

Translation

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MEMBERSHIP
May 19, 2020

CONSOLIDATED FINANCIAL RESULTS for the Fiscal Year Ended March 31, 2020 <under Japanese GAAP>

Company name: **TOMY COMPANY, LTD.**
Listing: First Section of the Tokyo Stock Exchange
Securities identification code: 7867
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Scheduled date of ordinary general meeting of shareholders: June 26, 2020
Scheduled date to commence dividend payments: June 29, 2020
Scheduled date to file securities report: June 29, 2020
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, 2020 (From April 1, 2019 to March 31, 2020)

(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, 2020	164,837	(6.8)	10,683	(25.8)	10,204	(28.7)	4,507	(51.5)
March 31, 2019	176,853	(0.3)	14,407	9.2	14,303	15.2	9,302	16.8

Note: Comprehensive income
Fiscal year ended March 31, 2020: 3,840 million yen [(67.0)%]
Fiscal year ended March 31, 2019: 11,653 million yen [133.6%]

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, 2020	47.30	47.25	6.8	7.5	6.5
March 31, 2019	97.85	97.63	15.2	10.1	8.1

Reference: Equity in earnings (losses) of affiliates
Fiscal year ended March 31, 2020: 1 million yen
Fiscal year ended March 31, 2019: 16 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, 2020	129,253	67,410	51.6	703.07
March 31, 2019	143,364	67,315	46.5	700.26

Reference: Equity
As of March 31, 2020: 66,649 million yen
As of March 31, 2019: 66,692 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, 2020	9,006	(3,381)	(12,274)	46,904
March 31, 2019	21,492	(4,038)	(10,057)	53,817

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, 2019	–	7.00	–	17.00	24.00	2,285	24.5	3.7
March 31, 2020	–	15.00	–	15.00	30.00	2,852	63.4	4.3
Fiscal year ending March 31, 2021 (Forecast)	–	–	–	–	–		–	

- Notes: 1. Breakdown of year-end dividend for the fiscal year ended March 31, 2019: ordinary dividend 7.00 yen, commemorative dividend 10.00 yen
2. At this time, dividends for the fiscal year ending March 31, 2021 have not yet been determined.

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2021 (From April 1, 2020 to March 31, 2021)

As it is difficult to rationally calculate consolidated earnings forecasts for the fiscal year ending March 31, 2021 due to the effects of the novel coronavirus disease (COVID-19), we are unable to determine earnings forecasts at this time. As soon as it is possible to assess the effects on business performance and disclose rational forecasts, we will announce these swiftly.

* **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: Yes
- B. Changes in accounting policies due to other reasons: None
- C. Changes in accounting estimates: None
- D. Restatement: None

Note: For more details, please refer to the section of “(5) Notes Regarding Consolidated Financial Statements, (Changes in accounting policies)” of “3. Consolidated Financial Statements and Significant Notes Thereto” on page 20 of the attached material.

(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, 2020	96,290,850 shares
As of March 31, 2019	96,290,850 shares

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

As of March 31, 2020	1,493,222 shares
As of March 31, 2019	1,051,473 shares

C. Average number of shares during the period

Fiscal year ended March 31, 2020	95,305,889 shares
Fiscal year ended March 31, 2019	95,063,140 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, 2021” 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.

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1. Qualitative Information Regarding Consolidated Operating Results

(1) Explanation of Operating Results

(Highlights Full year of the Fiscal Year Ended March 31, 2020)

- The TOMY Group has been promoting the transfer of production sites under the scheme of “China Plus One” for some time, and the impact of the spread of novel coronavirus disease (COVID-19) on the production was limited. Also, in the fourth quarter, there were no significant effects on buying trends at stores so the impact on business performance in the fiscal year ended March 31, 2020 was limited. Furthermore, the TOMY Group is implementing measures to prevent the spread of infection, including promoting remote working to drastically reduce instances of TOMY Group employees leaving their homes and attending workplaces, as well as forbidding overseas and domestic business trips in principle, and prohibiting internal meetings attended by six or more people and business discussions involving six or more people.
- Net sales were ¥164,837 million (down 6.8% year on year). The sales of the long-standing products under TOMICA brand, and products related to the movies Toy Story 4 and Frozen 2 increased. On the other hand, no momentum was seen in the entire toy market during the largest shopping spree season over the year-end and new year. No particular product emerged as a new hit product, accompanied by a decrease in the sales of BEYBLADE BURST that marks the fifth year after its roll-out in summer 2015, and a reactionary drop in the movie TRANSFORMERS related product sales, in tandem with lower-than-expected sales in new products for boys, and in globally strategic merchandise RIZMO.
- Operating profit was ¥10,683 million (down 25.8% year on year). This was mainly attributable to a decrease in gross profit due to the decline in net sales, despite a decrease in selling, general and administrative expenses.
- Ordinary profit was ¥10,204 million (down 28.7% year on year). This was mainly attributable to the decline in operating profit and the recording of foreign exchange losses.
- Profit attributable to owners of parent was ¥4,507 million (down 51.5% year on year). The decline was due in part to recognizing extraordinary losses of ¥2,816 million, including impairment losses on the full amounts of goodwill and intangible assets held by the subsidiary of the TOMY International Group in Oceania and the partial amount of intangible assets held by a subsidiary in the United States.
- In Japan, sales increased for single-pack TOMICA vehicles and TOMICA PREMIUM, among others, and PLARAIL series commemorating its 60th anniversary of its sales recorded robust sales as a result of effective various marketing initiatives. ZOIDS WILD, for which a new TV animation series has started from October, gained popularity over its customizing play features. Products related to the Secret×Heroine Phantomirage! live action TV drama for young girls trended favorably, and sales of the LCD toy, Sumikkogurashi SUMIKKOSAGASHI, and the animal action figures, ANIA, etc. gained popularity. In addition, sales of products related to the movies Toy Story 4 and Frozen 2 increased. On the other hand, there was a significant decline in sales of the products for boys. The sales of BEYBLADE BURST dropped year on year, although BEYBLADE BURST has exceeded beyond the Company’s expectation in terms of sales and has been long favored. Overseas-bound exports of TRANSFORMERS declined due to the reactionary drop in the sales of the movie-related products rolled out during the same period of the previous fiscal year, while the sales of DUEL MASTERS remained bearish in a shifting competitive environment. Sales of new products for boys, for which a TV animation started broadcasting from April 2019, also struggled. Furthermore, despite the launch of RIZMO as globally strategic merchandise, its sales have been lackluster.
We started the distribution of the card game smartphone app DUEL MASTERS PLAY’S in December, and released the second edition card pack in February.
- The TOMY International Group, proceeded with the roll-out of new product lines, including the globally large-scale product RIZMO, which was planned and developed in conjunction with Japan; however, the sales did not exceed our expectations. As a result, net sales declined due in part to the end of the sales of character toys that have been sold until the first quarter of the previous fiscal year.

(Qualitative Information Regarding Consolidated Operating Results)

<Overview of operating results by segment>

(Millions of yen)

		Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Change	Rate of change (%)
Net sales		176,853	164,837	(12,016)	(6.8)
	Japan	148,732	138,948	(9,783)	(6.6)
	Americas	17,998	17,214	(784)	(4.4)
	Europe	5,325	5,507	182	3.4
	Oceania	1,783	1,442	(340)	(19.1)
	Asia (excl. Japan)	54,033	51,491	(2,542)	(4.7)
	Eliminations and corporate	(51,018)	(49,767)	1,251	–
Operating profit/(loss)		14,407	10,683	(3,724)	(25.8)
	Japan	16,734	13,615	(3,118)	(18.6)
	Americas	(81)	(23)	58	–
	Europe	(659)	(916)	(257)	–
	Oceania	(21)	(166)	(144)	–
	Asia (excl. Japan)	903	1,248	344	38.1
	Eliminations and corporate	(2,468)	(3,074)	(605)	–

Japan

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Change
Net sales	148,732	138,948	(9,783)
Operating profit	16,734	13,615	(3,118)

Net sales in Japan for the fiscal year ended March 31, 2020 were ¥138,948 million (down 6.6% year on year), while operating profit was ¥13,615 million (down 18.6% year on year).

A lack of fierce excitement was observed during the year-end and new year shopping spree, which is the largest annual shopping spree, accompanied by the absence of any particular hit product in the toy market during the fiscal year ended March 31, 2020.

In the long-standing TOMICA brand, there was a growth in sales for single-pack TOMICA vehicles, and the fresh addition of popular overseas car models bolstered its line-up. Also, the sales of the TOMICA PREMIUM line of highly detailed collectible models for adults, which marks its fifth anniversary this fiscal year, climbed along with other products. In addition, as we propelled our initiatives in various marketing promotions coincide with the 60th anniversary of PLARAIL, which was launched in 1959, the sales turned out to be robust thanks to the popularity of 60th anniversary commemorative edition of a set product including rail and vehicle.

In products for boys, the dinosaur and animal-themed in-house content, ZOIDS WILD, whose TV animation started broadcasting in a brand-new world view from October, was favorably accepted for its customizing play feature.

In products for girls, the products related to the Secret×Heroine Phantomirage! live action TV drama for young girls, which contents gained high popularity, trended favorably. Also, the surprise doll L.O.L. SURPRISE! continued to drive strong sales thanks to the marketing promotions centrally unfolded on the SNS platforms, and sales of the LCD toy with a camera function, Sumikkogurashi SUMIKKOSAGASHI, etc. were in high demand.

In preschool products, products related to the TV animation series PAW PATROL, which won wide popularity overseas, were rolled out in the Japanese market from May 2019, followed by favorable reviews. ANIA featuring a range of hand-held size animal action figures to be moved and played with expanded its product line-up and performed briskly.

For Toy Story 4, a DISNEY/PIXAR animation movie released in July, related products such as movie character figures, plush toys and GACHA capsule toys were launched across the Group and sold favorably. Moreover, products related to the Disney movie Frozen 2 released in November, including the products such as a smartphone-based toy, KIRAKIRA SMART PALETTE, and dresses attracted popularity.

At T-ARTS Company, Ltd., the amusement machine Pokémon Ga-Olé that offers the entertainment of the mighty action battle on the big screen continued to be well received.

In December, we started the distribution of the card game smartphone app DUEL MASTERS PLAY'S, for which the number of downloads topped 5 million and also released the second edition card pack in February.

On the other hand, the sales of BEYBLADE BURST rolled out during summer in 2015, declined year on year, although it has been beating the Company's expectations with its long-lasting popularity. Overseas-bound exports of TRANSFORMERS declined due to the reactionary drop in the sales of the movie-related products during the previous fiscal year, while the sales of the trading card game, DUEL MASTERS, remained weak in a shifting competitive environment. Without any new hit products to come from such contenders as new products for boys, for which a TV animation started broadcasting from April for a year, or the globally strategic merchandise RIZMO with proactive efforts stepped up to turn the product into a hit product in the market, the sales did not surpass the target forecasts. LICCA reversed its course to lower its sales, which compensated from the strong performance lasted for two years from the 50th anniversary of its birth.

Americas

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Change
Net sales	17,998	17,214	(784)
Operating loss	(81)	(23)	58

Net sales in the Americas were ¥17,214 million (down 4.4% year on year), while operating loss was ¥23 million, compared with an operating loss of ¥81 million in the previous fiscal year, due to a halt to the sales of character toys sold in the market until the first quarter of the previous fiscal year. Products related to the TV animation "Ricky Zoom" has been rolled out in the market in March. We continued to market the plush toy MOCCHI- MOCCHI- (the overseas product name: Club Mocchi- Mocchi-) that pursued the finest touch and are also sold in Japan, and it has been well received. Agricultural machinery toys and baby products of our core brands recorded robust sales. Despite the roll-out of other new product lines, including RIZMO, a surprise pet for children to take care of, the sales did not exceed our expectations.

Europe

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Change
Net sales	5,325	5,507	182
Operating loss	(659)	(916)	(257)

Net sales in Europe were ¥5,507 million (up 3.4% year on year), despite the end of sales of character toys sold until the first quarter of the previous fiscal year. Operating loss was ¥916 million, compared with an operating loss of ¥659 million in the previous fiscal year, due in part to a bigger marketing investment injected into the roll-out of the new product. Board games for which we acquired the sales rights in Europe, as well as an action game, DRUMOND PARK Brand Product, were introduced into the market, enjoying a surge in popularity. The sales of agricultural machinery toys were robust, and RIZMO, a surprise pet for children to take care of, was launched in September.

Oceania

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Change
Net sales	1,783	1,442	(340)
Operating loss	(21)	(166)	(144)

Net sales in Oceania were ¥1,442 million (down 19.1% year on year), while operating loss was ¥166 million, compared with an operating loss of ¥21 million in the previous fiscal year. The decline in net sales reflects the end of sales of character-related toys that had been sold until the first quarter of the previous fiscal year, as well as a diminished expansion for PRINTOSS (the overseas product name: KiiPix), amid the trend of the robust sales of agricultural machinery toys, and the market roll-out of RIZMO in September.

Asia (excl. Japan)

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Change
Net sales	54,033	51,491	(2,542)
Operating profit	903	1,248	344

Net sales in Asia (excl. Japan) were ¥51,491 million (down 4.7% year on year), while operating profit was ¥1,248 million (up 38.1% year on year). The long-standing TOMICA products, mainly single-pack TOMICA vehicles, trended favorably, as a result of stepping up marketing efforts supported by measures including broader new product line-up, strengthening of in-store marketing promotions, and holding events. In addition, sales of toys related to the DISNEY / PIXAR animation movie Toy Story 4, which was released at the beginning of summer, performed briskly. The decline in net sales partly reflects a decrease in the sales of products related to the next-generation spinning-top battle toy BEYBLADE BURST, which gathered popularity in South Korea over the previous fiscal year.

(2) Overview of Financial Position

Assets, Liabilities and Net Assets

<Assets>

At the end of the fiscal year ended March 31, 2020, current assets stood at ¥87,153 million, down ¥6,961 million from the end of the previous fiscal year ended March 31, 2019. This is mainly attributable to decreases in cash and deposits and notes and accounts receivable - trade.

Non-current assets stood at ¥42,099 million, down ¥7,149 million from the end of the previous fiscal year. This is mainly attributable to decreases in goodwill, right of using trademark, leased assets, net and deferred tax assets.

<Liabilities>

At the end of the fiscal year ended March 31, 2020, current liabilities stood at ¥36,338 million, down ¥22,980 million from the end of the previous fiscal year. This is mainly attributable to decreases in current portion of long-term loans payable, income taxes payable, accrued expenses and accounts payable - other.

Non-current liabilities stood at ¥25,504 million, up ¥8,774 million from the end of the previous fiscal year. This is mainly attributable to an increase in long-term loans payable.

<Net assets>

At the end of the fiscal year ended March 31, 2020, total net assets were ¥67,410 million, up ¥94 million from the end of the previous fiscal year. This is mainly attributable to an increase in retained earnings, despite a decrease in foreign currency translation adjustment and purchase of treasury shares.

(3) Cash flows

Cash and cash equivalents (hereafter “cash”) at the end of the fiscal year ended March 31, 2020 was ¥46,904 million, a decrease of ¥6,912 million compared with the end of the previous fiscal year ended March 31, 2019.

Net cash provided by operating activities was ¥9,006 million, compared with ¥21,492 million provided in the previous fiscal year. Cash was mainly provided by profit before income taxes of ¥7,601 million and depreciation of ¥6,773 million, while cash was mainly used for income taxes paid of ¥5,249 million.

Net cash used in investing activities was ¥3,381 million, compared with ¥4,038 million used in the previous fiscal year. Cash was mainly used for purchase of property, plant and equipment of ¥1,658 million and purchase of intangible assets of ¥1,645 million.

Net cash used in financing activities was ¥12,274 million, compared with ¥10,057 million used in the previous fiscal year. Cash was mainly used for repayments of long-term loans payable of ¥21,039 million and repayments of finance lease obligations of ¥3,313 million, despite proceeds from long-term loans payable of ¥16,500 million.

(Reference) Trends in Cash Flow Indicators

	FY2020	FY2019	FY2018
Equity ratio (%)	51.6	46.5	40.0
Market value equity ratio (%)	56.8	76.7	75.4
Cash flow to interest-bearing liabilities ratio (years)	3.3	1.7	2.6
Interest coverage ratio (times)	31.7	60.0	30.4

* 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, 2021

The TOMY Group is pursuing the following business strategies as part of the Medium-Term Management Plan from the fiscal year ended March 31, 2019 to the fiscal year ending March 31, 2021.

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

At present, the novel coronavirus disease (COVID-19) continues to spread and its impact on the global economy is huge, meaning people’s lifestyles and behavior are continuing to change significantly. On the production side, the spread of COVID-19 means that while factories in China, Vietnam, and Thailand are operating as normal, there have been changes in the timing of sales of some products. On the demand side, while demand for products that can be enjoyed at home and e-commerce purchases are growing, we expect that overall market conditions will take some time to recover due to factors such as consumers voluntarily staying at home, temporary closures and shortened operating hours at stores, and the cancellation and postponement of various events. We will respond swiftly and flexibly to these changes to the business environment resulting from the COVID-19 pandemic based on the following policies.

- ✓ Respond to COVID-19 with the health and safety of customers, business partners, and TOMY Group employees as our top priority.
- ✓ Respond to changes in consumer behavior
- ✓ Restructure our business in response to changes in the external environment
- ✓ Practice business that leverages TOMY COMPANY’s strengths (product appeal, branding, customer base)
- ✓ Ensure cost controls and liquidity in line with the business environment

We will allocate management resources based on the assumption that the external environment will change significantly, altering consumer buying behavior.

In our core toy business, we will implement the following initiatives in regard to products, content, etc.

We have been providing and will continue to provide more substantial content, such as ZOIDS WILD, a TV animation that started broadcasting in July 2018 to which we will add a brand-new world view from October. Furthermore, we will continue our business in Asia, which has already been undertaken, to develop this business into our in-house original global brand.

With regard to TOMICA, which is celebrating its 50th birthday in 2020, we have started sales of products related to Tomica Kizuna Gattai EARTH GRANNER, whose TV animation was launched in April 2020, and will further promote these products in Asia. Moreover, with regard to our live action TV drama series for young girls, which has boasted high popularity since it began three years ago, in spring 2017, we will expansively work on developing the third series of Secret x Heroine Phantomirage!, including preparation for making it into a movie.

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

With regard to efforts to be made for the “high-target” segment of toys, the entire TOMY Group will bolster products that satisfy needs of target customers, such as the precision railway model series TOMIX and the hug-me doll with voice recognition and watching support functions DREAM CHILD HANA. In addition, we are working to strengthen the digital business, including the card game app DUEL MASTERS PLAY’S released in December, 2019, whose version will be regularly updated to improve its playability. Moreover, in a new category, we are working on developing a

business making use of the strengths that have been developed in the toy business, including the cardboard robot kit EMBOT operable with a programming app, as a product related to STEM education that has attracted attention.

In the Asian market, we will promote character products and amusement machines along with sales expansion of long-selling products TOMICA and PLARAIL.

With regard to the business revitalization for Europe and North America, we, at TOMY International Group, are continuing to introduce new products developed in Japan, which can be promoted globally, and we are also continuing to strengthen baby products and agricultural machinery toys, which are our core brands.

We have been aimed at “net sales of ¥190.0 billion and operating profit of ¥16.0 billion” for the fiscal year ending March 31, 2021, which is deemed to be the final fiscal year in the Medium-Term Management Plan; however, we find it difficult to predict the degree of consumption slump caused by the spread of COVID-19, as well as the timing of the end of the infection, and also to reasonably calculate its impact; therefore, we shall not determine earnings forecasts at this moment. We intend to announce the forecasts as quickly as possible, when we determine the impact of the spread of COVID-19 on our performance for the fiscal year ending March 31, 2021, and are able to disclose reasonable forecasts.

(5) Policy on Distribution of Profits and Dividends for the Fiscal Year Ended March 31, 2020 and the Fiscal Year Ending March 31, 2021

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 preparing for the destabilization of the external environment caused by the impact of the spread of COVID-19.

Based on the aforementioned policy, the year-end dividend per share for the fiscal year ended March 31, 2020 shall be ¥15, and thus, we plan to pay an annual dividend of ¥30 per share combined with the dividend of ¥15 per share paid at the end of the second quarter (interim dividend).

In addition, we shall not determine dividends for the fiscal year ending March 31, 2021 at this moment. We intend to announce a dividend forecast as quickly as possible, when we are able to provide a reasonable forecast disclosure.

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.

3. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	53,919	47,009
Notes and accounts receivable - trade	20,342	17,946
Merchandise and finished goods	12,487	13,370
Work in process	476	625
Raw materials and supplies	1,175	1,013
Other	5,901	7,350
Allowance for doubtful accounts	(187)	(162)
Total current assets	94,115	87,153
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,602	12,720
Accumulated depreciation	(8,087)	(8,321)
Accumulated impairment loss	(371)	(349)
Buildings and structures, net	4,144	4,048
Machinery, equipment and vehicles	2,546	2,538
Accumulated depreciation	(1,863)	(1,975)
Accumulated impairment loss	(17)	(33)
Machinery, equipment and vehicles, net	666	529
Tools, furniture and fixtures	22,825	22,780
Accumulated depreciation	(20,707)	(20,978)
Accumulated impairment loss	(677)	(723)
Tools, furniture and fixtures, net	1,439	1,078
Land	3,905	3,897
Leased assets	8,523	7,475
Accumulated depreciation	(4,604)	(4,014)
Accumulated impairment loss	(0)	(290)
Leased assets, net	3,919	3,170
Construction in progress	275	324
Total property, plant and equipment	14,349	13,048
Intangible assets		
Goodwill	17,373	14,772
Right of Using Trademark	5,397	3,563
Other	4,926	4,349
Total intangible assets	27,698	22,685
Investments and other assets		
Investment securities	3,245	3,190
Deferred tax assets	1,710	1,015
Other	2,611	2,187
Allowance for doubtful accounts	(364)	(27)
Total investments and other assets	7,202	6,365
Total non-current assets	49,249	42,099
Total assets	143,364	129,253

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,490	8,648
Short-term borrowings	7,250	5,980
Current portion of long-term borrowings	19,285	5,300
Lease obligations	2,851	2,550
Accounts payable - other	8,221	6,183
Accrued expenses	7,930	5,860
Income taxes payable	3,030	695
Provision for sales returns	272	229
Provision for bonuses for directors (and other officers)	160	67
Other	824	822
Total current liabilities	59,319	36,338
Non-current liabilities		
Long-term borrowings	8,929	18,375
Lease obligations	1,386	1,077
Deferred tax liabilities	1,056	638
Deferred tax liabilities for land revaluation	472	472
Retirement benefit liability	2,754	2,912
Provision for retirement benefits for directors (and other officers)	140	177
Allowance for recall-NCL	381	349
Other	1,610	1,503
Total non-current liabilities	16,730	25,504
Total liabilities	76,049	61,843
Net assets		
Shareholders' equity		
Share capital	3,459	3,459
Capital surplus	9,152	9,212
Retained earnings	43,818	44,980
Treasury shares	(687)	(1,257)
Total shareholders' equity	55,743	56,394
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,179	1,109
Deferred gains or losses on hedges	434	407
Revaluation reserve for land	624	624
Foreign currency translation adjustment	9,505	9,058
Remeasurements of defined benefit plans	(793)	(944)
Total accumulated other comprehensive income	10,949	10,255
Share acquisition rights	211	336
Non-controlling interests	410	423
Total net assets	67,315	67,410
Total liabilities and net assets	143,364	129,253

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

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net sales	176,853	164,837
Cost of sales	103,375	98,472
Gross profit	73,478	66,364
Selling, general and administrative expenses	59,071	55,681
Operating profit	14,407	10,683
Non-operating income		
Interest and dividend income	237	206
Rental income	147	138
Other	142	207
Total non-operating income	527	552
Non-operating expenses		
Interest expenses	361	266
Sales discounts	52	55
Amortization of bond issuance costs	13	–
Foreign exchange losses	27	573
Other	176	136
Total non-operating expenses	631	1,032
Ordinary profit	14,303	10,204
Extraordinary income		
Gain on sales of non-current assets	7	0
Gain on sales of investment securities	29	–
Gain on reversal of share acquisition rights	16	2
Reversal of allowance for doubtful accounts	120	–
Gain on sale of receivables	–	23
Gain on sales of investments in capital	164	–
Reversal of voluntary recall for products	83	–
Received settlement fee	–	189
Other	2	–
Total extraordinary income	424	214
Extraordinary losses		
Impairment loss	915	2,793
Other	27	23
Total extraordinary losses	943	2,816
Profit before income taxes	13,784	7,601
Income taxes - current	4,446	2,862
Income taxes - deferred	4	204
Total income taxes	4,450	3,066
Profit	9,334	4,535
Profit attributable to non-controlling interests	31	27
Profit attributable to owners of parent	9,302	4,507

(Consolidated statement of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Profit	9,334	4,535
Other comprehensive income		
Valuation difference on available-for-sale securities	96	(69)
Deferred gains or losses on hedges	574	(27)
Foreign currency translation adjustment	1,777	(446)
Remeasurements of defined benefit plans, net of tax	(129)	(150)
Total other comprehensive income	2,319	(694)
Comprehensive income	11,653	3,840
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,621	3,813
Comprehensive income attributable to non-controlling interests	32	27

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2019

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,459	9,095	35,881	(1,271)	47,165
Cumulative effects of changes in accounting policies					
Restated balance	3,459	9,095	35,881	(1,271)	47,165
Changes 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 in items other than shareholders' equity					
Total changes during period	–	56	7,936	583	8,577
Balance at end of 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 period	1,083	(140)	585	7,727	(664)	8,591	175	389	56,322
Cumulative effects of changes in accounting policies									
Restated balance	1,083	(140)	585	7,727	(664)	8,591	175	389	56,322
Changes 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 in items other than shareholders' equity	96	574	38	1,777	(129)	2,357	36	20	2,415
Total changes during period	96	574	38	1,777	(129)	2,357	36	20	10,992
Balance at end of period	1,179	434	624	9,505	(793)	10,949	211	410	67,315

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,459	9,152	43,818	(687)	55,743
Cumulative effects of changes in accounting policies			(296)		(296)
Restated balance	3,459	9,152	43,522	(687)	55,447
Changes during period					
Dividends of surplus			(3,049)		(3,049)
Profit attributable to owners of parent			4,507		4,507
Purchase of treasury shares				(707)	(707)
Disposal of treasury shares		50		137	187
Change in ownership interest of parent due to transactions with non-controlling interests		10			10
Reversal of revaluation reserve for land					–
Net changes in items other than shareholders' equity					–
Total changes during period	–	60	1,457	(570)	947
Balance at end of period	3,459	9,212	44,980	(1,257)	56,394

	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 period	1,179	434	624	9,505	(793)	10,949	211	410	67,315
Cumulative effects of changes in accounting policies									(296)
Restated balance	1,179	434	624	9,505	(793)	10,949	211	410	67,019
Changes during period									
Dividends of surplus									(3,049)
Profit attributable to owners of parent									4,507
Purchase of treasury shares									(707)
Disposal of treasury shares									187
Change in ownership interest of parent due to transactions with non-controlling interests									10
Reversal of revaluation reserve for land									–
Net changes in items other than shareholders' equity	(69)	(27)	–	(446)	(150)	(694)	125	12	(556)
Total changes during period	(69)	(27)	–	(446)	(150)	(694)	125	12	391
Balance at end of period	1,109	407	624	9,058	(944)	10,255	336	423	67,410

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	13,784	7,601
Depreciation	6,930	6,773
Impairment loss	915	2,793
Amortization of goodwill	1,436	1,389
Gain on reversal of share acquisition rights	(16)	(2)
Loss on sales of investments in capital	(164)	–
Received settlement fee	–	(189)
Increase (decrease) in allowance for doubtful accounts	(154)	(346)
Increase (decrease) in provisions	(286)	(121)
Increase (decrease) in retirement benefit liability	(55)	54
Interest and dividend income	(237)	(206)
Interest expenses	361	266
Foreign exchange losses (gains)	73	479
Loss (gain) on sales of property, plant and equipment	(7)	0
Loss (gain) on sales of investment securities	(29)	–
Decrease (increase) in trade receivables	3,381	2,188
Decrease (increase) in inventories	321	(1,204)
Decrease (increase) in prepaid expenses	(591)	(528)
Decrease (increase) in advance payments - trade	(348)	(231)
Increase (decrease) in trade payables	(648)	(820)
Increase (decrease) in accounts payable - other	799	(1,716)
Increase (decrease) in accrued expenses	(349)	(1,905)
Other, net	(465)	(132)
Subtotal	24,651	14,142
Interest and dividends received	236	207
Interest paid	(358)	(283)
The receipt of settlement fee	–	189
Income taxes paid	(3,036)	(5,249)
Net cash provided by (used in) operating activities	21,492	9,006
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,835)	(1,658)
Proceeds from sales of property, plant and equipment	81	0
Purchase of intangible assets	(1,397)	(1,645)
Proceeds from sales of investments in capital	164	–
Other, net	(52)	(77)
Net cash provided by (used in) investing activities	(4,038)	(3,381)

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(299)	(967)
Proceeds from long-term borrowings	10,000	16,500
Repayments of long-term borrowings	(6,946)	(21,039)
Redemption of bonds	(10,000)	–
Dividends paid	(1,322)	(3,040)
Repayments of finance lease obligations	(3,317)	(3,313)
Purchase of treasury shares	(1)	(707)
Proceeds from disposal of treasury shares	568	158
Proceeds from sale and leaseback transactions	1,264	272
Other, net	(3)	(136)
Net cash provided by (used in) financing activities	(10,057)	(12,274)
Effect of exchange rate change on cash and cash equivalents	215	(262)
Net increase (decrease) in cash and cash equivalents	7,611	(6,912)
Cash and cash equivalents at beginning of period	46,206	53,817
Cash and cash equivalents at end of period	53,817	46,904

(5) Notes Regarding Consolidated Financial Statements

(Notes regarding assumption of going concern)

Nothing to note.

(Changes in accounting policies)

Application of ASU 2014-09 Revenue from Contracts with Customers

At consolidated subsidiaries outside Japan adopting US GAAP, ASU 2014-09 Revenue from Contracts with Customers has been applied from the fiscal year under review. Due to this application, these subsidiaries now recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The effect of applying this accounting standard on the consolidated financial statements for the fiscal year under review is immaterial.

Application of IFRS 16 “Leases”

At consolidated subsidiaries outside Japan adopting the International Financial Reporting Standards, IFRS 16 “Leases” (hereinafter “IFRS 16”) has been applied from the fiscal year under review. Due to this application, lessees, in principle, record all leases as assets and liabilities on the balance sheets. In applying IFRS 16, the relevant items are subject to transitional measures, and the cumulative effect of accounting change is recorded in the opening balance of retained earnings for the fiscal year under review.

As a result, in the consolidated balance sheet as of March 31, 2020, the end of the fiscal year under review, “leased assets, net” in property, plant and equipment increased by ¥91 million, “lease obligations” in current liabilities increased by ¥129 million and “lease obligations” in non-current liabilities increased by ¥182 million.

The impact on the consolidated statement of income for the fiscal year under review was immaterial. The balance at the beginning of the period for retained earnings in the Consolidated statement of changes in equity decreased by ¥296 million, reflecting the cumulative effect on net assets at the beginning of the fiscal year under review.

In the consolidated statement of cash flows for the fiscal year under review, there was an increase in cash inflow from operating activities of ¥132 million and an increase in cash outflow from financing activities of ¥132 million.

(Additional information)

Assumptions regarding the effects of the novel coronavirus disease (COVID-19) used in accounting estimates

Accounting estimates such as the possibility of recognition of deferred tax assets, and assessments of goodwill, right of using trademarks and other intangible assets are based on the assumption that the current social disruption will largely die down by the middle of the fiscal year ending March 31, 2021 and that social and economic activity will return to normal.

(Consolidated statement of income related)

1. Reversal of allowance for doubtful accounts

In the previous 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 previous 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)
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.

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

Use	Type	Location	Impairment loss (millions of yen)
Business assets	Right of using trademark	Dyersville, Iowa USA	1,359
Business assets	Intangible assets (other)	Katsushika, Tokyo	109
Business assets	Buildings Machinery, equipment and vehicles Tools, furniture and fixtures Right of using trademark Intangible assets (other)	Dandenong, Victoria, Australia	322
Business assets	Leased assets Tools, furniture and fixtures Intangible assets (other)	Exeter, Devon, England	105
Business assets	Leased assets	Archon, France	13
Stores among rental assets	Land	Mibu, Tochigi	0
Idle assets	Land	Mibu, Tochigi	1
Stores among business assets (retail stores and showrooms)	Buildings Vehicles Tools, furniture and fixtures	Chiyoda, Tokyo, etc.	10
—	Goodwill	Dandenong, Victoria, Australia	871

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 assets groups of the above Australia business assets and goodwill, 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 (¥1,194 million) as impairment loss in extraordinary losses. The breakdown

of this impairment loss was ¥871 million in goodwill, ¥296 million in right of using trademark, ¥17 million in machinery, equipment and vehicles, ¥5 million in tools, furniture and fixtures, ¥1 million in intangible assets (other) and ¥0 million in buildings. Furthermore, the utility value was used to measure the recoverable value, and because no future cash flow is expected, the utility value is valued at zero. Regarding the above US business assets, due to the fact that the relevant assets' recoverability for certain licenses, etc. is not expected, we reduced the book value to the recoverable value and recorded the amount of the reduction (¥1,359 million) as impairment loss in extraordinary losses. The breakdown of this impairment loss was ¥1,359 million in right of using trademark. Furthermore, the utility value was used to measure the recoverable value, and because no future cash flow is expected, the utility value is valued at zero.

Regarding the above business assets in England and France, 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 (¥118 million) as impairment loss in extraordinary losses. The breakdown of this impairment loss was ¥96 million in tools, furniture and fixtures, ¥15 million in leased assets, and ¥6 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 business assets of Tokyo, due to a decrease in profitability of services using intangible assets, we reduced the book value to the recoverable value and recorded the amount of the reduction (¥109 million) as impairment loss in extraordinary losses. The breakdown of this impairment loss was ¥109 million in intangible assets (other). Furthermore, the utility value was used to measure the recoverable value, and because no future cash flow is expected, the utility value is valued at zero.

Regarding the above idle assets and rental assets in Tochigi, we reduced the book value to the recoverable value and recorded the amount of the reduction (¥1 million) as impairment loss in extraordinary losses. The breakdown of this impairment loss was ¥1 million in land. Furthermore, the net sale value was used to measure the recoverable value.

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 (¥10 million) as impairment loss in extraordinary losses. The breakdown of this impairment loss was ¥5 million in buildings, ¥5 million in tools, furniture and fixtures, and ¥0 million in vehicles. 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.

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.

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

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.

Fiscal year ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(Millions of yen)

	Japan	Americas	Europe	Oceania	Asia (excl. Japan)	Total
Net sales						
External customers	129,916	17,140	5,507	1,442	10,829	164,837
Inter-segment sales and transfers	9,032	73	–	–	40,661	49,767
Total	138,948	17,214	5,507	1,442	51,491	214,604
Segment profit (loss)	13,615	(23)	(916)	(166)	1,248	13,757
Segment assets	64,208	23,612	2,807	1,186	26,097	117,912
Other items						
Depreciation	5,525	755	25	10	310	6,626
Amortization of goodwill	–	657	–	75	656	1,389
Increase in property, plant and equipment and intangible assets	5,030	71	125	1	70	5,299

(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, 2019	Fiscal year ended March 31, 2020
Reportable segments total	227,872	214,604
Inter-segment eliminations	(51,018)	(49,767)
Net sales on the consolidated financial statements	176,853	164,837

(Millions of yen)

Profit	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Reportable segments total	16,875	13,757
Inter-segment eliminations	462	258
Corporate expenses (Note)	(2,930)	(3,332)
Operating profit on the consolidated financial statements	14,407	10,683

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

(Millions of yen)

Assets	As of March 31, 2019	As of March 31, 2020
Reportable segments total	130,002	117,912
Inter-segment eliminations	(16,031)	(13,317)
Corporate assets (Note)	29,393	24,659
Total assets on the consolidated financial statements	143,364	129,253

(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, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Depreciation	6,801	6,626	129	147	6,930	6,773
Amortization of goodwill	1,436	1,389	–	–	1,436	1,389
Increase in property, plant and equipment and intangible assets	6,330	5,299	14	48	6,345	5,347

b. Related Information**I. 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.

II. Fiscal year ended March 31, 2020 (April 1, 2019 to March 31, 2020)**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.			
110,509	28,177	26,262		26,150	164,837

(2) Property, plant and equipment

(Millions of yen)

Japan	North America	Asia (excl. Japan)	Other	Total
8,836	573	3,635	2	13,048

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, 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

Fiscal year ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(Millions of yen)

	Japan	Americas	Europe	Oceania	Asia (excl. Japan)	Corporate	Total
Impairment loss	122	1,359	118	1,194	–	–	2,793

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

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

Fiscal year ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(Millions of yen)

	Japan	Americas	Europe	Oceania	Asia (excl. Japan)	Corporate	Total
Amortization expense during the fiscal year ended March 31, 2020	–	657	–	75	656	–	1,389
Balance as of March 31, 2020	–	7,392	–	–	7,380	–	14,772

Per share information

(Yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net assets per share	700.26	703.07
Basic earnings per share	97.85	47.30
Diluted earnings per share	97.63	47.25

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

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	9,302	4,507
Amount not attributable to common shareholders (Millions of yen)	–	–
Profit attributable to owners of parent related to common shares (Millions of yen)	9,302	4,507
Average number of shares during the period (Thousands of shares)	95,063	95,305
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)	221	86
[Of the above, share acquisition rights (Thousands of shares)]	[221]	[86]
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: 4 issues Number of potential shares: 819 thousand shares	Reporting entity Share acquisition rights: 6 issues Number of potential shares: 1,244 thousand shares

Significant subsequent events

Large-sum loan

Based on a resolution at the Board of Directors' meeting held on April 21, 2020, the Company has taken out a loan as follows.

1. Purpose of funds
Operating funds
2. Names of lenders
Sumitomo Mitsui Banking Corporation and six other financial institutions
3. Loan sum
¥13,000 million
4. Borrowing rate
Decided taking into consideration market rates and other factors.
5. Date of loan and repayment period
Six years from April 30, 2020
6. Details of assets provided as security or guarantee
None