

NEWS RELEASE**Notice of Business and Capital Tie-Up with TSUCHIKURA Co., Ltd.**

This is to inform you that as of today, ITO EN, LTD (headquartered in Shibuya-ku Tokyo; hereinafter referred to as "our company") has decided to enter into a business and capital tie-up with TSUCHIKURA Co., Ltd. (headquartered in Sapporo City, Hokkaido; hereinafter referred to as "Tsuchikura") through the acquisition of about 48.8% of total outstanding shares of Tsuchikura (Tsuchikura becomes an equity-method affiliate of our company) and reached a final agreement to become one of the major shareholders of Tsuchikura.

1. Reason for business and capital tie-up and share acquisition

Our company has long been engaged in the production and sales of soft drink and tea products such as green tea beverage and has recorded steady growth in its business. At the same time, we have also been contemplating new ways to strengthen our brand in order to further expand the scope of operations.

Tsuchikura is a long-established tea trader who represents Hokkaido since the establishment in 1958, and now boasting of very high brand awareness as "Tsuchikura of tea," Tsuchikura is developing their business throughout Hokkaido by selling its own brand products including tea and seaweed that have been loved for a long time.

On the leaf tea market in Japan, the needs of customers are rapidly diversifying now. Under such circumstances, business and capital tie-up with Tsuchikura through the acquisition of its shares will contribute to strengthen and improve any stages of purchase, logistics, manufacture and sales in the business of leaf tea in Hokkaido based on the technologies of both companies. We hope that this will serve to further improve the reputation of our group as a whole.

2. Company overview of TSUCHIKURA Co., Ltd.

- Trade Name: TSUCHIKURA Co., Ltd.
- Headquarters Address: 5-18, 3 Jyo 5-chome, Kikusui, Shiroishi-ku, Sapporo City, Hokkaido
- Representative: Teppei Tsuchikura, President
- Establishment: January 1964 (founded in January 1958)
- Business Description: Production and sales of tea and dried laver seaweed and dry food wholesale.
- Stated Capital: 40 million yen
- Sales: 1,530 million yen (FYE June 30, 2010)

3. Status of shares held before and after acquisition

- Shares held before acquisition: 0%
- Shares held after acquisition: 48.8%

4. Impact on operating results

Minor impact on the consolidated financial results for the fiscal year ending in April 30, 2012 is expected.