceania	Asia (excl. Japan)	Corporate	Total
Impairment loss	153	526	234	–	–	–	915

**d. Information regarding amortization of goodwill and unamortized balance by reportable segment**

Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(Millions of yen)

	Japan	Americas	Europe	Oceania	Asia (excl. Japan)	Corporate	Total
Amortization expense during the fiscal year ended March 31, 2018	–	679	–	78	678	–	1,436
Balance as of March 31, 2018	–	8,519	–	983	8,504	–	18,006

Fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)

(Millions of yen)

	Japan	Americas	Europe	Oceania	Asia (excl. Japan)	Corporate	Total
Amortization expense during the fiscal year ended March 31, 2019	–	679	–	78	678	–	1,436
Balance as of March 31, 2019	–	8,219	–	948	8,205	–	17,373

## Per share information

(Yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net assets per share	591.00	700.26
Basic earnings per share	84.74	97.85
Diluted earnings per share	83.79	97.63

(Note) The basis for calculation of basic earnings per share and diluted earnings per share is as follows:

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	7,962	9,302
Amount not attributable to common shareholders (Millions of yen)	–	–
Profit attributable to owners of parent related to common shares (Millions of yen)	7,962	9,302
Average number of shares during the period (Thousands of shares)	93,960	95,063
Diluted earnings per share		
Adjustments to profit attributable to owners of parent (Millions of yen)	–	–
Increase in the number of common shares (Thousands of shares)	1,063	221
[Of the above, share acquisition rights (Thousands of shares)]	[1,063]	[221]
Overview of potential shares not included in the calculation of diluted earnings per share because of having no dilutive effect	Reporting entity Share acquisition rights: 2 issues Number of potential shares: 395 thousand shares	Reporting entity Share acquisition rights: 4 issues Number of potential shares: 819 thousand shares

## Significant subsequent events

### Stock options

The Company resolved at the Board of Directors' meeting held on May 10, 2019 to submit a proposal to the 68th Ordinary General Meeting of Shareholders scheduled to be held on June 21, 2019 on delegating decision-making on matters related to offering of share acquisition rights as stock options to the Company's Board of Directors in accordance with the provisions of Article 236, Article 238 and Article 239 of the Companies Act as follows.

Matters concerning the delegation of decision-making on matters related to offering of share acquisition rights as stock options for the Company's Executive Officers and employees and Directors and employees of the Company's subsidiaries to the Company's Board of Directors

(Content of share acquisition rights)

- |                                                |                              |
|------------------------------------------------|------------------------------|
| (1) Class of shares                            | common shares                |
| (2) Number of shares                           | 500,000 shares (upper limit) |
| (3) Total number of share acquisition rights   | 5,000 units (upper limit)    |
| (4) Issuance price of share acquisition rights | gratis                       |
- (5) Persons to whom share acquisition rights are allotted  
The Company's Executive Officers and employees, and Directors and employees of the Company's subsidiaries
- (6) Paid-in amount per share  
The paid-in amount per share shall be the higher of the amount calculated by the average closing price of the Company's common share in ordinary transactions at the Tokyo Stock Exchange for each date of the month preceding the month in which the date of allotment of share acquisition rights falls (excluding days on which no trade is executed) (hereafter the "closing price") by 1.05 (any fraction less than ¥1 shall be rounded up), or the closing price for the allotment date (if there is no closing price on the allotment date, the closing price on the trading date immediately preceding the allotment date shall be applied). However, when this amount is lower than ¥658, which is the minimum required share price, the exercise price shall be ¥658.
- (7) Exercise period of share acquisition rights  
The exercise period shall be from the day on which two years have elapsed since the allotment date to September 30, 2023.
- (8) Capital stock and legal capital surplus that will increase in the event that shares are issued due to exercise of share acquisition rights  
The amount of capital stock shall be one-half of the limit amount for increase in capital stock, etc. that is calculated in accordance with Article 17, paragraph 1 of the Regulation on Corporate Accounting. The amount of legal capital surplus shall be the amount obtained by deducting the increased amount of capital stock from the limit amount for increase in capital stock, etc.
- (9) Restriction on acquisition of share acquisition rights by transfer  
Acquisition of share acquisition rights by transfer shall require the approval by resolution of the Company's Board of Directors.