

September 1, 2014

NEWS RELEASE

Notice of Revision of Results Forecasts

Considering recent trends in our business performance, ITO EN, LTD. announces a revision of results forecasts for the fiscal year ending April 30, 2015 that was previously announced on June 2, 2014 as follows.

1. Revision to consolidated results forecasts for first half of the fiscal year ending April 30, 2015
(May 1, 2014 to October 31, 2014)

(Unit: million yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen) (Common Stock)
Previous forecasts (A)	251,000	14,800	14,400	8,600	68.67
Revised forecasts (B)	239,000	9,200	8,800	5,000	39.34
Differences (B-A)	-12,000	-5,600	-5,600	-3,600	—
Changes (%)	-4.8%	-37.8%	-38.9%	-41.9%	—
(Reference) Previous year (ended April 30, 2014)	238,984	14,461	14,118	8,325	66.44

※ Differences in net income (consolidated) per share of Class-A Preferred Stock

Previous forecasts	73.67 yen
Revised forecasts	44.34 yen
(Reference) Previous year (ended April 30, 2014)	71.44 yen

2. Reasons

The Tea Leaves and Beverages Business recorded weak sales in the first quarter (May 1–July 31, 2014) as a result of a decline in consumption spending following the consumption tax increase, inclement weather in July resulting in a decline from the year-earlier period when record temperatures were recorded, and intensified competition.

Going forward, we will work to reduce costs and review expenses, and strive to strengthen our brands even further, but given the large percentage of the Group's overall earnings accounted for by the Tea Leaves and Beverages Business, we have revised our forecast for consolidated financial results for the first half of the fiscal year.

On the other hand, the Group does not revise its consolidated results forecast for the full year ending April 30, 2015 (May 1, 2014–April 30, 2015) previously disclosed on June 2, 2014. at this point. We are scrutinizing the forecast considering sales performance during the height of the summer season and will update the forecast for the fiscal year when the business environment for the future becomes more evident.