

# TOWCO.,LTD.

**Report for the 33rd Business Term**

**(July 1, 2008 to June 30, 2009)**

**English Translation – Reference Purpose Only**

This is an unofficial translation of the Japanese original version prepared solely for convenience.

No representation or warranty is made with respect to its accuracy, and it has no legally binding effect.

If there is any discrepancy between the Japanese original and this translation, the Japanese original will always prevail.

# | To Our Shareholders

I would like to extend my sincere gratitude to all shareholders for your ongoing support for TOW Co., Ltd.

As already announced, on July 1, 2009 I handed over my responsibility as president to my successor Michihiro Akimoto, and assumed responsibility as chairman and chief executive officer (CEO), with a view to perpetuating the growth of the Company.

While we assure you of the continuous success of our new administration, we do hope that as we pursue our initiatives we can continue to count on your support and guidance.

September 2009



Chairman and Chief Executive Officer (CEO)



I succeeded Osamu Kawamura who served as president for the last 33 years since the Company was established, by assuming the position as the second president in the Company's history. The purpose of this change is to create the foundation of an everlasting company, which I take as my personal mission.

As the advertising industry is undergoing a significant change in which mass advertising is no longer an effective business model, we must develop efficient and effective strategies geared to target markets (namely consumers) that are finely segmented according to highly mixed products with multifaceted functions brought by diversified values, where the role of promotion is of greater importance than ever.

Given this challenging circumstance, we are determined to do our best to come up to your expectations, through upgrading operational quality across the Company, my own office included, along with creating new value unique to TOW to win our way through the hard times, and thus would like to have your kind cooperation and support.

September 2009



President and Chief Operating Officer (COO)



# | Business Summary

## Business Progress and Results

During the term under review, the Japanese economy remained in an extremely severe environment in which personal consumption and corporate earnings continued to deteriorate, amid the global financial market crisis stemming from the sub-prime problems, that was accelerated by the so-called Lehman shock in September last year, and the resultant sharp decline in share prices and abrupt yen appreciation.

In the advertising industry to which the Group belongs, the total domestic advertising expenditures in 2008 amounted to ¥6,692.6 billion (4.7% fall year-on-year; based on Advertising Expenditure in Japan, published by Dentsu Inc. in February 2009), turning to a decrease after the last four consecutive years of increase. Sales of major advertising agencies in 2008 (from January to December) have also generally shown year-on-year decline, and similar trend continued thereafter in the period from January to June 2009 (based on Advertising and the Economy, published on August 1, 2009).

In the promotions area where we operate, business remained relatively solid up to autumn last year thanks to the advertisers' high expectations of this area's effectiveness, which, however, turned stagnant thereafter being negatively affected by the advertisers' review of their overall advertising budget.

In this environment, we kept up our efforts to further enhance proposal-oriented marketing activities, including providing proposals for one-stop integrated promotions that meet the clients' promotional needs in an integrated manner, as well as to develop new business channels, as part of our marketing strategy, but such efforts were not always good enough to secure final decisions of our client advertisers. As a result, consolidated net sales for the term under review was ¥14,210 million (down 1.3% year-on-year), while operating profit turned out to be ¥1,401 million (up 2.8% year-on-year). On the other hand, recurring profit stood at ¥1,392 million (up 3.7% year-on-year) while net income reached ¥876 million (up 20.1% year-on-year).

# Business Summary

## Business Summary by Sector

### Sales Promotion

Consolidated sales for the term under review fell 12.9% year-on-year, due to fewer orders received for large-scale projects compared with the previous year which benefited from big deals including those related to the Tokyo Motor Show, despite generally positive performance.

### Public Relations

Consolidated sales for the term under review rose 2.3% from the previous year, thanks to the relatively steady growth in orders received from automobile manufacturers and fashion apparel makers for their various product presentations.

### Exhibitions & Shows

Consolidated sales increased by 3,916.4% from the previous year, thanks to the orders received in connection with the

Theme Events Celebrating the 150th Anniversary of the Opening of the Port of Yokohama (Y150), along with the exhibition called Egypt's Sunken Treasures, which we hosted.

### Materials Production

Consolidated sales increased by 21.4% from the previous year, thanks to the solid growth in orders for premium goods for sales promotions from clients such as mobile phone carriers as well as life insurance companies.

### Culture- and Sport-related Projects

Consolidated sales fell 19.5% year-on-year as business remained relatively weak as compared with the previous year when there were orders received for large-scale sporting events.

### Event Planning

Consolidated sales declined 11.6% from the previous year.

## Consolidated Sales Breakdown

Years ended June 30

Event category		2008		2009		Year on year (%)
		Amount (¥ million)	Percentage of total (%)	Amount (¥ million)	Percentage of total (%)	
Event production	Sales promotions	10,207	70.9	8,894	62.6	(12.9)
	Public relations	2,841	19.7	2,905	20.5	2.3
	Exhibitions & shows	23	0.2	944	6.6	3,916.4
	Materials production	955	6.6	1,159	8.2	21.4
	Culture- and sport-related projects	254	1.8	204	1.4	(19.5)
Subtotal		14,281	99.2	14,108	99.3	(1.2)
Revenue from event planning		115	0.8	102	0.7	(11.6)
Total		14,397	100.0	14,210	100.0	(1.3)

# Business Summary

## Tasks Ahead and the Management Strategies of the Company

The Japanese economy still has been hampered by concerns over another financial turmoil that can be triggered by further recession of the US economy; thus businesses must expect the current severe management environment to continue.

Meanwhile, in the domestic advertising market, total domestic advertising expenditures in 2009 (from April to December) are expected to fall 15.0% year-on-year (based on the information published by the Nikkei Advertising Research Institute in July 2009).

In an environment of generally falling spending on advertising, looking at advertising expenditures by media sector, advertising expenditures in the four media areas (newspapers, magazines, radio and television) have declined for the last four consecutive years (7.6% decline in 2008 according to Advertising Expenditure in Japan, published by Dentsu Inc. in February 2009), while advertising expenditures on promotional media, the area in which we operate, have also turned to decrease (down 5.8% according to the same publication as above) for the first time after four consecutive years of growth.

On the other hand, customers (advertisers) still tend to have strong expectation for their advertising to have immediate impact on their sales. To meet such expectation, advertising agencies are fully engaged in implementing relevant measures, including organizational restructuring in the promotions area.

In response to such actions by advertising agencies, we in turn will implement the five basic strategies, namely (1) strengthening marketing capabilities, (2) stepping up promotions, (3) enhancing proposal capabilities, (4) increasing profitability, and (5) intensifying motivation.

### (1) Strengthening marketing capabilities

We will actively strengthen our business development capabilities by appointing younger officers as division heads, along with quick response to advertising agencies' promotion enhancing measures, developing business channels for new clients (business sectors) through enhanced coordination

with SP team (a unit mainly responsible for planning and producing goods, printed materials and websites for sales promotions).

### (2) Stepping up promotions

We will step up our capabilities to meet the demand of advertising agencies through enhanced cooperation between SP team and each division and increased production capabilities, such as joint marketing of each division's integrated promotion services and sales support based on the specialist know-how of SP team.

### (3) Enhancing proposal capabilities

We will strengthen our ability to offer unique proposals through expanding the scope of proposal by alliances with companies from other industries, enhancing our expertise, and developing a new promotion model as well as implementing product development with active involvement by our planning advisor Mr. Masato Ochi.

### (4) Increasing profitability

We will improve profitability of the Group through exhaustive cost control by the event production management team established during the term under review and adequate staff education as well as enhanced production systems of T2 Creative Co., Ltd., a subsidiary of the Company.

### (5) Intensifying motivation

We will increase staff motivation by upgrading the existing schemes for this purpose, such as educational endowment insurance program and childcare benefit scheme, along with the introduction of a new leave system.

We will aim to establish ourselves as a "new promotion company" by implementing all these measures.

With respect to our financial situation, we have sought to improve efficiency of capital by taking an array of steps, including streamlining our balance sheets through the liquidation of receivables. We will continue to seek to strengthen our financial position with the optimal capital structure taken into account.

# Consolidated Balance Sheets

As of June 30, 2008 and 2009

Thousands of yen

	2008	2009		2008	2009
<b>Assets</b>			<b>Liabilities</b>		
<b>Current assets:</b>	<b>7,397,323</b>	<b>7,961,680</b>	<b>Current liabilities:</b>	<b>3,455,309</b>	<b>3,659,457</b>
Cash and deposits	1,579,121	1,942,512	Accounts payable - trade	1,886,083	1,958,683
Notes and accounts receivable	2,726,823	3,053,467	Short-term loans	840,000	840,000
Prepaid expenses for ongoing projects	229,690	329,753	Income taxes payable	316,857	419,456
Accounts receivable - other	2,714,643	2,520,403	Reserve for employees' bonuses	-	21,214
Prepaid expenses	22,036	18,021	Other	412,369	420,104
Deferred tax assets	85,262	86,821	<b>Long-term liabilities:</b>	<b>230,986</b>	<b>259,162</b>
Other	39,746	10,699	Reserve for employees' retirement benefits	106,591	126,481
<b>Noncurrent assets:</b>	<b>993,813</b>	<b>1,132,069</b>	Reserve for directors' retirement allowances	124,395	132,680
<b>Tangible fixed assets:</b>	<b>75,090</b>	<b>139,667</b>	<b>Total liabilities</b>	<b>3,686,296</b>	<b>3,918,620</b>
Building	26,624	80,557	<b>Net assets</b>		
Tools, furniture and fixtures	42,438	53,082	<b>Shareholders' equity:</b>	<b>4,735,506</b>	<b>5,234,068</b>
Land	6,027	6,027	Capital stock	948,994	948,994
<b>Intangible assets:</b>	<b>21,538</b>	<b>34,575</b>	Capital surplus	1,027,376	1,027,376
<b>Investment and others:</b>	<b>897,183</b>	<b>957,827</b>	Retained earnings	3,174,908	3,727,814
Investments in securities	227,106	180,221	Treasury stock	(415,773)	(470,117)
Refundable insurance premium	345,068	334,179	<b>Valuation and translation adjustments:</b>	<b>(30,666)</b>	<b>(59,255)</b>
Deferred tax assets	133,020	165,737	Net unrealized gains (losses) on other securities	(3,023)	(31,612)
Deferred tax assets on land revaluation	18,972	18,972	Revaluation reserve for land	(27,642)	(27,642)
Leasehold deposits	164,524	250,157	<b>Subscription rights to shares:</b>	<b>-</b>	<b>316</b>
Other	8,492	8,560	<b>Total net assets</b>	<b>4,704,840</b>	<b>5,175,129</b>
<b>Total assets</b>	<b>8,391,137</b>	<b>9,093,750</b>	<b>Total liabilities and net assets</b>	<b>8,391,137</b>	<b>9,093,750</b>

Note: The amounts listed above are rounded down to the nearest thousand yen.

# Consolidated Statements of Income

Years ended June 30, 2008 and 2009

Thousands of yen

	2008	2009
<b>Net sales</b>	<b>14,397,238</b>	<b>14,210,682</b>
Cost of sales	12,214,717	11,999,180
<b>Gross profit</b>	<b>2,182,520</b>	<b>2,211,501</b>
Selling, general and administrative expenses	819,832	810,290
<b>Operating income</b>	<b>1,362,688</b>	<b>1,401,210</b>
Non-operating income	4,588	12,119
Non-operating expenses	24,065	20,696
<b>Recurring profit</b>	<b>1,343,211</b>	<b>1,392,634</b>
Extraordinary income	-	349,326
Extraordinary losses	24,227	87,206
<b>Income before income taxes</b>	<b>1,318,983</b>	<b>1,654,754</b>
Income taxes - current	623,269	700,971
Income taxes for prior periods	-	92,000
Income taxes - deferred	(34,049)	(14,655)
<b>Net income</b>	<b>729,763</b>	<b>876,437</b>

Note: The amounts listed above are rounded down to the nearest thousand yen.

# Consolidated Statement of Changes in Net Assets

Year ended June 30, 2009

Thousands of yen

	Shareholders' equity					Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on other securities	Revaluation reserve for land	Total valuation and translation adjustments		
Balance as of June 30, 2008	948,994	1,027,376	3,174,908	(415,773)	4,735,506	(3,023)	(27,642)	(30,666)	-	4,704,840
Changes during the term										
Dividends			(323,532)		(323,532)					(323,532)
Net income			876,437		876,437					876,437
Acquisition of treasury stock				(54,344)	(54,344)					(54,344)
Net changes of items other than shareholders' equity						(28,588)		(28,588)	316	(28,272)
Total changes during the term	-	-	552,905	(54,344)	498,561	(28,588)	-	(28,588)	316	470,289
Balance as of June 30, 2009	948,994	1,027,376	3,727,814	(470,117)	5,234,068	(31,612)	(27,642)	(59,255)	316	5,175,129

Note: The amounts listed above are rounded down to the nearest thousand yen.

# Consolidated Statements of Cash Flows

Years ended June 30, 2008 and 2009

Thousands of yen

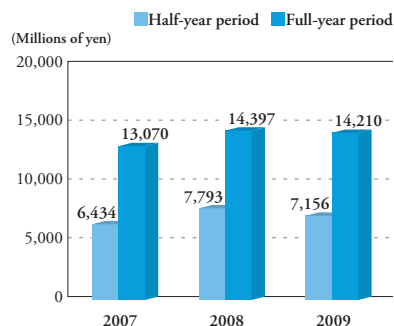
	2008	2009
Cash flows from operating activities	930,158	908,616
Cash flows from investing activities	(43,601)	(167,805)
Cash flows from financing activities	(233,376)	(377,419)
Net increase (decrease) in cash and cash equivalents	653,179	363,391
Cash and cash equivalents at beginning of year	925,942	1,579,121
Cash and cash equivalents at end of year	1,579,121	1,942,512

Note: The amounts listed above are rounded down to the nearest thousand yen.

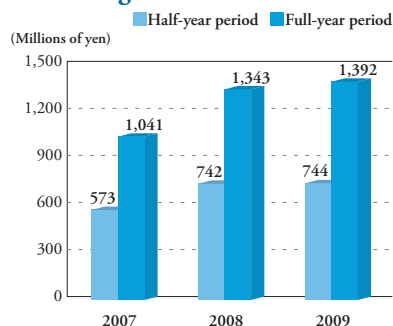
## Financial Highlights (consolidated)

Years ended June 30

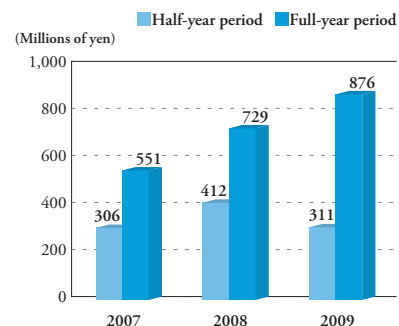
### Net Sales



### Recurring Profit



### Net Income



Millions of yen

	2007	2008	2009
Net sales	13,070	14,397	14,210
Operating income	1,051	1,362	1,401
Recurring profit	1,041	1,343	1,392
Net income	551	729	876
Total assets	8,110	8,391	9,093
Net assets	4,242	4,704	5,175



# Non-Consolidated Balance Sheets

As of June 30, 2008 and 2009

Thousands of yen

	2008	2009		2008	2009
<b>Assets</b>			<b>Liabilities</b>		
<b>Current assets:</b>	<b>7,206,379</b>	<b>7,720,583</b>	<b>Current liabilities:</b>	<b>3,410,241</b>	<b>3,610,516</b>
Cash and deposits	1,427,318	1,758,007	Accounts payable - trade	1,741,619	1,660,861
Notes receivable	361,287	190,347	Accounts payable to affiliated company	151,446	309,104
Accounts receivable - trade	2,342,681	2,811,365	Short-term loans	840,000	840,000
Prepaid expenses for ongoing projects	220,551	321,354	Accounts payable- other	140,878	168,290
Accounts receivable - other	2,715,322	2,532,576	Income taxes payable	292,079	390,447
Prepaid expenses	21,137	17,134	Consumption taxes payable	42,789	-
Deferred tax assets	78,310	79,486	Accrued expenses	161,490	129,456
Other	39,770	10,310	Advances payment for ongoing projects	26,999	74,879
<b>Noncurrent assets:</b>	<b>1,057,895</b>	<b>1,206,136</b>	Deposits received	12,938	18,239
<b>Tangible fixed assets:</b>	<b>71,314</b>	<b>128,422</b>	Reserve for employees' bonuses	-	19,238
Building	25,913	71,912	<b>Long-term liabilities:</b>	<b>219,997</b>	<b>248,160</b>
Tools, furniture and fixtures	39,373	50,481	Reserve for employees' retirement benefits	100,697	118,275
Land	6,027	6,027	Reserve for directors' retirement allowances	119,300	129,885
<b>Intangible assets:</b>	<b>18,298</b>	<b>28,401</b>	<b>Total liabilities</b>	<b>3,630,238</b>	<b>3,858,677</b>
Telephone subscription rights	2,652	2,652	<b>Net assets</b>		
Software	15,645	10,066	<b>Shareholders' equity:</b>	<b>4,664,701</b>	<b>5,126,981</b>
Software in progress	-	15,681	Capital stock	948,994	948,994
<b>Investment and other assets:</b>	<b>968,282</b>	<b>1,049,313</b>	Capital surplus	1,027,376	1,027,376
Investments in securities	227,106	180,221	Additional paid-in capital	1,027,376	1,027,376
Investments in stock of affiliated company	100,000	100,000	Retained earnings	3,104,103	3,620,728
Long-term prepaid expenses	82	-	Legal reserve	22,845	22,845
Membership rights	8,410	8,410	Other retained earnings	3,081,258	3,597,883
Refundable insurance premium	329,470	330,391	General reserve	2,300,000	2,600,000
Deferred tax assets	128,398	161,110	Retained earnings carried forward	781,258	997,883
Deferred tax assets on land revaluation	18,972	18,972	Treasury stock	(415,773)	(470,117)
Leasehold deposits	155,841	250,057	<b>Valuation and translation adjustments:</b>	<b>(30,666)</b>	<b>(59,255)</b>
Other	-	150	Net unrealized gains (losses) on other securities	(3,023)	(31,612)
			Revaluation reserve for land	(27,642)	(27,642)
			<b>Subscription rights to shares:</b>	<b>-</b>	<b>316</b>
<b>Total assets</b>	<b>8,264,274</b>	<b>8,926,720</b>	<b>Total net assets</b>	<b>4,634,035</b>	<b>5,068,043</b>
			<b>Total liabilities and net assets</b>	<b>8,264,274</b>	<b>8,926,720</b>

Note: The amounts listed above are rounded down to the nearest thousand yen.

# Non-Consolidated Statements of Income

Years ended June 30, 2008 and 2009

Thousands of yen

	2008	2009
<b>Net sales</b>	<b>14,228,882</b>	<b>14,014,530</b>
Cost of sales	12,168,323	11,935,027
<b>Gross profit</b>	<b>2,060,559</b>	<b>2,079,503</b>
Selling, general and administrative expenses	801,203	792,739
<b>Operating income</b>	<b>1,259,355</b>	<b>1,286,764</b>
Non-operating income	54,844	64,309
Non-operating expenses	23,218	18,073
<b>Recurring profit</b>	<b>1,290,982</b>	<b>1,332,999</b>
Extraordinary income	-	318,656
Extraordinary losses	20,081	80,266
<b>Income before income taxes</b>	<b>1,270,900</b>	<b>1,571,389</b>
Income taxes - current	577,000	653,500
Income taxes for prior periods	-	92,000
Income taxes - deferred	(28,984)	(14,266)
<b>Net income</b>	<b>722,884</b>	<b>840,156</b>

Note: The amounts listed above are rounded down to the nearest thousand yen.

# Non-Consolidated Statement of Changes in Net Assets

Years ended June 30, 2009

Thousands of yen

	Shareholders' equity							Valuation and translation adjustments					Subscription rights to shares	Total net assets
	Capital stock	Capital surplus		Legal reserve	Retained earnings			Treasury stock	Total Shareholders' equity	Net unrealized gains (losses) on other securities	Revaluation reserve for land	Total valuation and translation adjustments		
		Capital reserves	Total capital surplus		General reserve	Retained earnings carried forward	Total retained earnings							
Balance as of June 30, 2008	948,994	1,027,376	1,027,376	22,845	2,300,000	781,258	3,104,103	(415,773)	4,664,701	(3,023)	(27,642)	(30,666)	-	4,634,035
Changes during the term														
Provision for general reserve					300,000	(300,000)			-					-
Dividends						(323,532)	(323,532)		(323,532)					(323,532)
Net income						840,156	840,156		840,156					840,156
Acquisition of treasury stock								(54,344)	(54,344)					(54,344)
Net changes of items other than shareholders' equity										(28,588)		(28,588)	316	(28,272)
Total changes during the term	-	-	-	-	300,000	216,624	516,624	(54,344)	462,279	(28,588)	-	(28,588)	316	434,007
Balance as of June 30, 2009	948,994	1,027,376	1,027,376	22,845	2,600,000	997,883	3,620,728	(470,117)	5,126,981	(31,612)	(27,642)	(59,255)	316	5,068,043

Note: The amounts listed above are rounded down to the nearest thousand yen.

# Corporate Profile

As of June 30, 2009

**Name:** TOW Co., Ltd.

**Head Office:** Kamiyacho Central Place, 3-13, Toranomon 4-chome, Minato-ku, Tokyo 105-0001

**Establishment:** July 6, 1976

**Paid-in Capital:** ¥948,994 thousand

**Number of Employees:** 144

- Main Business Lines:**
1. Planning, production, construction, creation and management of events and seminars
  2. Construction of buildings and erection of other structures, interior decoration, and electrical installation work performed under contract for promotional and other events
  3. Planning and production of advertising and public relations events
  4. Planning and production of sales promotion campaigns, and planning and publishing of exhibitions and interior decoration
  5. Planning, production, sales, and import/export of advertisements, promotional goods and premiums related to sales promotion
  6. Planning, production and publishing of various printed matters

## Directors and Corporate Auditors (As of September 25, 2009)

Chairman and Chief Executive Officer (CEO)

President and Chief Operating Officer (COO)

Deputy President and Corporate Officer

Senior Managing Director and Corporate Officer

Managing Director and Corporate Officer

Director and Corporate Officer

Director and Corporate Officer

Director and Corporate Officer

Director and Corporate Officer

Corporate Officer

Standing Corporate Auditor

Corporate Auditor

Corporate Auditor

**Osamu Kawamura**

**Michihiro Akimoto**

**Katsuji Maki**

**Yuji Kobayashi**

**Hajime Kimura**

**Toshiei Oyama**

**Kenji Ozeki**

**Takehito Masumori**

**Shigeo Shimamura**

**Satoshi Suzuki**

**Tatsumi Nishiyama**

**Mitsunari Kono**

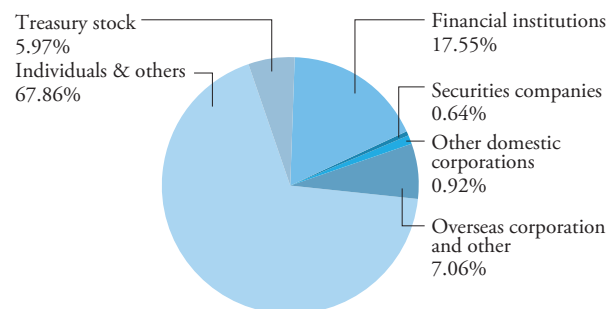
**Shintaro Hagiwara**

# Stock Information

As of June 30, 2009

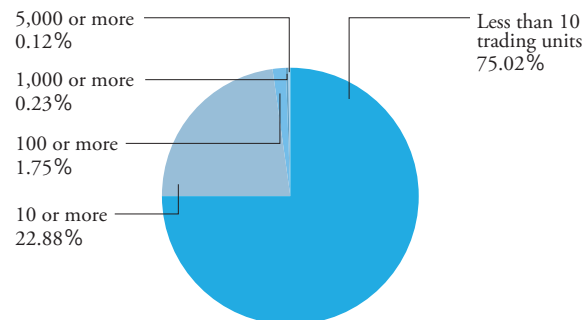
1. Number of shares authorized to be issued..... 48,000,000 shares
2. Number of shares issued..... 12,242,274 shares
3. Number of shareholders .....4,331

## Shareholders by Type



## Shareholders by Number of Shares Held

(From this year onward, ratios in terms of the number of shareholders, rather than ratios in terms of the number of shares held are taken here.)



## TOW News

TOW news for hot topics

### About Basic Strategies for the Medium-term Business Plan

We announced the Medium-term Business Plan on August 6, 2009, of which outline is summarized as follows:

Tasks for the Group

Managing the challenges associated with the change in senior management



Further enhancement of leadership and business development capabilities under the initiative of the new president and newly appointed division heads

Coping with the current stagnant advertising market



The advertising industry has been facing difficult times, not only in the four media areas (newspapers, magazines, radio and television), but also in the promotions area now.



On the other hand, customers (advertisers) still tend to have strong expectation for promotions to have immediate impact on their sales.



Advertising agencies are fully working on relevant measures to meet advertisers' expectation, including organizational restructuring in the promotions area.



The TOW Group will step up our response to meet the needs of advertising agencies, by pursuing the following basic strategies centered around the two main goals: developing business channels for new clients and enhancing promotion sales.

- (1) Strengthening marketing capabilities
- Establishment of new division structure
  - Responding to the shift at advertising agencies from mass advertising via the conventional four media to the promotion-oriented advertising
  - Development of business channels for new clients in cooperation with SP team

- (2) Stepping up promotions
- Establishment of the new SP team and the enhancement of coordination between SP team and each division
  - Joint marketing of each division's integrated promotion services and sales support based on the specialist know-how of SP team
  - Improving readiness through increased production capabilities
  - Elimination of capability gap in terms of promotion know-how, between divisions and that between team members by strengthening cooperation between SP team and each division

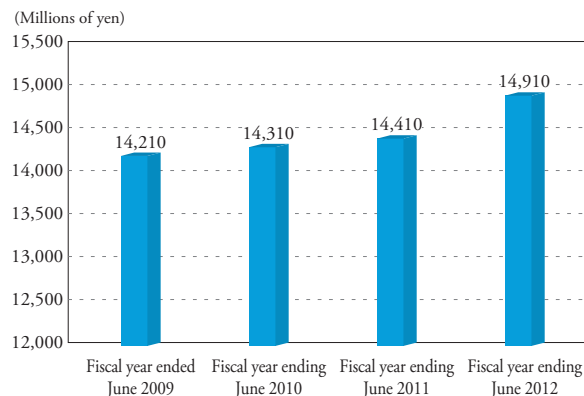
- (3) Enhancing proposal capabilities
- Alliance with companies from other industries
  - Expansion of the scope of proposal, enhancement of existing expertise, development of a new promotion model
  - Product development by utilizing the planning advisory contract
  - Development of a promotion model linked to media deployment in cooperation with Mr. Masato Ochi to enhance capabilities to offer promotion proposals unique to us.

- (4) Increasing profitability
- Cost control
  - Stringent cost management by the event production management team
  - Employees education
  - Enhancing the employees' cost awareness and relevant knowledge by organizing cost management seminars
  - Reinforcement of subsidiaries
  - Enhancing profitability by strengthening the production systems of T2 Creative Co., Ltd.

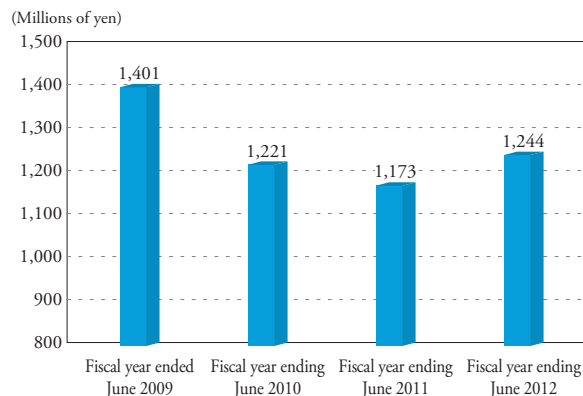
- (5) Intensifying motivation
- Upgrading of educational endowment insurance program
  - Amount of allowance payable at graduation from junior high school is to be doubled (up to ¥2.4 million)
  - Childcare benefit scheme
  - Removal of spouse's income restriction to make the benefit payable regardless of how much employees' spouses earn.
  - Others
  - Enhancement of childcare support scheme
  - Creation of new incentive schemes (training opportunities at overseas events, president's award, etc.)
  - New motivation-oriented leave system under consideration.

## Consolidated Business Targets under the Medium-term Business Plan

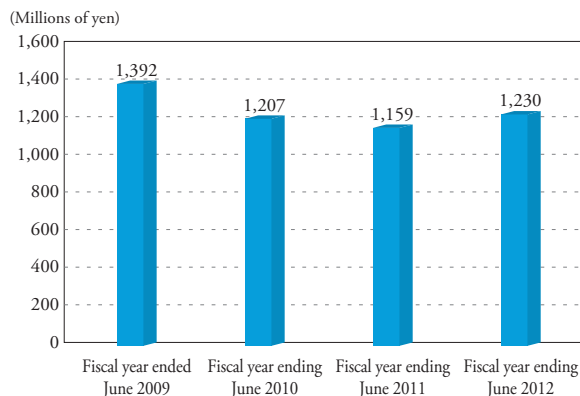
### ● Net sales



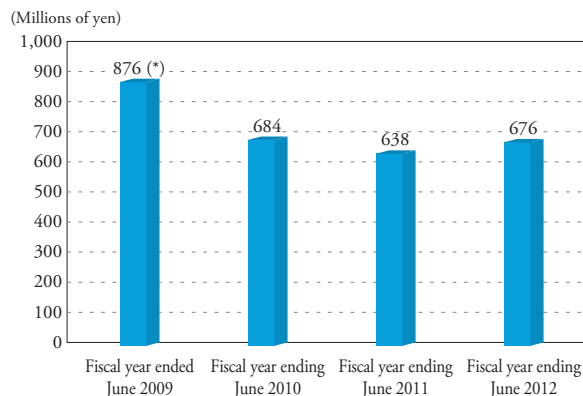
### ● Operating income



### ● Recurring profit



### ● Net income



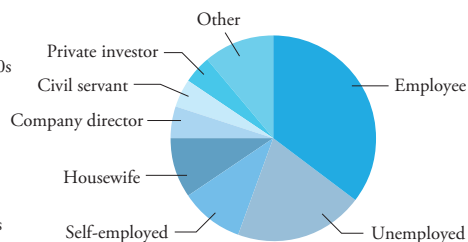
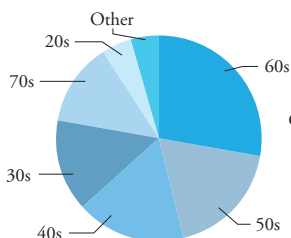
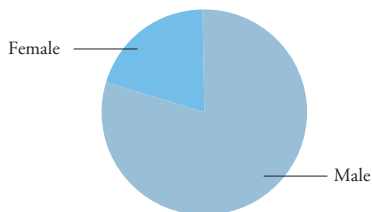
\* Including extraordinary income of ¥349 million from the Tokyo metropolitan government as transfer compensation, and extraordinary losses of ¥56 million incurred for transfer expenses, in connection with the transfer of head office in line with the Tokyo metropolitan government redevelopment project.

\* The above targets were set on the basis of the information available at the time of preparing this document. Thus actual performance may be different from the above, due to various factors that may emerge from now.

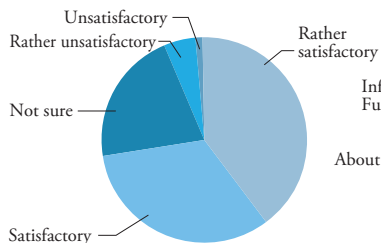
We carried out a survey of the Company's shareholders as of March 31, 2009

We will use the survey results to improve our IR going forward.

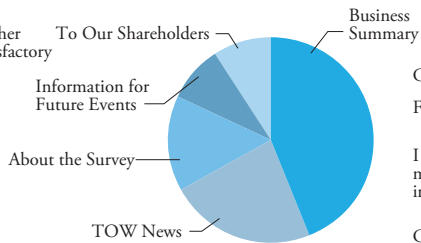
**Classification categories**



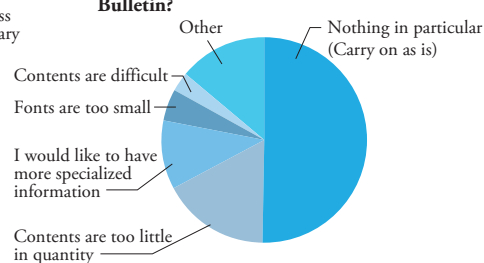
**Q. How do you find the quantity of information in the Shareholder Bulletin?**



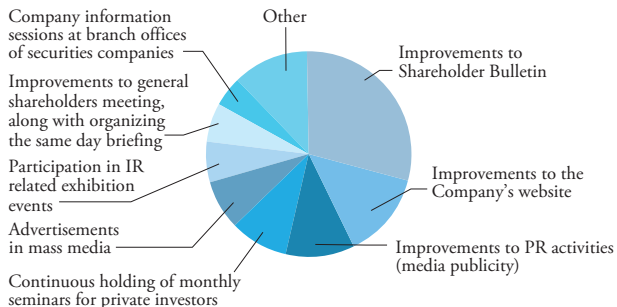
**Q. Which article in the Shareholder Bulletin are you interested in?**



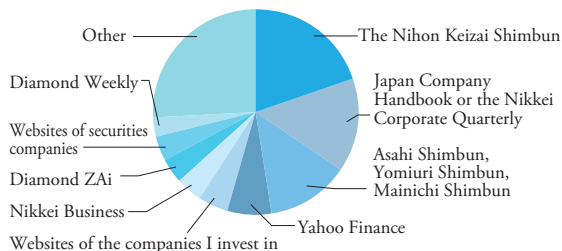
**Q. Would you like to make any comment on the contents or presentation of the Shareholder Bulletin?**



**Q. Tell us what IR activities you expect of the Company.**



**Q. What is your regular source of information?**



## TOW Planners School enters its 10th year

This year marks the 10th year since the TOW Planners School started in 2000.

As usual for this year, we are preparing a substantial program featuring, among others, special lectures by professionals pursuing active multifaceted careers beyond conventional boundaries, and planners who organized high-profile promotion events.

Currently the school employs dual course system comprising event planning course and promotion planning course, and by running the school in a way that better meets the needs of the times, we are strengthening our own planning capabilities by recruiting talents from the participants as well as helping to improve the level of the industry's overall capability.



## Monthly seminars for private investors are being favorably received

Monthly seminar for private investors in this September will be the 10th session since its launch in December last year.

In view of its great popularity, we will keep holding this event monthly in a rather casual way, to make participants feel at home. For those who tend to think "I feel too shy to ask questions among a big audience," or "Perhaps I should not raise such an elementary question," this seminar is meant exactly for you. So please come and join us.

Procedure for application is as follows:

Please apply at least three business days prior to the date of the session you would like to attend, by either of the following methods.

(1) By e-mail

Send an e-mail to the address below with your name, telephone number, and the date of session you would like to attend.

■ e-mail reception address: [month-kojin@tow.co.jp](mailto:month-kojin@tow.co.jp)

(2) By telephone

Call the number below and provide with your name, telephone number, and the date of session you would like to attend.

■ Contact number: +81-3-5777-1888 (key telephone number) for Yanagida, in charge of IR at Administrative Division

## Schedule for the rest of the year:

Date of sessions from October 2009 onward is as follows;

October 17(Sat) 11:00 a.m.-

November 14 (Sat) 11:00 a.m.-

December 19 (Sat) 11:00 a.m.-

All the above sessions will be held at the conference room within the head office of the Company.

## Shareholder Information

---

**Business year:** From July 1 to June 30 of the following year

Regular general meeting of shareholders: September every year

Administrator of stockholders' register and Mitsubishi UFJ Trust and Banking Corporation  
special account management institution: 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo

**Contact/Mailing address:** Corporate Agency Div., Mitsubishi UFJ Trust and Banking Corporation  
7-10-11, Higashisuna, Koto-ku, Tokyo 137-8081, Japan

**Tel (toll free number):** 0120-232-711

**One trading unit:** 100 shares

**Method of public notices:** <http://www.tow.co.jp/>

(When electronic public notices are not possible due to accidents or other unavoidable reasons, they will be made available in the newspaper, the Nihon Keizai Shimbun.)



TOW CO., LTD.  
Kamiyacho Central Place,  
3-13, Toranomom 4-chome, Minato-ku, Tokyo 105-0001, Japan  
Tel: +81-3-5777-1888

<http://www.tow.co.jp/>