

December 25, 2014

**NEWS RELEASE**

**Notice of Share Acquisition of the DISTANT LANDS TRADING CO.  
a U.S. company (Corporate Acquisition)**

ITO EN, LTD. (headquartered in Shibuya-ku, Tokyo; hereinafter referred to as “our company”) announced that it has decided DISTANT LANDS TRADING CO. (a Delaware corporation; hereinafter referred to as “DLTC”) as a surviving company will become a wholly-owned subsidiary of our company’s subsidiary, ITO EN (North America) INC. (headquartered in New York, USA; hereinafter referred to as “NA”) through a merger with a new company, ITO EN Acquisition Corporation (a Delaware corporation; hereinafter referred to as “AC”), which will be established for purposes of this acquisition by NA.

This acquisition will be effected through a “reverse triangular merger” with the sellers receiving cash as compensation pursuant to the Delaware General Corporation Law, details as follows:

Note

1. Reasons for Share Acquisition

DLTC is the specialty coffee company which sells roasted coffee and green coffee under its own brand and private brands to foodservice and retail customers. Recently, in September 2013 DLTC launched a single serve coffee business within the highest growth segment of the overall coffee industry, which is expected to be a source of further growth. In addition, DLTC owns coffee farms and processing mills in Latin America, engages in production of premium coffee fruit and sources green coffee from the trusted third party farms on a global basis. The vertically integrated system from procurement of raw materials to sales enables DLTC to provide customized coffees and to build the business model distinguished from its competitors.

For the ITO EN group, the acquisition will enable it to reinforce the sales in North America benefiting from DLTC’s sales networks and relationships with its customers, and to offer products with wide selection of drinking format besides the RTD beverages in plastic bottles in the tea category, taking advantage of its procurement, technological development, and production power.

ITO EN strongly believes that this acquisition will enable us to continue to grow the overseas business primarily in North America towards our vision of becoming “a global tea company” which contributes to better lifestyles of customers through our tea products.

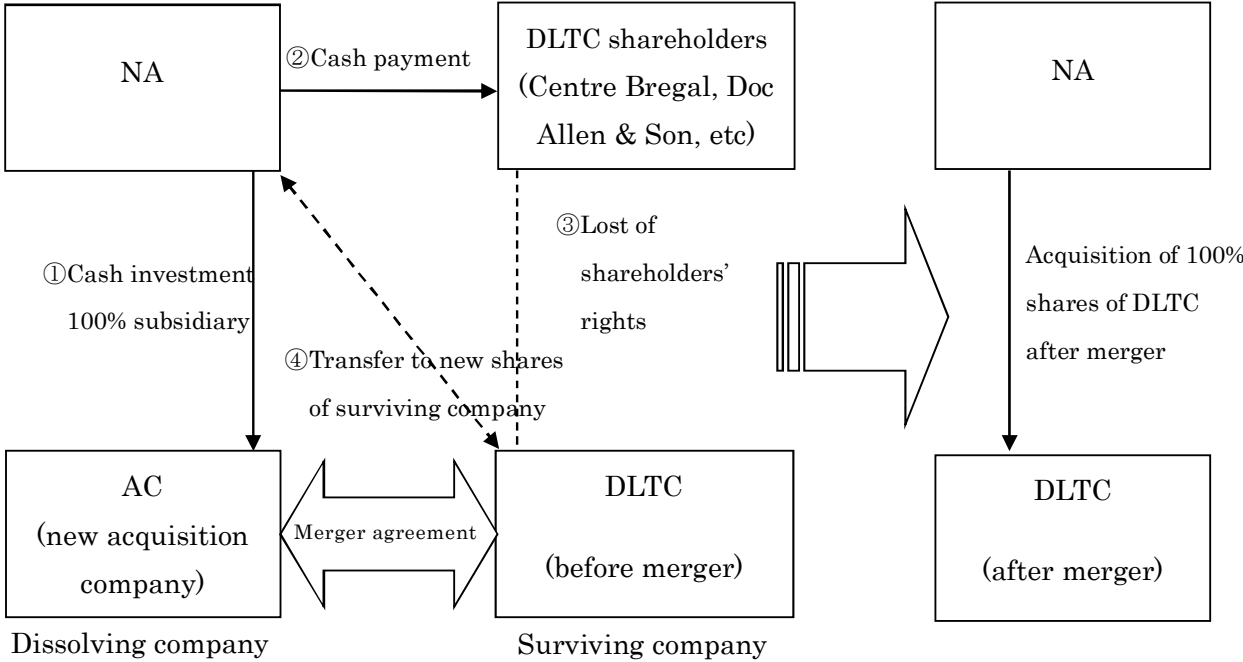
2. Transaction Details

The acquisition will be effected through a “reverse triangular merger” with the sellers receiving cash as compensation, with DLTC as a surviving company and AC as a dissolving company, pursuant to Delaware General Corporation Law.

Upon the merger, shareholders of DLTC will receive cash from NA and all shares of DLTC will be cancelled. Shares of AC which is owned by NA will transfer into common shares of DLTC, a surviving company, and NA will acquire all of these shares.

NA will acquire 100% of the shares of DLTC upon the merger and DLTC will become a wholly-owned subsidiary of our company and NA.

<Figure of this acquisition scheme>



The acquisition is expected to be funded by bank loans, bond issues, or several ways in addition to utilization of cash.

3. Company Overview of the Target Subsidiary (DLTC: Surviving company)

- Trade name: DISTANT LANDS TRADING CO.
- Location: Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801
- Representative: Alton McEwen
- Business description: Production, procurement, processed, manufacture, roast, wholesales of coffee beans, and etc.
- Stated capital: US\$ 87,464 thousand
- Establishment: October 31, 2005

- Shareholders and ownership ratio: Centre Bregal Partners, LP: 57.3%  
Doc Allen & Son, Inc.: 14.0%
- Relation with ITO EN Group No capital, personnel, or business relationship

- Consolidated business results and financial position for the recent three fiscal years

(Unit thousand US\$)

	FYE Sep. 2012	FYE Sep 2013	FYE Sep 2014
Net asset	2,744	8,008	4,332
Total asset	87,859	96,279	105,450
Net assets per share	\$24.60	\$53.56	\$37.05
Net sales	183,472	161,014	161,122
Operating income	-5,198	3,156	668
Net income	-55,112	-3,035	-7,044
Net income per share	-\$676.50	-\$35.29	-\$75.99
Dividends per share	-	-	-

Consolidated per share figures in FYE Sep. 2014 have been calculated based on the number of outstanding shares as of the contract date.

#### 4. Company Overview of the Target Subsidiary (AC: Dissolving company)

- Trade name: ITO EN Acquisition Corporation
- Location: Corporation Trust Center, 1209 Orange Street,  
Wilmington, Delaware 19801
- Representative: Yosuke J.O. Honjo
- Business description: Merger preparation company
- Stated capital: US\$ 1,000
- Establishment: December 19, 2014
- Shareholders and ownership ratio: ITO EN (North America) INC.: 100%

#### 5. Overview of Current Holders of the Shares

##### Centre Bregal Partners, LP

- Trade name: Centre Bregal Partners, L.P.
- Location: 825 Third Avenue-40th Floor, New York,  
NY 10022
- Form of legal establishment: Limited partnership formed in the State of  
Delaware, USA
- Purpose of establishment: Investing in private equity
- Establishment: November 6, 2003
- Stated capital: US\$ 173,799 thousand
- Fund members: Centre Partners Management LLC
- Description of operating entity:
  - Name: Centre Partners Management LLC

Location:	825 Third Avenue-40th Floor, New York, NY 10022
Representative:	Bruce Pollack
Business description:	Investing in private equity
Paid-in capital:	Not disclosed due to the confidentiality
- Agent in Japan:	No agent in Japan
- Relation with ITO EN Group:	No capital, personnel, or business relationship

Doc Allen & Son, Inc.

- Trade name:	Doc Allen & Son, Inc.
- Location:	570 Clay Kiser Road, Paris, Kentucky 40361
- Representative:	William J. McAlpin
- Purpose of establishment:	Investments
- Stated capital:	US\$ 4,144 thousand
- Establishment:	September 22, 1995
- Shareholders and ownership ratio:	William J. McAlpin: 70% Carole McAlpin: 30%
- Relation with ITO EN Group:	No capital, personnel, or business relationship

Centre Capital Investors IV, LP

- Trade name:	Centre Capital Investors IV, LP
- Location:	825 Third Avenue-40th Floor, New York, NY 10022
- Form of legal establishment:	Limited partnership formed in the State of Delaware, US
- Purpose of establishment:	Investing in private equity
- Establishment:	November 6, 2003
- Stated capital:	US\$ 27,901 thousand
- Fund members:	Centre Partners Management LLC
- Description of operating entity:	
Name:	Centre Partners Management LLC
Location:	825 Third Avenue-40th Floor, New York, NY 10022
Representative:	Bruce Pollack
Business description:	Investing in private equity
Paid-in capital:	Not disclosed due to the confidentiality
- Agent in Japan:	No agent in Japan
- Relation with ITO EN Group:	No capital, personnel, or business relationship

In addition to the above, our company will acquire shares from fifty-one shareholders of funds and individual persons. There is no capital, personnel or business relationship between ITO EN Group and funds or individual persons to be specified.

## 6. Ownership of Shares after Acquisition

- Number of shares held before transfer: 0 share  
(number of voting rights: 0)  
(voting rights holding ratio: 0.0%)
- Acquisition price: Approximately 10,000 million yen  
including advisory expenses, compensation and  
other expenses
- Number of shares held after transfer: 10 shares  
(number of voting rights:10)  
(voting rights holding ratio: 100%)

The acquisition price has been calculated based on disclosed information of DLTC.

## 7. Schedule

- Resolution by the board of directors: December 25, 2014
- Contract date: December 25, 2014
- Closing of transaction: February, 2015 (plan)

The transaction will be promptly consummated after all the regulatory requirements have been completed.

## 8. Outlook for the Future

The impact of this acquisition on the business performance is currently being analyzed and ITO EN will announce the impact of this once verified.