

Financial Results

Presentation for FY2022 1Q

(Fiscal Year Ending April 30, 2023)

September 2022 ITO EN, LTD.



Financial Results for FY2022 1Q

1Q (May to July 2022)

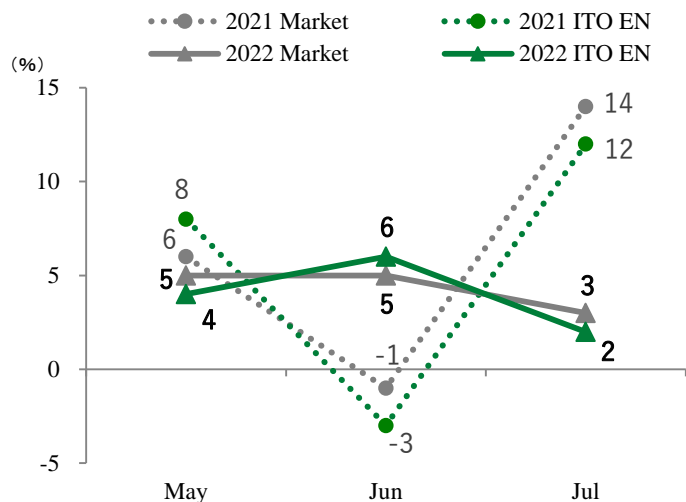
(Unit: million yen, thousand dollars)

	FY2021 Results		FY2022 Results		
		Sales Composition		Sales Composition	YoY % Change
Consolidated					
Net Sales	105,775	100.0%	113,225	100.0%	7.0%
Gross Profit	42,363	40.1%	42,986	38.0%	1.5%
Advertising	2,908	2.7%	2,845	2.5%	-2.2%
Freight	3,645	3.4%	3,844	3.4%	5.5%
Depreciation and Amortization	2,365	2.2%	2,024	1.8%	-14.4%
Selling, General and Administrative Expenses	36,050	34.1%	36,984	32.7%	2.6%
Operating Income	6,312	6.0%	6,002	5.3%	-4.9%
Ordinary Income	6,461	6.1%	6,701	5.9%	3.7%
Extraordinary Losses and Income	618	-	-79	-	-
Net Income	4,464	4.2%	4,217	3.7%	-5.5%

	FY2021 Results		FY2022 Results		
		Sales Composition		Sales Composition	YoY % Change
Non-Consolidated					
Net Sales	81,713	100.0%	84,054	100.0%	2.9%
Gross Profit	31,090	38.0%	30,757	36.6%	-1.1%
Operating Income	5,365	6.6%	4,721	5.6%	-12.0%
Ordinary Income	6,101	7.5%	6,224	7.4%	2.0%

	FY2021 Results		FY2022 Results	
				YoY % Change
Upper: Net Sales				
Bottom: Operating Income				
Performances of Subsidiaries				
Domestic Subsidiaries	22,650	24,543	8.4%	
Tully's Coffee Japan Co., Ltd.	626	1,287	105.5%	
Chichiyasu Company	6,976	8,415	20.6%	
	104	770	635.0%	
	3,139	3,126	-0.4%	
	230	247	7.3%	
Overseas Subsidiaries	9,596	13,242	38.0%	
	447	103	-76.9%	
US Business	8,124	11,926	46.8%	
	109	-138	-	
	\$ 73,921	\$ 89,488	21.1%	
	\$ 992	\$ -1,039	-	
Other Overseas Subsidiaries	1,472	1,316	-10.6%	
	338	241	-28.5%	
Elimination of Internal Transactions	-8,185	-8,615	-	
	-127	-110	-	
Exchange rate (US\$) (1Q average rate)	109.91	133.27		

Monthly Sales Volume Trends (YoY % change)



Source: ITO EN
 May to July 2021
 May to July 2022

News Related to Soft Drink Market

2022 May The market was on track to recovery, in part thanks to increased movements of people due to a Golden Week without restrictions on activities, and favorable weather.

Jun Sales grew due to the rainy season ending earlier than usual and the record-setting hot days that continued in many regions immediately after.

July Despite another wave of COVID-19 infections, the market exceeded the previous year due to recovering economic activity and a nationwide heat wave.

Source: ITO EN

ITO EN (non-consolidated) FY2022 1Q

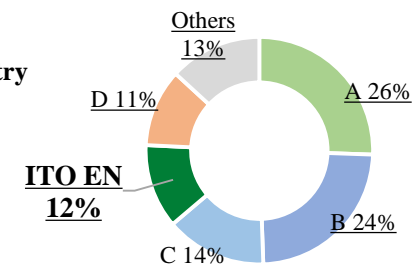
Drink Sales Volume by Category

(Unit: ten thousand cases)

Drinks sales volume by category	FY 2021 Results			FY 2022 Results		
	Sales Composition	YoY % Change	Sales Composition	YoY % Change		
Drinks	6,041	100 %	6,285	+ 4 %		
Tea total	4,319	71 %	4,501	+ 4 %		
Japanese Tea	3,930	65 %	4,148	+ 6 %		
Chinese Tea	259	4 %	228	- 12 %		
Other Tea	129	2 %	124	- 4 %		
Vegetable	802	13 %	731	- 9 %		
Coffee	399	7 %	439	+ 10 %		
Mineral Water	181	3 %	196	+ 9 %		
Carbonated	107	2 %	156	+ 47 %		
Fruit	120	2 %	126	+ 5 %		
Others	111	2 %	131	+ 18 %		

Ratio of sugar-free beverages : 75% or more

Reference :
Market Share of beverage industry



Source: ITO EN Jan to Jun 2022 / Quantity base

おーいお茶

Oi Ocha

PET Bottle sizes standardized from 525ml to 600ml starting March 14, 2022

May to July 2022 / Sales quantity

YoY **+10%**
Source: ITO EN



Enhancing brand strength through linked sales of tea leaves and beverages

おーいお茶 濃い茶

To be launched on Sep 12
Oi Ocha Bold Green Tea
Premium tea bags
Food with function claims



Gallate-type catechins reduce the body fat (visceral and subcutaneous fat) of people with high BMI

- Functional ingredients:
gallate-type catechins 340mg (After extraction)
- Notification No.: H84

一番摘みのおーいお茶

To be relaunched on Sep 19
Premium Oi Ocha with Gyokuro
Food with function claims



Two-fold health claims

- Gallate-type catechins reduce the body fat of people with high BMI (※1)
- Theanine temporarily supports working memory, a part of cognitive function (※2)

- Functional ingredients:
(※1) gallate-type catechins 340mg (After extraction of 16g of tea leaves)
- (※2) theanine 100.6mg (After extraction of 8g of tea leaves)
- Notification No.: G1323

TULLY'S & TEA

A newly launched brand through which to deliver the delicious flavor of tea



New product
TULLY'S & TEA
Milk Tea
made from delicious black tea leaves

Launched on Aug 8
480ml PET Bottle



To be launched on Sep 5
5-stick package



TULLY'S & TEA
Matcha Latte
made from delicious matcha

To be launched on Sep 5
5-stick package



TULLY'S & TEA
Hojicha Latte
made from delicious roasted green tea

To be relaunched on Sep 19
480ml PET Bottle



Relaunched from the
TULLY'S & TEA brand

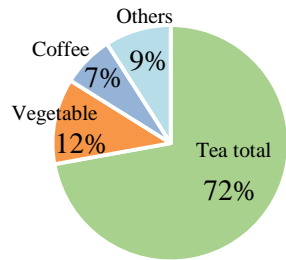
Appendix : ITO EN (non-consolidated) Results

Drink sales volume by Category

FY 2022 1Q(May to July 2022)

	FY 2022 Results	Sales Composition	YoY % Change
Drinks	6,285	100%	+ 4 %
Tea total	4,501	72%	+ 4 %
Japanese Tea	4,148	66%	+ 6 %
Chinese Tea	228	4%	- 12 %
Other Tea	124	2%	- 4 %
Vegetable	731	12%	- 9 %
Coffee	439	7%	+ 10 %
Mineral Water	196	3%	+ 9 %
Carbonated	156	2%	+ 47 %
Fruit	126	2%	+ 5 %
Others	131	2%	+ 18 %

(Unit: ten thousand cases)

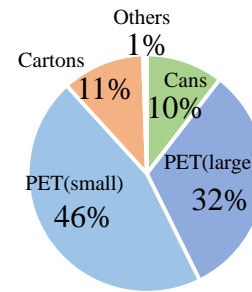


Drink sales volume by Packaging

FY 2022 1Q(May to July 2022)

	FY 2022 Results	Composition ratio YOY	YOY % Change
Drink Total	6,285	-	+ 4 %
Cans	659	- 0 pt	+ 3 %
PET(large)	2,023	- 1 pt	+ 0 %
PET(small)	2,864	+ 2 pt	+ 8 %
Cartons	704	- 0 pt	+ 1 %
Others	34	- 0 pt	- 22 %

(Unit: ten thousand cases)



(Unit: ten thousand cases)

Sales change ratio for Tea Leaves and other Categories

FY 2022 1Q(May to July 2022)

	YoY % Change
Tea Leaves	- 4 %
In-Tea Bags	- 1 %
Others	- 20 %

reference values



Tea Leaves



Barley Tea Tea bags



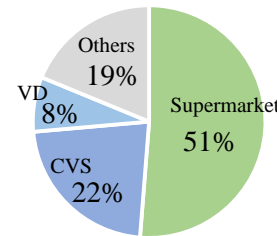
Simple Drip coffee

Drink sales volume by Channel

FY 2022 1Q(May to July 2022)

	Composition ratio YoY	YOY % Change
Supermarket	- 1 pt	+ 3 %
Convenience Store	- 2 pt	- 3 %
Vending Machine	+ 0 pt	+ 5 %
Others	+ 2 pt	+ 17 %

Quantity base



(Unit: ten thousand cases)

Appendix : Forecasts for FY 2022

Full year (May 2022 to April 2023)

	FY2021 Results	Sales Composition	FY2022 Forecast	Sales Composition	YoY % Change	
Consolidated	Net Sales	400,769	100.0%	418,000	100.0%	4.3%
	Gross Profit	159,581	39.8%	162,300	38.8%	1.7%
	Advertising	9,980	2.5%	11,015	2.6%	10.4%
	Freight	13,751	3.4%	14,291	3.4%	3.9%
	Depreciation and Amortization	9,153	2.3%	8,310	2.0%	-9.2%
	Selling, General and Administrative Expenses	140,787	35.1%	142,300	34.0%	1.1%
	Operating Income	18,794	4.7%	20,000	4.8%	6.4%
	Ordinary Income	19,971	5.0%	19,500	4.7%	-2.4%
	Extraordinary Losses and Income	372	-	-500	-	-
	Net Income	12,928	3.2%	12,000	2.9%	-7.2%

	FY2021 Results	Sales Composition	FY2022 Forecast	Sales Composition	YoY % Change	
Non-Consolidated	Net Sales	300,319	100.0%	312,500	100.0%	4.1%
	Gross Profit	114,135	38.0%	116,500	37.3%	2.1%
	Operating Income	15,685	5.2%	16,500	5.3%	5.2%
	Ordinary Income	17,409	5.8%	17,800	5.7%	2.2%

(Unit: million yen, thousand dollars)

	Upper: Net Sales Bottom: Operating Income	FY2021 Results	FY2022 Forecast	YoY % Change
Performances of Subsidiaries	Domestic Subsidiaries	90,390	96,314	6.6%
		2,249	2,528	12.4%
	Tully's Coffee Japan Co., Ltd.	30,060	33,000	9.8%
		860	1,200	39.5%
	Chichiyasu Company	11,844	12,560	6.0%
		734	735	0.1%
	Overseas Subsidiaries	41,927	46,515	10.9%
		1,472	1,612	9.5%
	US Business	36,771	40,412	9.9%
		555	377	-32.1%
		\$ 323,156	\$ 336,770	4.2%
		\$ 4,881	\$ 3,144	-35.6%
	Other Overseas Subsidiaries	5,155	6,102	18.4%
	917	1,234	34.6%	
Elimination of Internal Transactions	- 31,867	- 37,329	-	
	- 613	- 640	-	
	Exchange rate (US\$) (average during a year)	113.79	120.00	



The purpose of the materials you have received is to provide the means for a more thorough understanding of ITO EN and should not necessarily be regarded as a recommendation to invest. Furthermore, the data in these materials is based on what we believe is the most accurate information. However, please understand that even without advance notice, both past data and future forecasts may be revised.