

April 22, 2010

Notice Concerning Recording of Extraordinary Loss

TYO Inc. at the board of directors meeting held on April 22, 2010 resolved to sign a contract for the transfer of a portion of TYO's receivables. In accordance with the signing of the contract, TYO notifies that the Company expects to record a loss on transfer of receivables as an extraordinary loss for the third quarter of the year ending July 31, 2010 (February 1, 2010 to April 30, 2010).

Note that the figures in the release have not been audited by TYO's independent accountant. As a result, these figures may differ from the audit figures.

1. Recording of extraordinary loss

TYO Group withdrew from the game software sector of the Entertainment business in the previous consolidated fiscal year. TYO, at today's board of directors meeting, resolved to sign a contract for the transfer of a portion of loans for the Company's game software sector.

TYO Group is currently promoting aggressive reduction and sale of TYO's idle assets, nonperforming assets and other assets to execute the "strengthening of financial base", which is one of the group's management initiatives. With the signing of the transfer contract, TYO recorded a loss on transfer of receivables but the Company considers necessary to ensure and strengthen finance.

2. Description of extraordinary loss (consolidated and non-consolidated)

Loss on transfer of receivables 361 million yen (consolidated and non-consolidated)

At present, there are no revisions to full year business forecasts (consolidated and non-consolidated) that were announced in the "Summary of Business Results for the Year Ended July 31, 2009" dated September 17, 2009. As was announced in the April 15 press release titled "Notice Concerning Determination of Details on TYO Group Integration", TYO is now assessing the effect of the TYO Group integration. Moreover, as was announced in the March 26 and April 15 press releases titled "Notice of Determination of Transfer Price and Recording of Extraordinary Profit Concerning Sales of Stock in a Subsidiary", TYO considers necessary to carefully assess the impact of gain on transfer of subsidiary stock on the Company's operating results. Full year business forecasts are now being assessed. The forecasts will be promptly disclosed based on the future market trend and each group company's earnings trend.