

February 12, 2020

To all related parties:

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Notice Concerning Revisions of Full-Year Earnings Forecasts

TOMY Company, Ltd. (hereinafter “Tomy”) hereby provides notification that it has revised its consolidated earnings forecasts which were announced on May 10, 2019.

1. Revisions of consolidated earnings forecasts for the fiscal year ending March 31, 2020 (April 1, 2019 to March 31, 2020)

(millions of yen, except per-share data)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share (yen)
Previously announced forecast (A)	180,000	14,500	14,400	9,500	99.93
Revised forecast (B)	164,000	10,000	9,500	5,000	52.43
Increase (Decrease) (B-A)	(16,000)	(4,500)	(4,900)	(4,500)	—
Increase (Decrease) percentage (%)	(8.9)	(31.0)	(34.0)	(47.4)	—
(Reference) Actual results for the fiscal year ended March 31, 2019	176,853	14,407	14,303	9,302	97.85

2. Reasons for revisions

In Japan, net sales were sluggish on the whole, reflecting the relatively weak sales spike in the toy market during the peak year-end shopping season.

Under the circumstances, in products for boys, sales of new products struggled, and sales of DUEL MASTERS weakened due in part to changes in competitive environment in the market for trading card games. In products for girls,

the sales of LICCA dolls fell below the initial plan, partly in reaction to the favorable results maintained for two years following the doll's 50th anniversary. Furthermore, the sales of RIZMO, introduced to the market as a global strategic product, struggled, and while the TOMY International Group launched multiple new products as well, their sales also remained below expected levels. Taking into account the additional impact of the spread of COVID-19 coronavirus infection centered on China, net sales, operating profit and ordinary profit are expected to fall below the previously announced forecasts.

The forecast for profit attributable to owners of parent has also been revised downward from the previously announced forecast. This is due to factors such as extraordinary losses of 1,917 million yen posted for the first nine months of the fiscal year ending March 31, 2020 (excluding the portion recorded in the first six months) reflecting impairment losses on goodwill of a subsidiary in Oceania and on all intangible assets it owns, as well as on a portion of intangible assets owned by a subsidiary in the United States, in the TOMY International Group, in addition to the reasons stated above.

3. Dividend forecasts

The dividend forecast has not been changed as a result of these earnings forecasts. Tomy has already paid an interim dividend of 15 yen per share (at the end of the second quarter) and forecasts 15 yen per share for the year-end dividend (resulting in an annual dividend of 30 yen per share).

(Reference) Matters concerning the policy on distribution of profits and dividends

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.

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