



Consolidated Balance Sheets (Unaudited)

TOMY COMPANY, LTD. and its consolidated subsidiaries
As of March 31, 2011 and 2010

	Millions of Yen	
	2011	2010
Assets		
Current assets		
Cash and deposits (Note 4(2)).....	¥29,320	¥26,929
Notes and accounts receivable—trade.....	19,188	18,299
Short-term investment securities.....	264	264
Merchandise and finished goods.....	10,173	9,418
Work in process.....	561	306
Raw materials and supplies.....	1,026	1,080
Deferred tax assets.....	3,606	3,533
Other.....	2,938	2,654
Allowance for doubtful accounts.....	(301)	(354)
Total current assets.....	66,779	62,132
Noncurrent assets		
Property, plant and equipment		
Buildings and structures (Note 4(2)).....	13,005	13,363
Accumulated depreciation.....	(7,320)	(7,430)
Accumulated impairment loss.....	(422)	(453)
Buildings and structures, net.....	5,262	5,480
Machinery, equipment and vehicles.....	2,277	1,618
Accumulated depreciation.....	(1,405)	(1,350)
Accumulated impairment loss.....	(0)	(0)
Machinery, equipment and vehicles, net.....	871	267
Tools, furniture and fixtures.....	26,569	29,248
Accumulated depreciation.....	(25,124)	(27,642)
Accumulated impairment loss.....	(107)	(109)
Tools, furniture and fixtures, net.....	1,338	1,496
Land (Note 4(1)(2)).....	4,837	9,830
Lease assets.....	2,727	3,344
Accumulated depreciation.....	(1,380)	(1,733)
Accumulated impairment loss.....	(136)	(136)
Lease assets, net.....	1,210	1,475
Construction in progress.....	283	1,070
Total property, plant and equipment.....	13,803	19,620
Intangible assets		
Goodwill (Note 4(4)).....	185	—
Other.....	2,001	1,809
Total intangible assets.....	2,186	1,809
Investments and other assets		
Investment securities (Note 4(2)(3)).....	2,954	4,139
Deferred tax assets.....	5,586	4,634
Other.....	3,524	3,780
Allowance for doubtful accounts.....	(325)	(354)
Total investments and other assets.....	11,739	12,199
Total noncurrent assets.....	27,729	33,629
Deferred assets		
Bond issuance cost.....	88	118
Total deferred assets.....	88	118
Total assets.....	¥94,597	¥95,880

See notes to consolidated financial statements.

	Millions of Yen	
	2011	2010
Liabilities		
Current liabilities		
Notes and accounts payable—trade (Note 4(2)).....	¥ 9,804	¥10,627
Short-term loans payable (Note 4(2)).....	4,090	3,031
Current portion of long-term loans payable (Note 4(2)).....	604	2,410
Current portion of bonds.....	1,250	1,850
Current portion of bonds with subscription rights to shares.....	7,000	—
Lease obligations.....	907	1,205
Accounts payable—other (Note 4(2)).....	3,613	4,956
Accrued expenses.....	3,812	4,073
Income taxes payable.....	54	518
Deferred tax liabilities.....	—	13
Provision for sales returns.....	41	239
Allowance for recall.....	89	97
Provision for directors' bonuses.....	185	225
Other.....	1,028	589
Total current liabilities.....	32,483	29,840
Noncurrent liabilities		
Bonds payable.....	2,040	3,290
Bonds with subscription rights to shares.....	5,300	12,300
Long-term loans payable (Note 4(2)).....	986	2,388
Lease obligations.....	381	431
Deferred tax liabilities.....	—	1,097
Deferred tax liabilities for land revaluation (Note 4(1)).....	632	632
Provision for retirement benefits.....	2,504	2,276
Provision for directors' retirement benefits.....	256	239
Allowance for investment loss.....	10	—
Negative goodwill.....	—	79
Other.....	1,259	1,242
Total noncurrent liabilities.....	13,369	23,977
Total liabilities.....	45,852	53,818
Net assets		
Shareholders' equity		
Capital stock.....	3,459	3,459
Capital surplus.....	6,744	6,823
Retained earnings.....	41,970	34,344
Treasury stock.....	(1,320)	(1,318)
Total shareholders' equity.....	50,854	43,309
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities.....	(27)	299
Deferred gains or losses on hedges.....	(372)	43
Revaluation reserve for land (Note 4(1)).....	(7)	(6)
Foreign currency translation adjustment.....	(3,233)	(2,892)
Total accumulated other comprehensive income.....	(3,639)	(2,555)
Subscription rights to shares.....	409	230
Minority interests.....	1,120	1,078
Total net assets.....	48,744	42,062
Total liabilities and net assets.....	¥94,597	¥95,880



Consolidated Statements of Income (Unaudited)

TOMY COMPANY, LTD. and its consolidated subsidiaries
Years ended March 31, 2011 and 2010

	Millions of Yen	
	2011	2010
Net sales	¥159,490	¥178,713
Cost of sales (Note 5(1)(6))	106,822	123,718
Gross profit	52,668	54,994
Selling, general and administrative expenses		
Packing and transportation expenses	1,798	2,435
Warehousing expenses	2,699	2,456
Advertising expenses	8,313	9,298
Directors' compensations	625	635
Salaries, allowances and bonuses	13,577	13,347
Provision for directors' bonuses	182	231
Retirement benefit expenses	844	842
Provision for directors' retirement benefits	59	54
Depreciation	1,255	1,017
Research and development expenses (Note 5(1)).....	2,183	2,765
Commission fee	2,264	2,483
Provision of allowance for doubtful accounts	113	179
Other	8,424	8,791
Total selling, general and administrative expenses	42,341	44,538
Operating income	10,327	10,456
Non-operating income		
Interest and dividends income	67	79
Amortization of negative goodwill.....	486	435
Rent income	143	159
Purchase discounts.....	78	114
Other	232	255
Total non-operating income	1,008	1,044
Non-operating expenses		
Interest expenses.....	257	402
Sales discounts	11	14
Amortization of bond issuance cost	29	28
Foreign exchange losses	204	334
Equity in losses of affiliates	45	68
Commission fee	413	—
Other	231	269
Total non-operating expenses	1,193	1,117
Ordinary income	10,143	10,382
Extraordinary income		
Gain on sales of noncurrent assets (Note 5(2))	27	7
Gain on sales of investment securities.....	—	48
Reversal of allowance for doubtful accounts.....	131	73
Reversal of provision for directors' retirement benefits.....	—	41
Gain on liquidation of subsidiaries and affiliates	115	—
Other	37	18
Total extraordinary income	311	190
Extraordinary loss		
Loss on sales of noncurrent assets (Note 5(3))	737	3
Loss on retirement of noncurrent assets (Note 5(4))	275	209
Loss on valuation of investment securities.....	565	358
Impairment loss (Note 5(5))	120	602
Distribution restructuring expenses.....	—	353
Business structure improvement expenses.....	387	—
Other	530	373
Total extraordinary losses	2,617	1,899
Income before income taxes and minority interests	7,837	8,673
Income taxes—current	632	1,034
Income taxes—deferred	(1,807)	(1,392)
Total income taxes	(1,175)	(358)
Income before minority interests	9,012	—
Minority interests in income.....	82	53
Net income	¥ 8,929	¥ 8,978

See notes to consolidated financial statements.



Consolidated Statements of Cash Flows (Unaudited)

TOMY COMPANY, LTD. and its consolidated subsidiaries
Years ended March 31, 2011 and 2010

	Millions of Yen	
	2011	2010
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests.....	¥ 7,837	¥ 8,673
Depreciation and amortization	4,146	3,856
Impairment loss.....	120	602
Loss (gain) on valuation of investment securities.....	565	359
Increase (decrease) in allowance for doubtful accounts	(56)	(50)
Increase (decrease) in provision for retirement benefits	259	342
Increase (decrease) in allowance for investment loss.....	10	(257)
Interest and dividends income	(67)	(79)
Interest expenses.....	257	402
Loss (gain) on sales of property, plant and equipment	710	—
Decrease (increase) in notes and accounts receivable—trade.....	(1,158)	169
Decrease (increase) in inventories.....	(1,062)	978
Decrease (increase) in accounts receivable—other.....	(54)	323
Increase (decrease) in notes and accounts payable—trade	(715)	825
Increase (decrease) in accounts payable—other	(591)	279
Increase (decrease) in accrued expenses	(206)	206
Other, net	(321)	1,573
Subtotal	9,674	18,207
Interest and dividends income received	67	78
Interest expenses paid	(262)	(400)
Income taxes paid	(992)	(1,027)
Net cash provided by (used in) operating activities	8,486	16,857
Net cash provided by (used in) investing activities		
Payments into time deposits	—	(169)
Proceeds from withdrawal of time deposits.....	11	600
Purchase of property, plant and equipment	(2,386)	(1,741)
Proceeds from sales of property, plant and equipment.....	4,264	32
Purchase of intangible assets	(1,153)	(1,348)
Purchase of investment securities	(7)	(491)
Proceeds from sales of investment securities.....	42	28
Purchase of investments in subsidiaries	(4)	(7)
Other, net	402	62
Net cash provided by (used in) investing activities	1,169	(3,033)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	1,112	(10,911)
Proceeds from long-term loans payable.....	500	—
Repayment of long-term loans payable.....	(3,715)	(1,222)
Redemption of bonds.....	(1,850)	(1,873)
Proceeds from issuance of bonds with subscription rights to shares	—	5,246
Proceeds from stock issuance to minority shareholders.....	—	50
Cash dividends paid.....	(1,316)	(918)
Purchase of treasury stock.....	—	(5,834)
Proceeds from disposal of treasury stock	—	8,431
Repayments of finance lease obligations.....	(1,481)	(1,504)
Other, net	(15)	0
Net cash provided by (used in) financing activities	(6,767)	(8,538)
Effect of exchange rate change on cash and cash equivalents.....	(344)	(120)
Net increase (decrease) in cash and cash equivalents	2,543	5,165
Cash and cash equivalents at beginning of period.....	26,638	21,492
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation.....	(155)	(18)
Increase in cash and cash equivalents resulting from merger	11	—
Cash and cash equivalents at end of period	¥29,038	¥26,638



Consolidated Statements of Changes in Net Assets (Unaudited)

TOMY COMPANY, LTD. and its consolidated subsidiaries
Years ended March 31, 2011 and 2010

	Millions of Yen	
	2011	2010
Shareholders' equity		
Capital stock		
Balance at the end of previous period	¥ 3,459	¥ 3,459
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period.....	3,459	3,459
Capital surplus		
Balance at the end of previous period	6,823	7,252
Changes of items during the period		
Disposal of treasury stock	0	(429)
Change of scope of consolidation	(79)	—
Total changes of items during the period	(79)	(429)
Balance at the end of current period.....	6,744	6,823
Retained earnings		
Balance at the end of previous period	34,344	26,380
Changes of items during the period		
Dividends from surplus.....	(1,317)	(919)
Net income	8,929	8,978
Change of scope of consolidation	13	7
Change of scope of equity method.....	—	21
Reversal of revaluation reserve for land	1	(124)
Total changes of items during the period	7,626	7,963
Balance at the end of current period.....	41,970	34,344
Treasury stock		
Balance at the end of previous period	(1,318)	(4,343)
Changes of items during the period		
Purchase of treasury stock.....	(2)	(5,834)
Disposal of treasury stock	0	8,858
Total changes of items during the period	(1)	3,024
Balance at the end of current period.....	(1,320)	(1,318)
Total shareholders' equity		
Balance at the end of previous period	43,309	32,749
Changes of items during the period		
Dividends from surplus.....	(1,317)	(919)
Net income	8,929	8,978
Purchase of treasury stock.....	(2)	(5,834)
Disposal of treasury stock	0	8,429
Change of scope of consolidation	(66)	7
Change of scope of equity method.....	—	21
Reversal of revaluation reserve for land	1	(124)
Total changes of items during the period	7,544	10,559
Balance at the end of current period.....	¥50,854	¥43,309

	Millions of Yen	
	2011	2010
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	¥ 299	¥ (257)
Changes of items during the period		
Net changes of items other than shareholders' equity	(326)	556
Total changes of items during the period	(326)	556
Balance at the end of current period.....	(27)	299
Deferred gains or losses on hedges		
Balance at the end of previous period	43	(138)
Changes of items during the period		
Net changes of items other than shareholders' equity	(416)	182
Total changes of items during the period	(416)	182
Balance at the end of current period.....	(372)	43
Revaluation reserve for land		
Balance at the end of previous period	(6)	(131)
Changes of items during the period		
Net changes of items other than shareholders' equity	(1)	124
Total changes of items during the period	(1)	124
Balance at the end of current period.....	(7)	(6)
Foreign currency translation adjustment		
Balance at the end of previous period	(2,892)	(2,678)
Changes of items during the period		
Net changes of items other than shareholders' equity	(340)	(214)
Total changes of items during the period	(340)	(214)
Balance at the end of current period.....	(3,233)	(2,892)
Total accumulated other comprehensive income		
Balance at the end of previous period	(2,555)	(3,205)
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,083)	649
Total changes of items during the period	(1,083)	649
Balance at the end of current period.....	(3,639)	(2,555)
Subscription rights to shares		
Balance at the end of previous period.....	230	111
Changes of items during the period		
Net changes of items other than shareholders' equity	179	118
Total changes of items during the period.....	179	118
Balance at the end of current period	409	230
Minority interests		
Balance at the end of previous period.....	1,078	1,010
Changes of items during the period		
Net changes of items other than shareholders' equity	41	68
Total changes of items during the period.....	41	68
Balance at the end of current period.....	1,120	1,078
Total net assets		
Balance at the end of previous period.....	42,062	30,666
Changes of items during the period		
Dividends from surplus	(1,317)	(919)
Net income.....	8,929	8,978
Purchase of treasury stock	(2)	(5,834)
Disposal of treasury stock.....	0	8,429
Change of scope of consolidation.....	(66)	7
Change of scope of equity method	—	21
Reversal of revaluation reserve for land	1	(124)
Net changes of items other than shareholders' equity	(862)	836
Total changes of items during the period	6,681	11,396
Balance at the end of current period.....	¥48,744	¥42,062