

December 25, 2009

Notice Concerning Recording of Extraordinary Gain

The board of directors of TYO Inc. approved a resolution on December 25, 2009 to sell its entire investment in Water Direct Co., Ltd. (hereafter called "Water Direct"). The sale of this stock is expected to result in a gain on the sale of securities in the second quarter of the current fiscal year, which ends in July 2010.

1. Summary of extraordinary gain and the description

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| (1) Stock sold | Common stock of Water Direct Co., Ltd. |
| (2) Gain on sale | 96 million yen |
| (3) Sale dates | December 28, 2009 (for sale to three purchasers)
January 29, 2010 (for sale to one purchaser) |

*The stock is to be sold to four purchasers.

2. Reason for sale of stock

The TYO Group has assembled a portfolio of powerful brands by using mergers and acquisitions and establishing new companies in the field of visual content production. Operations include TV commercials, the Internet, computer graphics, movies, characters, animation and other activities. By leveraging this experience, TYO also provides a comprehensive lineup of corporate branding services. As part of this corporate branding business, TYO in November 2006 invested in Water Direct and subsequently provided brand consulting services to this company.

Water Direct operates a home delivery service for mineral water. The company has been performing well due to the desire of customers for high-grade water and to changing perceptions in Japan about the quality of water sources.

TYO assisted in firmly establishing the Water Direct brand and has now reached the point where its role in this process has been largely completed. As a result, an agreement has been reached with parties that recognize the value of this company to purchase TYO's stock. The sales proceeds will exceed the cost at which TYO purchased this stock.

3. Effect on results of operations

TYO expects to record an extraordinary gain of 96 million yen on both a consolidated and non-consolidated basis in the fiscal year ending in July 2010.

TYO is currently examining the effect of this sale on its results of operations. An announcement will be made promptly if this examination results in any information that should be disclosed.