

Summary of Consolidated Business Results for the First Quarter of the Year Ending July 2012 (Based on Japanese GAAP)

December 13, 2011

Company **TYO Inc** Listed on the JASDAQ
 Stock Code 4358 URL: <http://group.tyo.jp>
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 Expected date of filing of quarterly report: December 14, 2011
 Expected starting date of dividend payment: —
 Supplementary material: None
 Schedule of meeting for explanation of business results: None

(Rounded down to million yen)

1. Consolidated business results for the three months ended October 2011 (August 1, 2011 through October 31, 2011)

(1) Consolidated results of operations (% change from the previous corresponding period)

| | Net sales | | Operating income | | Ordinary income | | Net income | |
|-----------------------------|-------------|-------|------------------|-------|-----------------|---|-------------|---|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| Three months ended Oct 2011 | 5,366 | 12.9 | 233 | -0.1 | -41 | — | -74 | — |
| Three months ended Oct 2010 | 4,751 | -22.7 | 233 | 230.4 | 164 | — | 79 | — |

| | Net income per share | Diluted net income per share |
|-----------------------------|----------------------|------------------------------|
| | Yen | Yen |
| Three months ended Oct 2011 | -1.25 | — |
| Three months ended Oct 2010 | 2.38 | — |

(2) Consolidated financial position

| | Total assets | Net assets | Shareholders' equity ratio |
|-----------------|--------------|-------------|----------------------------|
| | Million yen | Million yen | % |
| As of Oct 2011 | 12,377 | 2,325 | 18.0 |
| As of July 2011 | 14,075 | 2,421 | 16.4 |

(Reference) Shareholders' equity

As of October 2011: 2,223 million yen

As of July 2011: 2,309 million yen

2. Status of dividends

| | Annual dividend per share | | | | |
|----------------------------------|---------------------------|-----------|-----------|----------|-------|
| | End of 1Q | End of 2Q | End of 3Q | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Year ended July 2011 | — | — | — | 0.00 | 0.00 |
| Year ending July 2012 | — | — | — | — | — |
| Year ending July 2012 (forecast) | — | — | — | 0.00 | 0.00 |

(Note) Revisions to dividend forecast for the current quarter: None

3. Forecast of consolidated business results for the year ending July 2012

(August 1, 2011 through July 31, 2012)

(The percentages indicate the rates of increase or decrease compared with the preceding fiscal year, and accumulated consolidated period for the 2nd quarter indicates the rates of increase or decrease compared with the same quarter in the preceding year.)

| | Net sales | | Operating income | | Ordinary income | | Net income | | Net income per share |
|------------------------------------|-------------|------|------------------|-------|-----------------|-------|-------------|-------|----------------------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| For the six months ending Jan 2012 | 11,000 | -3.8 | 450 | -35.0 | 100 | -79.3 | 50 | -87.4 | 0.84 |
| Year ending July 2012 | 24,000 | 6.0 | 1,200 | -1.1 | 700 | -22.8 | 450 | -34.6 | 7.53 |

(Note) Revisions to consolidated business forecast for the current quarter: None

(1) Analysis of Business Performance

Japan's national economy in the first quarter of the current fiscal year continued to rally due to recovery of the supply chain following the Great East Japan Earthquake, and it is shaking itself free of the post-earthquake effects even in the advertising industry. On the other hand, there continues to be uncertainty due to the effects of financial instability in Europe and the long-term appreciation of the yen.

In the midst of such circumstances, the performance of the TYO Group in the current consolidated cumulative first quarter saw increased turnover due to business expansion which exploited the strengths of the major production company and due to favorable shifts in TV-CM business using creative force and price competitiveness as weapons. However, due to the fact that 198 million yen of expenses in connection with the syndicate loan agreement entered into on 5th August this year were lumped together and declared as a non-operating expense as well as the overseas allowance provision in line with the resolution to dissolve Great Works America Inc. (U.S.) in August this year, the Company has recorded an ordinary loss and a quarterly net loss.

While the expenditure incurred from entering into the above-mentioned syndicate loan agreement temporarily put pressure on profits, it was thought that reduced interest expense for the next four years and the possibility of an agile borrowing policy that utilizes commitment lines would help to push up consolidated profits.

As a result of the above, the consolidated performance for the current consolidated cumulative first quarter was:

Turnover - 5,366 million yen (12.9% increase against the same quarter last year);

Operating profit - 233 million yen (0.1 decrease against the same quarter last year);

Ordinary loss - 41 million yen (ordinary profit of 164 million yen for the same quarter last year);

Quarterly net loss - 74 million yen (quarterly net profit of 79 million yen for the same quarter last year).

An amount of 44 million yen for amortization of goodwill due to M&A was included in the sales and general management expenses.

Further, the Company gained the approval of the 30th ordinary general meeting of shareholders held on 21st October of this year to complete the disposal of the accumulated profit deficit on 31st October, 2011. Under our mid-term business plan, we intend to ensure profits by expanding turnover in this business and managing profits, and to strive to realize speedy resumption of dividend.

The outlook by segment follows.

①TV commercials Segment

In this business segment, we carry out TV-CM planning/production and post-production work

As a result of striving to achieve business expansion for the whole group, and develop an effective production system, and secure price competitiveness against a background of industrial world and advertising industry recovery after the Great East Japan Earthquake and achieving performance and reliability as a major production company in the TV-CM production industry, we managed to increase the number of new advertising project orders and existing projects and get our business back on a steady track.

As a result of the above, business in this segment was:

Turnover - 3,929 million yen (20.4% increase against the same quarter last year);

Operating profit - 681 million yen (8.5% decrease against the same quarter last year).

An amount of 9 million yen for amortization of goodwill due to M&A was included in the sales and general management expenses.

②Marketing Communication Segment

In this business segment, we carry out cross media advertising work such as web advertising and promotion media planning and production both here and abroad.

In regard to our domestic divisions in this business segment, sales remains in slight decline against the same quarter last year due to the shifted period of some projects and failure to receive orders. In addition, operating profit declined against the same quarter last year due to inconsistency in the management of new development project processes.

In the case of our overseas divisions in this business segment, Great Works China Co., Ltd had great demand for TV-CM projects from Japanese-owned companies, but sales fell below previous year results and business objectives due to the fact a resolution was passed to dissolve Great Works, S.L. (Spain) in July this year and Great Works America Inc. in August this year and because Great Works AB, which develops business in Sweden, failed to achieve desired sales because of the depressed European market environment. In addition, by attempting to reduce costs through in-depth business management costs reduced slightly against the same quarter last year, but an operating loss was still recorded.

As a result of the above, business in this segment was:

Turnover - 1,182 million yen (5.3% decrease against the same quarter last year);

Operating loss - 30 million yen (operating loss of 59 million yen in the same quarter last year).

An amount of 34 million yen for amortization of goodwill due to M&A was included in the sales and general management expenses.

We recognized the necessity of enforcing consistent management capability improvement and profit management policies in our domestic division, and we intend to achieve our plans through the enforcement of these policies one by one. In the case of our overseas divisions, we intend to carry out management with the right amount of investment while re-examining the international market environment.

③Other business

Other business carried out by the Company includes the planning and production of animation, TV programs, and music videos. Overall, as a result of each company's management efforts and continuously thorough management; sales and profits together with performance objectives are being reached and getting back on track.

As a result of the above, business in this segment was:

Turnover - 255 million yen (6.3% increase against the same quarter last year);

Operating profit - 18 million yen (operating loss of 5 million yen in the same quarter last year).

(2) Segment information

Information on amount of sales and profit (or loss) according to reporting segment

(Thousand yen)

| | TV Commercial Business | Marketing Communication Business | In total | Other Businesses | Adjustment (Note)1 | Consolidated Income for the Quarter (Note)2 |
|-------------------------------------|------------------------|----------------------------------|-----------|------------------|--------------------|---|
| Sales | | | | | | |
| Sales to external customer | 3,929,103 | 1,182,075 | 5,111,179 | 255,413 | — | 5,366,593 |
| Inter-segmental sales and transfers | 18,130 | 60,657 | 78,787 | 13,500 | -92,287 | — |
| In total | 3,947,233 | 1,242,733 | 5,189,966 | 268,913 | -92,287 | 5,366,593 |
| Segmental profit (loss) | 681,087 | -30,534 | 650,553 | 18,844 | -436,339 | 233,058 |