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(Securities Code 2593)
July 6, 2022

To Shareholders with Voting Rights:

Daisuke Honjo
President
ITO EN, LTD.
47-10 Honmachi 3-chome,
Shibuya-ku, Tokyo, Japan

**NOTICE OF
THE 57TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

We would like to express our appreciation for your continued support and patronage.

It is our pleasure to inform you of the 57th Annual General Meeting of Shareholders of ITO EN, LTD. (the “Company”). The meeting will be held for the purposes as described below.

From the perspective of preventing the spread of COVID-19, we request shareholders to exercise voting rights in advance, in writing or via the Internet, etc.

Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by 5:00 p.m. on Wednesday, July 27, 2022, Japan time.

- 1. Date and Time:** Thursday, July 28, 2022 at 10:00 a.m. Japan time
- 2. Place:** Grand ballroom “Konron” 3F International Convention Center Pamir,
Grand Prince Hotel Shin Takanawa located at
13-1 Takanawa 3-chome, Minato-ku, Tokyo, Japan
(The venue is different from last year’s meeting.)
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report and Non-consolidated Financial Statements for the Company’s 57th Fiscal Year (May 1, 2021 - April 30, 2022)
 2. Consolidated Financial Statements for the Company’s 57th Fiscal Year (May 1, 2021 - April 30, 2022) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and Audit & Supervisory Board
 - Proposals to be resolved:**
 - Proposal 1:** Appropriation of Surplus
 - Proposal 2:** Amendment to the Articles of Incorporation
 - Proposal 3:** Election of 13 Directors

Requests to Shareholders

- If attending the meeting in person, please submit the enclosed voting rights exercise form to the reception desk at the venue.
- All shareholders attending in person are requested to wear a mask while at the venue, in order to prevent the spread of COVID-19. Shareholders are also asked to cooperate with the measures implemented at the venue to prevent the spread of infection, including alcohol-based hand sanitizer and body temperature measurement. Attendees not wearing a mask, and those deemed to have health concerns such as a fever, will not be permitted to enter.
- Seating at the venue will be widely spaced to ensure physical distancing, and attendees may be refused admittance due to lack of space.
- Souvenirs will not be distributed to shareholders attending. We request your understanding in this matter.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company proposes that surplus be appropriated as follows.

1. Matters concerning year-end dividend

Our basic policy regarding earnings distribution is to assure stable distribution of dividends.

Taking into account the Company's business performance for the fiscal year ended April 30, 2022 as well as the future business development, etc., the year-end dividend payment for the fiscal year ended April 30, 2022 is proposed to be made as follows.

For Class-A Preferred Stock, the year-end dividend payment per share for the fiscal year ended April 30, 2022 is to be made as cash in the amount of 125 percent of the amount of cash to be distributed per share of common stock (calculation shall be made to the first decimal place and the first decimal place shall be rounded up) based on the terms of the Class-A Preferred Stock.

(1) Type of dividend assets

Cash

(2) Matters concerning allocation of dividend assets and the total amount thereof

Dividend per share of the Company's common stock: ¥20

Total amount of dividend for common stock: ¥1,764,150,560

Dividend per share of the Company's Class-A Preferred Stock: ¥25

Total amount of dividend for Class-A Preferred Stock: ¥818,984,800

The annual dividend for the fiscal year ended April 30, 2022, including the interim dividend, will amount to ¥40 per share of common stock and ¥50 per share of Class-A Preferred Stock.

(3) Effective date of dividends of surplus

July 29, 2022

2. Matters concerning appropriation of other surplus

The use of retained earnings is proposed as follows for the purpose of making investments for enhancement of corporate value and strengthening the management foundation in preparation for aggressive business development in the future.

(1) Item and amount of surplus to be increased

General reserve: ¥6,000,000,000

(2) Item and amount of surplus to be decreased

Retained earnings brought forward: ¥6,000,000,000

Proposal 2: Amendment to the Articles of Incorporation

The Company proposes that the Articles of Incorporation of the Company be amended as follows.

1. Reasons for the proposal

(i) The revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, and the system for providing informational materials for the general meeting of shareholders in electronic format will be introduced. Therefore, the Company proposes to make the following changes to its Articles of Incorporation.

- (1) As the Company shall be obligated to stipulate in the Articles of Incorporation that it will take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc., in electronic format, Article 24 (Measures, etc. for Providing Information in Electronic Format), paragraph 1 in the proposed amendment shall be newly established.
- (2) To provide for being able to limit the scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents to the scope designated by the Ministry of Justice Order among items for which measures are taken for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format, Article 24 (Measures, etc. for Providing Information in Electronic Format), paragraph 2 in the proposed amendment shall be newly established.
- (3) As the provisions under Article 24 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation shall no longer be required with the introduction of the system for providing informational materials for the general meeting of shareholders in electronic format, these provisions shall be deleted.
- (4) Supplementary provisions will be established to stipulate when the aforementioned newly established and deleted provisions will take effect. These supplementary provisions shall be deleted after the specified term elapses.

(ii) In order to keep the total number of Directors at an appropriate scale befitting the current circumstances, the Company proposes to reduce the number of Directors from not more than 35 persons to not more than 20 persons in Article 26 (Number of Directors) of the current Articles of Incorporation.

(iii) Aiming to build a management structure that can agilely respond to changes in the business environment, clarify the management responsibility of Directors and strengthen corporate governance system by every year gaining the trust of our shareholders, the Company proposes to reduce the term of office for Directors provided in Article 28 (Terms of Office) of the Articles of Incorporation from 2 years to 1 year and in conjunction with that, delete the provisions related to adjusting terms of office for Directors.

2. Details of amendment

Details of the amendment are as follows:

(Underlining denotes change.)

Current Articles of Incorporation	Proposed Amendment
<p><u>Article 24 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u></p> <p><u>When the Company convenes a general meeting of shareholders, if it discloses information that is to be stated or presented in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements and consolidated financial statements through the Internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</u></p> <p>(Newly established)</p> <p>Article 26 (Number of Directors) The Company shall have not more than <u>35</u> Directors.</p> <p>Article 28 (Terms of Office) The term of office of a Director shall expire at the close of the annual General Meeting of Shareholders for the latest business year ending within <u>2 years</u> after his/her election. <u>However, the term of office of a Director elected as the additional member or substitute shall be same as the period remaining until the completion of the term of office of the other incumbent Directors.</u></p> <p>(Newly established) (Newly established)</p>	<p>(Deleted)</p> <p><u>Article 24 (Measures, etc. for Providing Information in Electronic Format)</u></p> <p><u>1 When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u></p> <p><u>2 Among items for which the measures for providing information in electronic format will be taken, the Company shall not be required to state all or some of those items designated by the Ministry of Justice Order in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p> <p>Article 26 (Number of Directors) The Company shall have not more than <u>20</u> Directors.</p> <p>Article 28 (Terms of Office) The term of office of a Director shall expire at the close of the annual General Meeting of Shareholders for the latest business year ending within <u>1 year</u> after his/her election.</p> <p><u>Supplementary Provisions</u></p> <p><u>Article 1 (Transitional Measures for Providing Informational Materials for the General Meeting of Shareholders in Electronic Format)</u></p> <p><u>1 The deletion of Article 24 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the Articles of Incorporation and the new establishment of Article 24 (Measures, etc. for Providing Information in Electronic Format) of the Articles of Incorporation shall be effective from September 1, 2022.</u></p> <p><u>2 Notwithstanding the provision of the preceding paragraph, Article 24 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the Articles of Incorporation shall remain effective regarding any general meeting of shareholders held on a date within 6 months from September 1, 2022.</u></p>

Current Articles of Incorporation	Proposed Amendment
	<u>3</u> The provisions of this article shall be deleted on the date when 6 months have elapsed from September 1, 2022 or 3 months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.

Proposal 3: Election of 13 Directors

The terms of office of all 14 Directors will expire at the conclusion of this General Meeting of Shareholders. Therefore, in order to implement management structure reform and to enable the Board of Directors to make decisions in a strategic and flexible manner, the Company proposes to reduce the number of Directors by 1 and to elect 13 Directors.

The candidates are as follows:

No.		Name	Current positions and responsibilities at the Company
1	Reappointment	Hachiro Honjo	Chairman of the Board and CEO
2	Reappointment	Daisuke Honjo	President and Executive Officer
3	Reappointment	Shusuke Honjo	Executive Vice President, Representative Director and Executive Officer General Manager of Sales Control Headquarters and CDO Marketing Division
4	Reappointment	Minoru Watanabe	Vice Chairman, Director and Executive Officer Administration Division, International Division, New Business
5	Reappointment	Yoshihisa Nakano	Director and Senior Managing Executive Officer General Manager of Production Division Logistics Division
6	Reappointment	Shigeru Kamiya	Director and Senior Managing Executive Officer General Manager of Tokyo and Chiba Area Sales Division National Distribution Sales Division, National Retailer Sales Division
7	Reappointment	Yosuke Jay Oceanbright Honjo	Director U.S. Operations
8	Reappointment	Atsushi Hirata	Director and Senior Managing Executive Officer General Manager of Administration Division Compliance, Internal Control
9	Reappointment Outside Independent	Morikazu Taguchi	Outside Director
10	Reappointment Outside Independent	Yuichi Usui	Outside Director
11	Reappointment Outside Independent	Yutaka Tanaka	Outside Director
12	Reappointment Outside Independent	Hideo Takano	Outside Director
13	New appointment Outside Independent	Keiko Abe	—

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Class and number of shares of the Company held	Special interests with the Company
1	Hachiro Honjo (August 31, 1940)	<p>August 1964 Established Japan Family Service Co., Ltd. Director</p> <p>August 1966 Established Frontier Tea Corporation (The company name was changed to ITO EN, LTD. in May 1969) Director</p> <p>May 1969 Managing Director</p> <p>June 1970 Executive Managing Director</p> <p>May 1978 Executive Vice President</p> <p>April 1987 Executive Vice President and Representative Director</p> <p>May 1988 President</p> <p>May 2009 Chairman of the Board and CEO (current post)</p> <p>[Significant concurrent positions] Honorary Chairman and Director of Tully's Coffee Japan Co., Ltd. Chairman of the Board of Chichiyasu Company Chairman of the Board of ITO EN (North America) INC. Chairman of the Board of ITO EN (Hawaii) LLC. Director of ITO EN AUSTRALIA PTY. LIMITED Chairman of the Board of ITO EN Asia Pacific Holdings Pte. Ltd.</p>	<p>Common stock 2,446,230</p> <p>Class-A preferred stock 882,900</p>	Not applicable
<p>[Reason for the nomination as a candidate for Director] Mr. Hachiro Honjo has long been responsible for management with his strong leadership as the founder of the Company and has extensive experience and achievement in group management. The Company re-nominates him as a candidate for Director because it has judged that he appropriately strengthens the group governance and conducts supervision of business execution and therefore is a suitable candidate for our aim to continually enhance the Company's corporate value.</p>				
2	Daisuke Honjo (October 7, 1963)	<p>April 1987 Joined the Company</p> <p>July 1990 Director</p> <p>May 1997 Managing Director</p> <p>May 2000 Executive Managing Director</p> <p>July 2002 Executive Vice President and Representative Director</p> <p>May 2009 President</p> <p>May 2019 President and Executive Officer (current post)</p> <p>[Significant concurrent positions] Chairman of the Board of Distant Lands Trading Co. Director of ITO EN Asia Pacific Holdings Pte. Ltd.</p>	<p>Common stock 1,159,760</p> <p>Class-A preferred stock 216,870</p>	Not applicable
<p>[Reason for the nomination as a candidate for Director] Mr. Daisuke Honjo, ever since assuming the post of President, has continued leading management by leveraging his extensive experience and knowledge. The Company re-nominates him as a candidate for Director because it has judged that he is a suitable candidate for executing business with a view to continually developing the Company and enhancing its corporate value to make it a "Global Tea Company."</p>				

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Class and number of shares of the Company held	Special interests with the Company
3	Shusuke Honjo (September 27, 1967)	<p>April 1994 Joined the Company</p> <p>July 2003 Director</p> <p>May 2005 Managing Director</p> <p>May 2008 Executive Managing Director</p> <p>May 2010 Executive Vice President</p> <p>August 2014 Executive Vice President and Representative Director</p> <p>May 2018 General Manager of Sales Control Headquarters (current post)</p> <p>May 2019 Executive Vice President, Representative Director and Executive Officer (current post)</p> <p>May 2021 Chief Digital Officer (CDO) (current post)</p> <p>May 2022 In charge of Marketing Division (current post)</p> <p>[Significant concurrent positions] Director of ITO EN Asia Pacific Holdings Pte. Ltd.</p>	<p>Common stock 509,190</p> <p>Class-A preferred stock 81,480</p>	Not applicable
<p>[Reason for the nomination as a candidate for Director] Mr. Shusuke Honjo has long led the sales division and is making efforts to strengthen relationships with business partners. In addition, he has extensive experience and knowledge of overall management. The Company re-nominates him as a candidate for Director because it has judged that he is a suitable candidate for executing business.</p>				
4	Minoru Watanabe (July 17, 1951)	<p>July 1976 Joined the Company</p> <p>July 1996 Director</p> <p>May 2001 Managing Director</p> <p>May 2003 Executive Managing Director</p> <p>May 2008 Executive Vice President</p> <p>May 2012 In charge of Administration Division (current post)</p> <p>May 2014 In charge of International Division (current post)</p> <p>May 2019 Executive Vice President, Director and Executive Officer</p> <p>May 2022 Vice Chairman, Director and Executive Officer (current post)</p> <p>May 2022 In charge of New Business (current post)</p> <p>[Significant concurrent positions] Director of ITO EN (North America) INC. Director of Distant Lands Trading Co. Director of ITO EN (Hawaii) LLC. Director of ITO EN AUSTRALIA PTY. LIMITED Director of ITO EN Asia Pacific Holdings Pte. Ltd.</p>	<p>Common stock 17,400</p> <p>Class-A preferred stock 16,000</p>	Not applicable
<p>[Reason for the nomination as a candidate for Director] Mr. Minoru Watanabe has primarily led the administration division and has extensive experience and knowledge in the financial, personnel and general affairs, and overseas business fields. The Company re-nominates him as a candidate for Director based on such achievement.</p>				

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Class and number of shares of the Company held	Special interests with the Company
5	Yoshihisa Nakano (June 27, 1966)	<p>March 1989 Joined the Company</p> <p>May 2010 General Manager of Personnel and General Affairs Division</p> <p>July 2010 Director</p> <p>May 2014 Managing Director</p> <p>May 2015 General Manager of National Distribution Sales Division</p> <p>May 2019 Director and Senior Managing Executive Officer (current post)</p> <p> General Manager of Production Division (current post)</p> <p>May 2022 In charge of Logistics Division (current post)</p>	<p>Common stock 11,400</p> <p>Class-A preferred stock 2,000</p>	Not applicable
<p>[Reason for the nomination as a candidate for Director]</p> <p>Mr. Yoshihisa Nakano has extensive experience and knowledge, having led the sales division and personnel and general affairs division. He currently leads the production division. The Company re-nominates him as a candidate for Director based on such achievement.</p>				
6	Shigeru Kamiya (September 15, 1959)	<p>March 1982 Joined the Company</p> <p>May 2012 Executive Officer General Manager of National Retailer Sales Division</p> <p>July 2014 Director</p> <p>May 2016 Managing Director</p> <p>May 2019 In charge of National Distribution Sales Division (current post)</p> <p> Director and Senior Managing Executive Officer (current post)</p> <p>May 2021 General Manager of Tokyo and Chiba Area Sales Division (current post)</p> <p>May 2022 In charge of National Retailer Sales Division (current post)</p>	<p>Common stock 5,700</p> <p>Class-A preferred stock 640</p>	Not applicable
<p>[Reason for the nomination as a candidate for Director]</p> <p>Mr. Shigeru Kamiya has primarily led the sales division and actively promoted sales activities through all channels such as convenience stores, national retailers, and area sales, while making efforts to strengthen relationships with business partners. The Company re-nominates him as a candidate for Director based on such achievement and extensive experience.</p>				
7	Yosuke Jay Oceanbright Honjo (November 29, 1966)	<p>March 1992 Joined the Company</p> <p>May 2001 President & CEO of ITO EN (North America) INC. (current post)</p> <p>July 2002 Director (current post)</p> <p>February 2015 CEO of Distant Lands Trading Co. (current post)</p> <p>November 2015 CEO of ITO EN (Hawaii) LLC. (current post)</p> <p>[Significant concurrent positions]</p> <p>President & CEO of ITO EN (North America) INC. CEO of Distant Lands Trading Co. CEO of ITO EN (Hawaii) LLC.</p>	<p>Common stock 480,350</p> <p>Class-A preferred stock -</p>	Not applicable
<p>[Reason for the nomination as a candidate for Director]</p> <p>Mr. Yosuke Jay Oceanbright Honjo has led all U.S. operations as CEO and made efforts to enable the Company to promote global business management since the Company entered New York in mainland U.S. The Company re-nominates him as a candidate for Director based on such achievement and extensive experience.</p>				

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Class and number of shares of the Company held	Special interests with the Company
8	Atsushi Hirata (July 25, 1963)	<p>May 1988 Joined the Company</p> <p>May 2010 Executive Officer</p> <p>May 2012 General Manager of Administration Division</p> <p>May 2014 Managing Executive Officer General Manager of Personnel and General Affairs Division</p> <p>May 2016 General Manager of Administration Division (current post)</p> <p>May 2019 Senior Managing Executive Officer In charge of Internal Control (current post)</p> <p>July 2020 Director and Senior Managing Executive Officer (current post)</p> <p>May 2022 In charge of compliance (current post)</p>	<p>Common stock 1,265</p> <p>Class-A preferred stock 120</p>	Not applicable
<p>[Reason for the nomination as a candidate for Director]</p> <p>Mr. Atsushi Hirata has primarily led the administration division, and has extensive experience and knowledge in the finance and accounting, personnel and general affairs fields. The Company re-nominates him as a candidate for Director based on such achievement and extensive experience.</p>				
9	Morikazu Taguchi (January 23, 1944)	<p>April 1975 Full-Time Lecturer of Faculty of Law, Aichi Gakuin University</p> <p>January 1984 Professor of Faculty of Law, Aichi Gakuin University</p> <p>April 1995 Professor of School of Law, Waseda University</p> <p>April 2004 Professor of Waseda Law School, Waseda University</p> <p>July 2013 Outside Director of the Company (current post)</p> <p>April 2014 Specially Appointed Professor of Shinshu University School of Law</p> <p>April 2014 Professor Emeritus of Waseda University (current post)</p> <p>[Significant concurrent positions] Professor Emeritus of Waseda University</p>	<p>Common stock 2,000</p> <p>Class-A preferred stock -</p>	Not applicable
<p>[Reason for the nomination as a candidate for Outside Director and outline of expected role]</p> <p>Mr. Morikazu Taguchi has long engaged in research on legal affairs, possesses expert knowledge and various experience, and has offered appropriate advice at meetings of the Board of Directors. The Company re-nominates him as a candidate for Outside Director based on such achievement and extensive experience.</p>				

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Class and number of shares of the Company held	Special interests with the Company
10	Yuichi Usui (September 23, 1951)	<p>October 1976 Joined Metropolitan Police Department</p> <p>February 1994 Deputy Chief of the 7th Anti-riot Squad, Metropolitan Police Department</p> <p>October 2005 General Manager of the 2nd Personnel Section, Metropolitan Police Department</p> <p>February 2010 General Manager of Regional Department, Metropolitan Police Department</p> <p>April 2011 Joined YAMATO TRANSPORT CO., LTD. as General Manager of Human Resources and Administration</p> <p>April 2012 Executive Officer and General Manager of CSR Promotion, YAMATO TRANSPORT CO., LTD.</p> <p>April 2014 Managing Executive Officer of YAMATO TRANSPORT CO., LTD.</p> <p>April 2015 Director and Managing Executive Officer of YAMATO TRANSPORT CO., LTD.</p> <p>April 2018 Member of the Board, YAMATO TRANSPORT CO., LTD.</p> <p>June 2018 Representative of Usui Firm (current post)</p> <p>July 2018 Outside Director of the Company (current post)</p> <p>[Significant concurrent positions] Representative of Usui Firm</p>	<p>Common stock 800</p> <p>Class-A preferred stock -</p>	Not applicable
<p>[Reason for the nomination as a candidate for Outside Director and outline of expected role] Mr. Yuichi Usui has extensive experience and broad insight based on his years of service as a policeman. In addition, he has directly engaged in corporate management in a logistics company. Leveraging his diverse range of experience and knowledge in the management of the Company, he has offered appropriate advice at meetings of the Board of Directors. The Company re-nominates him as a candidate for Outside Director based on such achievement and extensive experience.</p>				
11	Yutaka Tanaka (June 5, 1947)	<p>April 1966 Entered the Sapporo Regional Taxation Bureau</p> <p>July 2003 District Director of Tokyo Ueno Tax Office</p> <p>July 2006 Director-General of Takamatsu National Tax Tribunal</p> <p>July 2007 Attached to the Commissioner's Secretariat of National Tax Agency</p> <p>August 2007 Head of Tanaka Tax Certified Accountant Office (current post)</p> <p>July 2013 Outside Audit & Supervisory Board Member of the Company</p> <p>July 2019 Outside Director of the Company (current post)</p> <p>[Significant concurrent positions] Head of Tanaka Tax Certified Accountant Office</p>	<p>Common stock 5,200</p> <p>Class-A preferred stock -</p>	Not applicable
<p>[Reason for the nomination as a candidate for Outside Director and outline of expected role] Mr. Yutaka Tanaka possesses expert insight, extensive knowledge and experience as a licensed tax accountant. Since his appointment as an Outside Audit & Supervisory Board Member of the Company, he has offered appropriate advice at meetings of the Board of Directors. The Company re-nominates him as a candidate for Outside Director based on such achievement and extensive experience.</p>				

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Class and number of shares of the Company held	Special interests with the Company
12	Hideo Takano (July 25, 1951)	<p>April 1977 Joined The Tokyo Chamber of Commerce and Industry</p> <p>April 2006 General Manager of General Affairs Management Department, The Tokyo Chamber of Commerce and Industry</p> <p>April 2009 Councilor and General Manager of the Secretarial Office, The Tokyo Chamber of Commerce and Industry</p> <p>April 2012 Executive Councilor, The Tokyo Chamber of Commerce and Industry</p> <p>October 2015 President of Japan Retailers Association</p> <p>November 2015 Chairman of the Japanese Folk Arts and Techniques Preservation Association</p> <p>June 2016 Full-time Advisor of The Tokyo Chamber of Commerce and Industry</p> <p>May 2019 Councilor of Japan Retailers Association (current post)</p> <p>July 2020 Outside Director of the Company (current post)</p> <p>[Significant concurrent positions] Councilor of Japan Retailers Association</p>	<p>Common stock -</p> <p>Class-A preferred stock -</p>	Not applicable
<p>[Reason for the nomination as a candidate for Outside Director and outline of expected role] Mr. Hideo Takano was deeply involved in providing support for the management of various companies for many years, through his career at The Tokyo Chamber of Commerce and Industry. Leveraging his extensive experience and broad insight, he has provided appropriate advice at meetings of the Board of Directors. The Company re-nominates him as a candidate for Outside Director based on such achievement and extensive experience.</p>				
13	* Keiko Abe (March 8, 1947)	<p>June 1994 Associate Professor of Faculty of Agriculture, The University of Tokyo</p> <p>April 1996 Professor of Graduate School of Agricultural and Life Sciences, The University of Tokyo</p> <p>April 2008 Research Advisor of Kanagawa Academy of Science and Technology (currently Kanagawa Institute of Industrial Science and Technology) (current position)</p> <p>April 2010 Project Professor of Graduate School of Agricultural and Life Sciences, The University of Tokyo (current post)</p> <p>June 2010 Professor Emeritus of The University of Tokyo (current post)</p> <p>June 2019 Outside Director of Taiyo Kagaku Co., Ltd. (current post)</p> <p>[Significant concurrent positions] Professor Emeritus of The University of Tokyo Project Professor of Graduate School of Agricultural and Life Sciences, The University of Tokyo Outside Director of Taiyo Kagaku Co., Ltd.</p>	<p>Common stock -</p> <p>Class-A preferred stock -</p>	Not applicable
<p>[Reason for the nomination as a candidate for Outside Director and outline of expected role] Ms. Keiko Abe has extensive experience and expert knowledge as a professor of the Graduate School of Agricultural and Life Sciences, The University of Tokyo and has been actively involved in the field of research on food functionality for many years. The Company nominates her as a new candidate for Outside Director because it has judged that she will be able to offer useful opinions and advice in the field of R&D related to future medium- to long-term management based on her extensive experience and knowledge.</p>				

(Notes)

1. Each candidate has no special interest in the Company.
2. * indicates a new candidate for Director.
3. Messrs. Morikazu Taguchi, Yuichi Usui, Yutaka Tanaka, Hideo Takano, and Ms. Keiko Abe are candidates for Outside Director.
4. The reason why the Company judged that the candidate for Outside Director who has previously not participated in management of companies other than as Outside Director or outside corporate auditor can appropriately

execute his/her duties as an Outside Director

Mr. Morikazu Taguchi has engaged in research on legal affairs as a university and graduate school professor for many years and has expert knowledge and extensive experience. Therefore, the Company has judged that he can appropriately perform his duties as an Outside Director.

Mr. Yutaka Tanaka possesses expert insight and a wide range of knowledge and experience as a tax accountant. Therefore, the Company has judged that he can appropriately perform his duties as an Outside Director.

Mr. Hideo Takano engaged in providing support for the management of various companies for many years, through his career at The Tokyo Chamber of Commerce and Industry, and has extensive experience and broad insight. Therefore, the Company has judged that he can appropriately perform his duties as an Outside Director.

Ms. Keiko Abe has engaged in the field of research on food functionality for many years as a university and graduate school professor and has extensive experience and expert knowledge. Therefore, the Company has judged that she can appropriately perform her duties as an Outside Director.

5. Messrs. Morikazu Taguchi, Yuichi Usui, Yutaka Tanaka and Hideo Takano currently serve as Outside Directors of the Company. At the conclusion of this General Meeting of Shareholders, Mr. Morikazu Taguchi will have served for nine years, Mr. Yuichi Usui for four years, Mr. Yutaka Tanaka for three years, and Mr. Hideo Takano for two years.
6. In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into contracts with Messrs. Morikazu Taguchi, Yuichi Usui, Yutaka Tanaka and Hideo Takano to limit their liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability for damages under this contract shall be the minimum amount stipulated by laws and regulations. If the reelection of Messrs. Morikazu Taguchi, Yuichi Usui, Yutaka Tanaka and Hideo Takano is approved and the election of Ms. Keiko Abe is approved, the Company intends to continue and enter into said contracts.
7. In accordance with Article 430-3, Paragraph 1 of the Companies Act, the Company has entered into a directors and officers liability insurance policy (D&O insurance) in which Directors and Audit & Supervisory Board Members of the Company and the Group are insureds. The insurance policy covers losses that may result from the directors and officers being liable for their performance of duties.
However, there are certain reasons for coverage exclusion, such as in case of actions taken with the knowledge that such actions are in violation of laws and regulations. If the said proposal is approved as proposed, the Company plans to include each of the candidates as an insured in the insurance contract.
The policy period is one year, and the Company plans to renew the policy after a resolution by the Board of Directors before the expiration of the policy.
8. Messrs. Morikazu Taguchi, Yuichi Usui, Yutaka Tanaka, and Hideo Takano meet the requirements for independent officer in accordance with the provisions of the Tokyo Stock Exchange, and therefore the Company has appointed them as independent officers and registered them with the Tokyo Stock Exchange. As Ms. Keiko Abe also meets the same requirements, the Company intends to appoint her as an independent officer and register her with the Tokyo Stock Exchange.

(Reference)

Skills Matrix for Directors and Audit & Supervisory Board Members (if each candidate is elected at this General Meeting of Shareholders)

	Name	Position	Corporate management	Brand strategy Marketing Sales	R&D and agriculture Procurement and manufacturing	Overseas strategy	Finance and accounting	Personnel and labor affairs Human resource development	ESG	Legal affairs Compliance Risk management
Directors	1	Hachiro Honjo	Chairman of the Board and CEO	○			○			
	2	Daisuke Honjo	President and Executive Officer	○	○		○		○	
	3	Shusuke Honjo	Executive Vice President, Representative Director and Executive Officer	○	○		○		○	
	4	Minoru Watanabe	Vice Chairman, Director and Executive Officer	○			○	○	○	
	5	Yoshihisa Nakano	Director and Senior Managing Executive Officer	○		○			○	
	6	Shigeru Kamiya	Director and Senior Managing Executive Officer	○	○					
	7	Yosuke Jay Oceanbright Honjo	Director	○	○		○			
	8	Atsushi Hirata	Director and Senior Managing Executive Officer	○				○	○	○
	9	Morikazu Taguchi	Outside Director						○	○
	10	Yuichi Usui	Outside Director	○					○	○
	11	Yutaka Tanaka	Outside Director					○	○	
	12	Hideo Takano	Outside Director	○					○	
	13	Keiko Abe	Outside Director			○				
Audit & Supervisory Board Members	1	Shuji Nakagomi	Standing Audit & Supervisory Board Member	○	○					
	2	Yoshiaki Takasawa	Outside Audit & Supervisory Board Member							○
	3	Takashi Miyajima	Outside Audit & Supervisory Board Member	○				○		
	4	Hitoshi Yokokura	Outside Audit & Supervisory Board Member					○		○

* The above table does not show all the skills possessed by each person.

A maximum of four particularly specialized skills possessed by each person are marked with a circle (○).

(Reference)

<The Company's Standards for Determining Independence of Independent Outside Directors and Independent Outside Audit & Supervisory Board Members>

Based on the independence standards for outside directors and auditors prescribed by the Tokyo Stock Exchange, the Company stipulates its standards for determining independence of its independent Outside Directors and independent Outside Audit & Supervisory Board Members as follows:

- (1) An Outside Director or an Outside Audit & Supervisory Board Member who meets none of the conditions stipulated in items A. to F. below and is deemed to have no potential conflict of interest with general shareholders of the Company shall be judged independent:
 - A. A person for whom the Company is a major business partner, or a person serving as an executive of an entity for which the Company is a major business partner
 - B. A person who is a major business partner for the Company, or a person serving as an executive of an entity that is a major business partner for the Company
 - C. A consultant, an accounting expert or a legal expert who receives a significant amount of money or other properties from the Company, except for the Company's remuneration for Directors and Audit & Supervisory Board Members (or a member of a corporation, an association or any other institution that receives such properties from the Company)
 - D. A person who recently met the following condition:
 - (a) A person stipulated in any of items A. to C. above
 - E. A person who met any of the conditions stipulated in items (a) to (c) below at any time in the period of ten years before taking office as Outside Director or Outside Audit & Supervisory Board Member of the Company:
 - (a) A person serving as an executive, or as Director who is not an executive, of the Company's parent company
 - (b) A person serving as Audit & Supervisory Board Member of the Company's parent company (only in the case of appointing an Outside Audit & Supervisory Board Member as independent Audit & Supervisory Board Member)
 - (c) A person serving as an executive of a fellow subsidiary of the Company
 - F. A person who is a next of kin of any of the persons stipulated in items (a) to (g) below (excluding those of the persons who are not significant):
 - (a) A person stipulated in any of items A. to E. above
 - (b) A person serving as an executive of the Company's subsidiary
 - (c) A person serving as Director who is not an executive, or as an accounting advisor, of the Company's subsidiary (only in the case of appointing an Outside Audit & Supervisory Board Member as independent Audit & Supervisory Board Member)
 - (d) A person serving as an executive, or as Director who is not an executive, of the Company's parent company
 - (e) A person serving as Audit & Supervisory Board Member of the Company's parent company (only in the case of appointing an Outside Audit & Supervisory Board Member as independent Audit & Supervisory Board Member)
 - (f) A person serving as an executive of a fellow subsidiary of the Company
 - (g) A person who recently met any of the conditions stipulated in items (b) and (c) above or a person serving as an executive of the Company (or a person serving as Director who is not an executive of the Company, in the case of appointing an Outside Audit & Supervisory Board Member as independent Audit & Supervisory Board Member)
- (2) An Outside Director or an Outside Audit & Supervisory Board Member who meets any of the conditions stipulated in items A. to F. above but is deemed, after full consideration of specific situations and on grounds reasonably justifiable to outside stakeholders, to have no potential conflict of interest with general shareholders of the Company shall be judged independent.

(Attachment)

Business Report

(From May 1, 2021 to April 30, 2022)

1. Items regarding current status of corporate group

(1) Business activities and results

During the fiscal year ended April 30, 2022 (May 1, 2021 - April 30, 2022), the Japanese economy remained in a tough situation due to the impact of the novel coronavirus disease (COVID-19) and the Russia-Ukraine conflict. Although there are signs of recovery in personal consumption, the uncertain situation is expected to continue.

Under these business conditions, in keeping with the management principle of “Always Putting the Customer First,” the ITO EN Group made a concerted effort to vigorously engage in business activities by constantly considering “what customers are still now dissatisfied with” for all of the customers surrounding the Group.

As a result, consolidated performance for the fiscal year ended April 30, 2022 was as follows. The Group recorded net sales of 400,769 million yen, operating income of 18,794 million yen (up 12.7% year on year), ordinary income of 19,971 million yen (up 17.3% year on year), and profit attributable to owners of parent of 12,928 million yen (up 84.4% year on year).

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the fiscal year ended April 30, 2022, and each figure for the fiscal year ended April 30, 2022, is the figure after applying the accounting standard and relevant ASBJ regulations. Because this will have a significant impact on net sales, the year on year percentage change in net sales is not shown.

If net sales are calculated using the same standards as those for the fiscal year ended April 30, 2021, net sales increased by 3.4%.

Performance by each of the business segments were as below.

<Tea Leaves and Beverages Business>

In March 2022, the Company opened the “ITO EN” Takashimaya Shinjuku store, a specialty store with a focus on Japanese tea, on the B1 floor of Shinjuku Takashimaya Times Square. Available at the store are roughly 30 different products with a focus on Japanese tea carefully selected by the Company, including tea leaf products featuring tea leaves from Shizuoka Prefecture and Kagoshima Prefecture, which are regions famous for producing tea, quality matcha products, and teabag products.

In the same month, the Company opened “Saryo ITOEN,” a cafe-style takeout store, on the B2 floor of Hanshin Department Store Umeda Main Store. This store offers “*Horebore*,” green tea with refreshing aroma and rich sweetness made with first-grade tea produced in Kagoshima Prefecture, “*Kaiseki Hojicha*,” light, sweet, and fragrant roasted green tea, and other kinds of Japanese tea, black tea produced in Japan, and rooibos tea, as well as exclusive drinks and sweets created in the pursuit of matcha’s appeal.

By opening these stores, the Company aims to convey the appeal of tea to many people and further increase the value of tea and the ITO EN brand.

In March 2022, the Company launched “*Oi Ocha Japanese Green Tea*” of 2022 quality from “*Oi Ocha*,” the world’s best-selling green tea beverage brand*1. This product, born out of “the secret to *Oi Ocha*’s tastiness,” features a pristine taste fit for a quick drink and enhanced aroma with a refreshing aftertaste for a relaxing moment. The Company is currently working to introduce in full scale a technology for assessing the quality of raw leaves and unrefined crude tea using AI-based image recognition, and incorporating other new endeavors. The Company will continue earnestly refining its tea-making to deliver “*Oi Ocha*” with the taste, aroma, and color that our customers desire, as well as the “power of tea,” or endless possibilities of tea, to people of the world.

From the “*TULLY’S COFFEE*” brand, the Company launched “*TULLY’S COFFEE MATCHA LATTE*” in March 2022. This Japanese tea latte beverage has a smooth and comforting taste with a strong matcha flavor, created with two types of matcha blended for its characteristic sweetness and slight bitterness that go best with milk.

Also in the same month, from the “*Ichinichibun no Yasai*” (a day’s worth of vegetables) brand, the Company launched “*Ichinichibun no Yasai Kicchiri Shokumotsu-senni*” (a day’s worth of vegetables with plenty of dietary fiber), “*Ichinichibun no Yasai Midori no Yasai Mix*” (a day’s worth of vegetable featuring a mix of green vegetables), and “*Ichinichibun no Yasai Ichinichibun no Vitamin Juni-shu*” (a day’s worth of vegetables with a day’s worth of 12 types of vitamins). These vegetable juice products contain a good balance of key nutrients equivalent*2 to 350 g of vegetables, which is the daily amount recommended by the Ministry of Health, Labour and Welfare.

From the “*Kenko Mineral Mugicha*” (healthy mineral barley tea) brand, the Company launched “*Kenko Mineral Mugicha Oat Blend*,” a barley tea beverage marked by its soft aroma and sweetness that people can drink to take in minerals*3, in April.

Between February and April, the Company launched “*Nippon Yell Okinawaken-san Kanjuku Shiikuwasha*,” “*Nippon Yell Naganoken-san Ringo*,” “*Nippon Yell Miyazakiken-san Hyuuganatsu Soda*,” and “*Nippon Yell Naganoken-san Ringo San Kyodai*,” which are beverage products developed jointly with the Nippon Yell Project of the National Federation of Agricultural Cooperative Associations (JA ZEN-NOH) to support Japanese agriculture.

As a result of these activities, the Tea Leaves and Beverages Business recorded net sales of 364,103 million yen and operating income of 17,953 million yen, down 1.2% year on year.

The Accounting Standard for Revenue Recognition, etc. has been applied from the beginning of the fiscal year ended April 30, 2022, and the figure for net sales is the figure after applying the said accounting standard, etc.

If net sales are calculated using the same standards as those for the fiscal year ended April 30, 2021, net sales increased by 2.7%.

*1. *Oi Ocha* was recognized by Guinness World Records™ as the world’s number one selling natural healthy RTD green tea beverage (latest annual sales) for the fourth consecutive year in 2021. (Recorded brands: *Oi Ocha* brand beverage products excluding *Oi-Ocha Hojicha*; Record period: January to December 2021).

*2. Main nutritional ingredients (calculated independently) are vitamin C, β-carotene, calcium, magnesium, and potassium (calculated from “National Health and Nutrition Survey in Japan 2019”)

*3. *Minerals* in the product refer to phosphorus, manganese, and sodium.

<Restaurant Business>

For Tully’s Coffee Japan Co., Ltd., we conducted marketing campaigns from February, in which the jolly and exciting Tom and Jerry universe was fused with “sakura” cherry blossoms. We launched “*Tom and Jerry Sakura-sprinkled Strawberry Cafe Latte*,” “*Tom and Jerry &TEA Sakura-scented Peach Tea au Lait*,” and other products in collaboration with the Tom and Jerry franchise, which attracted attention.

In addition, the need remains high for “home cafes” where customers can purchase coffee beans they like to enjoy while relaxing at home. Sales of coffee beans and other items for enlivening the times spent drinking coffee at home performed favorably. The total number of coffee shops at present is 760.

As a result of these activities, the Restaurant Business recorded net sales of 30,046 million yen and operating income of 860 million yen, compared with operating loss of 1,374 million yen in the same period last year.

The Accounting Standard for Revenue Recognition, etc. has been applied from the beginning of the fiscal year ended April 30, 2022, and the figure for net sales is the figure after applying the said accounting standard, etc.

If net sales are calculated using the same standards as those for the fiscal year ended April 30, 2021, net sales increased by 14.2%.

<Others>

The Others recorded net sales of 6,619 million yen, up 1.9% year on year, and operating income of 605 million yen, down 2.0%.

There is no impact of applying the Accounting Standard for Revenue Recognition, etc.

(2) Net sales by segment

(Millions of yen)

Business segment	56th term (from May 1, 2020 to April 30, 2021)		57th term (from May 1, 2021 to April 30, 2022)		YoY change % (decrease)
	Net sales	Sales Composition	Net sales	Sales Composition	
Tea Leaves and Beverages Business	413,581	% 92.7	364,103	% 90.9	% -
Restaurant Business	26,206	5.9	30,046	7.5	-
Others	6,493	1.4	6,619	1.6	1.9
Total	446,281	100.0	400,769	100.0	-

(Notes)

1. Intersegment transactions have been eliminated in the above figures for net sales.
2. The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the fiscal year ended April 30, 2022, and the figures for net sales are the figures after applying the accounting standard and relevant ASBJ regulations. The year on year percentage changes are not shown for businesses with a significant impact on net sales. If the same standards as those used in the fiscal year ended April 30, 2021 were used to estimate the year on year percentage change, net sales would increase 2.7% in the Tea Leaves and Beverages Business, 14.2% in the Restaurant Business, and 3.4% in total.

(3) Capital investments

Total capital investments in the fiscal year ended April 30, 2022 amounted to 7.5 billion yen. The main components thereof were as follows.

Company name	Details of main facilities and equipment
The Company	Vending machines, etc.
ITO EN SANGYO, LTD.	Plant and equipment

(4) Financing

During the fiscal year under review, the Group procured 2.2 billion yen in long-term loans from financial institutions to fund the Group's requirements.

In order to efficiently secure working capital, the Company has entered into a syndicated commitment line agreement with seven banks with which it has a transactional relationship, for a total amount of 10.0 billion yen. In addition, the Company has also entered into an overdraft agreement with four banks with which it has a transactional relationship, for a total amount of 6.5 billion yen.

(5) Issues to be addressed

The ITO EN Group will continue to strive to meet the expectations of consumers regarding its social responsibility as a company, through compliance with laws, regulations, and social norms, and by establishing structures that ensure product safety and quality control, with an unwavering commitment to the management principle of "Always Putting the Customer First" in the pursuit of further enhancing corporate and shareholder value. To this end, the Group will pursue the following initiatives.

(i) Brand strategy

1. Product development

Under the five product development concepts of "natural, healthy, safe, well-designed, and delicious," the Company is actively developing new products and improving existing products through the utilization of the Voice System (proposal system that incorporates customers' complaints and requests into product development), which is the Company's proprietary proposal system, through all its employees, and considers the "STILL NOW" ("still now considering" what customers are dissatisfied with). The Company will continue to use the Voice System to develop and improve products in a way tailored to customers' needs.

2. R&D

In its research and development, the ITO EN Group is proceeding with both basic and applied research, with a particular emphasis on "Healthy," "Delicious," and "The Environment." The products

the Company provides undergo various testing for confirmation of their human health benefits, and the latest information is always made publicly available. The ITO EN Group will also emphasize the development of foods for specified health uses (FOSHU), which are permitted to display their health benefits on the label, and products labeled with functional food claims. The ITO EN Group also conducts research on ingredients that affect the deliciousness of beverages, as well as research related to physical properties, and works on new technologies toward the development of superior products. With regard to the environment, we have developed a “Used Tea Leaves Recycling System” that transforms tea leaves generated in the manufacturing process of beverages such as “*Oi Ocha*” into new upcycled products, in addition to reusing them as fertilizer and feed.

3. Brand strengthening strategy

With the ITO EN brand at its core, the Company is actively promoting several other individual beverage brands such as “*Oi Ocha*” green tea beverage, “*Kenko Mineral Mugicha*” (healthy mineral barley tea), “*TULLY’S COFFEE*,” and “*Ichinichibun no Yasai*” (a day’s worth of vegetables).”

With regard to the Company’s flagship product, “*Oi Ocha*,” the Company pursues the utmost excellence in the ingredients and production method that have continued since its launch in 1985, and brings out the authentic taste of green tea that “tastes so natural, with no added flavorings or seasonings,” which it provides to customers. Moreover, the Company has been working to enhance container capacities and variations so that customers can enjoy green tea beverages in various drinking situations. Using its technical capabilities as the first company to launch a green tea beverage, the Company will aim to be the No. 1 soft drink brand and further strengthen its brand without becoming complacent with its No. 1 status among green tea beverages by incorporating the characteristics of tea leaves, such as with seasonal products and Koicha (unsweetened bold green tea), Hojicha (roasted tea), Matcha iri (green tea with matcha), and Genmaicha (green tea with roasted rice), and launching products that promote the value of beverages. Along with diversifying its product lineups, the Company will nonetheless serve authentic flavors for full enjoyment.

(ii) Enhancing the marketing base

1. Route sales system

The route sales system is a sales system that enables the provision of products and services directly to customers. By adopting this system, the Company has expanded sales activities with close regional ties as it has been placed in direct contact with customers.

Furthermore, the Company is working to provide efficient and appropriate services to customers by utilizing portable terminals with excellent functionality and portability for use by its route sales representatives.

2. Strengthening customer service

The Company has been fully utilizing its route sales system to bring unparalleled levels of service to its customers, but to build a strong marketing base, the ITO EN Group has been focusing on acquiring new customers while enhancing its existing face-to-face visits. Furthermore, the Company listens to customers’ complaints, and carries out comprehensive proposals, such as the development of products that can satisfy customers and the creation of an attractive sales floor, through its route sales system.

(iii) Across-the-board cost cutting

1. Fables system

Our Beverage Division’s production strategy is based on what is termed a fables (fabrication-less) method which means that the Company does not have its own production. Not only can the Company keep capital investment to a minimum, but it can also respond quickly to changes in the market as they arise.

Furthermore, the Company has adopted a “block-based production system,” which means the Company has divided its domestic business territory into five blocks to keep production facilities as close to markets as possible in order to make logistics operations more efficient.

2. Strengthening purchasing power of raw materials

As a top manufacturer of green tea, the Company handles approximately one quarter of the crude tea leaves harvested in Japan and uses its extremely strong purchasing power to secure a stable supply of high-quality plucked tea leaves as a result of relationships built on trust with producers over many years. Over those years, the Company has also accumulated a high level of production expertise, making it the beverage company that can self-produce high-quality green tea leaves for beverages. In Japan, the aging of agricultural workers and the lack of young people willing to inherit and carry on work in the agricultural field, are resulting in a reduction in tea-producing land and growers. The Company has been engaged in the Tea-Producing Region Development Project since 1976 with the aim of both solving Japan’s agricultural issues and stably procuring raw materials, primarily for green tea beverages, for which demand is expected to increase going forward. The Company supports tea-producing regions

through “cultivation under contract,” where it purchases the entire volume of tea leaves from tea farmers in each region, and the “new tea plantations business,” which converts abandoned crop fields, etc. into large-scale tea fields and produces tea leaves. In the “new tea plantations business,” the Company assists farmers in five prefectures in the Kyushu region in addition to Shizuoka Prefecture and Saitama Prefecture with the selection of saplings and development of tea plantations, and provides them with cultivation and crude tea processing expertise to enable them to use machines and IT to manage those plantations at low cost. Through this business of cultivating green tea growing areas, we are aiming to stably procure even higher quality plucked tea leaves through the promotion of tea plantation management with a balance between productivity and environmental protection, and working to revitalize the tea industry and local communities by utilizing abandoned crop fields, creating employment and encouraging young people to inherit and take on the work of agriculture.

(iv) Strengthening overseas operations

In order for the Company’s consolidated subsidiary ITO EN (North America) INC. to establish and develop a market for green tea in the U.S., the Company is working to establish the “ITO EN” brand, while at the same time spreading authentic green tea throughout the U.S. by conducting sales activities at natural food markets, national chain stores, etc. throughout the U.S. With regard to teabag products ITO EN “*MATCHA GREEN TEA*,” as high-quality green tea teabags, which were previously not available in the U.S. market, they have proven extremely popular with customers and have made a significant contribution to the growth of the green tea market in the U.S. The Company will continue to strengthen this business going forward. The Group will also continue to strengthen sales in China, Southeast Asia, and Australia.

(v) Promotion of Sustainability Management

<Material Issues for Sustainability>

The ITO EN Group established the seven core subjects of the ISO 26000 international standard as material issues in April 2012, and has been promoting CSR/CSV management, and with the formulation of the new Medium and Long-Term Management Plan, we have identified seven material issues (materiality) for sustainability that we must address in order to become a unique one and only company needed by our customers, while securing profitability and sustainable growth through solving social issues and creating shared value.

7 Material Issues



Among them, toward becoming a “Health Creation Company” that contributes to the healthy and fulfilling lives of our customers and a sustainable society, with a focus on products derived from nature, mainly from agricultural produce, non-financial indicators were established for the material issues of “contribution to dietary habits and health,” “contribution to sustainable domestic agriculture,” “the environment,” and “deepening ties with local communities and society.” In addition, in order to

strengthen the management foundation to support sustainable growth, we have established “promotion of diverse human resources and active participation by all,” “contribution to a sustainable supply chain,” and “corporate governance” as material issues to be addressed. We will advance our initiatives by interlocking these seven material issues with our Medium and Long-Term Management Plan.

<Environmental Issues>

Against the backdrop of social and environmental challenges such as climate change, water resources, plastics issues, and resource depletion, the ITO EN Group has established the “ITO EN Group Environmental Policy” and set Medium- to Long-Term Environmental Goals in order to promote efforts to shift to a decarbonized society and resource-recycling economy.

Medium- to Long-Term Environmental Goals

	CO ₂ emissions	Water resources	Containers and packaging
Targets	FY 2030 (compared to FY2018) CO ₂ emissions Scope 1+2: <u>50% reduction</u> Scope 3: <u>20% reduction</u> Fiscal 2050 Carbon neutral	FY 2030 (compared to FY2018) Water consumption Water usage basic unit*: 16% reduction *Basic unit: water consumption per 1 kiloliter of production	FY 2030 (compared to FY2018) Ratio of recycled materials* used for PET bottles <u>100%</u> *including bio-derived materials
Results	FY2020 results (compared to FY2018) Scope 1+2: 9% reduction Scope 3: 17% reduction	FY2020 results (compared to FY2018) Basic unit: 10% increase	FY2020 results (compared to FY2018) Ratio of recycled materials used: 7%

(i) Climate change

To further accelerate our response to climate change, we have set a goal of becoming “carbon neutral by FY2050,” and raised our FY2030 CO₂ emissions target for Scope 1+2 from a 26% reduction (compared to FY2018) to a 50% reduction (same), and for Scope 3 from a 26% reduction per basic unit (compared to FY2018) to 20% reduction in total volume (same). We will actively introduce hybrid and electric vehicles in our commercial fleet, promote eco-driving, install solar power generation facilities at our plants and offices, and purchase CO₂-free electricity, aiming to achieve a 100% ratio of electricity derived from renewable energy sources by FY2030. In April 2022, we expressed our endorsement of the Task Force on Climate Change-related Financial Disclosures (TCFD) recommendations and used scenario analysis techniques to assess the impacts on the entire value chain in ITO EN’s business operations that would have the greatest impact on the Group. We plan to disclose the results of the assessment in due course in our Integrated Report and on our website. We will continue to assess the impact of climate change on our business and develop a system to respond appropriately.

(ii) Water resources

As part of our water resource initiatives, we are working to reduce water intake by promoting the use of recycled water in the manufacturing process, with the goal of a 16% reduction (compared to FY2018) in the basic unit of water usage intensity by FY2030 for our own dedicated lines at our beverage plants and those of partner plants. We are also involved in water source conservation activities in cooperation with our partner plants.

(iii) Containers and packaging

To address the global plastics problem, we have set a target of 100% recycled materials (including bio-derived materials) used in PET bottles by 2030 based on the “ITO EN Group Policy on Plastics” formulated in FY2020, and are actively promoting “bottle-to-bottle” initiatives in collaboration with external stakeholders, such as weight reduction of PET bottles, sales of products without labels, and adoption of plant-derived biodegradable ECO straws. In addition, we have adopted plant-derived biodegradable filters for “*Oi Ocha*” tea bag products and are promoting the use of aluminum-free ECO containers for paper container beverages. We will continue to actively engage in 3R (Recycle, Reduce, Replace & Reuse) + C (Clean) activities based on the same policy.

(iv) Biodiversity

Based on the “ITO EN Group Basic Policy on Biodiversity Protection,” we are working on environmentally friendly agriculture through the development of technologies for reducing pesticides and organic cultivation in our tea-producing region development business, and the adoption of diverse tea varieties. We have also acquired GAP certification*, a certification system for production process management to ensure food safety, environmental conservation, labor safety, and other sustainability issues in agriculture. We also promote biodiversity initiatives through the “*Oi Ocha* ‘Make Japan Beautiful with Tea’ Campaign,” in which a portion of the sales of all “*Oi Ocha*” beverage products is donated to environmental preservation and maintenance activities in various regions of Japan. We will continue these efforts going forward, as well as conducting research on biodiversity risks.

*The GAP certification system, which is given to farms that are committed to food safety and environmental preservation, includes GLOBALG.A.P. (Good Agricultural Practices), which is a global standard, as well as JGAP and ASIAGAP developed by the Japan GAP Foundation, and refers to farms that have obtained one of these three certifications.

<ESG Evaluation>

In June 2021, the ITO EN Group was selected for the first time as a constituent of the FTSE4Good Index Series, a leading global ESG index, and the FTSE Blossom Japan Index, which is composed of stocks of Japanese companies, in recognition of the Group’s ESG initiatives. In addition, in February 2022, we were selected for the first time as a “Supplier Engagement Leader,” the highest rating in the Supplier Engagement Assessment by CDP, an international environmental non-profit organization, in recognition of our efforts to reduce environmental impact and resource recycling through collaboration with our suppliers.



(6) Trends in assets and operating results

(i) Assets and operating results of the Group

Item \ Term	54th term (fiscal year ended April 30, 2019)	55th term (fiscal year ended April 30, 2020)	56th term (fiscal year ended April 30, 2021)	57th term (current fiscal year) (fiscal year ended April 30, 2022)
Net sales (Millions of yen)	504,153	483,360	446,281	400,769
Ordinary income (Millions of yen)	23,211	19,432	17,029	19,971
Profit attributable to owners of parent (Millions of yen)	14,462	7,793	7,011	12,928
Earnings per share of common stock (Yen)	116.02	61.53	55.10	103.92
Earnings per share of Class-A preferred stock (Yen)	126.00	71.53	65.10	113.89
Total assets (Millions of yen)	303,981	290,651	333,065	328,359
Net assets (Millions of yen)	150,923	149,695	153,057	163,012
Net assets per share of common stock (Yen)	1,229.28	1,221.92	1,250.37	1,334.88
Net assets per share of Class- A preferred stock (Yen)	1,234.28	1,226.92	1,255.37	1,339.88

(ii) Assets and operating results of the company preparing the Business Report

Item \ Term	54th term (fiscal year ended April 30, 2019)	55th term (fiscal year ended April 30, 2020)	56th term (fiscal year ended April 30, 2021)	57th term (current fiscal year) (fiscal year ended April 30, 2022)
Net sales (Millions of yen)	394,495	377,787	352,732	300,319
Ordinary income (Millions of yen)	18,600	18,142	17,565	17,409
Net income (Millions of yen)	13,282	13,148	7,115	12,360
Earnings per share of common stock (Yen)	106.33	105.69	55.96	99.24
Earnings per share of Class-A preferred stock (Yen)	116.31	115.69	65.96	109.21
Total assets (Millions of yen)	270,427	266,436	296,470	278,776
Net assets (Millions of yen)	142,830	147,918	150,501	156,444
Net assets per share of common stock (Yen)	1,172.01	1,217.27	1,238.65	1,290.96
Net assets per share of Class- A preferred stock (Yen)	1,177.01	1,222.27	1,243.65	1,295.96

(Notes)

- Earnings per share are calculated based on the average number of shares outstanding during the period minus treasury stock, and net assets per share are calculated based on the number of shares outstanding at the end of the period minus treasury stock.
- The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March

31, 2020) and relevant ASBJ regulations from the fiscal year ended April 30, 2022, and figures for assets and profit (loss) for the fiscal year ended April 30, 2022 are the figures after applying the accounting standard and relevant ASBJ regulations.

(7) Significant subsidiaries

Company name	Capital stock	Equity investment ratio	Principal lines of business
ITO EN SANGYO, LTD.	300 million yen	100.0%	Tea manufacturing and sales
ITO EN KANSAI CHAGYO, LTD.	10 million yen	100.0%	Tea manufacturing and sales
Tully's Coffee Japan Co., Ltd.	100 million yen	100.0%	Restaurant management and franchise restaurant operation
Chichiyasu Company	100 million yen	100.0%	Processing and sales of milk, and manufacturing and sales of cultured milk, etc.
NEOS Co., Ltd.	80 million yen	76.7%	Beverage sales
ITO EN (North America) INC.	US\$ 170.80 million	100.0%	Beverage and tea sales
Distant Lands Trading Co.	US\$ 83.75 million	[100.0%]	Coffee bean cultivation, procurement, processing, manufacture, roasting, sale, etc.
ITO EN (Hawaii) LLC	US\$ 28.80 million	[100.0%]	Beverage manufacturing and sales
ITO EN AUSTRALIA PTY. LIMITED	A\$ 26.70 million	100.0%	Tea manufacturing and sales
ITO EN Asia Pacific Holdings Pte. Ltd.	US\$ 25.50 million	100.0%	Beverage and tea sales

(Note) Equity investment ratios for the Company in square brackets ([]) indicate indirect holding ratios.

The total number of consolidated subsidiaries is 31, including the above significant subsidiaries.

(8) Principal lines of business

The ITO EN Group's main business is the manufacture, procurement, and sale of green tea and other tea leaf products and tea beverages, vegetable beverages, coffee beverages, and other drink products in Japan and overseas, and its main method of sales is centered on route sales. In addition, the Company also operates a restaurant business.

(9) Major business offices

Offices		Location, etc.
The Company	Head Office	47-10 Honmachi 3-chome, Shibuya-ku, Tokyo, Japan
	Sales offices	186 offices in 29 regions nationwide
	Stores	110 stores nationwide
	Factories	Shizuoka Sagara Factory (Makinohara-shi, Shizuoka) Kobe Factory (Kobe-shi, Hyogo) Hamaoka Factory (Omaezaki-shi, Shizuoka) Fukushima Factory (Fukushima-shi, Fukushima) Okinawa Nago Factory (Nago-shi, Okinawa)
	Research Institute	Central Research Institute (Makinohara-shi, Shizuoka)
Subsidiaries	Domestic sales offices	NEOS Co., Ltd.: 61 offices nationwide
	Overseas sales offices	ITO EN (North America) INC. (The United States) Distant Lands Trading Co. (The United States) ITO EN (Hawaii) LLC (The United States) ITO EN Asia Pacific Holdings Pte. Ltd. (Singapore), etc.
	Stores	Tully's Coffee Japan Co., Ltd.: 760 stores nationwide
	Domestic production bases	ITO EN SANGYO, LTD. (Makinohara-shi, Shizuoka) ITO EN KANSAI CHAGYO, LTD. (Kobe-shi, Hyogo) Chichiyasu Company (Hatsukaichi-shi, Hiroshima), etc.
	Overseas production bases	ITO EN AUSTRALIA PTY. LIMITED (Australia) Distant Lands Trading Co. (The United States), etc.

(10) Status of employees (as of April 30, 2022)**(i) Number of employees of the corporate group**

Business segment	Number of employees	Increase/decrease from the previous fiscal year-end
Tea Leaves and Beverages Business	6,899	Decrease by 111
Restaurant Business	877	Decrease by 43
Others	252	Increase by 2
Total	8,028	Decrease by 152

(Note) The above numbers of employees do not include 22 persons seconded to other companies and 9,594 temporary employees (temporary employees, contract employees, and part-time employees). In addition, the numbers include five persons seconded from another company.

(ii) Number of employees of the company preparing the Business Report

Number of employees	Increase/decrease from the previous fiscal year-end	Average age	Average years of service
5,175	Decrease by 115	40.3 years old	16.7 years

(Note) The above numbers of employees do not include 115 persons seconded to other companies and 1,757 temporary employees (temporary employees, contract employees, and part-time employees). In addition, the numbers include ten persons seconded from another company.

2. Status of shares of the Company (as of April 30, 2022)**(1) Total number of authorized shares**

Common stock 200,000,000 shares

Class-A preferred stock 200,000,000 shares

(2) Total number of issued shares

Common stock 89,212,380 shares (including 1,004,852 treasury stock)

Class-A preferred stock 34,246,962 shares (including 1,487,570 treasury stock)

(3) Number of shareholders

Common stock 49,566 (Increase by 3,065 from the previous fiscal year-end)

Class-A preferred stock 64,183 (Increase by 5,199 from the previous fiscal year-end)

(4) Major shareholders

Name of shareholder	Number of shares held			Shareholding ratio
	Common stock	Class-A preferred stock	Total	
	Thousands of shares	Thousands of shares	Thousands of shares	%
Green Core Co., Ltd.	17,603	5,895	23,498	19.43
The Master Trust Bank of Japan, Ltd. (Trust account)	9,989	85	10,074	8.33
Honjo International Scholarship Foundation	5,200	1,560	6,760	5.59
State Street Bank and Trust Company 505223	5,058	–	5,058	4.18
Hachiro Honjo	2,446	882	3,329	2.75
The Bank of New York 134104	–	3,304	3,304	2.73
ITO EN Employees' Shareholding Association	1,874	242	2,116	1.75
Toyo Seikan Group Holdings, Ltd.	1,955	126	2,081	1.72
Resona Bank, Limited	1,933	–	1,933	1.60
Custody Bank of Japan, Ltd. (Trust account)	1,882	–	1,882	1.56

(Notes)

1. The Company holds 2,492 thousand treasury stock (1,004 thousand shares of common stock and 1,487 thousand shares of Class-A preferred stock), but is excluded from the major shareholders listed above.
2. Shareholding ratio is calculated with the exclusion of treasury stock.

(5) Other important matters regarding shares

The Company acquired treasury stock as follows based on the resolution of the meeting of the Board of Directors held on February 25, 2022.

Class and number of shares acquired: 288,600 shares of Class-A preferred stock
Total acquisition amount: 572 million yen
Acquisition period: From March 1, 2022 to April 20, 2022

3. Matters regarding share acquisition rights, etc. of the Company

(1) Status of share acquisition rights, etc. held by officers of the Company delivered as consideration for their execution of duties as of the final day of the fiscal year ended April 30, 2022

Name	Second series of share acquisition rights of ITO EN, LTD.	11th series of share acquisition rights of ITO EN, LTD.
Number of holders		
Directors of the Company (excluding Outside Directors)	5	1
Audit & Supervisory Board Members of the Company	1	–
Date of resolution on issuance	July 28, 2004	October 27, 2016
Exercise period for share acquisition rights	From September 1, 2004 to August 31, 2034	From September 1, 2017 to August 31, 2022
Number of share acquisition rights	960	15
Class of shares underlying share acquisition rights	Common stock of the Company	Common stock of the Company
Number of shares underlying share acquisition rights	249,600 shares	1,500 shares
Issuance price of share acquisition rights	Gratis	Gratis
Amount to be paid in upon exercise of share acquisition rights	1 yen	1 yen

Name	12th series of share acquisition rights of ITO EN, LTD.	13th series of share acquisition rights of ITO EN, LTD.
Number of holders		
Directors of the Company (excluding Outside Directors)	2	4
Audit & Supervisory Board Members of the Company	–	–
Date of resolution on issuance	October 26, 2017	October 26, 2018
Exercise period for share acquisition rights	From September 1, 2018 to August 31, 2023	From September 1, 2019 to August 31, 2024
Number of share acquisition rights	26	75
Class of shares underlying share acquisition rights	Common stock of the Company	Common stock of the Company
Number of shares underlying share acquisition rights	2,600 shares	7,500 shares
Issuance price of share acquisition rights	Gratis	Gratis
Amount to be paid in upon exercise of share acquisition rights	1 yen	1 yen

Name	14th series of share acquisition rights of ITO EN, LTD.
Number of holders	
Directors of the Company (excluding Outside Directors)	5
Audit & Supervisory Board Members of the Company	-
Date of resolution on issuance	October 25, 2019
Exercise period for share acquisition rights	From September 1, 2020 to August 31, 2025
Number of share acquisition rights	104
Class of shares underlying share acquisition rights	Common stock of the Company
Number of shares underlying share acquisition rights	10,400 shares
Issuance price of share acquisition rights	Gratis
Amount to be paid in upon exercise of share acquisition rights	1 yen

(2) Status of share acquisition rights delivered to employees, etc. as consideration for the execution of duties during the fiscal year ended April 30, 2022

Not applicable.

4. Matters regarding company officers

(1) Directors and Audit & Supervisory Board Members

Position	Name	Responsibilities in the Company and significant concurrent positions outside the Company
Chairman of the Board and CEO	Hachiro Honjo	Honorary Chairman and Director of Tully's Coffee Japan Co., Ltd. Chairman of the Board of Chichiyasu Company Chairman of the Board of ITO EN (North America) INC. Chairman of the Board of ITO EN (Hawaii) LLC Director of ITO EN AUSTRALIA PTY. LIMITED Chairman of the Board of ITO EN Asia Pacific Holdings Pte. Ltd.
President and Executive Officer	Daisuke Honjo	Chairman of the Board of Distant Lands Trading Co. Director of ITO EN Asia Pacific Holdings Pte. Ltd.
Executive Vice President, Representative Director and Executive Officer	Shusuke Honjo	General Manager of Sales Control Headquarters CDO Director of ITO EN Asia Pacific Holdings Pte. Ltd.
Vice Chairman	Shunji Hashimoto	In charge of Compliance, and Production and Logistics Division Audit & Supervisory Board Member of ITO EN SANGYO, LTD. Audit & Supervisory Board Member of ITO EN KANSAI CHAGYO, LTD. Audit & Supervisory Board Member of Chichiyasu Company Director of ITO EN AUSTRALIA PTY. LIMITED Director of ITO EN Asia Pacific Holdings Pte. Ltd.
Executive Vice President, Director and Executive Officer	Minoru Watanabe	In charge of Administration and International Division Director of ITO EN (North America) INC. Director of Distant Lands Trading Co. Director of ITO EN (Hawaii) LLC. Director of ITO EN AUSTRALIA PTY. LIMITED Director of ITO EN Asia Pacific Holdings Pte. Ltd.
Director and Senior Managing Executive Officer	Mitsuo Yashiro	In charge of Marketing Division Director of Chichiyasu Company
Director and Senior Managing Executive Officer	Yoshihisa Nakano	General Manager of Production Division
Director and Senior Managing Executive Officer	Shigeru Kamiya	In charge of National Distribution Sales Division General Manager of National Retailer Sales Division General Manager of Tokyo and Chiba Area Sales Division
Director	Yosuke Jay Oceanbright Honjo	President & CEO of ITO EN (North America) INC. CEO of Distant Lands Trading Co. CEO of ITO EN (Hawaii) LLC
Director and Senior Managing Executive Officer	Atsushi Hirata	In charge of Internal Control General Manager of Administration Division
Director	Morikazu Taguchi	Professor Emeritus of Waseda University
Director	Yuichi Usui	Representative of Usui Firm
Director	Yutaka Tanaka	Certified Tax Accountant and Head of Tanaka Tax Certified Accountant Office
Director	Hideo Takano	Councilor of Japan Retailers Association
Standing Audit & Supervisory Board Member of the Company	Shuji Nakagomi	
Audit & Supervisory Board Member	Yoshiaki Takasawa	Attorney and Representative of Yoshiaki Takasawa Law Firm

Position	Name	Responsibilities in the Company and significant concurrent positions outside the Company
Audit & Supervisory Board Member	Takashi Miyajima	Outside Director (Audit and Supervisory Committee Member) of TOTOKU ELECTRIC CO., LTD. Outside Audit & Supervisory Board Member of MONTEROZA Co., Ltd.
Audit & Supervisory Board Member	Hitoshi Yokokura	Partner attorney of Waseda Legal Commons, LPC Auditor of Minori Audit Corporation Outside Director of Credit Saison Co., Ltd.

(Notes)

- Directors Morikazu Taguchi, Yuichi Usui, Yutaka Tanaka and Hideo Takano are Outside Directors as defined in Article 2, Item 15 of the Companies Act.
- Audit & Supervisory Board Members Yoshiaki Takasawa, Takashi Miyajima and Hitoshi Yokokura are Outside Audit & Supervisory Board Members as defined in Article 2, Item 16 of the Companies Act.
- There are no special relationships that are required to be disclosed between firms where Outside Directors and Outside Audit & Supervisory Board Members hold significant concurrent positions and the Company.
- The Company has registered Directors Morikazu Taguchi, Yuichi Usui, Yutaka Tanaka, and Hideo Takano and Audit & Supervisory Board Members Yoshiaki Takasawa and Hitoshi Yokokura as independent officers with the Tokyo Stock Exchange.
- Audit & Supervisory Board Member Yoshiaki Takasawa possesses considerable knowledge regarding legal affairs and finance as an attorney.
- Audit & Supervisory Board Member Takashi Miyajima possesses considerable knowledge regarding finance and accounting from his many years of experience at financial institutions.
- Audit & Supervisory Board Member Hitoshi Yokokura possesses considerable knowledge regarding finance, accounting and legal affairs as a Certified Public Accountant and an attorney.
- Summary of the details of a directors and officers liability insurance policy
In accordance with Article 430-3, Paragraph 1 of the Companies Act, the Company has entered into a directors and officers liability insurance policy (D&O insurance) in which Directors and Audit & Supervisory Board Members of the Company and the Group are insureds. The insurance policy covers losses that may result from the directors and officers being liable for their performance of duties.
However, there are certain reasons for coverage exclusion, such as in case of actions taken with the knowledge that such actions are in violation of laws and regulations.
Insured persons who are Directors of the Company (excluding Outside Directors) partially pay their own insurance premiums. For other insured persons, the Company bears the full amount of insurance premiums.
The policy period is one year, and the Company plans to renew the policy after a resolution by the Board of Directors before the expiration of the policy.
- The Company has entered into contracts with Directors Morikazu Taguchi, Yuichi Usui, Yutaka Tanaka and Hideo Takano, and Audit & Supervisory Board Members Shuji Nakagomi, Yoshiaki Takasawa, Takashi Miyajima, and Hitoshi Yokokura to limit their liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability for damages under this contract shall be the amount stipulated by laws and regulations.
- Changes in Directors and Audit & Supervisory Board Members from the fiscal year ended April 30, 2022
Responsibilities in the Company and significant concurrent positions outside the Company for Directors as of May 1, 2022 are as follows.

Position	Name	Responsibilities in the Company and significant concurrent positions outside the Company
Executive Vice President and Representative Director Executive Officer	Shusuke Honjo	In charge of Marketing Division General Manager of Sales Control Headquarters and CDO Director of ITO EN Asia Pacific Holdings Pte. Ltd.
Vice Chairman Executive Officer	Minoru Watanabe	In charge of Administration Division, International Division, and New Business Director of ITO EN (North America) INC. Director of Distant Lands Trading Co. Director of ITO EN (Hawaii) LLC. Director of ITO EN AUSTRALIA PTY. LIMITED Director of ITO EN Asia Pacific Holdings Pte. Ltd.
Director Senior Managing Executive Officer	Yoshihisa Nakano	In charge of Logistics Division General Manager of Production Division
Director Senior Managing Executive Officer	Shigeru Kamiya	In charge of National Distribution Sales Division and National Retailer Sales Division General Manager of Tokyo and Chiba Area Sales Division
Director Senior Managing Executive Officer	Atsushi Hirata	In charge of Compliance and Internal Control General Manager of Administration Division

(2) Remuneration for Directors and Audit & Supervisory Board Members

Category	Total amount of remuneration (Millions of yen)	Total amount of remuneration by type (Millions of yen)			Number of eligible Directors and Audit & Supervisory Board Members (persons)
		Fixed remuneration	Performance-linked remuneration		
			Monetary remuneration	Share-based remuneration	
Directors (excluding Outside Directors)	585	585	–	–	10
Outside Directors	42	42	–	–	4
Total	627	627	–	–	14
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	13	13	–	–	1
Outside Audit & Supervisory Board Members	31	31	–	–	4
Total	45	45	–	–	5

(Notes)

- As of the end of the fiscal year ended April 30, 2022, there were 14 Directors and four Audit & Supervisory Board Members.
- The table above includes one Outside Audit & Supervisory Board Member who retired at the conclusion of the 56th Annual General Meeting of Shareholders held on July 27, 2021.
- The total amount of the remuneration for Directors (excluding Outside Directors) includes 52 million yen paid as employee salary (including bonuses) to three Directors serving concurrently as employees.
- The business results related to the performance-linked remuneration are as shown in “(6) Trends in assets and operating results” on page 23.
- The maximum amount of remuneration and the maximum number of shares for performance-linked remuneration are 100 million yen per year and 32,000 shares of common stock, respectively, in accordance with the resolution of the 46th Annual General Meeting of Shareholders held on July 26, 2011. The number of Directors as of the conclusion of the relevant General Meeting of Shareholders is twenty-one (21).

6. The maximum amount of monetary remuneration for Directors is 100 million yen per month based on the resolution of the 27th Annual General Meeting of Shareholders held on July 29, 1992. The number of Directors as of the conclusion of the relevant General Meeting of Shareholders is nineteen (19).
7. The maximum amount of monetary remuneration for Audit & Supervisory Board Members is 6 million yen per month based on the resolution of the 27th Annual General Meeting of Shareholders held on July 29, 1992. The number of Audit & Supervisory Board Members as of the conclusion of the relevant General Meeting of Shareholders is three (3).
8. Retirement benefits for officers were discontinued in July 2002.

(3) Policy for determining the remuneration for Directors and Audit & Supervisory Board Members

Remuneration for Directors is deliberated by the Nomination & Remuneration Committee, a majority of which is composed of Independent Outside Directors, in order to ensure objectivity and transparency in compliance with the Company's basic views on corporate governance and its basic policy on remuneration (in order to ensure independence, the Nomination & Remuneration Committee shall be composed of three or more Directors including Outside Directors as members and shall consist of a majority of Independent Outside Directors. Members shall be elected by resolution of the Board of Directors, and the chairperson shall be elected from among the members who are Independent Outside Directors by resolution of the Nomination & Remuneration Committee).

The Board of Directors determines the remuneration for Directors respecting the report of the Nomination & Remuneration Committee. The Nomination & Remuneration Committee deliberates on the remuneration of individual Directors in accordance with the Company's decision-making policy and the evaluation of the remuneration based on the remuneration standards, and the Board of Directors makes decisions respecting the report of the Nomination & Remuneration Committee.

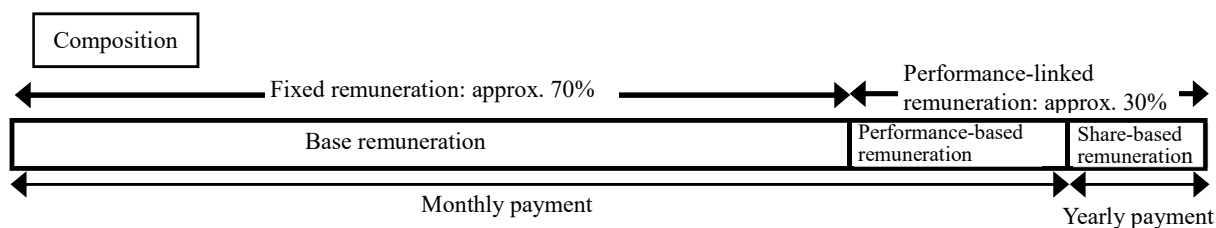
(a) Basic policy

1. Remuneration shall be in compliance with the management principle of the ITO EN Group, "Always Putting the Customer First," and will contribute to sustained corporate growth and development and the enhancement of corporate value.
2. Remuneration shall be determined in proportion to the significance of Directors' roles and responsibilities and their contribution to the Company's business performance.
3. Remuneration shall be closely linked to the share price of the Company's stock, so that Directors share the impact of share price fluctuations with the Company's shareholders and the remuneration serves as an incentive for management.
4. Remuneration shall be determined based on objective and fair deliberations and with references to external data.

(b) Composition of the remuneration

Remuneration for Inside Directors of the Company comprises fixed remuneration and performance-linked remuneration, with fixed remuneration comprising approximately 70% and performance-linked remuneration approximately 30%.

Remuneration for Audit & Supervisory Board Members and Outside Directors is fixed remuneration only. Remuneration for Inside Directors shall be paid on a monthly basis and its composition is as follows.



(i) Fixed remuneration

The amount of fixed remuneration shall be not more than the maximum amount of the remuneration resolved by the General Meeting of Shareholders (100 million yen per month for Directors and 6 million yen per month for Audit & Supervisory Board Members), paid, in principle, on a monthly basis. Remuneration

for Inside Directors is determined the by considering business performance and the degree to which the Company has achieved its plan.

(ii) Performance-linked remuneration

(ii)-1 Reasons for the adoption of performance-linked remuneration

Performance-linked remuneration shall be composed of performance-based remuneration and share-based remuneration, which makes part of the remuneration closely linked to the Company's share price and puts Directors in a position where they share the impact of share price fluctuations with shareholders, to enhance interest in its share price and business performance and further raise their motivation and morale for achieving higher share prices and better business performance of the Company.

Performance-based remuneration shall be monetary remuneration based on business results, and shall be paid monthly in principle.

The Company determines granted share acquisition rights once a year by means of performance-linked, share remuneration-type share options by rigorously evaluating the business performance.

(ii)-2 Determination of the performance-linked remuneration

The Company determines performance-linked remuneration through comprehensive performance evaluation in which, in order to link the business performance and remuneration, the Company designates some of the Company's business performance indicators as measures for Directors' individual performance, sets the standard ratio of consolidated performance to non-consolidated performance for each position, considers each Director's responsibilities, and awards points to each Director with respect to each business performance indicator.

(ii)-3 The Company's business performance indicators used as Directors' performance measures

The Company's primary business performance indicators used as performance measures for Directors include "net sales (growth)," "operating income (profitability)," "cash flows from operating activities (stability)," "earnings per share (profitability)," "return on equity (efficiency)" and "dividend on equity ratio (shareholder return)."

(4) Major activities of outside officers during the fiscal year

Item	Name	Attendance at Board of Directors meetings	Attendance at Audit & Supervisory Board meetings	Summary of duties performed by outside officers regarding the expected roles
Director	Morikazu Taguchi	12/12	–	Mr. Morikazu Taguchi views an overall picture of the management of the Group and has offered opinions, advice and proposals that contribute to the enhancement of the Group's corporate value, from a standpoint independent of the Board of Directors and the management of the Company. In particular, he has substantially fulfilled the role expected of him by identifying management and business risks, leveraging his many years of knowledge and experience as an expert in the area of legal affairs. He has also provided a leadership role in the management of the Nomination & Remuneration Committee from a fair and transparent perspective as a member of the committee.
Director	Yuichi Usui	12/12	–	Mr. Yuichi Usui views an overall picture of the management of the Group and has offered opinions, advice and proposals that contribute to the enhancement of the Group's corporate value, from a standpoint independent of the Board of Directors and the management of the Company. In particular, he has substantially fulfilled the role expected of him by identifying risks and providing highly effective supervision of the management of the Company by leveraging his years of experience and broad insight as a policeman, as well as his experience as a corporate manager.
Director	Yutaka Tanaka	12/12	–	Mr. Yutaka Tanaka views an overall picture of the management of the Group and has offered opinions, advice and proposals that contribute to the enhancement of the Group's corporate value, from a standpoint independent of the Board of Directors and the management of the Company. In particular, he has substantially fulfilled the role expected of him by offering opinions that leverage his expertise and broad knowledge and experience as a certified tax accountant. He has also performed his duties and provided a leadership role to ensure fair and transparent management of the Nomination & Remuneration Committee by utilizing his wealth of experience and achievements made when he served as Outside Audit & Supervisory Board Member of the Company.
Director	Hideo Takano	12/12	–	Mr. Hideo Takano views an overall picture of the management of the Group and has offered opinions, advice and proposals that contribute to the enhancement of the Group's corporate value, from a standpoint independent of the Board of Directors and the management of the Company. In particular, he has substantially fulfilled the role expected of him by providing highly effective supervision of the management of the Company, offering opinions by leveraging his years of experience and broad insight gained as he has been deeply engaged in providing support for the management of various companies.

Item	Name	Attendance at Board of Directors meetings	Attendance at Audit & Supervisory Board meetings	Summary of duties performed by outside officers regarding the expected roles
Audit & Supervisory Board Member	Yoshiaki Takasawa	12/12	13/13	As Outside Audit & Supervisory Board Member, Mr. Yoshiaki Takasawa primarily audits the legality of Directors' performance of duties and provides advice and proposals as needed by referring to reports from the Standing Audit & Supervisory Board Member or the Internal Auditing Department, inspecting important documents and conducting visiting audits of departments executing business operations. In particular, he has offered opinions from a legal expert perspective as an experienced attorney, and has been working to strengthen the Company's audit system.
Audit & Supervisory Board Member	Takashi Miyajima	12/12	12/13	As Outside Audit & Supervisory Board Member, Mr. Takashi Miyajima primarily audits the legality of Directors' performance of duties and provides advice and proposals as needed by referring to reports from the Standing Audit & Supervisory Board Member or the Internal Auditing Department, inspecting important documents and conducting visiting audits of departments executing business operations. In particular, he has offered opinions from a broad perspective, based on his years of experience at financial institutions and his insight gained as he has engaged in corporate management, and has been working to strengthen the Company's audit system.
Audit & Supervisory Board Member	Hitoshi Yokokura	10/10	10/10	As Outside Audit & Supervisory Board Member, Mr. Hitoshi Yokokura primarily audits the legality of Directors' performance of duties and provides advice and proposals as needed by referring to reports from the Standing Audit & Supervisory Board Member or the Internal Auditing Department, inspecting important documents and conducting visiting audits of departments executing business operations. In particular, he has offered opinions from the perspectives of accounting and legal affairs utilizing his expertise and broad knowledge and experience as a Certified Public Accountant and an attorney, and has been working to strengthen the Company's audit system.

(Note)

- The attendance of Audit & Supervisory Board Member Hitoshi Yokokura, who was appointed to his position on July 27, 2021, is shown for meetings of the Board of Directors and meetings of the Audit & Supervisory Board held after his appointment.

5. Accounting Auditor

(1) Name KPMG AZSA LLC

(2) Amount of remuneration

Item	Amount paid
Amount of remuneration for Accounting Auditor for the fiscal year	78 million yen
Total of money and other economic benefits that the Company and subsidiaries should pay to Accounting Auditor	105 million yen

(Notes)

- Under the audit agreement between the Company and the Accounting Auditor, remuneration for audits pursuant

to the Companies Act and remuneration for audits pursuant to the Financial Instruments and Exchange Act are not separated, and otherwise cannot practically be separated. Consequently, the amount of remuneration for the Accounting Auditor for the fiscal year reflects the total remuneration for these types of audit.

2. The Audit & Supervisory Board judged the amount of remuneration, etc. for the Accounting Auditor to be appropriate and consented as provided for in Article 399, Paragraph 1 of the Companies Act after fully examining details explained by the Accounting Auditor such as the number of days and allocation of personnel in the financial audit plans for the current fiscal year, the verification and evaluation of the results of the audit in the previous fiscal year, the appropriateness of the execution of audits by the Accounting Auditor, and the grounds for calculated estimates forming the basis for the remuneration.
3. Of the Company's significant subsidiaries, overseas subsidiaries are audited by audit corporations other than the Company's Accounting Auditor.

(3) Details of non-audit operations

Not applicable.

(4) Policy for determining of the dismissal or non-reappointment of Accounting Auditor

The Audit & Supervisory Board shall dismiss the Accounting Auditor, based on the consent of all Audit & Supervisory Board Members, in the event the Accounting Auditor is deemed to fall under any of the cases set forth in each item of Article 340, Paragraph 1 of the Companies Act. In this case, an Audit & Supervisory Board Member appointed by the Audit & Supervisory Board shall report on the decision of dismissal and its reasons at the first General Meeting of Shareholders convened after the dismissal. In addition, the Audit & Supervisory Board shall determine the content of proposals to dismiss or not reappoint the Accounting Auditor in cases when it is judged necessary after comprehensively considering the status of the execution of duties by the Accounting Auditor and other factors.

6. Systems to ensure the adequacy of operations and the operational status of these systems

The Company has developed the following systems to ensure the adequacy of operations pursuant to the provisions of the Companies Act and the Regulation for Enforcement of the Companies Act.

Furthermore, pursuant to provisions concerning the "evaluation of the system for ensuring the appropriateness of documents and other information related to financial accounting" in the Financial Instruments and Exchange Act, the Company has created development and operational systems to ensure that internal control systems are operated appropriately, including at Group companies, in order to ensure that internal control reports are submitted with securities reports, and receive audit certification from the Accounting Auditor.

(1) Basic views on corporate governance

The management principle of the ITO EN Group is "Always Putting the Customer First." The Company provides in the ITO EN Group Founding Charter that the Group has developed the basics for management to exist for the benefit of all who work for it and their families, as well as the wider society: cooperate with its stakeholders, including the government, local communities, consumers, shareholders, retailers, suppliers, and financial institutions, and fulfill its corporate social responsibility (CSR).

The Group management principle above is the basic concept of the Group's corporate ethics and the unchanging truth that supports our corporate governance. Every officer and employee of the Group is actively promoting concerted efforts to achieve a sustainable society and strives to repay the trust of all stakeholders.

Based on this principle, as a "Health Creation Company," the Group aims to achieve its medium- to long-term vision of becoming a "Global Tea Company." The Group will also work to further strengthen corporate governance, leading to sustainable growth and medium- to long-term enhancement of corporate value through our contributions to the health of customers around the world.

As a company with Audit & Supervisory Board, in order to conduct appropriate corporate governance, Audit & Supervisory Board Members check and audit business conditions, the decision-making process, and other matters regarding the respective representative directors, the directors in charge, the executive officers, and the employees of ITO EN Group companies.

Audit & Supervisory Board Members attend each meeting of the Board of Directors, offering objective and fair advice on the status of audits for overall corporate affairs and each item of business, and audit business execution by the Directors in accordance with the audit policy stipulated by the Audit & Supervisory Board.

(2) Systems to ensure that the Group’s Directors and employees execute duties in compliance with laws and regulations and the Articles of Incorporation

- (i) The Board of Directors passes a resolution of the ITO EN Group Code of Conduct and the Guidelines for the Code of Behavior pertaining to the compliance system and defines them as the code of conduct and the code of behavior for the Group’s Directors and employees, etc. to take action in compliance with laws and regulations, the Articles of Incorporation and corporate ethics.
- (ii) The Company increases the effectiveness of the compliance system of the ITO EN Group based on the “ITO EN Group Code of Conduct and the Code of Behavior” by establishing the Compliance Committee chaired by the Director appointed by the President and establishing an administrative office for the Compliance Committee in the Compliance Office.
- (iii) The Company has set contact points inside and outside the company as a means for employees, etc. to be able to directly provide information on acts that run counter to laws and regulations and compliance.

(3) Systems to store and manage information on the execution of duties by Directors

- (i) During the storage period of information on the execution of duties by Directors that is provided for by laws and regulations and internal regulations, the Company records and stores the information in documents or electromagnetic media in a searchable state and maintains a state to allow the Directors and Audit & Supervisory Board Members to inspect the information.
- (ii) Unless otherwise provided for by laws and regulations, the storage period of documents above shall be dependent on the type of each document specified by the Documents Handling Regulations.

(4) Regulations concerning the management of risk of loss and other systems

- (i) Recognizing risks concerning its business operations as follows, the Company has established a department in charge of risks, formulated regulations, rules and guidelines and built a cross-sectional risk management system.
 - 1. Compliance risks
To fully enforce compliance based on the “ITO EN Group Code of Conduct and Code of Behavior,” the Company implements company-wide compliance education with the Compliance Office playing a central role.
 - 2. Information security risks
For information protection, the Company has established the personal information protection policy to prevent the leakage of personal information, and for business information management, the Company prevents the leakage of information and unauthorized access by strengthening computer security.
 - 3. Quality and environmental risks
The ITO EN Group has established a quality management policy and built a systematic management system, including the improvement of quality and product safety and response to product liability, etc.
The Company works to address environmental risks as company-wide environmental issues based on the approach of the environmental management system.
 - 4. Risks concerning the protection of assets
The Company makes efforts to prevent the occurrence of credit losses due to the bankruptcy of business partners by fully enforcing credit management and receivables collection management according to the credit management standards. The Company also works to develop a system to prevent the occurrence of dead stock by making efforts for the management of inventories such as products, raw materials and materials.
 - 5. Disaster and accident risks
The Disaster Prevention Committee strives to minimize damages at the time of a disaster by reviewing the business continuity plan (BCP) and updating disaster response manuals.
- (ii) The Company has organized a system to minimize damages when an unforeseen situation occurs by establishing a task force headed by the President to prevent the expansion of damages by taking prompt measures.

(5) Systems to ensure the efficient execution of duties by Directors

- (i) The Board of Directors and the Executive Board are the basis of these systems and hold a meeting once a month, in principle, and on a temporary basis, as needed.

- (ii) Each department in charge executes operations based on decisions of the Board of Directors according to the division of duties and the Authority Regulations, and the Directors in charge check the execution of operations as needed.

(6) Systems to ensure the adequacy of operations in the Group

- (i) The Company has established the code of behavior in conformity with the “ITO EN Group Code of Conduct and Code of Behavior” to ensure the compliance system in the Group companies and prepared a whistleblowing desk inside and outside the company for the employees, etc. to provide information on acts, such as a violation of any law and regulation by a Group company or the Company, directly to the Company.
- (ii) For the business management of the Group companies, the Company has established management systems and management standards in the Affiliates Management Regulations, and they are reported and examined at a debriefing session and a conference that are held regularly. Important matters are determined by resolution of the Board of Directors of the Company.
- (iii) The Internal Auditing Department conducts audits on the internal control system of the Company and the Group companies and reports the audit results to the President.

(7) Matters concerning a system for employees who should assist with the duties of Audit & Supervisory Board Members and their independence from Directors

For the regular employees who should assist with the duties of Audit & Supervisory Board Members, Audit & Supervisory Board Members appoint the number of the employees they need as their assistants from the employees of the Company and ensure the effectiveness of their instructions by placing the assistants under their directions and orders.

(8) Systems for the Group’s Directors and employees to report to Audit & Supervisory Board Members and other systems to report to Audit & Supervisory Board Members

- (i) The Group’s Directors and employees appropriately report important issues that could have a major impact on the execution of operations and the management to Audit & Supervisory Board Members.
- (ii) Audit & Supervisory Board Members may ask the Group’s Directors and employees for a report, as needed. In addition, it is prohibited to treat the Group’s Directors and employees who make a report to Audit & Supervisory Board Members disadvantageously as a result.

(9) Systems to ensure that audits by Audit & Supervisory Board Members are conducted effectively

- (i) Audit & Supervisory Board Members exchange information and opinions with the President, the Internal Auditing Department and the Accounting Auditor to enhance their audit work.
- (ii) When Audit & Supervisory Board Members recognize that there is a problem in the development and operation of the Company’s internal control, they may express opinions at a meeting of the Board of Directors and ask for the implementation and reporting of improvement measures.
- (iii) The Company will secure a system for the violation of laws and regulations and other compliance problems in the Group to be reported appropriately to Audit & Supervisory Board Members.
- (iv) When Audit & Supervisory Board Members request the advance payment of expenses necessary for the execution of their duties, the Company appropriately processes the expenses or payables.

(10) Overview of operational status

The Company made the “ITO EN Group Code of Conduct,” which defines the compliance code of conduct, as its operational guidelines for day-to-day operations. The Company also distributed copies of its handbook to officers and employers and made efforts to increase awareness of it, while at the same time conducting education related to compliance as appropriate.

The Compliance Committee, which is led by a Director appointed by the President, met six times, while the Internal Control Promotion Committee met four times. At these meetings, the committees confirmed and discussed issues related to compliance systems and internal controls at the Company and measures to respond to these issues, in a cross-sectional manner.

In terms of information security, the Company formulated and put into effect the Basic Regulations on Information Security, to ensure that electronic information assets are appropriately stored and managed.

For quality risks, the Product Risk Control Committee met six times to deliberate risks related to products manufactured and sold by the Company and measures for addressing those risks.

The Board of Directors met 12 times and the Executive Board met 11 times in the fiscal year ended April 30, 2021. At these meetings, important matters related to the execution of operations were discussed and determined, and the execution of duties at ITO EN Group companies was supervised. Audit & Supervisory

Board Members, including Outside Audit & Supervisory Board Members, attend meetings of the Board of Directors. In addition, the Standing Audit & Supervisory Board Member attends meetings of the Executive Board.

The Internal Auditing Department audited the Company and ITO EN Group companies, and gave directions for improvement as necessary, after reporting the results of the audit to the President and the Audit & Supervisory Board as necessary.

7. Basic policies related to control of the Company

At the time of submission of this Business Report, the Company has not introduced any takeover defense measures. This is because it cannot be guaranteed that takeover defense measures would function effectively, and there is a risk that the introduction of such measures would cause the share price to fall and conversely increase the risk of takeover. The Company believes that it is important to form close relationships with all stakeholders, increase business performance, ensure that stakeholders form a deep understanding of the Company, and always increase corporate value.

8. Policy on decisions on dividends and other appropriation of surplus

Our basic policy regarding earnings distribution is to assure stable distribution of dividends.

In addition, in order to facilitate agile capital policies in response to changes in the corporate environment, the Company appropriately purchases treasury stock, while taking into consideration its financial position, trends in the share price, and other factors.

Under these policies, the Company paid an interim dividend of 20 yen per share of common stock, and 25 yen per share of Class-A preferred stock.

In addition, the annual dividend for the fiscal year ended April 30, 2022, including the interim dividend, will amount to 40 yen per share of common stock and 50 yen per share of Class-A preferred stock.

Furthermore, the Company intends to actively return retained earnings to shareholders through future business development, by utilizing retained earnings for investments to enhance corporate value, etc., and endeavoring to increase corporate value, i.e., increase the value of shareholders' investment.

(Note) Monetary amounts and numbers of shares less than the units used for display purposes have been rounded down in this Business Report.

Non-consolidated Balance Sheet

(As of April 30, 2022)

(Millions of yen)

Assets		Liabilities	
Account	Amount	Account	Amount
Current assets	175,672	Current liabilities	55,298
Cash and deposits	78,972	Accounts payable - trade	23,682
Notes receivable - trade	228	Short-term loans payable	1,400
Accounts receivable - trade	48,771	Lease obligations	1,547
Merchandise and finished goods	25,352	Accounts payable - other	430
Raw materials and supplies	8,697	Accrued expenses	21,415
Prepaid expenses	2,089	Income taxes payable	3,546
Short-term loans receivable from subsidiaries and associates	2,013	Unearned revenue	14
Accounts receivable - other	9,125	Provision for bonuses	2,840
Other	433	Other	421
Allowance for doubtful accounts	(12)	Non-current liabilities	67,033
Non-current assets	103,103	Bonds payable	10,000
Property, plant and equipment	49,518	Long-term loans payable	44,050
Buildings	10,731	Lease obligations	2,866
Structures	257	Provision for retirement benefits	9,060
Machinery and equipment	1,769	Deferred tax liabilities for land revaluation	719
Vehicles	6	Other	337
Tools, furniture and fixtures	14,802		
Land	15,181	Total liabilities	122,331
Leased assets	6,567	Net assets	
Construction in progress	201	Shareholders' equity	161,424
Intangible assets	3,416	Capital stock	19,912
Leasehold interests in land	80	Capital surplus	20,280
Trademark right	1,375	Legal capital surplus	5,000
Software	863	Other capital surplus	15,280
Telephone subscription right	89	Retained earnings	128,248
Other	1,007	Legal retained earnings	1,320
Investments and other assets	50,168	Other retained earnings	126,927
Investment securities	3,067	Reserve for tax purpose reduction entry of non-current assets	526
Shares of subsidiaries and associates	35,619	General reserve	111,616
Investments in capital	9	Retained earnings brought forward	14,785
Investments in capital of subsidiaries and associates	1,051	Treasury shares	(7,016)
Long-term loans receivable from subsidiaries and associates	2,120	Valuation and translation adjustments	(5,097)
Distressed receivables	15	Valuation difference on available- for-sale securities	955
Long-term prepaid expenses	65	Revaluation reserve for land	(6,053)
Deferred tax assets	4,126	Share acquisition rights	117
Leasehold and guarantee deposits	2,146		
Business insurance premiums	351		
Other	1,684		
Allowance for doubtful accounts	(88)	Total net assets	156,444
Total assets	278,776	Total liabilities and net assets	278,776

(Note) Amounts of less than one million yen are rounded down.

Non-consolidated Statement of Income

(From May 1, 2021 to April 30, 2022)

(Millions of yen)

Account	Amount	
Net sales		300,319
Cost of sales		186,183
Gross profit		114,135
Selling, general and administrative expenses		98,449
Operating income		15,685
Non-operating income		
Interest and dividend income	768	
Foreign exchange gains	974	
Other	486	2,229
Non-operating expenses		
Interest expenses	177	
Interest on bonds	22	
Rent expenses	39	
Depreciation on rental buildings	65	
Loss on cancellation of leases	116	
Other	83	505
Ordinary income		17,409
Extraordinary income		
Gain on sales of investment securities	492	
Subsidy income	98	591
Extraordinary losses		
Loss on abandonment of non-current assets	143	
Loss on valuation of investment securities	1	
Loss on valuation of shares of subsidiaries and associates	114	
Other	4	263
Income before income taxes		17,737
Income taxes - current	5,523	
Income taxes - deferred	(146)	5,376
Net income		12,360

(Note) Amounts of less than one million yen are rounded down.

Non-consolidated Statement of Changes in Shareholders' Equity

(From May 1, 2021 to April 30, 2022)

(Millions of yen)

	Shareholders' equity								
	Capital stock	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
						Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward	
Balance as of May 1, 2021	19,912	5,000	15,278	20,278	1,320	527	107,616	11,604	121,068
Changes of items during period									
Dividends of surplus								(5,180)	(5,180)
General reserve							4,000	(4,000)	-
Reversal of reserve for tax purpose reduction entry of non-current assets						(1)		1	-
Net income								12,360	12,360
Purchase of treasury shares									
Disposal of treasury shares			1	1					
Net changes of items other than shareholders' equity									
Total changes of items during period	-	-	1	1	-	(1)	4,000	3,181	7,180
Balance as of April 30, 2022	19,912	5,000	15,280	20,280	1,320	526	111,616	14,785	128,248

	Shareholders' equity		Valuation and translation adjustments			Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Valuation and translation adjustments		
Balance as of May 1, 2021	(6,466)	154,792	1,613	(6,053)	(4,439)	148	150,501
Changes of items during period							
Dividends of surplus		(5,180)					(5,180)
General reserve		-					-
Reversal of reserve for tax purpose reduction entry of non-current assets		-					-
Net income		12,360					12,360
Purchase of treasury shares	(579)	(579)					(579)
Disposal of treasury shares	29	31					31
Net changes of items other than shareholders' equity			(658)	-	(658)	(30)	(688)
Total changes of items during period	(549)	6,632	(658)	-	(658)	(30)	5,943
Balance as of April 30, 2022	(7,016)	161,424	955	(6,053)	(5,097)	117	156,444

(Note) Amounts of less than one million yen are rounded down.

Consolidated Balance Sheet

(As of April 30, 2022)

(Millions of yen)

Assets		Liabilities	
Account	Amount	Account	Amount
Current assets	223,278	Current liabilities	76,796
Cash and deposits	96,571	Accounts payable - trade	30,365
Notes receivable - trade	241	Short-term loans payable	2,897
Accounts receivable - trade	57,774	Lease obligations	2,371
Merchandise and finished goods	41,664	Accrued expenses	26,948
Raw materials and supplies	12,653	Income taxes payable	4,948
Accounts receivable - other	10,739	Provision for bonuses	3,613
Other	3,816	Other	5,652
Allowance for doubtful accounts	(182)	Non-current liabilities	88,549
Non-current assets	105,081	Bonds payable	10,000
Property, plant and equipment	74,490	Long-term loans payable	58,917
Buildings and structures	21,204	Lease obligations	4,199
Machinery, equipment and vehicles	5,514	Net defined benefit liability	10,877
Tools, furniture and fixtures	15,846	Deferred tax liabilities for land revaluation	719
Land	22,837	Other	3,836
Leased assets	8,268		
Construction in progress	815	Total liabilities	165,346
Other	3		
Intangible assets	8,249	Net assets	
Goodwill	3,594	Shareholders' equity	162,664
Software	1,109	Capital stock	19,912
Other	3,545	Capital surplus	18,662
Investments and other assets	22,340	Retained earnings	131,105
Investment securities	3,319	Treasury shares	(7,016)
Deferred tax assets	6,701	Accumulated other comprehensive income	(1,023)
Other	12,430	Valuation difference on available-for-sale securities	1,202
Allowance for doubtful accounts	(109)	Revaluation reserve for land	(6,053)
		Foreign currency translation adjustment	3,738
		Remeasurements of defined benefit plans	88
		Share acquisition rights	117
		Non- controlling interests	1,254
		Total net assets	163,012
Total assets	328,359	Total liabilities and net assets	328,359

(Note) Amounts of less than one million yen are rounded down.

Consolidated Statement of Income

(From May 1, 2021 to April 30, 2022)

(Millions of yen)

Account	Amount	
Net sales		400,769
Cost of sales		241,188
Gross profit		159,581
Selling, general and administrative expenses		140,787
Operating income		18,794
Non-operating income		
Interest income	86	
Dividend income	73	
Rent income	92	
Compensation income for damaged products	29	
Share of profit of entities accounted for using equity method	162	
Gain on prepaid card	271	
Foreign exchange gains	948	
Other	289	
		1,952
Non-operating expenses		
Interest expenses	468	
Loss on cancellation of leases	122	
Other	185	
		775
Ordinary income		19,971
Extraordinary income		
Gain on sales of non-current assets	32	
Gain on donation of non-current assets	53	
Gain on sales of investment securities	492	
Subsidy income	2,069	
Other	0	
		2,648
Extraordinary losses		
Loss on sales of non-current assets	66	
Loss on abandonment of non-current assets	206	
Impairment loss	1,889	
Loss on valuation of investment securities	13	
Loss on COVID-19 impact	72	
Other	28	
		2,276
Income before income taxes		20,343
Income taxes - current	7,346	
Income taxes - deferred	(91)	
		7,254
Net income		13,089
Profit attributable to non-controlling interests		160
Profit attributable to owners of parent		12,928

(Note) Amounts of less than one million yen are rounded down.

Consolidated Statement of Changes in Shareholders' Equity

(From May 1, 2021 to April 30, 2022)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of May 1, 2021	19,912	18,660	123,679	(6,466)	155,785
Cumulative effects of changes in accounting policies			(321)		(321)
Restated balance	19,912	18,660	123,358	(6,466)	155,464
Changes of items during period					
Dividends of surplus			(5,180)		(5,180)
Profit attributable to owners of parent			12,928		12,928
Purchase of treasury shares				(579)	(579)
Disposal of treasury shares		1		29	31
Net changes of items other than shareholders' equity					
Total changes of items during period	-	1	7,747	(549)	7,199
Balance as of April 30, 2022	19,912	18,662	131,105	(7,016)	162,664

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance as of May 1, 2021	1,956	(6,053)	217	(133)	(4,012)	148	1,136	153,057
Cumulative effects of changes in accounting policies					-			(321)
Restated balance	1,956	(6,053)	217	(133)	(4,012)	148	1,136	152,736
Changes of items during period								
Dividends of surplus								(5,180)
Profit attributable to owners of parent								12,928
Purchase of treasury shares								(579)
Disposal of treasury shares								31
Net changes of items other than shareholders' equity	(753)	-	3,521	222	2,989	(30)	118	3,077
Total changes of items during period	(753)	-	3,521	222	2,989	(30)	118	10,276
Balance as of April 30, 2022	1,202	(6,053)	3,738	88	(1,023)	117	1,254	163,012

(Note) Amounts of less than one million yen are rounded down.

Transcript of Accounting Auditor's Report (Translation)

Independent Auditor's Report (Translation)

June 21, 2022

ITO EN, LTD.

To the Board of Directors

KPMG AZSA LLC
Tokyo Office

Kensuke Sodekawa
Certified Public Accountant
Designated Engagement Partner

Hiroto Yamane
Certified Public Accountant
Designated Engagement Partner

Yukihiro Kase
Certified Public Accountant
Designated Engagement Partner

Audit Opinion

We have audited the non-consolidated financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in shareholders' equity, the related notes and the accompanying supplemental schedules (collectively, "non-consolidated financial statements, etc.") of ITO EN, LTD. (the "Company") for the Company's 57th Fiscal Year (May 1, 2021 - April 30, 2022) in accordance with Article 436, Paragraph 2, Item 1 of the Companies Act.

In our opinion, the non-consolidated financial statements, etc. referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the non-consolidated financial statements, etc. were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, Etc. section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements, etc. in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Disclosures

Other disclosures consist of the Business Report and the accompanying supplemental schedules. Management is responsible for the preparation and disclosure of the other disclosures. It is also the responsibility of Audit & Supervisory Board Members and the Audit & Supervisory Board to monitor Directors' performance of their duties in the development and operation of the reporting process for other disclosures.

Our opinion regarding the non-consolidated financial statements, etc. does not cover other disclosures, and we express no opinion on other disclosures.

Our responsibility in the audit of the non-consolidated financial statements, etc. is to read other disclosures carefully and, in the course of reading, to consider whether there are material differences between other disclosures and the non-consolidated financial statements, etc., or knowledge obtained in the audit, and to pay attention to whether there are any indications of material errors in other disclosures other than such material differences.

If, based on the work performed, we determine that there are material errors in other disclosures, we are required to report those facts.

Regarding other disclosures, there are no required reporting items by us.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Non-consolidated Financial Statements, Etc.

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements, etc. in accordance with accounting principles generally accepted in Japan, including the design, implementation and maintenance of such internal control as management determines is necessary to enable the preparation and fair presentation of non-consolidated financial statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, etc., management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements, etc. with the assumption of the Company's ability to continue as a going concern, and disclosing matters related to going concern as applicable in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties including the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements, Etc.

Our responsibilities are to obtain reasonable assurance about whether the non-consolidated financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the non-consolidated financial statements, etc. based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements, etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, etc., whether due to fraud or error, and design and perform audit procedures responsive to those risks. The procedures selected to be applied depend on the auditor's judgment. In addition, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, in making those risk assessments, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit of the non-consolidated financial statements, etc. is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the non-consolidated financial statements, etc. and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the non-consolidated financial statements, etc. or, if such notes are inadequate, to express a qualified opinion with exceptions on the non-consolidated financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation of the non-consolidated financial statements, etc. and the notes thereto are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the non-consolidated financial statements, etc., including the related notes thereto, and whether the non-consolidated financial statements, etc. represent the underlying transactions and accounting events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and

where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and the designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Independent Auditor’s Report (Translation)

June 21, 2022

ITO EN, LTD.

To the Board of Directors

KPMG AZSA LLC
Tokyo Office

Kensuke Sodekawa
Certified Public Accountant
Designated Engagement Partner

Hiroto Yamane
Certified Public Accountant
Designated Engagement Partner

Yukihiro Kase
Certified Public Accountant
Designated Engagement Partner

Audit Opinion

We have audited the consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in shareholders’ equity and the related notes of ITO EN, LTD. (the “Company”) and its consolidated subsidiaries (collectively referred to as the “Group”) for the fiscal year from May 1, 2021 to April 30, 2022 in accordance with Article 444, Paragraph 4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the consolidated financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Disclosures

Other disclosures consist of the Business Report and the accompanying supplemental schedules. Management is responsible for the preparation and disclosure of the other disclosures. It is also the responsibility of Audit & Supervisory Board Members and the Audit & Supervisory Board to monitor Directors’ performance of their duties in the development and operation of the reporting process for other disclosures.

Our opinion regarding the consolidated financial statements does not cover other disclosures, and we express no opinion on other disclosures.

Our responsibility in the audit of the consolidated financial statements is to read other disclosures carefully and, in the course of reading, to consider whether there are material differences between other disclosures and the consolidated financial statements or knowledge obtained in the audit, and to pay attention to whether there are any indications of material errors in other disclosures other than such material differences.

If, based on the work performed, we determine that there are material errors in other disclosures, we are

required to report those facts.

Regarding other disclosures, there are no required reporting items by us.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, including the design, implementation and maintenance of such internal control as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of the Group's ability to continue as a going concern, and disclosing matters related to going concern as applicable in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties including the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. The procedures selected to be applied depend on the auditor's judgment. In addition, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, in making those risk assessments, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the consolidated financial statements or, if such notes are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and the notes thereto are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements represent the underlying transactions and accounting events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and the designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Audit Report

With respect to directors' performance of their duties during the 57th fiscal year, for the period from May 1, 2021 to April 30, 2022, the Audit & Supervisory Board has prepared this Audit Report as the consensus view of all Audit & Supervisory Board Members, after deliberations based on the Audit Reports prepared by each Audit & Supervisory Board Member, and hereby reports as follows:

1. Auditing methods and content of audits by audit & supervisory board members and the Audit & Supervisory Board
 - (1) The Audit & Supervisory Board established the audit plan, allocation of duties, etc., based on the basic audit policy of establishing a good corporate governance system for the Company and the Group and contributing to sound and sustainable growth and enhancement of societal trust. In addition to receiving reports from each Audit & Supervisory Board Member on the status of implementation and results of audits, the Audit & Supervisory Board received reports from Directors, executive officers, employees, etc., and the Accounting Auditor on the status of execution of their duties, and requested explanations as necessary.
 - (2) In conformity with the auditing standards established by the Audit & Supervisory Board, and in accordance with the audit policies, audit plan, assignment of duties, etc., each Audit & Supervisory Board Member, while utilizing online tools, etc., has endeavored to communicate with directors, executive officers, other employees, etc., of the Company and the Group to collect information and improve auditing circumstances, and has executed the audit based on the following methods.
 - i) Each Audit & Supervisory Board Member attended meetings of the Board of Directors and other important meetings and exchanged views with the President, in addition to receiving reports on the status of performance of duties from directors, executive officers and employees and requesting explanations as necessary, reviewing important approved documents, and examining the status of operations and status of assets at the Head Office and other principal business locations. In addition, with regard to subsidiaries, each Audit & Supervisory Board Member conducted visits to the subsidiaries selected based on the audit plan and communicated and exchanged information with the directors, Audit & Supervisory Board Members, etc. of subsidiaries and received business reports from subsidiaries as necessary.
 - ii) With regard to the systems to ensure that the execution of duties by directors complies with laws and regulations and the Articles of Incorporation described in the Business Report and other systems established based on resolutions by the Board of Directors and the content thereof in relation to the development of systems set forth in Article 100, Paragraphs 1 and 3 of the Regulation for Enforcement of the Companies Act as systems required to ensure the propriety of the operations of a business group comprising a stock company and its subsidiaries (internal control systems), each Audit & Supervisory Board Member regularly received reports from directors, employees, etc., on the status of the establishment and implementation of these internal control systems, received reports from the Internal Auditing Department on the status of internal audits and evaluations of internal controls and requested explanations, and expressed their views as necessary.
 - iii) In addition to monitoring and verifying whether the Accounting Auditor maintained its independence and conducted appropriate audits, each Audit & Supervisory Board Member received reports from the Accounting Auditor on the status of the execution of its duties, including audit plans, quarterly review results, and year-end audit results, and requested explanations and expressed their views as necessary. In addition, Audit & Supervisory Board Member attended the on-site inspection of major branch offices conducted by the Accounting Auditor and confirmed the status of execution of duties by the Accounting Auditor. In addition, each Audit & Supervisory Board Member was notified by the Accounting Auditor that it had established "system for ensuring that duties are performed properly" (as set forth in each item of Article 131 of the Regulation on Corporate Accounting) in accordance with the "product quality management standards regarding audits" (Business Accounting Council, October 28, 2005), etc., and requested explanations as necessary.

In accordance with the procedures mentioned above, we have reviewed the Business Report and accompanying supplemental schedules, the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in shareholders' equity, and notes to the non-consolidated financial statements) and accompanying supplemental schedules, as well as the consolidated financial statements (consolidated balance sheet, consolidated statement of income,

consolidated statement of changes in shareholders' equity and notes to the consolidated financial statements), for the fiscal year ended April 30, 2022.

2. Results of audit

(1) Results of audit of business report

- i) We acknowledge that the Business Report and accompanying supplemental schedules fairly present the status of the Company in conformity with the related laws and regulations and the Articles of Incorporation.
- ii) With respect to directors' performance of their duties, we acknowledge that no instance of misconduct or material fact constituting a violation of any law and regulation nor the Articles of Incorporation was found.
- iii) We acknowledge that the Board of Directors' resolutions with respect to internal control systems are appropriate. We do not find any matters to be additionally mentioned with respect to the contents of the Business Report and directors' performance of their duties in relation to the internal control systems.

(2) Results of audit of financial statements and the accompanying supplementary schedules

We acknowledge that the methods and results of audit performed by the Accounting Auditor, KPMG AZSA LLC, are appropriate.

(3) Results of audit of consolidated financial statements

We acknowledge that the methods and results of audit performed by the Accounting Auditor, KPMG AZSA LLC, are appropriate.

June 28, 2022

Audit & Supervisory Board
ITO EN, LTD.
Shuji Nakagomi (Seal)
Audit & Supervisory Board Member
Yoshiaki Takasawa (Seal)
Audit & Supervisory Board Member
Takashi Miyajima (Seal)
Audit & Supervisory Board Member
Hitoshi Yokokura (Seal)
Audit & Supervisory Board Member

Note: Audit & Supervisory Board Members Yoshiaki Takasawa, Takashi Miyajima and Hitoshi Yokokura are Outside Audit & Supervisory Board Members as defined in Article 2, Item 16 and Article 335, Paragraph 3 of the Companies Act.