

## Consolidated Balance Sheets

TOMY Company, Ltd. and its consolidated subsidiaries  
As of March 31, 2012 and 2011

	Millions of yen	
	2012	2011
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits (Note 4(2))	¥ 37,684	¥ 29,320
Notes and accounts receivable—trade	23,597	19,188
Short-term investment securities	264	264
Merchandise and finished goods	15,850	10,173
Work in process	328	561
Raw materials and supplies	845	1,026
Deferred tax assets	3,165	3,606
Other	5,388	2,938
Allowance for doubtful accounts	(221)	(301)
Total current assets	86,904	66,779
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures (Note 4(2))	13,223	13,005
Accumulated depreciation	(7,515)	(7,320)
Accumulated impairment loss	(353)	(422)
Buildings and structures, net	5,355	5,262
Machinery, equipment and vehicles	1,750	2,277
Accumulated depreciation	(865)	(1,405)
Accumulated impairment loss	(0)	(0)
Machinery, equipment and vehicles, net	884	871
Tools, furniture and fixtures	25,192	26,569
Accumulated depreciation	(22,461)	(25,124)
Accumulated impairment loss	(83)	(107)
Tools, furniture and fixtures, net	2,647	1,338
Land (Note 4(1)(2))	4,861	4,837
Lease assets	2,994	2,727
Accumulated depreciation	(1,432)	(1,380)
Accumulated impairment loss	—	(136)
Lease assets, net	1,562	1,210
Construction in progress	185	283
Total property, plant and equipment	15,498	13,803
<b>Intangible assets</b>		
Goodwill (Note 4(4))	23,388	185
Trademark	14,067	—
Other	7,023	2,001
Total intangible assets	44,478	2,186
<b>Investments and other assets</b>		
Investment securities (Note 4(2)(3))	2,574	2,954
Deferred tax assets	2,774	5,586
Other	4,663	3,524
Allowance for doubtful accounts	(299)	(325)
Total investments and other assets	9,713	11,739
<b>Total noncurrent assets</b>	69,689	27,729
<b>Deferred assets</b>		
Bond issuance cost	60	88
Total deferred assets	60	88
<b>Total assets</b>	¥156,654	¥ 94,597

See notes to consolidated financial statements.

	Millions of yen	
	2012	2011
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable—trade (Note 4(2))	¥ 11,374	¥ 9,804
Short-term loans payable (Note 4(2))	3,798	4,090
Current portion of long-term loans payable (Note 4(2))	5,510	604
Current portion of bonds	1,050	1,250
Current portion of bonds with subscription rights to shares	—	7,000
Lease obligations	1,213	907
Accounts payable—other (Note 4(2))	4,864	3,613
Accrued expenses	5,627	3,812
Income taxes payable	579	54
Provision for sales returns	253	41
Allowance for recall	84	89
Provision for directors' bonuses	269	185
Other	601	1,028
Total current liabilities	35,226	32,483
<b>Noncurrent liabilities</b>		
Bonds payable	990	2,040
Bonds with subscription rights to shares	12,300	5,300
Long-term loans payable (Note 4(2))	45,166	986
Lease obligations	506	381
Deferred tax liabilities	4,992	—
Deferred tax liabilities for land revaluation (Note 4(1))	553	632
Provision for retirement benefits	2,947	2,504
Provision for directors' retirement benefits	245	256
Allowance for investment loss	10	10
Other	1,910	1,259
Total noncurrent liabilities	69,623	13,369
<b>Total liabilities</b>	104,849	45,852
<b>Net assets</b>		
Shareholders' equity		
Capital stock	3,459	3,459
Capital surplus	6,744	6,744
Retained earnings	44,336	41,970
Treasury stock	(1,321)	(1,320)
Total shareholders' equity	53,219	50,854
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	222	(27)
Deferred gains or losses on hedges	41	(372)
Revaluation reserve for land (Note 4(1))	63	(7)
Foreign currency translation adjustment	(4,081)	(3,233)
Total accumulated other comprehensive income	(3,754)	(3,639)
Subscription rights to shares	594	409
Minority interests	1,745	1,120
Total net assets	51,805	48,744
<b>Total liabilities and net assets</b>	¥156,654	¥94,597

## Consolidated Statements of Income

TOMY Company, Ltd. and its consolidated subsidiaries  
Years ended March 31, 2012 and 2011

	Millions of yen	
	2012	2011
<b>Net sales</b>	¥187,265	¥159,490
<b>Cost of sales (Note 5(1)(6))</b>	126,127	106,822
<b>Gross profit</b>	61,137	52,668
Selling, general and administrative expenses		
Packing and transportation expenses	2,692	1,798
Warehousing expenses	3,667	2,699
Advertising expenses	8,918	8,313
Directors' compensations	807	625
Salaries, allowances and bonuses	14,952	13,577
Provision for directors' bonuses	168	182
Retirement benefit expenses	1,089	844
Provision for directors' retirement benefits	63	59
Depreciation	2,491	1,255
Research and development expenses (Note 5(1))	2,540	2,183
Commission fee	2,665	2,264
Provision of allowance for doubtful accounts	(167)	113
Other	11,062	8,424
<b>Total selling, general and administrative expenses</b>	50,951	42,341
<b>Operating income</b>	10,186	10,327
Non-operating income		
Interest and dividends income	107	67
Amortization of negative goodwill	390	486
Rent income	170	143
Purchase discounts	66	78
Other	153	232
<b>Total non-operating income</b>	889	1,008
Non-operating expenses		
Interest expenses	734	257
Sales discounts	8	11
Amortization of bond issuance cost	27	29
Foreign exchange losses	246	204
Equity in losses of affiliates	—	45
Commission fee	114	413
Other	121	231
<b>Total non-operating expenses</b>	1,253	1,193
<b>Ordinary income</b>	9,823	10,143
Extraordinary income		
Gain on sales of noncurrent assets (Note 5(2))	124	27
Gain on sales of investment securities	14	—
Reversal of allowance for doubtful accounts	—	131
Gain on liquidation of subsidiaries and affiliates	—	115
Insurance received	669	—
Other	2	37
<b>Total extraordinary income</b>	811	311
Extraordinary loss		
Loss on sales of noncurrent assets (Note 5(3))	60	737
Loss on retirement of noncurrent assets (Note 5(4))	103	275
Loss on sales of investment securities	52	—
Loss on valuation of investment securities	482	565
Impairment loss (Note 5(5))	130	120
Loss on disaster	1,259	129
Business structure improvement expenses	569	387
Other	—	401
<b>Total extraordinary losses</b>	2,658	2,617
<b>Income before income taxes and minority interests</b>	7,976	7,837
Income taxes—current	859	632
Income taxes—refund	(872)	—
Income taxes—deferred	4,273	(1,807)
<b>Total income taxes</b>	4,260	(1,175)
<b>Income before minority interests</b>	3,715	9,012
Minority interests in income	36	82
<b>Net income</b>	¥ 3,679	¥ 8,929

## Consolidated Statements of Comprehensive Income

TOMY Company, Ltd. and its consolidated subsidiaries  
Years ended March 31, 2012 and 2011

	Millions of yen	
	2012	2011
<b>Income before minority interests</b>	¥3,715	¥9,012
<b>Other comprehensive income</b>		
Unrealized gain (loss) on available-for-sale securities	250	(326)
Deferred gain (loss) on derivatives under hedge accounting	413	(416)
Revaluation on land	75	—
Foreign currency translation adjustment	(848)	(340)
<b>Total other comprehensive loss</b>	(108)	(1,083)
<b>Comprehensive income</b>	¥3,607	¥7,929
Comprehensive income attributable to		
Owners of the parent	¥3,569	¥7,846
Minority interests	¥37	¥82

See notes to consolidated financial statements.

## Consolidated Statements of Changes in Net Assets

TOMY Company, Ltd. and its consolidated subsidiaries  
Years ended March 31, 2012 and 2011

	Millions of yen	
	2012	2011
<b>Shareholders' equity</b>		
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	6,744	6,823
Changes of items during the period		
Disposal of treasury stock	(0)	0
Change of scope of consolidation	—	(79)
Total changes of items during the period	(0)	(79)
Balance at the end of current period	6,744	6,744
Retained earnings		
Balance at the end of previous period	41,970	34,344
Changes of items during the period		
Dividends from surplus	(1,317)	(1,317)
Net income	3,679	8,929
Change of scope of consolidation	—	13
Reversal of revaluation reserve for land	4	1
Total changes of items during the period	2,366	7,626
Balance at the end of current period	44,336	41,970
Treasury stock		
Balance at the end of previous period	(1,320)	(1,318)
Changes of items during the period		
Purchase of treasury stock	(1)	(2)
Disposal of treasury stock	0	0
Total changes of items during the period	(0)	(1)
Balance at the end of current period	(1,321)	(1,320)
<b>Total shareholders' equity</b>		
Balance at the end of previous period	50,854	43,309
Changes of items during the period		
Dividends from surplus	(1,317)	(1,317)
Net income	3,679	8,929
Purchase of treasury stock	(1)	(2)
Disposal of treasury stock	0	0
Change of scope of consolidation	—	(66)
Reversal of revaluation reserve for land	4	1
Total changes of items during the period	2,365	7,544
Balance at the end of current period	¥53,219	¥50,854

See notes to consolidated financial statements.

## Consolidated Statements of Cash Flows

TOMY Company, Ltd. and its consolidated subsidiaries  
Years ended March 31, 2012 and 2011

	Millions of yen	
	2012	2011
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	¥ (27)	¥ 299
Changes of items during the period		
Net changes of items other than shareholders' equity	249	(326)
Total changes of items during the period	249	(326)
Balance at the end of current period	222	(27)
Deferred gains or losses on hedges		
Balance at the end of previous period	(372)	43
Changes of items during the period		
Net changes of items other than shareholders' equity	413	(416)
Total changes of items during the period	413	(416)
Balance at the end of current period	41	(372)
Revaluation reserve for land		
Balance at the end of previous period	(7)	(6)
Changes of items during the period		
Net changes of items other than shareholders' equity	71	(1)
Total changes of items during the period	71	(1)
Balance at the end of current period	63	(7)
Foreign currency translation adjustment		
Balance at the end of previous period	(3,233)	(2,892)
Net changes of items other than shareholders' equity	(848)	(340)
Total changes of items during the period	(848)	(340)
Balance at the end of current period	(4,081)	(3,233)
Total accumulated other comprehensive income		
Balance at the end of previous period	(3,639)	(2,555)
Changes of items during the period		
Net changes of items other than shareholders' equity	(114)	(1,083)
Total changes of items during the period	(114)	(1,083)
Balance at the end of current period	(3,754)	(3,639)
Subscription rights to shares		
Balance at the end of previous period	409	230
Changes of items during the period		
Net changes of items other than shareholders' equity	185	179
Total changes of items during the period	185	179
Balance at the end of current period	594	409
Minority interests		
Balance at the end of previous period	1,120	1,078
Changes of items during the period		
Net changes of items other than shareholders' equity	624	41
Total changes of items during the period	624	41
Balance at the end of current period	1,745	1,120
<b>Total net assets</b>		
Balance at the end of previous period	48,744	42,062
Changes of items during the period		
Dividends from surplus	(1,317)	(1,317)
Net income	3,679	8,929
Purchase of treasury stock	(1)	(2)
Disposal of treasury stock	0	0
Change of scope of consolidation	—	(66)
Reversal of revaluation reserve for land	4	1
Net changes of items other than shareholders' equity	695	(862)
Total changes of items during the period	3,060	6,681
Balance at the end of current period	¥51,805	¥48,744

See notes to consolidated financial statements.

	Millions of yen	
	2012	2011
<b>Net cash provided by (used in) operating activities</b>		
Income before income taxes and minority interests	¥ 7,976	¥ 7,837
Depreciation and amortization	5,692	4,146
Impairment loss	130	120
Loss on disaster	1,259	129
Loss (gain) on valuation of investment securities	482	565
Amortization of goodwill	1,266	195
Amortization of negative goodwill	(390)	(486)
Increase (decrease) in allowance for doubtful accounts	(207)	(56)
Increase (decrease) in provision for retirement benefits	52	259
Increase (decrease) in allowance for investment loss	—	10
Interest and dividends income	(107)	(67)
Interest expenses	734	257
Loss (gain) on sales of property, plant and equipment	(64)	710
Decrease (increase) in notes and accounts receivable—trade	1,113	(1,158)
Decrease (increase) in inventories	2,791	(1,062)
Decrease (increase) in accounts receivable—other	(424)	(54)
Increase (decrease) in notes and accounts payable—trade	(293)	(715)
Increase (decrease) in accounts payable—other	(2,617)	(591)
Increase (decrease) in accrued expenses	(1,182)	(206)
Other, net	1,308	(159)
Subtotal	17,518	9,674
Interest and dividends income received	103	67
Interest expenses paid	(720)	(262)
Income taxes paid	(854)	(992)
Net cash provided by (used in) operating activities	16,046	8,486
<b>Net cash provided by (used in) investing activities</b>		
Payments into time deposits	(847)	(1)
Purchase of property, plant and equipment	(2,531)	(2,386)
Proceeds from sales of property, plant and equipment	825	4,264
Purchase of intangible assets	(773)	(1,153)
Purchase of investment securities	(7)	(7)
Proceeds from sales of investment securities	206	42
Purchase of investments in subsidiaries	(33,579)	(4)
Other, net	(1,340)	415
Net cash provided by (used in) investing activities	(38,048)	1,169
<b>Net cash provided by (used in) financing activities</b>		
Net increase (decrease) in short-term loans payable	(669)	1,112
Proceeds from long-term loans payable	35,259	500
Repayment of long-term loans payable	(870)	(3,715)
Redemption of bonds	(1,250)	(1,850)
Cash dividends paid	(1,318)	(1,316)
Repayments of finance lease obligations	(1,425)	(1,481)
Other, net	(6)	(15)
Net cash provided by (used in) financing activities	29,718	(6,767)
Effect of exchange rate change on cash and cash equivalents	(232)	(344)
Net increase (decrease) in cash and cash equivalents	7,484	2,543
Cash and cash equivalents at beginning of period	29,038	26,638
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	—	(155)
Increase in cash and cash equivalents resulting from merger	—	11
Cash and cash equivalents at end of period	¥ 36,522	¥29,038

See notes to consolidated financial statements.