

May 10, 2019

To all related parties:

Name of the Company: TOMY Company, Ltd.
Name of the Representative: Kazuhiro Kojima
Representative Director, President & COO
(Code No. 7867; The First Section of the Tokyo Stock Exchange)
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Board Director
Senior Managing Officer & CFO
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Notice Concerning Issuance of Stock Options (Subscription Rights to Shares) to Executive Officers and Employees, and to Directors and Employees of Subsidiaries

This is to provide notification that TOMY Company, Ltd. (hereinafter “Tomy”) resolved at a meeting of the Board of Directors, held on May 10, 2019, to submit a proposal at the 68th Ordinary General Meeting of Shareholders, to be held on June 21, 2019, seeking approval of shareholders, pursuant to the provisions of Articles 236, 238 and 239 of the Companies Act, for the entrustment to Tomy’s Board of Directors of the authority to decide subscription requirements for subscription rights to shares as stock options.

Tomy has introduced a stock options system for Executive Officers and employees of Tomy and Directors and employees of Tomy’s subsidiaries, to further promote the motivation to contribute to the improvement of consolidated earnings and a management that gives serious consideration to shareholders.

1. Reason for the Necessity to Solicit Persons to Subscribe to the Subscription Rights to Shares with Particularly Advantageous Conditions

Tomy shall issue subscription rights to shares, without contribution, to Executive Officers and employees of Tomy, and to Directors and employees of Tomy’s subsidiaries to further promote the motivation to contribute to the improvement of consolidated earnings and a management that gives serious consideration to shareholders.

2. Content and Maximum Number of Subscription Rights to Shares whose Subscription Requirements are Determinable Based on the Matters Approved at this General Meeting of Shareholders

i. Maximum Number of Subscription Rights to Shares whose Subscription Requirements are Determinable Under this Entrustment

The maximum number of subscription rights to shares to be issued under the conditions described in item iii. below shall be 5,000 units.

The maximum number of shares to be delivered upon exercise of subscription rights to shares shall be 500,000 common shares of Tomy, and if the Number of Granted Shares (defined below) is adjusted in accordance with item iii. (1) below, the maximum number of shares shall be the Number of Granted Shares after adjustment multiplied by the aforementioned maximum number of subscription rights to shares.

ii. Monetary Payment in Exchange for Subscription Rights to Shares

No monetary payment is required concerning the subscription rights to shares whose subscription requirements are determinable under this entrustment.

iii. Content of Subscription Rights to Shares whose Subscription Requirements are Determinable under this Entrustment

(1) Class and Number of Shares to be Issued upon Exercise of Subscription Rights to Shares

The class of shares to be issued upon exercise of subscription rights to shares shall be common shares of Tomy, and the number of shares to be issued upon exercise of each subscription right to shares (hereinafter referred to as the “Number of Granted Shares”) shall be 100 shares.

However, the Number of Granted Shares shall be adjusted by the following formula if Tomy conducts a share split (including allotment of common shares of Tomy without contribution; the same shall apply to any reference to a share split hereinafter) or share consolidation of its common shares after the date for the allotment of subscription rights to shares (hereinafter referred to as the “Allotment Date”).

$$\begin{array}{l} \text{Number of Granted Shares} \\ \text{after adjustment} \end{array} = \begin{array}{l} \text{Number of Granted Shares} \\ \text{before adjustment} \end{array} \times \text{Share split/consolidation ratio}$$

In addition to the above, if any adjustment of the Number of Granted Shares is appropriate after the Allotment Date, Tomy may adjust the Number of Granted Shares within a reasonable extent.

Any fraction less than one share resulting from the above adjustment shall be disregarded.

For details, please refer to the press release available at the following

https://www.takaratomy.co.jp/release/pdf/i190510_04.pdf