

NEWS RELEASE**Notice of Acquisition of Treasury Stock and Cancellation of Treasury Stock**

At a meeting held on December 27, 2010, the board of directors of ITO EN, LTD., approved the acquisition of treasury stock, pursuant to Article 156 and Article 165-3 of Japan's Corporate Law, and the cancellation of the treasury stock thereby acquired, pursuant to Article 178 of the Corporate Law.

1. Reasons for acquisition of treasury stock

To enable capital policies to be flexibly executed.

2. Details of acquisition

- (1) Type of shares to be acquired: ITO EN, LTD. preferred stock
- (2) Number of shares to be acquired: Up to 300,000 shares, representing 0.87% of issued shares
(excluding treasury stock)
- (3) Total amount of acquisition: Up to ¥350.0 million
- (4) Period of acquisition: December 28, 2010 to February 22, 2011
- (5) Method of acquisition: Open market purchase through a trust bank

3. Cancellation of treasury stock

- (1) Type of stock to be canceled: ITO EN, LTD. preferred stock
- (2) Number of shares to be Canceled: 900,000 shares (planned), representing 2.61% of issued shares
prior to cancellation (excluding treasury stock).
If total of all of the preferred shares acquired, as described above
In Note 2 and total preferred shares already held is below 920,000
shares, total preferred shares except 20,000 shares will be canceled.
- (3) Number of issued shares after cancellation of treasury stock: 34,346,962 shares (planned)
- (4) Scheduled date of cancellation: March 31, 2011

(Reference)

Holdings of treasury stock as of October 31, 2010

Preferred stock

Number of issued shares (excluding treasury stock): 34,481,295 shares

Number of shares of treasury stock: 765,667 shares

Common stock

Number of issued shares (excluding treasury stock): 89,212,525 shares

Number of shares of treasury stock: 1,999,855 shares