

SIX-YEAR FINANCIAL SUMMARY

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

Millions of yen

Thousands of
U.S. dollars²

	2014	2013	2012	2011	2010	2009	2014
Net sales	¥154,804	¥178,745	¥187,265	¥159,490	¥178,713	¥180,586	\$1,504,120
Gross profit	53,142	55,160	61,137	52,668	54,994	52,447	516,345
Total selling, general and administrative expenses	49,807	52,613	50,951	42,341	44,538	47,441	483,939
Operating income	3,335	2,547	10,186	10,327	10,456	5,006	32,405
Ordinary income	3,300	2,622	9,823	10,143	10,382	5,436	32,068
Income (loss) before income taxes and minority interests	2,607	(4,846)	7,976	7,837	8,673	1,077	25,337
Net income (loss)	232	(7,173)	3,679	8,929	8,978	1,377	2,261
EBITDA ¹	11,526	10,086	16,854	14,601	14,512	8,970	111,998
R&D expenses	2,498	2,978	2,722	2,205	2,457	2,498	24,280
Depreciation and amortization	8,191	7,539	6,667	4,274	4,055	3,964	79,592
Net cash provided by operating activities	12,429	6,701	16,046	8,486	16,857	5,577	120,772
Net cash provided by (used in) investing activities	(1,015)	(3,414)	(38,048)	1,169	(3,033)	(2,886)	(9,865)
Net cash provided by (used in) financing activities	1,735	(8,494)	29,718	(6,767)	(8,538)	(2,634)	16,865
<i>(As of March 31)</i>							
Total assets	156,467	152,732	156,654	94,597	95,880	91,600	1,520,279
Net assets	50,907	49,692	51,805	48,744	42,062	30,666	494,635
Interest-bearing debt	72,889	66,293	68,815	21,270	25,270	33,997	708,215
PER SHARE DATA (YEN)							
Net income (loss)	¥ 2.47	¥ (76.21)	¥ 39.09	¥ 94.85	¥ 96.60	¥ 14.95	\$ 0.02
Dividend	10.00	10.00	14.00	14.00	12.00	10.00	0.09
Net assets	526.49	506.41	525.46	501.54	432.90	329.41	5.11

The Company revised the numerical data and records for years ended March 2013 and March 2014 due to adjustments made to past financial results, which it provides in the Six-Year Financial Summary and Consolidated Financial Statements in this report.

	2014	2013	2012	2011	2010	2009
MAJOR FINANCIAL INDICES						
Operating margin (%)	2.2	1.4	5.4	6.5	5.9	2.8
Gross profit margin (%)	34.3	30.9	32.6	33.0	30.8	29.0
Overseas sales ratio (%)	41.3	30.7	36.2	19.7	17.4	17.9
Return on equity (ROE) (%) ³	0.5	—	7.6	20.3	25.5	4.4
Return on assets (ROA) (%) ⁴	2.1	1.7	7.8	10.7	11.1	5.7
Equity ratio (%)	31.7	31.2	31.6	49.9	42.5	32.3
Debt-to-equity ratio (%) ⁵	143.2	133.4	132.8	43.6	60.1	110.9
Dividend on equity (%)	1.9	1.9	2.7	2.8	2.8	3.0
Dividend payout ratio (%)	404.4	—	35.8	14.8	12.4	68.9
STOCK DATA						
Stock price at year-end (Yen)	478	478	605	630	728	382
Market capitalization (Millions of yen)	44,994	44,996	56,952	59,306	68,534	34,261
PER (Times)	193.3	—	15.5	6.6	7.5	25.6
PBR (Times)	0.9	0.9	1.2	1.3	1.7	1.2
Number of shares outstanding (Thousand shares) ⁶	94,130	94,134	94,136	94,138	94,140	89,689
COMPANY DATA						
Number of subsidiaries	40	45	49	29	34	42
Number of employees (Consolidated)	2,056	2,171	2,294	2,535	2,572	2,574
Number of employees (Non-consolidated)	486	516	642	667	649	631
Average age of employees (Non-consolidated)	39.3	38.7	40	39.8	39.3	39.1

Notes:

1. EBITDA=Operating income+Depreciation and amortization
2. U.S. dollar amounts have been translated at the rate of ¥102.92=US\$1, the approximate exchange rate at March 31, 2014.
3. Return on equity=Net income÷(Net assets–Subscription rights to shares–Minority interests)
4. Return on assets=Ordinary income÷Total assets
5. Debt to equity ratio=Interest-bearing debt÷Net assets
6. Treasury stock has been excluded from these figures.

CONSOLIDATED BALANCE SHEETS

TOMY Company, Ltd., and its consolidated subsidiaries
As of March 31, 2014 and 2013

Millions of yen

<i>As of March 31,</i>	2013	2014
ASSETS		
CURRENT ASSETS		
Cash and deposits	¥33,764	¥46,775
Notes and accounts receivable–trade	23,892	18,271
Securities	64	—
Merchandise and finished goods	19,214	17,142
Work in process	368	317
Raw materials and supplies	759	762
Deferred tax assets	2,057	1,993
Other	6,178	5,491
Allowance for doubtful accounts	(158)	(158)
Total current assets	86,142	90,595
NON-CURRENT ASSETS		
Property, plant and equipment		
Buildings and structures	13,634	13,282
Accumulated depreciation	(7,935)	(7,967)
Accumulated impairment loss	(456)	(373)
Buildings and structures, net	5,242	4,942
Machinery, equipment and vehicles	2,038	1,931
Accumulated depreciation	(1,117)	(1,191)
Accumulated impairment loss	(0)	(0)
Machinery, equipment and vehicles, net	920	739
Tools, furniture and fixtures	25,608	25,614
Accumulated depreciation	(22,491)	(22,552)
Accumulated impairment loss	(273)	(421)
Tools, furniture and fixtures, net	2,843	2,639
Land	4,729	4,293
Lease assets	5,374	5,755
Accumulated depreciation	(2,182)	(2,929)
Lease assets, net	3,192	2,825
Construction in progress	243	1,323
Total property, plant and equipment	17,172	16,764

Millions of yen

As of March 31,	2013	2014
Intangible assets		
Goodwill	¥ 25,174	¥ 25,707
Right of using trademark	9,674	10,187
Other	7,532	7,578
Total intangible assets	42,382	43,473
Investments and other assets		
Investment securities	3,056	2,243
Deferred tax assets	517	103
Other	3,699	3,424
Allowance for doubtful accounts	(276)	(230)
Total investments and other assets	6,998	5,540
Total non-current assets	66,552	65,778
Deferred assets		
Bond issuance cost	37	93
Total deferred assets	37	93
Total assets	¥152,732	¥156,467

CONSOLIDATED BALANCE SHEETS (CONTINUED)

Millions of yen

<i>As of March 31,</i>	2013	2014
LIABILITIES		
CURRENT LIABILITIES		
Notes and accounts payable–trade	¥ 10,655	¥ 8,224
Short-term loans payable	5,971	7,335
Current portion of long-term loans payable	5,497	5,533
Current portion of bonds	990	—
Current portion of bonds with subscription rights to shares	—	4,900
Lease obligations	1,935	2,172
Accounts payable–other	6,479	4,365
Accrued expenses	5,439	6,297
Income taxes payable	478	453
Provision for sales returns	375	698
Allowance for recall	57	54
Sublease loss reserve	—	133
Provision for directors’ bonuses	418	114
Provision for contingent loss	53	258
Other	1,023	624
Total current liabilities	39,376	41,166
NON-CURRENT LIABILITIES		
Bonds payable	—	10,000
Bonds with subscription rights to shares	12,300	7,400
Long-term loans payable	41,534	37,719
Lease obligations	1,186	640
Deferred tax liabilities	2,800	2,810
Deferred tax liabilities for land revaluation	551	551
Provision for retirement benefits	2,982	—
Net defined benefit liability	—	3,084
Provision for directors’ retirement benefits	228	206
Allowance for investment loss	10	10
Other	2,069	1,970
Total non-current liabilities	63,663	64,393
Total liabilities	103,039	105,559

Millions of yen

<i>As of March 31,</i>	2013	2014
NET ASSETS		
SHAREHOLDERS' EQUITY		
Capital stock	¥ 3,459	¥ 3,459
Capital surplus	6,744	6,743
Retained earnings	35,840	35,320
Treasury shares	(1,322)	(1,323)
Total shareholders' equity	44,722	44,200
ACCUMULATED OTHER COMPREHENSIVE INCOME		
Valuation difference on available-for-sale securities	529	433
Deferred gains or losses on hedges	828	216
Revaluation reserve for land	68	68
Foreign currency translation adjustment	1,522	4,999
Remeasurements of defined benefit plans	—	(360)
Total accumulated other comprehensive income	2,948	5,358
SUBSCRIPTION RIGHTS TO SHARES	729	644
MINORITY INTERESTS	1,292	704
Total net assets	49,692	50,907
Total liabilities and net assets	¥152,732	¥156,467

CONSOLIDATED STATEMENTS OF INCOME

TOMY Company, Ltd., and its consolidated subsidiaries
Years ended March 31, 2014 and 2013

Millions of yen

Years ended March 31,	2013	2014
NET SALES	¥178,745	¥154,804
COST OF SALES	123,585	101,661
GROSS PROFIT	55,160	53,142
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES		
Packing and transportation expenses	2,877	3,044
Warehousing expenses	4,213	3,920
Advertising expenses	9,600	8,262
Directors' compensations	821	664
Salaries, allowances and bonuses	14,146	14,142
Provision for directors' bonuses	236	82
Retirement benefit expenses	1,220	1,202
Provision for directors' retirement benefits	77	66
Depreciation	2,609	2,150
Research and development expenses	2,709	2,243
Commission fee	2,578	2,787
Provision of allowance for doubtful accounts	(25)	24
Other	11,545	11,214
Total selling, general and administrative expenses	52,613	49,807
OPERATING INCOME	2,547	3,335
NON-OPERATING INCOME		
Interest and dividend income	130	119
Amortization of negative goodwill	58	18
Rent income	195	202
Purchase discounts	90	10
Foreign exchange gains	358	533
Other	304	213
Total non-operating income	1,136	1,097
NON-OPERATING EXPENSES		
Interest expenses	830	818
Sales discounts	9	1
Amortization of bond issuance cost	22	20
Sublease loss reserve	—	133

Millions of yen

Years ended March 31,	2013	2014
<i>(NON-OPERATING EXPENSES continued)</i>		
Other	¥ 199	¥ 159
Total non-operating expenses	1,061	1,132
ORDINARY INCOME	2,622	3,300
EXTRAORDINARY INCOME		
Gain on sales of non-current assets	6	70
Gain on sales of investment securities	—	839
Gain on bargain purchase	318	69
Gain on reversal of subscription rights to shares	29	170
Insurance income	197	—
Total extraordinary income	551	1,150
EXTRAORDINARY LOSSES		
Loss on sales of non-current assets	2	20
Loss on retirement of non-current assets	114	72
Loss on sales of investment securities	—	547
Loss on valuation of investment securities	9	132
Impairment loss	6,233	242
Business structure improvement expenses	487	442
Loss on business withdrawal	—	241
Special extra retirement payments	860	—
Loss from fraud	80	143
Other	232	—
Total extraordinary losses	8,019	1,842
INCOME (LOSS) BEFORE INCOME TAXES AND MINORITY INTERESTS	(4,846)	2,607
INCOME TAXES—CURRENT	503	1,607
REFUND OF INCOME TAXES	(7)	(2)
INCOME TAXES—DEFERRED	1,764	728
TOTAL INCOME TAXES	2,259	2,333
INCOME (LOSS) BEFORE MINORITY INTERESTS	(7,106)	274
MINORITY INTERESTS IN INCOME	67	41
NET INCOME (LOSS)	¥(7,173)	¥ 232

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

TOMY Company, Ltd., and its consolidated subsidiaries
Years ended March 31, 2014 and 2013

Millions of yen

<i>Years ended March 31,</i>	2013	2014
INCOME (LOSS) BEFORE MINORITY INTERESTS	¥(7,106)	¥ 274
OTHER COMPREHENSIVE INCOME		
Valuation difference on available-for-sale securities	307	(85)
Deferred gains or losses on hedges	787	(611)
Foreign currency translation adjustment	5,603	3,477
Total other comprehensive income	6,698	2,780
COMPREHENSIVE INCOME	(407)	3,054
Comprehensive income attributable to owners of the parent	(475)	3,012
Comprehensive income attributable to minority interests	68	42

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

TOMY Company, Ltd., and its consolidated subsidiaries
For the year ended March 31, 2013

Millions of yen

SHAREHOLDERS' EQUITY									
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity				
Balance at the beginning of current period	¥3,459	¥6,744	¥44,336	¥(1,321)	¥53,219				
Changes of items during the period									
Dividends of surplus			(1,317)		(1,317)				
Net income (loss)			(7,173)		(7,173)				
Purchase of treasury shares				(1)	(1)				
Disposal of treasury shares		(0)		0	0				
Reversal of revaluation reserve for land			(4)		(4)				
Net changes of items other than shareholders' equity									
Total changes of items during the period	—	(0)	(8,496)	(0)	(8,496)				
Balance at the end of current period	3,459	6,744	35,840	(1,322)	44,722				
Accumulated other comprehensive income							Sub- scription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for- sale securities	Deferred gains or losses on hedges	Re- valuation reserve for land	Foreign currency translation adjustment	Remeas- urements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	¥222	¥41	¥63	¥(4,081)	¥ —	¥(3,754)	¥594	¥1,745	¥51,805
Changes of items during the period									
Dividends of surplus									(1,317)
Net income (loss)									(7,173)
Purchase of treasury shares									(1)
Disposal of treasury shares									0
Reversal of revaluation reserve for land									(4)
Net changes of items other than shareholders' equity	306	787	4	5,603	—	6,702	135	(452)	6,384
Total changes of items during the period	306	787	4	5,603	—	6,702	135	(452)	(2,112)
Balance at the end of current period	529	828	68	1,522	—	2,948	729	1,292	49,692

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS (CONTINUED)

TOMY Company, Ltd., and its consolidated subsidiaries
For the year ended March 31, 2014

Millions of yen

SHAREHOLDERS' EQUITY									
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity				
Balance at the beginning of current period	¥3,459	¥6,744	¥35,840	¥(1,322)	¥44,722				
Changes of items during the period									
Dividends of surplus			(753)						(753)
Net income (loss)			232						232
Purchase of treasury shares				(2)					(2)
Disposal of treasury shares		(0)		0					0
Reversal of revaluation reserve for land									—
Net changes of items other than shareholders' equity									
Total changes of items during the period	—	(0)	(520)	(1)					(522)
Balance at the end of current period	3,459	6,743	35,320	(1,323)	44,200				
Accumulated other comprehensive income							Sub- scription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for- -sale securities	Deferred gains or losses on hedges	Re- valuation reserve for land	Foreign currency translation adjustment	Remeasure- ments of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	¥529	¥828	¥68	¥1,522	¥ —	¥2,948	¥729	¥1,292	¥49,692
Changes of items during the period									
Dividends of surplus									(753)
Net income (loss)									232
Purchase of treasury shares									(2)
Disposal of treasury shares									0
Reversal of revaluation reserve for land									—
Net changes of items other than shareholders' equity	(95)	(611)	—	3,477	(360)	2,410	(85)	(587)	1,737
Total changes of items during the period	(95)	(611)	—	3,477	(360)	2,410	(85)	(587)	1,214
Balance at the end of current period	433	216	68	4,999	(360)	5,358	644	704	50,907

CONSOLIDATED STATEMENTS OF CASH FLOWS

TOMY Company, Ltd., and its consolidated subsidiaries
Years ended March 31, 2014 and 2013

Millions of yen

Years ended March 31,	2013	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income taxes and minority interests	¥(4,846)	¥ 2,607
Depreciation	6,275	6,630
Impairment loss	6,233	242
Loss (gain) on valuation of investment securities	9	132
Amortization of goodwill	1,424	1,615
Amortization of negative goodwill	(58)	(18)
Gain on bargain purchase	(318)	(69)
Increase (decrease) in allowance for doubtful accounts	(104)	0
Increase (decrease) in provision for retirement benefits	17	—
Increase (decrease) in net defined benefit liability	—	(39)
Interest and dividend income	(130)	(119)
Interest expense	830	818
Loss (gain) on sales of property, plant and equipment	(3)	(49)
Decrease (increase) in notes and accounts receivable—trade	835	4,279
Decrease (increase) in inventories	(2,029)	2,031
Decrease (increase) in accounts receivable—other	527	32
Increase (decrease) in notes and accounts payable—trade	(1,213)	(1,448)
Increase (decrease) in accounts payable—other	1,277	(2,077)
Increase (decrease) in accrued expenses	(663)	532
Other, net	79	(359)
Subtotal	8,142	14,742
Interest and dividend income received	114	94
Interest expense paid	(794)	(834)
Income taxes paid	(761)	(1,571)
Net cash provided by (used in) operating activities	6,701	12,429

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

TOMY Company, Ltd., and its consolidated subsidiaries
Years ended March 31, 2014 and 2013

Millions of yen

Years ended March 31,	2013	2014
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments into time deposits	¥ (111)	¥ (0)
Purchase of property, plant and equipment	(2,457)	(2,914)
Proceeds from sales of property, plant and equipment	155	398
Purchase of intangible assets	(920)	(780)
Purchase of investment securities	(12)	(4)
Proceeds from sales of investment securities	2	459
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	—	810
Purchase of shares of subsidiaries	(8)	(374)
Purchase of treasury stock of subsidiaries	(280)	—
Collection of short-term loans receivable	37	1,198
Other, net	180	191
Net cash provided by (used in) investing activities	(3,414)	(1,015)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase (decrease) in short-term loans payable	1,827	1,646
Proceeds from long-term loans payable	—	400
Repayment of long-term loans payable	(5,522)	(5,653)
Proceeds from issuance of bonds	—	9,923
Redemption of bonds	(1,050)	(990)
Cash dividends paid	(1,313)	(759)
Repayments of finance lease obligations	(2,430)	(2,828)
Other, net	(5)	(3)
Net cash provided by (used in) financing activities	(8,494)	1,735
EFFECT OF EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS	1,267	591
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,939)	13,741
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	36,522	32,583
CASH AND CASH EQUIVALENTS AT END OF PERIOD	¥32,583	¥46,325