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For the attention of all concerned:

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## Notification on the Abolition of the Directors' Retirement Benefits Plan and the Posting of Extraordinary Loss, and the Differences Between Non-consolidated Results for FY2016 and FY2015

Our Group is making this announcement on the abolition of the Directors' retirement benefits plan and the posting of an extraordinary loss, and the difference between non-consolidated results for FY2016 and FY2015 as follows:

### Record

#### 1. Reason why the Directors' retirement benefits plan is being abolished

At a board meeting held today, our Group decided to abolish the Directors' retirement benefits plan by reviewing the executive compensation system as part of management reforms.

#### 2. Regarding the final payments of the Directors' retirement benefits plan

With the abolition of this plan, at the 35th ordinary shareholders' meeting to be held on October 27, 2016, we will submit the agenda for the final payment of retirement benefits to directors and executive auditors, with the exception of incumbent non-executive directors, corresponding to their tenure until abolition, as well as the payment of merit rewards to them in accordance with certain criteria we set for distinguished past service toward the development of our Group. It should be noted that the timing of payments shall be at the retirement of each officer.

#### 3. Impact on business results

We will post the estimated additional merit rewards in the amount of 194 million yen as an extraordinary loss.

#### 4. Differences between non-consolidated financial results for FY2016 and FY2015

(Unit: one million yen)

	Sales	Operation Profits	Ordinary Profits	Current Net Profits	Current Net Income per share
Results of FY2015 (A)	23,922	1,573	1,555	1,010	16.20
Results of FY 2016 (B)	22,748	1,369	1,291	669	10.72
Increase/Decrease Amount (B-A)	-1,174	-203	-263	-340	—
Increase/Decrease Rate (%)	-5.0	-13.0	-17.0	-33.7	—

5. The reason why the difference occurred between non-consolidated results for FY2016 and FY2015

During the current consolidated cumulative first quarter, because we inadvertently had low-margin transactions and those for which the timing of acceptance inspections was changed at around the same time, we posted a huge deficit at each stage. As a result of our subsequent promotion of proactive marketing activities and strengthening collaboration among brands, our performance rebounded, but we could not offset the deficit caused by the late start in this first quarter. Consequently, our performance resulted in decreases in sales and profits on a year-on-year comparison basis. In addition, due to the extraordinary loss stated in item 3 above, current net profits decreased 340 million yen on a year-on-year comparison basis.