

May 27, 2010

Notice Concerning Issuance of Stock Options (Stock Acquisition Rights)

The board of directors of TYO Inc. on May 27, 2010 passed a resolution to ask shareholders to approve the issuance of stock acquisition rights to directors of TYO for the purpose of granting stock options. This resolution will be submitted at an extraordinary shareholders meeting scheduled for June 24, 2010.

1. Reason for issuing stock options to TYO directors

Stock acquisition rights will be issued to TYO directors as stock options to share the values between our shareholders and TYO directors in addition to further motivate the directors to raise stock prices and improve operating results through an appropriate company management, taking into consideration TYO's operating results for each fiscal year, execution of TYO directors' duties and contributions, etc.

2. Summary of issuance of stock options

(1) Individuals eligible to receive stock acquisition rights

TYO directors

(2) Type and number of shares to be issued under stock acquisition rights

A maximum of 5,000,000 shares of common stock of the Company

(3) Total number of stock acquisition rights

A maximum of 10,000 rights (500 shares of stock will be delivered upon the exercise of each right)

(4) Amount of investment upon exercise of stock acquisition rights

The Exercise Price is the average closing price of TYO common stock on the JASDAQ market on each day of the month prior to the month in which the stock acquisition rights are distributed (except days where there was no trading in TYO stock) multiplied by 1.05, with any fraction of one yen discarded.

(Note) The above terms are dependent on the approval at TYO's an extraordinary shareholders meeting scheduled for June 24, 2010 of the proposals concerning the "Determination of Amount and Details of Stock Options as Compensation for Directors"

* The above are English translations of major items concerning the issuance of stock options (stock acquisition rights) which were released on May 27, 2010.