

## Consolidated Financial Results

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

Scheduled filing date of quarterly report: December 14, 2012

Scheduled date of commencement of dividend payment: January 15, 2013

Supplementary documents for quarterly results: Yes

Financial results presentation: Yes (for institutional investors and analysts)

(Figures are rounded down to million yen.)

### 1. Consolidated Performance for the second Quarter of the Fiscal year Ending April 30, 2013

(May 1, 2012 - October 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 |       |
| 10/31/2012 | 216,468     | 7.7% | 13,690           | 3.9% | 13,373          | 7.3%  | 7,550       | 7.6%  |
| 10/31/2011 | 200,954     | 3.3% | 13,176           | 8.4% | 12,468          | 11.2% | 7,014       | 18.3% |

Note: Comprehensive income 10/31/2012: 7,637 million yen (15.5%) 10/31/2011: 6,615 million yen (36.2%)

|            | Net income per share | Net income per share (diluted) |
|------------|----------------------|--------------------------------|
|            | Yen                  | Yen                            |
| 10/31/2012 | 59.88                | 59.71                          |
| 10/31/2011 | 55.46                | 55.30                          |

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 |                            |
| 10/31/2012 | 242,979      | 110,227     | 45.3%                      |
| 4/30/2012  | 224,843      | 106,010     | 47.1%                      |

Reference: Equity 10/31/2012: 109,959 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            | -                  | 19.00              | -                 | -        | -         |
| 4/30/2013 (Forecast) | -                  | -                  | -                 | 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                  |
| 4/30/2013 | 401,000     | 8.6% | 20,000           | 5.8% | 18,600          | 3.4% | 10,000      | 8.1% | 78.48                |

Note: Revision of operation results forecast during the current quarterly period: Yes

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. Information Regarding "Notes" in Consolidated Summary Report, (1) Changes in important subsidiaries during this quarter" on page 5 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, Changes in Accounting Estimate, and Restatement" on page 5 in the Attachment.

(4) Shares outstanding (common stock)

. Numbers of shares outstanding (including treasury stock) 10/31/2012 89,212,380 shares 4/30/2012 91,212,380 shares

. Numbers of treasury stock 10/31/2012 644,599 shares 4/30/2012 1,983,665 shares

. Average number of shares during the period

10/31/2012 89,067,583 shares 10/31/2011 89,222,673 shares

Note: The above "Number of shares outstanding" pertains to common stock. For "Number of shares outstanding" for Class-A Preferred Stock, refer to "Reference" below.

\* 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 4 in the Attachment. "3. Forecasted Consolidated Results for the Fiscal Year Ending April 30, 2013 (May 1, 2012 - April 30, 2013) for "Net income per share," is included "Purchase and Retirement of treasury stock".

## Reference

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

|            | Net income per share | Net income per share<br>(diluted) |
|------------|----------------------|-----------------------------------|
|            | Yen                  | Yen                               |
| 10/31/2012 | 64.88                | 64.71                             |
| 10/31/2011 | 60.46                | 60.30                             |

### (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<br>-           | Yen<br>24.00       | Yen<br>-          | Yen<br>24.00 | Yen<br>48.00 |
| 4/30/2013               | -                  | 24.00              |                   |              |              |
| 4/30/2013<br>(Forecast) |                    |                    | -                 | 24.00        | 48.00        |

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

|           | Net income per share<br>(Consolidated) |
|-----------|--|
|           | Yen                                    |
| 4/30/2013 | 88.48                                  |

### (4) Shares outstanding – Class-A Preferred Stock

. Numbers of shares outstanding (including treasury stock)

10/31/2012      34,246,962 shares      4/30/2012      34,246,962 shares

. Numbers of treasury stock

10/31/2012      75,548 shares      4/30/2012      73,658 shares

. Numbers of average shares outstanding (cumulative, consolidated at the end of the second quarter)

10/31/2012      34,172,628 shares      10/31/2011      34,175,785 shares

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## 1. Qualitative Information Regarding Consolidated Financial Results for This Quarter

### (1) Qualitative Information Regarding Consolidated Results of Operations

The second quarter of the fiscal year ending April 30, 2013 (May 1, 2012–October 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 216,468 million yen, up 7.7% from the previous fiscal year. On the earnings front, a review of expenses coupled with efficient management resulted in operating income of 13,690 million yen, up 3.9% year on year, ordinary income of 13,373 million yen, up 7.3%, and net income of 7,550 million yen, up 7.6%.

An analysis of sales by business segment follows. The reportable segment has been changed from the first quarter of the fiscal year ending April 30, 2013. 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.

#### <Tea Leaves and Beverages Business>

Domestics business, following the renewal of mainstay product “*Oi Ocha Ryokucha*,” and “*Oi Ocha Koiaji*” in May 2012, ITO EN undertook further value enhancement and sales expansion by renewing “*Oi Ocha Hojicha*,” “*Oi Ocha Genmaicha*,” in August and “*Oi Ocha Ryokucha*,” “*Oi ocha Koiaji*,” “*Oi Ocha Hojicha*,” “*Oi Ocha Genmaicha*” in heatable PET bottles in September. ITO EN also developed an extensive product line, launching products in slim, easy-to-hold 320 ml small PET bottles, “*Oi Ocha Jyukusei Ichibanacha*,” a product with a flavor appropriate for autumn available for a limited time only, and “*Oi Ocha Maroyaka*,” which has a mellow, mild flavor with little astringency, and is actively working to boost sales. Among vegetable beverages, cumulative annual sales volume of “*Ichinichibun no Yasai*” from January of this year passed the 10 million case milestones for the first time, and sales are steadily increasing. In addition, September marked the 20th anniversary of the launch of “*Jujitsu Yasai*,” a mixed vegetable and fruit beverage, and ITO EN will continue to deliver health, safety, and peace of mind in addition to flavor to ensure acceptance of this product by consumers of all ages, from children to the elderly. In September, ITO EN renewed the package design of “Double Health Function *Catechin Green Tea*” (certified as a food for specified health uses),” launched last year which helps to reduce fat and bad cholesterol and sales are developing favorably. Moreover, new product introductions resulted in solid sales of coffee beverages, carbonated beverages, and yogurt drinks. Furthermore, NEOS Corporation became a consolidated subsidiary of the ITO EN Group at the end of the second quarter of the fiscal year ending April 30, 2013, and ITO EN will seek to increase sales by strengthening vending machine operations and actively selling products through NEOS Corporation.

Regarding overseas, ITO EN North America INC. steadily increased sales of “*TEAS’ TEA*.” ITO EN established ITO EN Asia Pacific Holdings Pte. Ltd. from the first quarter of this fiscal year ending April 30, 2013, and ITO EN Singapore Pte. Ltd. (a Joint Venture Company) in Singapore from the second quarter of the fiscal year ending April 30, 2013 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 7.1 % from the second quarter of the previous fiscal year, to 204,472 million yen, and operating income of 12,382 million yen, rose 0.7% from the second quarter of the previous fiscal year.

#### <Restaurant Business>

Tully’s Coffee Japan Co., Ltd. continued to perform well, with net sales rising 16.9% year on year, to 9,975 million yen, and operating income rising 25.9% year on year, to 1,283 million yen.

#### <Others>

Net sales rising 31.3% year on year, to 2,020 million yen, and operating income rising 48.8%, to 523 million yen.

## **(2) Qualitative Information Regarding Consolidated Financial Position**

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

### **<Assets>**

Total assets at the end of October 31, 2012 stood at 242,979 million yen, increasing 18,135 million yen from the previous fiscal year. The increase in total assets mainly reflected increases of 7,072 million yen in “Notes and accounts receivable-trade,” increase of 5,146 million yen in “lease assets (PPE),” and increase of 322 million yen in “goodwill.”

### **<Liabilities>**

Total liabilities at the end of October 31, 2012 amounted to 132,751 million yen, increasing 13,918 million yen from the previous fiscal year. The increase in total liabilities mainly reflected increases of 4,766 million yen in “notes and accounts payable-trade.”

### **<Net assets>**

Total net assets of at the end of October 31, 2012 stood at 110,227 million yen, increasing 4,217 million yen from the previous fiscal year. The increase in total net assets mainly changes reflected increase of 7,550 million yen in “net income” while decreased by 2,515 million yen for “dividends paid.”

### **<Cash inflows from operating activities>**

Cash inflows from operating activities were 11,583 million yen. The major factors of cash inflows were 13,393 million yen from income before income taxes, 6,241 million yen from depreciation and amortization, and 175 million yen from increase in notes and accounts payable-trade, while decrease in increase in notes and accounts receivable-trade by 6,445 million yen, and 4,631 million yen from the income taxes paid.

### **<Cash outflows from investing activities>**

Cash outflows from investing activities were 4,792 million yen. The major factors of cash outflows were 2,972 million yen for acquisitions of plant and facility investment, and purchase of investments in subsidiaries resulting in change in scope of consolidation for 934 million yen.

### **<Cash outflows from financing activities>**

Cash outflows from financing activities were 8,473 million yen. This was primarily due to outflows of 1,088 million yen for purchase of treasury stock, 5,193 million yen for repayments of finance lease obligations and 2,508 million yen for dividends paid.

As a result, cash and cash equivalents for the first half year of the fiscal year ending April 30, 2013 amounted to 41,869 million yen, decreased by 1,675 million yen from the previous fiscal year.

### (3) Qualitative Information Regarding Forecasts for Consolidated Results

As for the consolidated business outlook for full fiscal year, we revised the forecast consolidated operating results for the fiscal year ending April 30, 2013 (May 1, 2012, through April 30, 2013).

The second quarter of the fiscal year ending April 30, 2013 (May 1, 2012–October 31, 2012), Japanese green tea products resulted in solid sales, vegetable, coffee, carbonated, and yogurt drink advanced well. Tully's Coffee Japan Co., Ltd. continued to perform well.

For the consolidated business outlook for next half year, these products are expected to continue to advance steadily, and NEOS Corporation became a consolidated subsidiary of the ITO EN Group at the end of the second quarter of the fiscal year ending April 30, 2013,

As for the profit outlook for full fiscal year, considering the continuing hardship as personal consumption had long term downturn in consumer frugality and declining prices in the recent market environment, no change has been made without reviewing.

(million yen)

|                          | Net Sales | Operating income | Ordinary income | Net Income | Net income per share<br>(Common stock) |
|--------------------------|-----------|------------------|-----------------|------------|--|
| Previous Forecast (A)    | 382,600   | 20,000           | 18,600          | 10,000     | 78.27 yen                              |
| Current Forecast (B)     | 401,000   | 20,000           | 18,600          | 10,000     | 78.48 yen                              |
| YOY Change (B-A)         | 18,400    | 0                | 0               | 0          | -                                      |
| YOY Rate (%)             | 4.8       | 0.0              | 0.0             | 0.0        | -                                      |
| (Reference)<br>4/30/2012 | 369,284   | 18,907           | 17,985          | 9,249      | 72.18 yen                              |

\* Forecasted Consolidated Results for the Fiscal Year Ending April 30, 2013 (May 1, 2012 - April 30, 2013) for "Net income per share (common stock)," is included "Purchase and Retirement of treasury stock".

#### [Net income per share for Class-A Preferred Stock (Consolidated)]

|                       |           |
|-----------------------|-----------|
| Previous Forecast (A) | 88.27 yen |
| Current Forecast (B)  | 88.48 yen |
| (Reference) 4/30/2012 | 82.18 yen |

## **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.

(Changes in important subsidiaries except specific subsidiaries)

The consolidated subsidiary (newly): NEOS Corporation

### **(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 second 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.

### **(3) Changes in Accounting Policies, Changes in 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 October 31, 2012 and April 30, 2012

|   | Million yen    |                |
|---|----------------|----------------|
|   | 4/30/2012      | 10/31/2012     |
| <b>Current assets:</b>  |                |                |
| Cash and deposits   | 43,872         | 42,987         |
| Notes and accounts receivable-trade                           | 37,181         | 44,253         |
| Merchandise and finished products                             | 19,586         | 21,115         |
| Raw materials and supplies                                    | 7,231          | 7,106          |
| Other   | 13,732         | 14,257         |
| Allowance for doubtful accounts                               | (54)           | (79)           |
| <b>Total current assets</b>                                   | <b>121,549</b> | <b>129,641</b> |
| <b>Fixed assets:</b>  |                |                |
| <b>Property, plant and equipment;</b>                         |                |                |
| Buildings and structures, net                                 | 15,395         | 16,704         |
| Land  | 17,359         | 17,553         |
| Lease assets, net   | 27,929         | 33,076         |
| Other, net  | 5,784          | 5,887          |
| <b>Subtotal</b>   | <b>66,468</b>  | <b>73,221</b>  |
| <b>Intangible fixed assets;</b>                               |                |                |
| Goodwill  | 14,432         | 17,635         |
| Lease assets  | 56             | 43             |
| Other   | 8,012          | 7,738          |
| <b>Subtotal</b>   | <b>22,501</b>  | <b>25,417</b>  |
| <b>Investments and other assets</b>                           | <b>14,324</b>  | <b>14,699</b>  |
| <b>Total fixed assets</b>                                     | <b>103,294</b> | <b>113,338</b> |
| <b>Total assets</b>   | <b>224,843</b> | <b>242,979</b> |
| <b>Current liabilities:</b>                                   |                |                |
| Notes and accounts payable-trade                              | 25,984         | 30,751         |
| Short-term loans payable                                      | 670            | 497            |
| Lease obligations   | 9,653          | 11,874         |
| Accrued expenses  | 17,779         | 17,275         |
| Income taxes payable  | 4,882          | 6,218          |
| Provision for bonuses   | 2,999          | 3,406          |
| Other   | 2,289          | 3,435          |
| <b>Total current liabilities</b>                              | <b>64,258</b>  | <b>73,458</b>  |
| <b>Non-current liabilities:</b>                               |                |                |
| Bonds payable   | 20,000         | 20,000         |
| Long-term loans payable                                       | 5,577          | 6,192          |
| Lease obligations   | 19,564         | 22,229         |
| Allowance for retirement and severance benefits for employees | 6,209          | 7,563          |
| Other   | 3,223          | 3,307          |
| <b>Total non-current liabilities</b>                          | <b>54,575</b>  | <b>59,292</b>  |
| <b>Total liabilities</b>                                      | <b>118,833</b> | <b>132,751</b> |

Quarterly Consolidated Balance Sheets – Continued

|  | Million yen    |                |
|--|----------------|----------------|
|  | 4/30/2012      | 10/31/2012     |
| <b>Shareholders' equity:</b>   |                |                |
| Capital stock  | 19,912         | 19,912         |
| Capital surplus  | 20,259         | 20,259         |
| Retained earnings  | 78,954         | 79,566         |
| Treasury stock   | (4,830)        | (1,476)        |
| <b>Total shareholders' equity</b>  | <b>114,294</b> | <b>118,260</b> |
| <b>Valuation, translation adjustments and others:</b>                              |                |                |
| Valuation difference on available-for-sale securities                              | 158            | 324            |
| Deferred gains or losses on hedges   | 3              | (1)            |
| Land revaluation difference  | (6,171)        | (6,171)        |
| Foreign currency translation adjustments   | (2,388)        | (2,453)        |
| <b>Total accumulated losses from valuation, translation adjustments and others</b> | <b>(8,398)</b> | <b>(8,301)</b> |
| <b>Stock acquisition rights</b>  | <b>23</b>      | <b>20</b>      |
| <b>Minority interests</b>  | <b>90</b>      | <b>247</b>     |
| <b>Total net assets</b>  | <b>106,010</b> | <b>110,227</b> |
| <b>Total liabilities and net assets</b>  | <b>224,843</b> | <b>242,979</b> |

**(2) Quarterly Consolidated Statement of Income and Comprehensive Income**

from May 1, 2012 to October 31, 2012

**Quarterly Consolidated Statement of Income [First half period]**

|   | Million yen   |                |
|---|---------------|----------------|
|   | 10/31/2011    | 10/31/2012     |
| <b>Operating income and expenses:</b>                                 |               |                |
| Net sales   | 200,954       | 216,468        |
| Cost of sales   | 106,264       | 114,927        |
| <b>Gross profit</b>   | <b>94,690</b> | <b>101,541</b> |
| Selling, general and administrative expenses                          | 81,513        | 87,850         |
| <b>Operating income</b>   | <b>13,176</b> | <b>13,690</b>  |
| <b>Non-operating income:</b>  |               |                |
| Interest income   | 7             | 12             |
| Dividend income from securities                                       | 29            | 30             |
| Equity in earnings of affiliates                                      | 0             | 135            |
| Other   | 202           | 215            |
| <b>Total non-operating income</b>                                     | <b>239</b>    | <b>394</b>     |
| <b>Non-operating expenses:</b>  |               |                |
| Interest expense  | 529           | 598            |
| Foreign exchange losses   | 270           | 54             |
| Other   | 147           | 58             |
| <b>Total non-operating expense</b>                                    | <b>947</b>    | <b>712</b>     |
| <b>Ordinary income</b>  | <b>12,468</b> | <b>13,373</b>  |
| <b>Extraordinary gains:</b>   |               |                |
| Gain on sales of noncurrent assets                                    | 0             | 0              |
| Gain on donation of noncurrent assets                                 | 7             | -              |
| Gain on sales of investment securities                                | -             | 0              |
| Gain on step acquisitions   | -             | 260            |
| Other   | -             | 2              |
| <b>Total extraordinary gains</b>                                      | <b>8</b>      | <b>264</b>     |
| <b>Extraordinary losses:</b>  |               |                |
| Loss on sales of noncurrent assets                                    | 0             | 0              |
| Loss on abandonment of noncurrent assets                              | 35            | 16             |
| Impairment loss   | 21            | 48             |
| Disaster loss   | 25            | 12             |
| Loss on valuation of investment securities                            | 10            | 165            |
| 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            | -              |
| <b>Total extraordinary losses</b>                                     | <b>168</b>    | <b>244</b>     |
| <b>Income before income taxes</b>                                     | <b>12,308</b> | <b>13,393</b>  |
| <b>Income taxes</b>   | <b>5,381</b>  | <b>5,852</b>   |
| <b>Income before minority interests</b>                               | <b>6,926</b>  | <b>7,540</b>   |
| <b>Minority interests in income (loss)</b>                            | <b>(87)</b>   | <b>(9)</b>     |
| <b>Net income</b>   | <b>7,014</b>  | <b>7,550</b>   |

**Quarterly Consolidated Statement of Comprehensive Income** [First half period]

|   | Million yen  |              |
|---|--------------|--------------|
|   | 10/31/2011   | 10/31/2012   |
| <b>Income before minority interests</b>   | <b>6,926</b> | <b>7,540</b> |
| <b>Other comprehensive income:</b>  |              |              |
| Valuation difference on available-for-sale securities                               | (36)         | 176          |
| Net deferred losses on derivatives under hedge                                      | (7)          | (4)          |
| Foreign currency translation adjustment   | (284)        | (70)         |
| Share of other comprehensive income of associates accounted for using equity method | 17           | (4)          |
| <b>Other comprehensive income</b>   | <b>(311)</b> | <b>96</b>    |
| <b>Quarterly consolidated comprehensive income</b>                                  | <b>6,615</b> | <b>7,637</b> |
| (Breakdown)   |              |              |
| Comprehensive income attributable to owners of the parent                           | 6,702        | 7,647        |
| Comprehensive income attributable to minority interests                             | (87)         | (9)          |

**(3) Quarterly Consolidated Statements of Cash Flows** [First half period]  
from May 1, 2012 to October 31, 2012

|   | Million yen    |                |
|---|----------------|----------------|
|   | 10/31/2011     | 10/31/2012     |
| Cash flows from operating activities:   |                |                |
| Income before income taxes  | 12,308         | 13,393         |
| Depreciation and amortization   | 5,147          | 6,241          |
| Impairment loss   | 21             | 48             |
| Gain on step acquisitions   | -              | (260)          |
| Amortization of goodwill  | 539            | 539            |
| Increase (decrease) in accrued bonuses for employees                                  | 770            | 208            |
| Increase (decrease) in allowance for retirement and severance benefits for employees  | 334            | 345            |
| Interest and dividends income   | (36)           | (43)           |
| Interest expenses   | 529            | 598            |
| Loss (gain) on foreign currency translation   | 161            | (6)            |
| Loss (gain) on valuation of investments securities                                    | 10             | 165            |
| Decrease (increase) in notes and accounts receivable-trade                            | 3,398          | (6,445)        |
| Decrease (increase) in inventories  | (4,447)        | 36             |
| Decrease (increase) in other current assets   | 1,442          | 483            |
| Increase (decrease) in notes and accounts payable                                     | (5,432)        | 1,705          |
| Increase (decrease) in consumption tax payable  | (224)          | 674            |
| Increase (decrease) in other current liabilities                                      | 163            | (765)          |
| Other   | 43             | (155)          |
| <b>Subtotal</b>   | <b>14,729</b>  | <b>16,766</b>  |
| Interest and dividend income received in cash   | 39             | 47             |
| Interest expenses paid in cash  | (618)          | (598)          |
| Income taxes paid in cash   | (4,817)        | (4,631)        |
| <b>Net cash flows from operating activities</b>                                       | <b>9,333</b>   | <b>11,583</b>  |
| Cash flows from investing activities:   |                |                |
| Payments into time deposits   | (243)          | (790)          |
| Purchase of property, plant and equipment and intangible assets                       | (1,340)        | (2,972)        |
| Purchase of stocks of subsidiaries and affiliates                                     | (84)           | -              |
| Purchase of investments in subsidiaries resulting in change in scope of consolidation | (1,966)        | (934)          |
| Other   | 222            | (95)           |
| <b>Net cash flows from investing activities</b>                                       | <b>(3,412)</b> | <b>(4,792)</b> |
| Cash flows from financing activities:   |                |                |
| Net decrease in short-term loans payable  | -              | (300)          |
| Proceeds from long-term loans payable   | -              | 800            |
| Repayment of long-term loans payable  | (960)          | (185)          |
| Purchase of treasury stock  | (3)            | (1,088)        |
| Proceeds from disposal of treasury stock  | 1              | 0              |
| Repayment of finance lease obligations  | (4,022)        | (5,193)        |
| Dividends paid  | (2,510)        | (2,509)        |
| Cash dividends paid to minority shareholders  | (0)            | (5)            |
| Proceeds from stock issuance to minority shareholders                                 | -              | 12             |
| Other payments  | (3)            | (6)            |
| <b>Net cash flows from financing activities</b>                                       | <b>(7,498)</b> | <b>(8,473)</b> |
| <b>Effect of exchange rate fluctuation on cash and cash equivalents</b>               | <b>(175)</b>   | <b>7</b>       |
| <b>Net increase (decrease) in cash and cash equivalents</b>                           | <b>(1,753)</b> | <b>(1,675)</b> |
| <b>Cash and cash equivalents at beginning of period</b>                               | <b>23,986</b>  | <b>43,544</b>  |
| <b>Cash and cash equivalents at end of period</b>                                     | <b>22,233</b>  | <b>41,869</b>  |

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

Not applicable.

#### (5) Segment Information, etc

(Changes in the divisions of the reportable segments)

The reportable segment has been changed into 3 divisions from the first half year 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 effectiveness of our segment information.

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

In addition, 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. Therefore, the reportable segments were changed under the revised Corporation Tax Act has been changed to the method. The impact of this change to operating income, ordinary income, and income before income taxes is minor.

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

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

(Figures are rounded down to million yen.)

|                         | Tea leaves<br>/Beverages<br>Business | Restaurant<br>Business | Others | Total   | Adjustment | Amount on<br>Consolidated<br>Statements of<br>Income |
|-------------------------|--------------------------------------|------------------------|--------|---------|------------|--|
| Net sales:              |                                      |                        |        |         |            |  |
| (1) Outside             | 190,883                              | 8,532                  | 1,538  | 200,954 | -          | 200,954  |
| (2) Intersegment        | 114                                  | 179                    | 1,209  | 1,504   | (1,504)    | -  |
| Total net sales         | 190,998                              | 8,712                  | 2,748  | 202,459 | (1,504)    | 200,954  |
| Segment earnings (loss) | 12,301                               | 1,018                  | 352    | 13,671  | (494)      | 13,176   |

Notes: i. The segment earnings (loss) adjustment includes (¥519) million in amortization of goodwill and ¥24 million in intersegment transactions.  
ii. Segment earnings are adjusted to the operating income figure on the Quarterly Consolidated Statements of Income.

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

(Figures are rounded down to million yen.)

|                         | Tea leaves<br>/Beverages<br>Business | Restaurant<br>Business | Others | Total   | Adjustment | Amount on<br>Consolidated<br>Statements of<br>Income |
|-------------------------|--------------------------------------|------------------------|--------|---------|------------|--|
| Net sales:              |                                      |                        |        |         |            |  |
| (1) Outside             | 204,472                              | 9,975                  | 2,020  | 216,468 | -          | 216,468  |
| (2) Intersegment        | 112                                  | 264                    | 1,251  | 1,628   | (1,628)    | -  |
| Total net sales         | 204,585                              | 10,239                 | 3,272  | 218,097 | (1,628)    | 216,468  |
| Segment earnings (loss) | 12,382                               | 1,283                  | 523    | 14,189  | (499)      | 13,690   |

Notes: i. The segment earnings (loss) adjustment includes (¥519) million in amortization of goodwill and ¥20 million in intersegment transactions.  
ii. Segment earnings are adjusted to the operating income figure on the Quarterly Consolidated Statements of Income.

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

Not applicable.