

**1 Results of Operations**

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**Announcement of the Third Quarter Financial Results  
for the Year Ended April 30, 2008: Supplementary Materials**

**March 2008**



# 1. RESULTS OF OPERATIONS

		First Quarter Totals (May-July.)			Midterm Totals (May-Oct.)			Third Quarter Totals (May-Jan.)			Yearly Totals (May-Apr.)			
		For the Year Ended Apr. 30, 2007	For the Year Ended Apr. 30, 2008		For the Year Ended Apr. 30, 2007	For the Year Ended Apr. 30, 2008		For the Year Ended Apr. 30, 2007	For the Year Ended Apr. 30, 2008		For the Year Ended Apr. 30, 2007	For the Year Ending Apr. 30, 2008 (Est.)		
		¥ Millions	¥ Millions	YOY % Change	¥ Millions	¥ Millions	YOY % Change	¥ Millions	¥ Millions	YOY % Change	¥ Millions	¥ Millions	YOY % Change	
<b>Consolidated</b>	Net Sales	79,901	86,548	8.3%	162,632	178,159	9.5%	234,189	249,454	6.5%	310,200	336,700	8.5%	
	Gross Profit	40,782	44,800	9.9%	83,516	92,323	10.5%	121,051	128,667	6.3%	159,674	172,967	8.3%	
	Selling, General and Administrative Expenses	36,038	39,755	10.3%	70,608	78,926	11.8%	103,530	113,035	9.2%	136,877	148,497	8.5%	
	Operating Income	4,744	5,044	6.3%	12,907	13,396	3.8%	17,521	15,632	-10.8%	22,796	24,470	7.3%	
	Ordinary Income	4,757	5,100	7.2%	12,862	13,218	2.8%	17,387	15,155	-12.8%	22,267	23,600	6.0%	
	Extraordinary Expenses and Income	21	△ 13	-	7	△ 26	-	△ 64	△ 40	-	△ 261	△ 174	-	
	Net Income	2,588	2,645	2.2%	7,423	7,582	2.2%	9,748	8,243	-15.4%	12,261	13,370	9.0%	
	E P S	Common Stock	¥29.06	¥29.68		¥83.32	¥64.27		¥109.40	¥68.47		¥137.59	¥108.92	※
	Class A preferred stock	-	-		-	¥69.27		-	¥73.04		-	¥118.99	※	
<b>Non-Consolidated</b>	Net Sales	78,324	81,652	4.2%	159,374	168,116	5.5%	226,635	234,682	3.6%	297,881	315,000	5.7%	
	Operating Income	4,574	5,084	11.1%	12,586	13,395	6.4%	17,080	15,604	-8.6%	22,557	23,500	4.2%	
	Ordinary Income	4,958	5,443	9.8%	12,920	13,561	5.0%	17,346	15,356	-11.5%	22,665	23,100	1.9%	
	Net Income	2,889	3,156	9.3%	7,681	8,151	6.1%	10,055	8,899	-11.5%	12,765	13,500	5.7%	
	Cash Dividends per Share	Common Stock	-	-		¥22	¥19		-	-		¥47	¥38	
		Class A preferred stock	-	-		-	¥24		-	-		-	¥48	
	E P S	Common Stock	¥32.44	¥35.41		¥86.22	¥69.18		¥112.84	¥74.01		¥143.25	¥110	※
	Class A preferred stock	-	-		-	¥74.17		-	¥78.58		-	¥120.08	※	

※At the ITO EN Board of Director's Meeting held on October 19,2007, a decision was made to issue Class-A preferred stock.

Based on this decision, ITO EN issued 7,400,000shares in a public offering (general offering), with the payment date set for November 7, 2007. Forecast earnings per share (EPS) have been adjusted accordingly.

## 2. CATEGORY RESULTS (Non-Consolidated)

		First Quarter Totals (May-July.)			Midterm Totals (May-Oct.)			Third Quarter Totals (May-Jan.)			Yearly Totals (May-Apr.)		
		For the Year Ended Apr. 30, 2007	For the Year Ended Apr. 30, 2008		For the Year Ended Apr. 30, 2007	For the Year Ended Apr. 30, 2008		For the Year Ended Apr. 30, 2007	For the Year Ended Apr. 30, 2008		For the Year Ended Apr. 30, 2007	For the Year Ending Apr. 30, 2008 (Est.)	
		¥ Millions	¥ Millions	YOY % Change	¥ Millions	¥ Millions	YOY % Change	¥ Millions	¥ Millions	YOY % Change	¥ Millions	¥ Millions	YOY % Change
Net Sales		78,324	81,652	4.2%	159,374	168,116	5.5%	226,635	234,682	3.6%	297,881	315,000	5.7%
Breakdown	Tea Leaves	6,947	6,840	-1.5%	13,071	13,160	0.7%	21,037	21,115	0.4%	28,603	28,984	1.3%
	Drinks	70,881	74,255	4.8%	145,233	153,625	5.8%	203,757	211,377	3.7%	266,604	283,612	6.4%
	Others	495	556	12.4%	1,069	1,329	24.4%	1,841	2,190	19.0%	2,674	2,403	-10.1%
Drinks	Japanese Tea	40,688	42,625	4.8%	83,880	89,716	7.0%	116,265	121,857	4.8%	153,207	162,799	6.3%
	Oi Ocha	34,358	35,104	2.2%	71,154	74,281	4.4%	100,480	102,899	2.4%	133,609	139,056	4.1%
	Chinese Tea	3,368	3,412	1.3%	6,832	7,387	8.1%	9,467	10,180	7.5%	12,627	13,271	5.1%
	Vegetable	11,402	11,578	1.5%	23,393	22,760	-2.7%	32,467	30,490	-6.1%	42,445	42,373	-0.2%
	Fruit	4,118	5,064	23.0%	8,153	10,078	23.6%	11,717	14,097	20.3%	14,393	17,736	23.2%
	Coffee	4,545	4,625	1.8%	8,967	8,947	-0.2%	13,687	13,919	1.7%	18,092	19,424	7.4%
	Black Tea	1,533	1,788	16.7%	3,134	3,736	19.2%	4,855	5,409	11.4%	6,654	7,909	18.9%
	Functional	2,114	2,102	-0.6%	4,537	4,516	-0.5%	5,923	5,684	-4.0%	7,469	7,396	-1.0%
	Mineral Water	1,746	1,875	7.3%	3,602	3,729	3.5%	4,585	4,695	2.4%	5,806	6,427	10.7%
	Others	1,363	1,182	-13.3%	2,733	2,750	0.6%	4,787	5,041	5.3%	5,906	6,273	6.2%

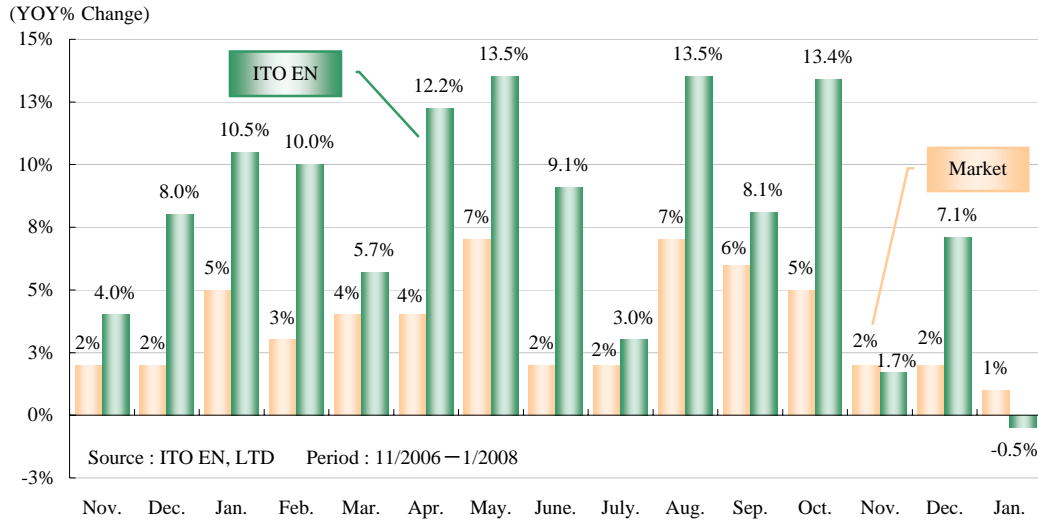
### 3. SALES PERFORMANCE BY PACKAGE TYPE (Non-Consolidated)

		First Quarter Totals (May-July.)			Midterm Totals (May-Oct.)			Third Quarter Totals (May-Jan.)			Yearly Totals (May-Apr.)		
		For the Year Ended Apr. 30, 2007	For the Year Ended Apr. 30, 2008		For the Year Ended Apr. 30, 2007	For the Year Ended Apr. 30, 2008		For the Year Ended Apr. 30, 2007	For the Year Ended Apr. 30, 2008		For the Year Ended Apr. 30, 2007	For the Year Ending Apr. 30, 2008 (Est.)	
		Thousands of Cases	Thousands of Cases	YOY % Change	Thousands of Cases	Thousands of Cases	YOY % Change	Thousands of Cases	Thousands of Cases	YOY % Change	Thousands of Cases	Thousands of Cases	YOY % Change
<b>Total Volume</b>		41,188	44,460	7.9%	83,908	92,104	9.8%	116,609	125,724	7.8%	153,223	168,533	10.0%
<b>Package Type</b>	Cans	4,949	4,937	-0.3%	9,832	9,951	1.2%	14,204	14,383	1.3%	19,050	19,512	2.4%
	Total PET Bottles	33,109	35,581	7.5%	67,962	74,780	10.0%	93,761	101,354	8.1%	122,932	135,798	10.5%
	2 Liter PET Bottles	9,494	10,773	13.5%	19,176	23,196	21.0%	25,505	30,469	19.5%	33,298	39,416	18.4%
	500ml PET Bottles	13,276	13,750	3.6%	27,321	28,164	3.1%	35,879	36,376	1.4%	46,337	48,964	5.7%
	350ml and smaller PET Bottles	5,833	6,488	11.2%	12,158	14,033	15.4%	19,836	22,012	11.0%	27,178	30,819	13.4%
	Other PET Bottles	4,505	4,568	1.4%	9,305	9,385	0.9%	12,540	12,496	-0.4%	16,118	16,598	3.0%
	Cartons	2,639	3,302	25.1%	5,496	6,445	17.3%	7,760	8,680	11.9%	10,292	11,582	12.5%
Others	490	638	30.3%	616	926	50.3%	882	1,305	47.9%	947	1,641	73.1%	

## 4. NON-ALCOHOLIC BEVERAGE MARKET CONDITION

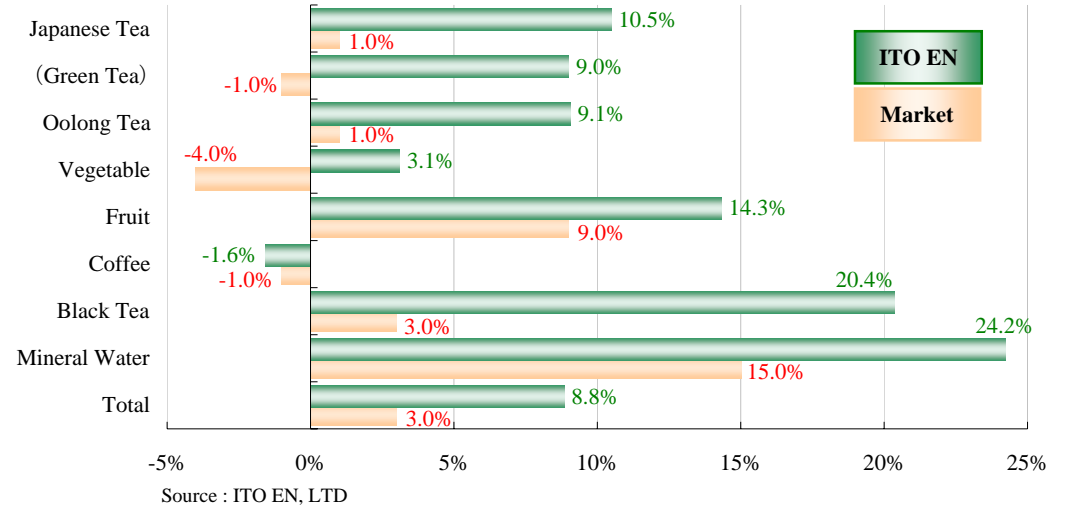
### Monthly Sales Trends

(Volume Basis)



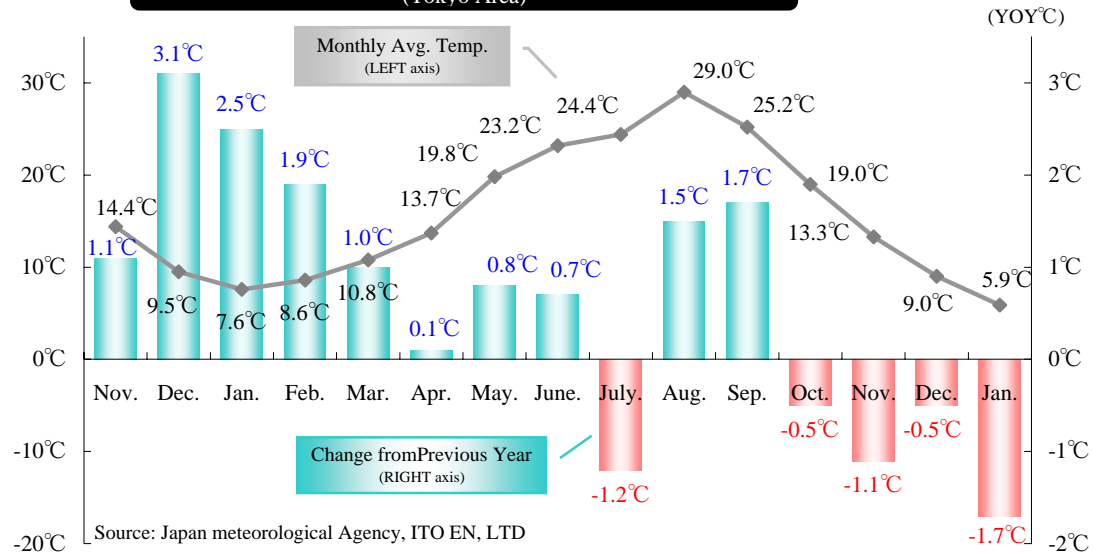
### ITO EN & Beverage Market Category Growth Trends

(1/2006 ~ 12/2006, Volume Basis)



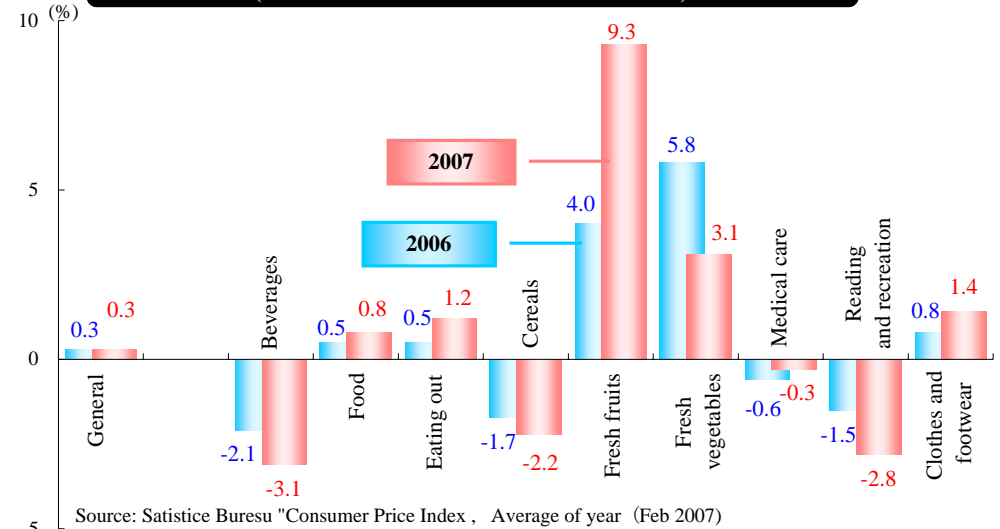
### Trends in Average Monthly Temperatures

(Tokyo Area)



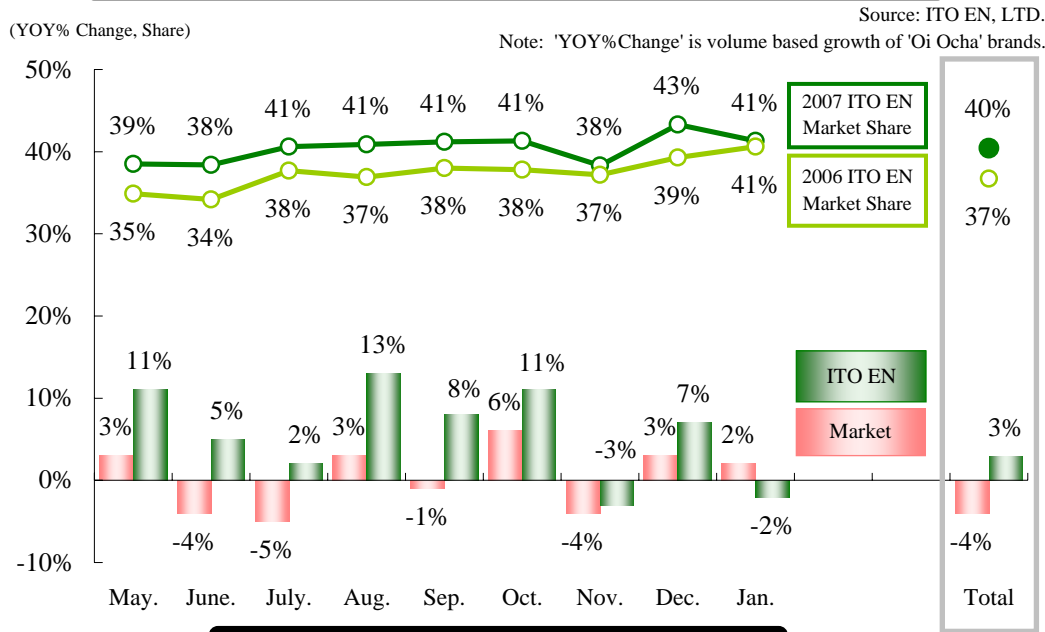
### Consumer Prices of Major Categories

(the ratio to the same month of 2005=100)

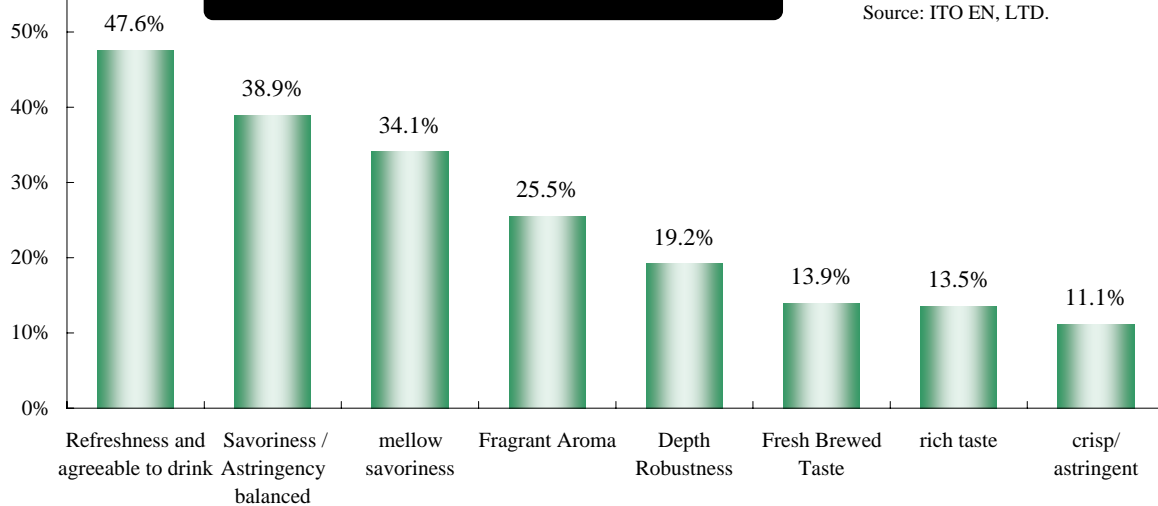


# 5. GREEN TEA BEVERAGES

## Monthly Sales and ITO EN Market Share Trends in Green Tea Beverage Market (among Top 7 Companies, Volume Basis)



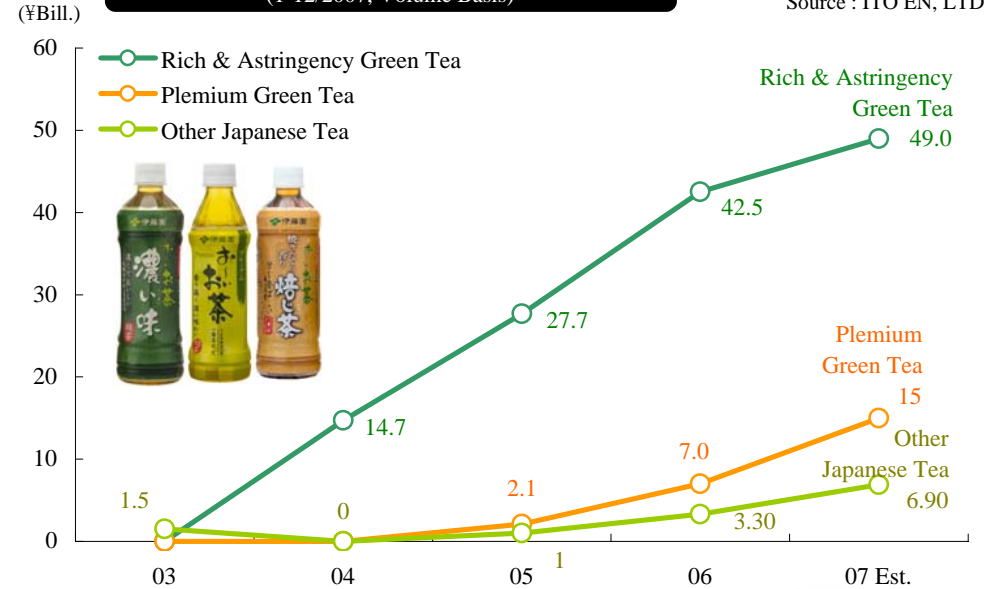
## Green Tea Beverages Taste Preferences



## Green Tea Market

(1-12/2007, Volume Basis)

Source : ITO EN, LTD



## Oi Ocha "Gyokuro"

Since the "Koi Aji" lineup's launch, "premium" type products have been stimulating the green tea market. **Consumers' diversifying preferences.**

[Product Features]  
**Rare Kind of Japanese Tea Leaf**  
**100% Gyokuro**  
**Accounting for 0.2% of Domestic Crude Tea Production**

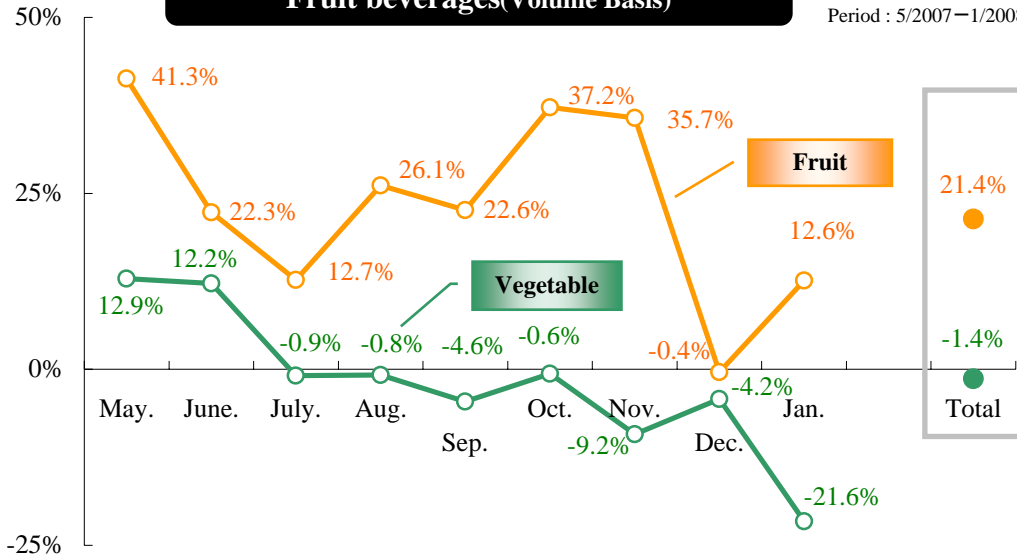
**Strong Full-Flavored Tea**



Sales Launch Date:  
 Feb 18, 2008  
 PET350ml/¥158円 (taxes included)

## 6. VEGETABLE BEVERAGES

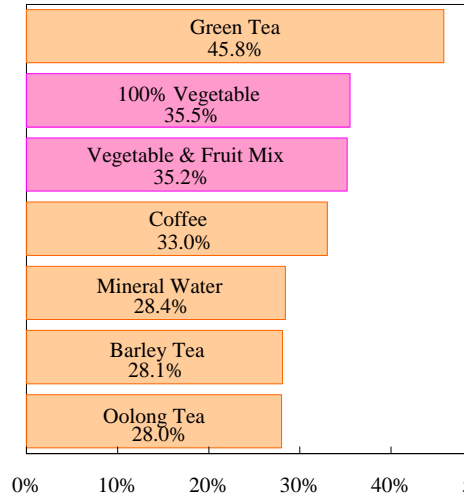
### Monthly Sales Trends in Vegetable and Fruit beverages (Volume Basis)



### Foods and beverages with an eye to health

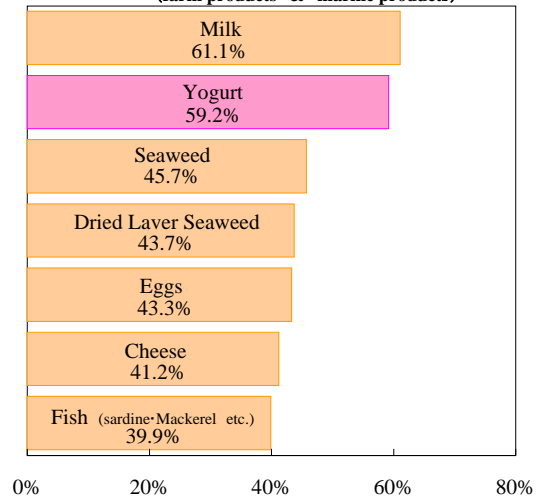
Source : ITO EN, LTD

#### ● Beverages with an eye to health



#### ● Foods with an eye to healthstock

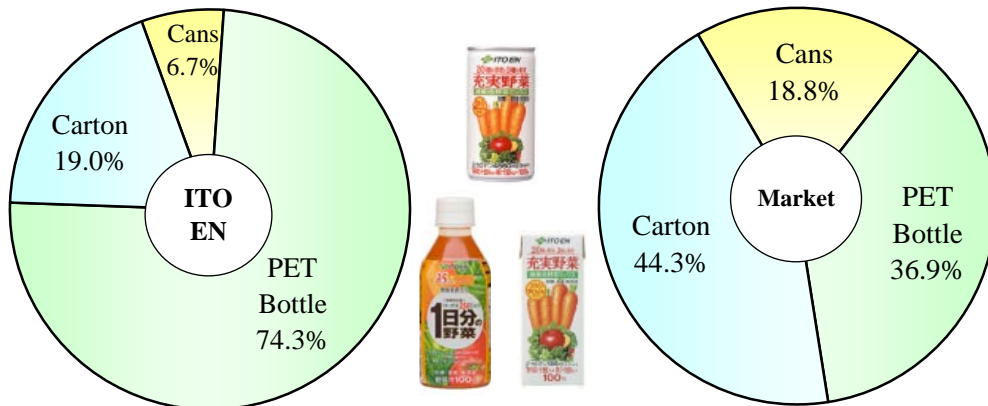
(farm products & marine products)



### ITO EN and Market Sales composition by Container (Sales Basis)

Source : ITO EN, LTD

Reasonably priced paper-package beverages dominate the small (single serving)-sized product lineups.



### "Jyujitsu Yasai" the Forth

The fruit and vegetable mix juice market is expanding on the back of growing consumer demand for products that are healthful and delicious.  
Consumers expect wholesome tastiness

[Product Features]  
The refreshing and deliciously healthful taste of yoghurt  
A blend of 20 different vegetables and four fruits, particularly red grapes and blueberries

Sales Launch Date:  
Since Feb 25, 2008



Carton 200ml	PET 930g	PET 280g
¥105	¥357	¥137
(taxes included)	(taxes included)	(taxes included)

## **Advisory Note about the Materials**

The current plans, forecasts, strategy, etc. outlined in these materials have not yet been realized and are based upon Ito En management's best judgement given current obtainable information. Therefore, given only this forecasted information, please refrain from interpreting these materials as grounds for general conclusion. Please acknowledge that, depending on various important factors, actual operating results can be quite different from what has been projected. The following are some principal factors that affect actual operating results: 1) Weather, especially summer temperatures; 2) Product mishaps or accidents, such as products being found containing foreign substances or impurities; 3) The economic conditions, particularly shifting consumer trends, surrounding Ito En's operating environment; 4) In the midst an intensely competitive market characterized by things such as easily changing consumer tastes and preferences, the ability of Ito En to continue the planning and development of products and services that meet customers' expectations. However, it should be noted that factors influencing operating results are not limited to these alone. The purpose of the materials you have received is to provide the means for a more thorough understanding of Ito En and should not necessarily be regarded as a recommendation to invest. Furthermore, the data in these materials is based on what we believe is the most accurate information. However, please understand that even without advance notice, both past data and future forecasts may be revised.