

March 17, 2010

Notice of Private Placement of Treasury Stock and Change in Major Shareholder

The board of directors of TYO Inc. approved a resolution on March 17, 2010 to sell 4,887,000 shares (14.98% of all shares issued) of TYO treasury stock to Fields Corporation as follows. Due to this sale, Fields will become a major shareholder of TYO with a holding of 14.98% of all shares issued.

I. Information about sale of treasury stock

1. Reason for selling treasury stock

The TYO Group has been using an "alliance strategy" as a medium to long-term management strategy with the aim of achieving further growth. The goal is to diversify activities involving visual content and increase opportunities to capture orders by strengthening ties with partner companies. As part of this strategy, the board of directors of TYO today approved a resolution to sell treasury stock to Fields by using a private placement.

In the advertising business, which is one of its core businesses, the TYO Group has been offering customers comprehensive proposals for advertising and promotional activities that include TV commercials as well as planning and production activities for the Internet, events and various promotions. In addition, mergers, acquisitions, the establishment of new companies and other measures have been used to establish the brands of TYO Group companies. By using this experience, the TYO Group is also offering a comprehensive branding service that includes planning and proposals.

Based on its corporate philosophy of "offering everyone the best possible leisure time," Fields has been growing by identifying business opportunities that use its foresight concerning changes in life styles and other factors associated with the increasing amount of free time that people have. In particular, recognizing the importance of content as a means of giving companies a competitive edge, Fields has been growing in many entertainment domains, including sports, visual content, cell phones, publishing, animation and other activities. The objective is to acquire, create and develop highly entertaining intellectual property (commercialization rights) that can be used in Fields' core pachinko and pachislo business and content that can create new customer segments for Fields.

One of the management priorities of TYO is to focus resources on strategic activities. TYO plans to build an operating framework that is consistently profitable by concentrating resources on businesses where the company is strongest. The funds procured from this sale of treasury stock will be used to provide working capital for established business operations. This will support activities to make the entire TYO Group more profitable as well as increase the equity ratio, which is an important issue for the group.

TYO will use this investment by Fields to build even closer ties with this company. This relationship will make it possible to conduct new types of business activities that draw on the broad range of expertise of Fields the entertainment business and the TYO Group's skill in creating comprehensive advertising proposals in its advertising business.

2. Reason for selection of Fields and other items

(1) Profile of Fields

① Name	Fields Corporation		
② Businesses	Planning, development, purchase and sales of amusement machines; planning, development and sales of video software copyrighted characters and related content; planning, development and sales of visual software		
③ Established	June 1988		
④ Head office	3-6 Maruyama-cho, Shibuya-ku, Tokyo		
⑤ CEO	Hidetoshi Yamamoti, Chairman and CEO Takashi Oya, President and CEO		
⑥ Capital	7,948 million yen		
⑦ Shares issued	347,000 shares		
⑧ Fiscal year end	March 31		
⑨ No. of employees	827 (as of March 31, 2009)		
⑩ Major customers	Bisty Co., Ltd., Rodeo Co., Ltd.		
⑪ Major shareholders and percentage of shares held	Hidetoshi Yamamoto: 25.00% SANKYO Co., Ltd.: 15.00%		
⑫ Main banks	Sumitomo Mitsui Banking Corp., The Bank of Tokyo-Mitsubishi UFJ, Ltd.		
⑬ Relationship between listed company and buyer	Capital	None	
	Business	None	
	Personnel	None	
	Related party information	None	
⑭ Recent three-year results	(Million yen)		
Years ended July 31	2007	2008	2009
Net sales	85,321	101,818	73,035
Operating income	8,944	13,158	1,960
Ordinary income	9,202	11,705	991
Net income	3,710	5,296	(1,481)
Net income per share (yen)	10,692.29	15,263.76	(4,271.78)
Total assets	66,081	69,168	52,064
Net assets	42,836	46,331	39,496

(2) Reason for selection of Fields

The reason for selecting Fields to purchase treasury stock is explained in the above "1. Information about sale of treasury stock 1. Reason for selling treasury stock". Selling this treasury stock will build a stronger relationship between TYO and Fields. This will make it possible to conduct new types of businesses that utilize the strengths of both companies: the expertise of Fields in a broad range of entertainment businesses and the ability of the TYO Group to offer comprehensive advertising proposals in its advertising business. The selection of Fields as the buyer of this treasury stock was thus based on the belief that this action will establish a sound relationship that will contribute to increasing the corporate value of both companies.

During discussions with Fields, TYO has confirmed that Fields is not associated with any anti-social elements.

(3) Fields plan for holding TYO shares

Fields plans to be a medium to long-term TYO shareholder.

TYO plans to obtain a written agreement from Fields in which, in the event of the sale or other transfer of all or part of its TYO stock within two years of the private placement payment date, Fields will provide TYO with the name, address, number of shares, sale date, sale price, reason for sale, sale method and other information concerning the sale or transfer.

3. Summary of sale of treasury stock

- (1) Number of shares 4,887,000 shares of TYO common stock
- (2) Price per share Undecided*
- (3) Aggregate price Undecided*
- (4) Method of sale All shares sold to Fields using a private placement
- (5) Payment date April 2, 2010
- (6) Treasury stock after sale 462 shares
- (7) Other items concerning this sale that are significant with regard to investment decisions.
None

*The price per share will be the average closing price of TYO common stock on the JASDAQ market during the three-month period ending on April 1, 2010, which is the day before the payment date, with a 3% discount. The sale price will be announced separately as soon as it has been determined.

4. Amount procured, use of funds and timing of expenditures

- (1) Amount procured (estimated net proceeds)
Undecided

*There will be no issuing expenses. Regarding the amount to be procured, the price per share will be the average closing price of TYO common stock on the JASDAQ market during the three-month period ending on April 1, 2010, which is the day before the payment date, with a 3% discount. The amount to be procured will be announced separately as soon as it has been determined.

- (2) Use of funds procured

All proceeds from the sale of treasury stock will be used for working capital and other purposes in the core advertising business of TYO.

- (3) Timing of expenditures

July 2010 (tentative).

5. Justification for use of proceeds

TYO plans to use the proceeds from this sale of treasury stock to conduct even more diversified business activities in the advertising business, which is one of its core businesses. Furthermore, TYO believes that using the proceeds for working capital and other requirements in the advertising business will strengthen the operations of the entire TYO Group. For these reasons, TYO believes that the use of the proceeds is reasonable.

6. Justification of terms for sale of treasury stock

- (1) Basis for calculation of proceeds and description

The price per share will be the average closing price of TYO common stock on the JASDAQ market during the three-month period ending on April 1, 2010, which is the day before the payment date, with a 3% discount. TYO believes this is a reasonable price because it is based on the most recent market price.

The average closing price over the previous three months was selected because there is a smaller variation in price compared with a one-month average. Furthermore, an average for a period of six months or more would include stock prices immediately before and after an earnings announcement or other events. As a result, this price may not necessarily reflect the true value of TYO.

- (2) Basis for decision regarding justification for number of shares and amount of dilution

The number of shares of treasury stock to be sold is 14.98% of all TYO shares issued. Although this will result in some dilution, TYO believes that this sale will contribute to an increase in its corporate value by strengthening its relationship with Fields, the purchaser of this stock. TYO believes this relationship will produce synergies for both companies by enabling TYO to conduct even more diversified activities in its core advertising business.

Consequently, TYO believes that the number of shares to be sold and the amount of dilution are reasonable.

7. Confirmation that buyer has the financial resources required for the payment

TYO believes that Fields has adequate funds for this purchase of treasury stock based on sales, assets, net assets, cash and deposits, and other information included in the most recent securities report submitted by Fields.

8. Three-year financial highlights and equity financing activities

(1) Three-year financial results (consolidated)

(Million yen)

Years ended July 31	2007 *	2008	2009
Net sales	18,912	31,118	29,483
Operating income	708	1,805	401
Ordinary income	585	1,452	125
Net income (loss)	210	620	(1,856)
Net income (loss) per share (yen)	6.93	21.38	(66.33)
Dividends per share (yen)	4	4	—
Net assets per share (yen)	69.32	84.42	6.41

*The fiscal period from October 1, 2006 to July 31, 2007 is a 10-month transitional period due to a change in the end of the fiscal year to July 31 in 2007.

(2) Shares issued and common stock equivalents

	No. of shares	Pct. of shares issued
Shares issued	32,611,880 shares	100%
Common stock equivalents at current conversion price (exercise price)	—	—
Common stock equivalents at minimum conversion price (exercise price)	—	—
Common stock equivalents at maximum conversion price (exercise price)	—	—

(3) Treasury stock to be sold

Date of sale	April 22, 2010
Amount procured	Undecided *
Shares issued at the time of sale	32,611,880 shares
Common stock equivalents at the time of sale	2,205,000 shares

*Regarding the amount to be procured, the price per share will be the average closing price of TYO common stock on the JASDAQ market during the three-month period ending on April 1, 2010, which is the day before the payment date, with a 3% discount. The amount to be procured will be announced separately as soon as it has been determined.

(4) Equity financing activity during past three years

None

(5) Recent stock prices

① Recent three-year data

	End of July 2007 (July 31, 2007)	End of July 2008 (July 31, 2008)	End of July 2009 (July 31, 2009)
Open	218 yen	158 yen	97 yen
High	220 yen	160 yen	98 yen
Low	218 yen	154 yen	95 yen
Close	218 yen	160 yen	95 yen

② Recent six-month data

	September	October	November	December	January	February
Open	90 yen	89 yen	80 yen	73 yen	76 yen	80 yen
High	116 yen	90 yen	82 yen	78 yen	85 yen	80 yen
Low	89 yen	81 yen	70 yen	70 yen	74 yen	72 yen
Close	90 yen	83 yen	72 yen	75 yen	79 yen	76 yen

9. Major shareholders and ownership following sale

Before sale (as of January 31, 2010)		After sale	
Hiroaki Yoshida	16.55%	Hiroaki Yoshida	16.55%
TYO Inc.	14.98%	Fields Corporation	14.98%
Katsumi Kimura	10.37%	Katsumi Kimura	10.37%
Kenji Misumi	6.49%	Kenji Misumi	6.49%
Nikko Citi Trust and Banking Corporation (Trust account)	6.42%	Nikko Citi Trust and Banking Corporation (Trust account)	6.42%
Kazuyoshi Hayakawa	6.32%	Kazuyoshi Hayakawa	6.32%
Shuji Kakimoto	4.01%	Shuji Kakimoto	4.01%
The Master Trust Bank of Japan, Ltd. (Trust account)	2.99%	The Master Trust Bank of Japan, Ltd. (Trust account)	2.99%
The Dai-ichi Mutual Life Insurance Company	1.83%	The Dai-ichi Mutual Life Insurance Company	1.83%
Nippon Life Insurance Company	1.83%	Nippon Life Insurance Company	1.83%

(Notes) 1. Figures in this table do not include common stock equivalents.

2. Major shareholders and ownership percentages are based on shareholder information as of January 31, 2010.

10. Schedule

March 17, 2010

Resolution approved by TYO board of directors

April 2, 2010

Payment date

11. Procedure concerning corporate code of behavior

This sale of treasury stock using a private placement (1) will result in dilution of less than 25% and (2) will not result in a change in the controlling shareholder. As a result, there is no need to obtain an opinion from an independent party or to confirm the position of shareholders regarding this sale as provided for in Article 2 of the JASDAQ Corporate Code of Behavior for Listed Companies.

12. Outlook for effect on results of operations

TYO plans to use this sale of treasury stock to conduct even more diversified activities in its advertising business, which is one of its core businesses, by building a stronger relationship with Fields.

TYO is currently working on determining the effect of this sale on its consolidated results of operations. An announcement will be made promptly when this information has been finalized.

II. Change in major shareholder

1. Reason for change

There will be a change in a major shareholder because of the sale of treasury stock using a private placement on April 2, 2010 as described above.

2. Date of change April 2, 2010

3. Name of shareholder

Fields Corporation

*Please see the above section "I. Information about sale of treasury stock 2. Reasons for selection of Fields and other items (1) Profile of Fields" for information about Fields.

4. Number of voting rights (number of shares owned) of applicable shareholder, and pct. of the voting rights before and after transfer

	No. of voting rights (No. of shares owned)	Pct. of total voting rights *	Major shareholder ranking
Before transfer (as of March 17, 2010)	0 (0)	0.00%	—
After transfer	9,774 rights (4,887,000 shares)	14.99%	2

*Number of shares issued as of March 17, 2010 32,611,880 shares