

February 3, 2010

Notice Concerning Group Reorganization between Consolidated Subsidiaries

The board of directors of TYO Inc. approved a resolution on February 3, 2010 to transfer all of the business operations of TYO International B.V. (hereafter called "BV") to TYO Interactive Design Inc. (hereafter called "TYOID"). BV and TYOID will then be combined and the company will be named ID Inc. In addition, the capital of TYOID will be increased.

Following the increase in capital at TYOID, this company will be a specified subsidiary of TYO. BV will be dissolved after its integration with TYOID.

1. Reason for sale (purchase) of business

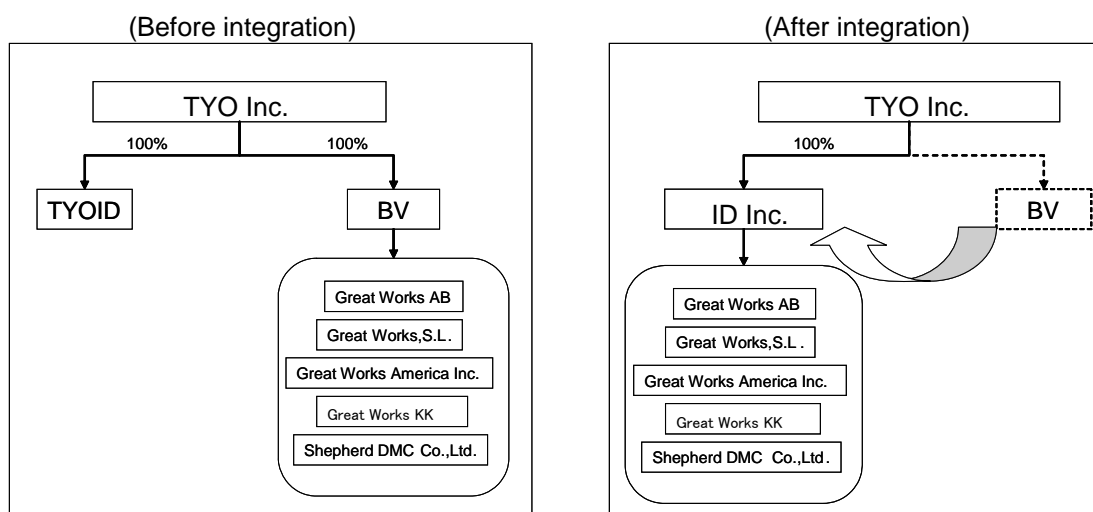
The TYO Group released the "Fundamental Policy Concerning TYO Group Integration" dated January 14, 2010. As was explained in this release, the group is currently conducting a major reorganization to prepare for the "integration of the TYO Group" mainly by having TYO absorb the entire TYO consolidated subsidiaries (excluding some subsidiaries). Today's resolution by the TYO board of directors concerning the transfer of BV's businesses to TYOID is part of this reorganization process. The process will also include combining TYOID and BV to create a company to be called ID Inc. Following the integration of these two companies, BV will be dissolved.

TYOID is well known for its outstanding creativity. The company has received numerous Web advertising awards in Japan and other countries, including an award at the Cannes Lions International Advertising Festival. By investing in other prominent companies in the world engaged in creative projects, BV has assembled a network that includes the Great Works Group (Stockholm, Barcelona, New York and Tokyo) and Shepherd, a Web production company based in Shanghai.

In the Web business sector, which is the primary business of the TYO Group, more growth is foreseen in the market for producing Internet advertisements. This is because more companies are making strategic use of Internet advertisements as advertisers realign their advertising budgets. By integrating the operations of TYOID and BV, the TYO Group will establish a new base for meeting the diverse needs of clients in Japan, Europe, North America, Asia and other regions of the world. This infrastructure will make it possible to adapt to the constantly evolving Web business sector by providing customers with a comprehensive lineup of services.

This integration will take place only if approval is received at a TYOID extraordinary shareholders meeting that will be held on February 3, 2010.

Organization structure following the business integration is as follows.



2. Outline of the companies

(1) TYOID

- ① Company name TYO Interactive Design Inc.
- ② Representative Kenji Morimoto, President and Representative Director
- ③ Head office 3-1-4 Kami-Ohsaki, Shinagawa-ku, Tokyo
- ④ Established October 2002
- ⑤ Major activities Interactive contents planning and production, etc.
- ⑥ Fiscal year end July 31
- ⑦ Capital 10,000 thousand yen
- ⑧ Shares outstanding 200 shares
- ⑨ Major shareholders and ownership ratio TYO 200 shares (100.0%)
- ⑩ Recent operating results (Thousand yen)

	July 2008	July 2009
Net sales	952,762	748,134
Operating income	70,424	60,408
Ordinary income	75,649	71,074
Net income	33,377	57,562
Net assets	71,386	95,649
Total assets	311,990	243,881

(2) BV

- ① Company name TYO International B.V.
- ② Representative Yutoku Matsutani, Chairman of the Board
- ③ Head office Stille Veerkade 36, 2512 BG, Den Haag, The Netherlands
- ④ Established March 2006
- ⑤ Major activities Investments in overseas creative activities and management and oversight of subsidiaries overseas
- ⑥ Fiscal year end June 30
- ⑦ Capital 6,500 thousand euro
- ⑧ Shares outstanding 3,000 shares

⑨ Major shareholders and ownership ratio TYO 3,000 shares (100.0%)

⑩ Recent operating results (Thousand yen)

	July 2008	July 2009
Net sales	9,452	9,043
Operating income	(80,711)	(94,885)
Ordinary income	(40,659)	(21,791)
Net income	(40,659)	(21,317)
Net assets	922,089	802,268
Total assets	927,545	807,692

3. Description of sale (purchase) of business

(1) Description of sale (purchase)

Investments in overseas creative activities and management and oversight of subsidiaries overseas

(2) Assets and liabilities of business to be transferred

Stock of subsidiaries (subsidiaries of a subsidiary of TYO) held by the company selling the business and office equipment, loans by TYO to group companies and all other assets and liabilities associated with the business to be sold as of the date of sale.

(3) Sale (purchase) price and method of payment

① Sale (purchase) price

983 million yen, which is the capital of BV

② Method of payment

The capital of TYOID will be increased to integrate BV's International business sector and TYOID.

TYOID will use a private placement to sell stock to BV, generating proceeds of 983 million yen, which is equal to the sale (purchase) price. TYOID will use the proceeds from this private placement to purchase the assets of BV's business operations. After this purchase, BV will be dissolved.

(4) Outline of capital increase in TYOID

- ① No. of shares to be allocated 18,916 shares
- ② Shares outstanding following capital increase 19,116 shares
- ③ Issue price 52,000 yen per share
- ④ Total issue price 983,632,000 yen
- ⑤ Date of payment February 3, 2010
- ⑥ Allottee BV
- ⑦ Capital following capital increase 501 million yen
- ⑧ Major shareholders following capital increase BV 18,916 shares (99.0%)
TYO 200 shares (1.0%)

(Notes) 1. After the capital increase, TYOID will be a specified subsidiary of TYO.

2. This capital increase will take place only if the resolution to amend the Articles of Incorporation is approved at the TYOID extraordinary shareholders meeting to be held on February 3.

4. Outline of new company following sale (purchase) of business

- (1) Company name ID inc.
- (2) Representative Kenji Morimoto, President and Representative Director
Yutoku Matsutani, Chairman and Representative Director
- (3) Head office 3-1-4 Kami-Ohsaki, Shinagawa-ku, Tokyo
- (4) Major activities Interactive contents planning, production, etc., and
management and oversight of subsidiaries overseas

- (5) Fiscal year end July 31
 (6) Capital 501 million yen
 (7) Major shareholders and ownership ratio TYO 100.0%
 (8) New Directors

Title	Name	Career
President and Representative Director	Kenji Morimoto	TYO Director TYOID Representative Director
Chairman and Representative Director	Yutoku Matsutani	TYO Director BV Chairman of the Board
Executive Vice-President	Nozomi Araki	TYOID Director
	Ronald Jimmink	BV Director
	Jun Maekawa	BV Director
Director	Takayoshi Kishimoto	TYOID Director
	David Sundin	BV Director
	Fredrik Bergström	BV Director
	Jun Ebihara	TYO Director TYOID Director
	Hiroaki Uekubo	TYO Director TYOID Director
Auditor	Hidejiro Matsuda	TYO Auditor TYOID Auditor

5. Schedule

- February 3, 2010 Resolution of TYO board of directors
 February 3, 2010 Signing of sales (purchase) contract
 February 3, 2010 TYOID extraordinary shareholders meeting
 February 3, 2010 Date of sale (purchase) of business
 February 3, 2010 Start a procedure for dissolution of BV

6. Outlook

The effect of the group reorganization on TYO's consolidated operating results is insignificant as the reorganization will be conducted among the TYO's wholly owned subsidiaries.