

Consolidated Financial Results

under Japanese Standards for the first quarter of the fiscal year ending April 30, 2013 (Unaudited)

Scheduled filing date of quarterly report: September 14, 2012

Scheduled date of commencement of dividend payment: -

Supplementary documents for quarterly results: Yes

Quarterly results presentation: None

(Figures are rounded down to million yen.)

1. Consolidated Performance for the first Quarter of the Fiscal year Ending April 30, 2013 (May 1, 2012 - July 31, 2012)

(1) Consolidated results of operations – cumulative (% changes as compared with the corresponding period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen		Million yen		Million yen		Million yen	
7/31/2012	106,236	3.4%	5,149	-23.5%	4,890	-22.8%	2,447	-27.6%
7/31/2011	102,788	5.9%	6,735	13.2%	6,334	15.1%	3,380	27.6%

Note: Comprehensive income 7/31/2012: 2,267 million yen (-25.7%) 7/31/2011: 3,052 million yen (54.6%)

	Net income per share	Net income per share (diluted)
	Yen	Yen
7/31/2012	19.83	19.77
7/31/2011	27.40	27.32

Note: The above “Net income per share” pertains to common stock. For “Net income per share” for Class-A Preferred Stock, refer to “Reference” below.

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	
7/31/2012	235,282	105,768	44.9%
4/30/2012	224,843	106,010	47.1%

Reference: Equity 7/31/2012: 105,653 million yen 4/30/2012: 105,896 million yen

2. Dividends

	Dividend per share				
	First quarter end	Second quarter end	Third quarter end	Year end	Full year
	Yen	Yen	Yen	Yen	Yen
4/30/2012	-	19.00	-	19.00	38.00
4/30/2013	-				
4/30/2013 (Forecast)		19.00	19.00	19.00	38.00

Note: Revision of dividends forecast during the current quarterly period: None

Note: The above “Dividend per share” pertains to common stock. For “Dividend per share” for Class-A Preferred Stock, refer to “Reference” below.

3. Forecasted Consolidated Results for the Fiscal Year Ending April 30, 2013 (May 1, 2012 - April 30, 2013)

(% changes as compared with the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen		Million yen		Million yen		Million yen		Yen
10/31/2012	209,400	4.2%	13,500	2.5%	13,000	4.3%	7,380	5.2%	58.42
4/30/2013	382,600	3.6%	20,000	5.8%	18,600	3.4%	10,000	8.1%	78.27

Note: Revision of operation results forecast during the current quarterly period: None

Note: The above “Net income per share” pertains to common stock. For “Net income per share” for Class-A Preferred Stock, refer to “Reference” below.

Notes

(1) Changes in important subsidiaries during the period: Yes

(Changes in specific subsidiaries accompanied by a change in the scope of consolidation)

Newly: 1 (Company name) ITO EN Asia Pacific Holdings Pte. Ltd.

Note: For further information, please refer to "2. Summary Information, (1) Changes in important subsidiaries during the period" on page 3 in the Attachment.

(2) Application of special accounting methods in preparation for quarterly consolidated financial statements: Yes

Note: Application of simplified accounting and specific for preparing the quarterly consolidated financial statements.

(3) Changes in accounting policies, changes in accounting estimates, and restatements

. Changes in accounting policies associated with in accounting standards: Yes

. Changes in accounting policies other than i. above: None

. Changes in accounting estimates: Yes

. Restatements: None

Note: The depreciation method has been changed from the first quarter of this fiscal year and this change is applicable to "a case where it is difficult to distinguish changes in accounting policies from changes in accounting estimates." For further information, please refer to "2. Information Regarding "Notes" in Consolidated Summary Report, (3) Changes in accounting policies that are difficult to distinguish from changes in accounting estimates" on page 3 in the Attachment.

(4) Shares outstanding (common stock)

. Numbers of shares outstanding (including treasury stock)	7/31/2012	91,212,380 shares	4/30/2012	91,212,380 shares
. Numbers of treasury stock	7/31/2012	1,983,665 shares	4/30/2012	1,983,665 shares
. Average number of shares during the period	7/31/2012	89,228,715 shares	7/31/2011	89,216,964 shares

* Indication of quarterly review procedure implementation status

- This quarterly consolidated financial report is not subject to audit procedure based on Financial Instruments and Exchange Act and the audit procedures for the quarterly consolidated financial statements were not being conducted when this report was disclosed.

* Request for appropriate use of the business outlook and other special remarks

- The forecasts are based on information available to the management at the time of an announcement. Due to variable factors, actual results may be different from the forecast figures. For the basis of presumption of the forecasted consolidated results and the notes on its use, refer to "(3) Qualitative Information Regarding Forecasts for Consolidated Results," on page 2 in the Attachment.

Reference

(1) Net income per share – Class-A Preferred Stock (May 1, 2012 - July 31, 2012)

	Net income per share	Net income per share (diluted)
	Yen	Yen
7/31/2012	19.83	19.77
7/31/2011	27.40	27.32

(2) Dividends per share – Class-A Preferred Stock

(Record date)	Dividend per share				
	First quarter end	Second quarter end	Third quarter end	Year end	Full year
4/30/2012	Yen -	Yen 24.00	Yen -	Yen 24.00	Yen 48.00
4/30/2013	-				
4/30/2013 (Forecast)		24.00	-	24.00	48.00

(3) Net income per share in forecasted consolidated operation results – Class-A Preferred Stock

	Net income per share (Consolidated)	Net income per share (Non-Consolidated)
	Yen	Yen
10/31/2012	63.42	61.96
4/30/2013	88.27	80.16

(4) Shares outstanding – Class-A Preferred Stock

- . Numbers of shares outstanding (including treasury stock)

7/31/2012	34,246,962 shares	4/30/2012	34,246,962 shares
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- . Numbers of treasury stock

7/31/2012	74,338 shares	4/30/2012	73,658 shares
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- . Numbers of average shares outstanding (cumulative, consolidated at the end of the first quarter)

7/31/2012	34,173,015 shares	7/31/2011	34,176,724 shares
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1. Qualitative Information Regarding Consolidated Financial Results for This Quarter

(1) Qualitative Information Regarding Consolidated Results of Operations

The first quarter of the fiscal year ending April 30, 2013 (May 1, 2012–July 31, 2012) saw a business conditions in Japan gradually recovered amid continuing economic adversity. Nevertheless, the economic outlook is uncertain due to the impact of a downturn in business conditions overseas triggered by factors such as the European sovereign debt crisis and high crude oil prices as well as continuing electric power supply constraints and the severe employment situation.

The beverage industry faced continued hardship as personal consumption had long term downturn in consumer frugality and declining prices.

In these business conditions, in keeping with the management principle “Always Putting the Customers First,” the ITO EN Group vigorously engaged in business activities while constantly seeking to identify and address areas of customer dissatisfaction in the beverage market.

As a result, ITO EN recorded consolidated net sales of 106,236 million yen, up 3.4% from the previous fiscal year. On the earnings front, a review of expenses coupled with efficient management resulted in operating income of 5,149 million yen, down 23.5% year on year, ordinary income of 4,890 million yen, down 22.8%, and net income of 2,447 million yen, down 27.6%.

An analysis of sales by business segment follows.

<Tea Leaves and Beverages Business>

Domestic business, sales of mainstay “*Oi Ocha*” product lines was pursued as a renewal in May 2012, further flavorful and aroma in “*Oi Ocha Ryokucha*,” and highly taste and refreshing aftertaste in “*Oi Ocha Koiaji*.” The company tries to serve further advanced “*Oi Ocha*” in highly flavorful green tea with the taste and aroma of teapot-steeped green tea. Among vegetable beverages, sales of the “*Ichinichibun no Yasai*” (a day’s worth of vegetables) advanced well. Furthermore, ITO EN launched “Double Health Function *Catechin Green Tea*” (certified as a food for specified health uses) last year which helps to reduce fat and cholesterol, continued to perform favorably. Moreover, new product introductions resulted in solid sales of coffee beverages, carbonated beverages, and yogurt drinks.

Regarding overseas, ITO EN North America INC. steadily increased sales of “*TEAS’ TEA*.” ITO EN established a holding company in Singapore, in order to develop the business in Southeast Asia and other neighboring countries or areas undergoing rapid economic growth. In addition, the company established a sale office in Taiwan, we have worked widespread our brands through our overseas productions with sales activities.

As a result, sales in the Tea Leaves and Beverages Business rose 2.4 % from the first quarter of the previous fiscal year, to 100,313 million yen, and operating income of 4,459 million yen, down 30.2% from the first quarter of the previous fiscal year.

<Restaurant Business>

Tully’s Coffee Japan Co., Ltd. continued to perform well, with net sales rising 22.0% year on year, to 4,932 million yen, and operating income rising 50.8% year on year, to 676 million yen.

<Others>

Net sales rising 32.6% year on year, to 989 million yen, and operating income rising 77.3%, to 262 million yen.

(2) Qualitative Information Regarding Consolidated Financial Position

The following is as consolidated financial position for the first quarter of the fiscal year ending April 30, 2013..

<Assets>

Total assets at the end of July 31, 2012 stood at 235,282 million yen, increasing 10,438 million yen from the previous fiscal year. The increase in total assets mainly reflected decreases of 16,954 million yen in “cash and deposits,” increase of 16,947 million yen in “notes and accounts receivable-trade,” and increase of 5,948 million yen in “merchandise and finished goods.”

<Liabilities>

Total liabilities at the end of July 31, 2012 amounted to 129,513 million yen, increasing 10,680 million yen from the previous fiscal year. The decrease in total liabilities mainly reflected increases of 11,226 million yen in “notes and accounts payable-trade.”

<Net assets>

Total net assets of at the end of July 31, 2012 stood at 105,768 million yen, decreasing 242 million yen from the previous fiscal year. The increase in total net assets mainly changes reflected increase of 2,447 million yen in “net income” while decreased by 2,515 million yen for “dividends paid.”

(3) Qualitative Information Regarding Forecasts for Consolidated Results

As for the consolidated business outlook for the first half year and full fiscal year, considering the financial results of the first three months of the current fiscal year and the managerial environment, no change has been made without reviewing.

2. Information Regarding “Notes” in Consolidated Summary Report

(1) Changes in Important Subsidiaries during this Quarter

(Changes in specific subsidiaries)

The company established ITO EN Asia Pacific Holdings Pte. Ltd. on June 27, 2012. This is included from the scope of consolidation from the first quarter of this fiscal year ending April 30, 2013.

(2) Application of Special Accounting Methods in Preparation for Quarterly Consolidated Financial Statements

(Calculation of income taxes)

The effective tax rate after the application of deferred tax accounting to the net income before income taxes for the consolidated fiscal year including the first quarter under review is reasonably estimated, and the tax expenses are calculated by multiplying net income before income taxes by this estimated effective tax rate. Also, the account of “income taxes” includes both of “income taxes - current” and “income taxes - deferred.”

(3) Changes in Accounting Policies, Changes Accounting Estimate, and Restatement

(Changes in accounting policies that are difficult to distinguish from changes in accounting estimates)

Following the revision of the Corporation Tax Act of Japan, the company and its domestic consolidated subsidiaries depreciated property, plant and equipment that were acquired on or after May 1, 2012 under the revised Corporation Tax Act has been changed to the method under the revised act from the first quarter of this fiscal year. The impact of this change to operating income, ordinary income, and income before income taxes is minor.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

as of July 31, 2012 and April 30, 2012

	Million yen	
	4/30/2012	7/31/2012
Current assets:		
Cash and deposits	43,872	26,918
Notes and accounts receivable – trade	37,181	54,128
Merchandise and finished products	19,586	25,535
Raw materials and supplies	7,231	8,213
Other	13,732	15,742
Allowance for doubtful accounts	(54)	(69)
Total current assets	121,549	130,467
Fixed assets:		
Property, plant and equipment;		
Buildings and structures	15,395	15,790
Land	17,359	17,353
Lease assets	27,929	29,347
Other	5,784	6,004
Subtotal	66,468	68,496
Intangible fixed assets;		
Goodwill	14,432	14,121
Lease assets	56	45
Other	8,012	7,741
Subtotal	22,501	21,907
Investments and other assets	14,324	14,410
Total fixed assets	103,294	104,814
Total assets	224,843	235,282
Current liabilities:		
Notes and accounts payable-trade	25,984	37,211
Short-term loans payable	670	870
Lease obligations	9,653	10,305
Accrued expenses	17,779	18,864
Income taxes payable	4,882	2,463
Provision for bonuses	2,999	1,740
Other	2,289	2,756
Total current liabilities	64,258	74,212
Non-current liabilities:		
Bonds payable	20,000	20,000
Long-term loans payable	5,577	5,485
Lease obligations	19,564	20,189
Allowance for retirement and severance benefits for employees	6,209	6,392
Other	3,223	3,234
Total non-current liabilities	54,575	55,300
Total liabilities	118,833	129,513

Quarterly Consolidated Balance Sheets – Continued

	Million yen	
	4/30/2012	7/31/2012
Shareholders' equity:		
Capital stock	19,912	19,912
Capital surplus	20,259	20,259
Retained earnings	78,954	78,886
Treasury stock	(4,830)	(4,831)
Total shareholders' equity	114,294	114,225
Valuation, translation adjustments and others:		
Valuation difference on available-for-sale securities	158	185
Deferred gains or losses on hedges	3	(22)
Land revaluation difference, net of tax	(6,171)	(6,171)
Foreign currency translation adjustments	(2,388)	(2,564)
Total accumulated losses from valuation, translation adjustments and others	(8,398)	(8,571)
Stock acquisition rights	23	34
Minority interests	90	79
Total net assets	106,010	105,768
Total liabilities and net assets	224,843	235,282

(2) Quarterly Consolidated Statement of Income and Comprehensive Income

from May 1, 2012 to July 31, 2012

Quarterly Consolidated Statement of Income [First quarter period]

	Million yen	
	7/31/2011	7/31/2012
Operating income and expenses:		
Net sales	102,788	106,236
Cost of sales	52,206	57,011
Gross profit	50,581	49,224
Selling, general and administrative expenses	43,845	44,074
Operating income	6,735	5,149
Non-operating income:		
Interest income	2	3
Dividend income from securities	28	29
Equity in earnings of affiliates	-	39
Other	108	90
Total non-operating income	139	162
Non-operating expenses:		
Interest expense	261	296
Foreign exchange losses	234	101
Equity in losses of affiliates	0	-
Other	43	23
Total non-operating expense	541	420
Ordinary income	6,334	4,890
Extraordinary gains:		
Gain on sales of noncurrent assets	-	0
Gain on donation of noncurrent assets	7	-
Other	-	0
Total extraordinary gains	7	0
Extraordinary losses:		
Loss on sales of noncurrent assets	0	-
Loss on abandonment of noncurrent assets	3	7
Disaster loss	29	0
Loss on valuation of investment securities	0	140
Provision of allowance for doubtful accounts of golf club memberships	51	-
Loss on valuation of golf club membership	10	-
Loss on withdrawal of golf club membership	13	-
Impairment loss	-	3
Total extraordinary losses	108	152
Income before income taxes	6,233	4,739
Income taxes	2,932	2,297
Income before minority interests	3,301	2,441
Minority interests in income (loss)	(79)	(6)
Net income	3,380	2,447

Quarterly Consolidated Statement of Comprehensive Income [First quarter period]

	Million yen	
	7/31/2011	7/31/2012
Income before minority interests	3,301	2,441
Other comprehensive income:		
Valuation difference on available-for-sale securities	13	34
Net deferred losses on derivatives under hedge	(13)	(25)
Foreign currency translation adjustment	(259)	(196)
Share of other comprehensive income of associates accounted for using equity method	9	13
Other comprehensive income	(248)	(173)
Quarterly consolidated comprehensive income	3,052	2,267
(Breakdown)		
Comprehensive income attributable to owners of the parent	3,131	2,273
Comprehensive income attributable to minority interests	(79)	(6)

(3) Note Regarding the Company's Position as of a Going Concern

Not applicable.

(4) Segment Information, etc

(Changes in the divisions of the reportable segments)

The reportable segment has been changed into 3 divisions from the first quarter of the fiscal year ending April 30, 2013. "Tea leaves /Beverages Business," "Restaurant Business," and "Others" which were used to be divided two reportable segments as "Tea leaves /Beverages Business" and "Restaurant Business" in the previous fiscal year. The reason for this change is that enhance the effective of our segment information.

Segment information of the first quarter of the previous fiscal year disclosed based on the current division of the reportable segments.

Information regarding amounts of sales and profits or losses by reporting segment

For the first quarter of the previous fiscal year ended April 30, 2012 (May 1, 2011 – July 31, 2011)

(Figures are rounded down to million yen.)

	Tea leaves /Beverages Business	Restaurant Business	Others	Total	Adjustment	Amount on Consolidated Statements of Income
Net sales:						
(1) Outside	97,997	4,044	746	102,788	-	102,788
(2) Intersegment	55	104	622	781	(781)	-
Total net sales	98,053	4,148	1,368	103,570	(781)	102,788
Segment earnings (loss)	6,390	448	147	6,987	(251)	6,735

Notes: i. The segment earnings (loss) adjustment includes (¥260) million in amortization of goodwill and ¥8 million in intersegment transactions.

ii. Segment earnings are adjusted to the operating income figure on the Quarterly Consolidated Statements of Income.

For the first quarter of the fiscal year ending April 30, 2013 (May 1, 2012 – July 31, 2012)

(Figures are rounded down to million yen.)

	Tea leaves /Beverages Business	Restaurant Business	Others	Total	Adjustment	Amount on Consolidated Statements of Income
Net sales:						
(1) Outside	100,313	4,932	989	106,236	-	106,236
(2) Intersegment	50	126	637	814	(814)	-
Total net sales	100,364	5,059	1,627	107,050	(814)	106,236
Segment earnings (loss)	4,459	676	262	5,398	(249)	5,149

Notes: i. The segment earnings (loss) adjustment includes (¥259) million in amortization of goodwill and ¥10 million in intersegment transactions.

ii. Segment earnings are adjusted to the operating income figure on the Quarterly Consolidated Statements of Income.

(5) Note Regarding Significant Changes in the Amount of Shareholders' Equity

Not applicable.

(6) Significant Subsequent Events

(The Purchase of Additional Shares of NEOS Corporation as a Subsidiary)

At a meeting held on June 26, 2012, the board of directors of ITO EN, LTD., approved the purchase of additional shares of NEOS Corporation (hereinafter referred to as "NEOS") as a subsidiary.

1. Reasons for Acquisition of Shares

ITO EN acquired additional shares of NEOS. We aim to expand and strengthen our sales channel, implementing cost saving, and the pursuit of economy of scale by strengthen capital tie with NEOS. We hope that this will serve to the further improvement of the management.

2. Overview of NEOS Corporation

- (1) Trade Name: NEOS Corporation
- (2) Address: 1-42-20 Kameido Koto-ku, Tokyo
- (3) Representative: Gen Imaizumi
- (4) Business Description: Sales of beverages and food items through vending machines. Maintenance of vending machines.
- (5) Capital: 80 million yen
- (6) Establishment: 8 May, 1985
- (7) Sales: 25,348 million yen (FYE December 31, 2011)

3. Numbers of shares acquisition and ration of shareholding

- (1) Number of shares acquisition: 1,920 shares
- (2) Ratio of shareholding after acquired: 46.0%

4. Date of Acquisition: August 17, 2012

(Acquisition of Treasury Stock and Cancellation of Treasury Stock)

At a meeting held on August 28, 2012, 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. common stock
- (2) Number of shares to be acquired: Up to 700,000 shares, representing 0.78% of issued shares (excluding treasury stock)
- (3) Total amount of acquisition: Up to 1,100 million yen
- (4) Period of acquisition: September 4, 2012 to September 28, 2012
- (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. common stock
- (2) Number of shares to be canceled: 2,000,000 shares, representing 2.19% of issued shares prior to cancellation (including treasury stock).
- (3) Number of issued shares after cancellation of treasury stock: 89,212,380 shares
- (4) Scheduled date of cancellation: October 31, 2012

The common stock and "Dividend per share" for Class-A Preferred Stock are excluded from the scope of consolidation from the second quarter and full fiscal year ending April 30, 2013.