

*July 27, 2010***Notice Concerning Merger of Consolidated Subsidiaries**

TYO Inc. at the board of directors meeting held on July 27, 2010 approved a resolution as follows to merge TYO consolidated subsidiaries ZEO Corporation ("ZEO") and EAVAM International Co., Ltd. ("EAVAM") making ZEO a surviving company.

1. Purpose of merger

The TYO Group is currently pursuing a policy of focusing on strategic activities as one of its management initiatives. The group will concentrate management resources on its advertising-related content operations, a sector where the group has a strong market position. These operations include TV commercials, websites, promotional media and other activities. The goal is to be a corporate entity that is consistently profitable. On July 1, 2010, as part of the management initiatives, TYO integrated the TYO Group merging with subsidiaries engaged in advertising-related business. To build a stronger earnings base, TYO Group resolved to merge ZEO and EAVAM which are engaged in marketing and communications.

EAVAM deals with marketing and communications including the development of companies' event promotions. Meanwhile, ZEO which deals with major foreign IT-related companies as customers is highly evaluated for the planning ability and has been involved with a number of event promotions and various campaigns. These two companies have been advancing personnel exchanges and sharing knowhow to strengthen marketing capabilities and production system as independent brands. To build a stronger earnings structure, TYO considered that it is the most suitable enterprise system for the two companies to combine such as businesses and assets that have been dispersed to each company due to the merger. Therefore, TYO resolved to merge today.

Following the merger, TYO Group will develop marketing more aggressively taking advantage of having capabilities in comprehensive proposals for advertising activities including websites, and marketing and communications as well as TV commercials.

2. Outline of merger**(1) Merger schedule**

July 27, 2010 TYO Board of Directors meeting to approve merger agreement

July 27, 2010 Extraordinary Shareholders Meeting to approve the merger of ZEO and EAVAM

August 1, 2010 Effective date of merger (scheduled)

(2) Merger method

ZEO will be the surviving company and EAVAM will be dissolved through merger by absorption.

(3) Merger ratio

Because the merger is among the TYO's wholly owned subsidiaries, there are no merger ratio agreements. Moreover, there is no issuance of new shares or increase in paid-in capital due to the merger.

3. Outline of merging companies

Company name	ZEO Corporation (surviving company)	EAVAM International Co., Ltd. (dissolving company)
Major activities	Marketing and communications	Marketing and communications
Established	May 14, 1988	September 11, 1990
Head office	2-9-28 Hiroo, Shibuya-ku, Tokyo	4-5-9 Tsukiji, Chuo-ku, Tokyo
Representative	Hiromasa Kuroi, President & CEO	Hiromasa Kuroi, President & CEO
Capital	63 million yen	10 million yen
Shares outstanding	707 shares	200 shares

Net assets	(286) million yen (end of July 2009)	(40) million yen(end of July 2009)
Total assets	450 million yen(end of July 2009)	169 million yen(end of July 2009)
Fiscal year ends	July 31	July 31
Employees	36 (April 30, 2010)	15 (April 30, 2010)
Major shareholders and ownership ratio	TYO100.0%	TYO100.0%

4. Merging companies' recent operating results (Million yen)

	ZEO		EAVAM*
	July 2008	July 2009	July 2009
Net sales	1,141	1,248	742
Operating profit	40	47	6
Ordinary profit	21	28	3
Net profit	4	3	0

* Because EAVAM became a member of the TYO Group in September 2008, no results for the year ended July 2008 are presented.

5. Status following the merger

- (1) Company name ZEO Corporation
- (2) Representative Hiromasa Kuroi, President & CEO
- (3) Head office 2-9-28 Hiroo, Shibuya-ku, Tokyo
- (4) Major activities Marketing and communications
- (5) Fiscal year ends End of July
- (6) Capital 63 million yen

6. Outlook

Due to the merger, TYO will combine the two companies' management resources to build a stronger earnings structure.

The effect of the merger on TYO's consolidated operating results is insignificant as the merger is between TYO consolidated subsidiaries.