

September 5, 2007

J-STAR Co., Ltd.
Gregory Hara
President & Representative Director

Regarding acquisition of shares of Tokachi K.K. and Tokachi Foods K.K.

This is to announce that through our wholly managed and operated fund, J-STAR Number One Investment Limited Partnership, we have successfully acquired all shares of Tokachi K.K. (Headquartered in Kawaguchi City, Saitama Prefecture, CEO Kichinosuke Tanaka, “Tokachi”) and Tokachi Foods K.K. (Headquartered in Kawaguchi City, Saitama Prefecture, CEO Kichinosuke Tanaka, “Tokachi Foods”).

Tokachi has been a manufacturer and seller of Japanese sweets since its founding in 1974 by Mr. Iwao Takahashi. Today, the group consists of manufacturer Tokachi and vendor Tokachi Foods.

The Tokachi Group operates 19 stores in the southern Saitama and northern Tokyo regions and enjoys high recognition and longstanding support among local customers. It has both a stable track record and sound finances.

Uncertain about his future health, Iwao Takahashi has decided upon this share sale as a means of ensuring his company’s continued operation. In taking over the business that Mr. Takahashi built up, it is our goal to develop it even further. The Takahashi family has transferred to us all shares in Tokachi and Tokachi foods, as well as exited their previously held roles in management. After the share sale, Iwao Takahashi remains as Honorary Chairman to provide advice on managing the company.

Inheriting the local brand popularity built by Mr. Takahashi, our role will be to support Tokachi in further delivering safety, peace of mind and quality in its products.

Additionally, following the departure of Mr. Takahashi, we appointed experienced managers from large department stores and Japanese confectionary companies as President, Vice President, and other key positions to fortify the business. While continuing to deliver quality products to local customers, we will ensure the addition of new stores in the short term and also explore new business development. This will serve to raise corporate value and benefit customers and employees alike.

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