

MESSAGE FROM THE PRESIDENT & CEO

By continually adapting and evolving, we will overcome these difficult times to become a truly global corporation and the world's premier toymaker

TOMY Company, Ltd. (hereafter TOMY), is a global force in toys, infant & children's merchandise and entertainment, offering dreams and excitement to children and adults the world over. The company manufactures products based on its own brands, which include *Beyblade*, *Transformers*, *Tomica*, *Licca*, *Plarail*, *ERTL* and others. TOMY also produces and distributes products under licensed brand names such as *Disney*, *Chugginton* and other world-famous brands.

Looking back, we witnessed many challenges in the past year that affected our business activities including the increasing uncertainty of the global economy, the Great East Japan Earthquake and the Thailand flood, as well as the widespread sense of self-restraint among consumers. On the other hand, the sight of children playing with the toys we sent to the disaster-stricken areas, and the happiness that play brought to the children and those around them, reminded us about the wonderful social value of toys.

The Japanese toy industry faces issues such as the low birthrate, a slump in consumption and price deflation, and is under considerable pressure to reform. As I have repeated often since becoming President & CEO in 1986, we must maintain a sense of crisis and realize that the future lies in change, reform and innovation, not in staying on the same path as today. By merging with TAKARA in 2006, we took our place among Japan's largest toy manufacturers. Subsequently, we proceeded with the reforms that would launch us toward becoming a global player. In April of last year, we acquired a NASDAQ-listed U.S. toymaker, and in August brought two more U.S. baby-product companies into our Group, accelerating our efforts to create a global management structure and realize the benefits of integration.

We also believe that while we are boldly moving forward with our future growth it is the right time to cultivate human resources that can support our future direction through a decisive generational change. I hope that the new generation will display the powerful teamwork both in Japan and internationally that will boost our performance and enhance the TOMY Group's enterprise value.

Our ability to succeed as a truly global company in competition with the world's toymakers requires that we use our originality as a Japanese toymaker to develop high-value-added products. We must have a sense of pride and responsibility as toymakers, creating "killer contents" from our toys so that we distinguish ourselves from our competitors through new value creation.

We will continue to contribute to society through our toys, in the hope of bringing richness to the hearts of children that will lead to their healthy growth, for it is children the world over who hold the key to our future.

August 2012
Kantaro Tomiyama,
President & CEO
TOMY Company, Ltd.

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Contents

Message from the President & CEO	1
Ideas Are Our Driving Force	2
Six-Year Financial Summary	4
Our Business and Market	5

Interview with the President & CEO	6
TOMY's Growth Story: Everything Starts with an Idea	11
Key Brands & Licenses	18
Review of Operations	19
Corporate Social Responsibility	22
Corporate Governance	25

Board of Directors and Corporate Auditors	29
Management's Discussion and Analysis of Operations	30
Consolidated Financial Statements	34
Notes to Consolidated Financial Statements	40
Corporate/Stock Information	46
Founding Philosophy/Corporate Mission	47

Forward-Looking Statements

Future forecasts and estimations regarding management and financial information in connection with TOMY Company, Ltd., that are stated in this Annual Report have been made at our own discretion on the basis of information that we were able to obtain at the time of preparing this document. Please be aware that these forecasts and estimations contain risks and uncertainties, and that actual results may differ as a result of economic circumstances or other changes.