

Financial Results

Presentation for FY2022 3Q

(Fiscal Year Ending April 30, 2023)

March 2023 ITO EN, LTD.



Financial Results for FY2022 3Q

3Q (May 2022 to January 2023)

| | FY2021 Results | | FY2022 Results | | YoY % Change |
|--|----------------|-------------------|----------------|-------------------|--------------|
| | | Sales Composition | | Sales Composition | |
| Net Sales | 303,626 | 100.0% | 328,454 | 100.0% | 8.2% |
| Gross Profit | 120,317 | 39.6% | 125,185 | 38.1% | 4.0% |
| Advertising | 7,854 | 2.6% | 8,158 | 2.5% | 3.9% |
| Freight | 10,377 | 3.4% | 11,114 | 3.4% | 7.1% |
| Depreciation and Amortization | 6,944 | 2.3% | 5,970 | 1.8% | -14.0% |
| Selling, General and Administrative Expenses | 106,206 | 35.0% | 109,313 | 33.3% | 2.9% |
| Operating Income | 14,111 | 4.6% | 15,871 | 4.8% | 12.5% |
| Ordinary Income | 14,656 | 4.8% | 16,518 | 5.0% | 12.7% |
| Extraordinary Losses and Income | 1,620 | - | -425 | - | - |
| Net Income | 10,338 | 3.4% | 10,185 | 3.1% | -1.5% |

| | FY2021 Results | | FY2022 Results | | YoY % Change |
|------------------|----------------|-------------------|----------------|-------------------|--------------|
| | | Sales Composition | | Sales Composition | |
| Net Sales | 228,213 | 100.0% | 239,972 | 100.0% | 5.2% |
| Gross Profit | 85,789 | 37.6% | 88,109 | 36.7% | 2.7% |
| Operating Income | 11,263 | 4.9% | 12,875 | 5.4% | 14.3% |
| Ordinary Income | 12,366 | 5.4% | 14,843 | 6.2% | 20.0% |

(Unit: million yen, thousand dollars)

| | Upper: Net Sales | | Bottom: Operating Income | |
|--------------------------------------|------------------|----------------|--------------------------|----------------|
| | FY2021 Results | FY2022 Results | FY2021 Results | FY2022 Results |
| Domestic Subsidiaries | 68,458 | 73,853 | 2,094 | 3,404 |
| Tully's Coffee Japan Co., Ltd. | 22,652 | 26,434 | 822 | 2,144 |
| Chichiyasu Company | 8,912 | 8,981 | 587 | 501 |
| Overseas Subsidiaries | 30,735 | 39,496 | 1,187 | 86 |
| US Business | 26,671 | 34,886 | 368 | - 782 |
| | \$ 238,673 | \$ 254,647 | \$ 3,296 | \$ -5,708 |
| Other Overseas Subsidiaries | 4,063 | 4,609 | 819 | 868 |
| Elimination of Internal Transactions | - 23,780 | - 24,868 | - 434 | - 493 |

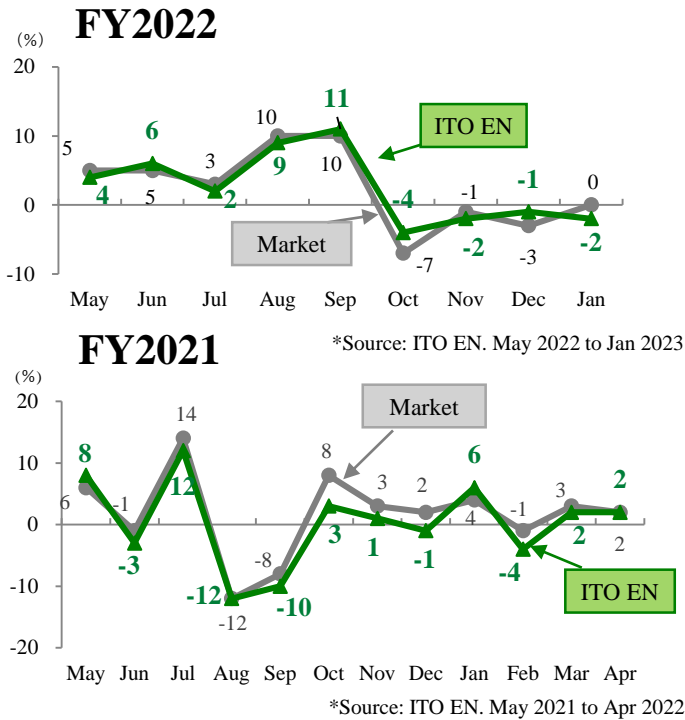
Exchange rate (US\$)
(Average rate of FY 2022 3Q)

111.75

137.00

Soft Drink Market in Japan and ITO EN

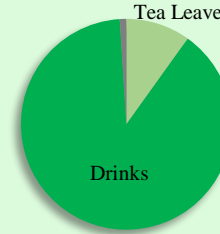
Monthly Sales Volume Trends



ITO EN (non-consolidated) FY2022 3Q (May 2022 to Jan 2023)

| | YoY % Change |
|------------|--------------|
| Net Sales | + 5 % |
| Tea Leaves | - 2 % |
| Drinks | + 6 % |
| Others | + 8 % |

Amount base



Tea Leaves 10% Drinks 89% Others 1%

(Unit : ten thousand case)

| Drinks Sales Volume by Category | FY 2021 Results | Sales Composition | YoY % Change | FY 2022 Results | | |
|---------------------------------|-----------------|-------------------|--------------|-----------------|-------------------|--------------|
| | | | | Sales | Sales Composition | YoY % Change |
| Drinks | 16,496 | 100 % | - 0 % | 16,986 | 100 % | + 3 % |
| Tea Total | 11,535 | 70 % | + 0 % | 11,971 | 70 % | + 4 % |
| Japanese Tea | 10,495 | 64 % | + 2 % | 10,891 | 64 % | + 4 % |
| Chinese Tea | 681 | 4 % | - 25 % | 647 | 4 % | - 5 % |
| Other Tea | 359 | 2 % | + 0 % | 431 | 3 % | + 20 % |
| Vegetable | 2,226 | 13 % | - 11 % | 1,989 | 12 % | - 11 % |
| Coffee | 1,232 | 7 % | + 11 % | 1,320 | 8 % | + 7 % |
| Mineral Water | 506 | 3 % | + 2 % | 521 | 3 % | + 3 % |
| Carbonated | 312 | 2 % | + 5 % | 424 | 3 % | + 36 % |
| Fruit | 322 | 2 % | + 8 % | 341 | 2 % | + 6 % |
| Others | 359 | 2 % | - 2 % | 417 | 2 % | + 16 % |

Ratio of Unsweetened Beverages : Higher than 75%

News Related to Soft Drink Market

- 2022 Aug Revitalized by extreme heat and increased movements.
- Sep Tourism demand remains strong, albeit limited.
- Oct In addition to price revisions in the overall food market, consumer demand was stagnant due to the effects of unseasonable weather.
- Nov There are signs of the 8th wave of COVID-19. Unseasonable weather has also had an impact, such as a significant decrease in sunshine hours.
- Dec Consumer sentiment has slowed due to rising prices, although the economy has recovered from the decline in consumption caused by the corona crisis.
- 2023 Jan While tourists are returning, people tend to be more economical. The strong cold wave in the second half of January is also a factor in the slump in consumption.

Forecasts for FY 2022

Full Year (May 2022 to April 2023)

| | FY2021 | | FY2022 | | |
|--|---------|-------------------|----------|-------------------|--------------|
| | Results | Sales Composition | Forecast | Sales Composition | YoY % Change |
| 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% | 10,592 | 2.5% | 6.1% |
| 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 | | FY2022 | | |
|------------------|---------|-------------------|----------|-------------------|--------------|
| | Results | Sales Composition | Forecast | Sales Composition | YoY % Change |
| 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% |

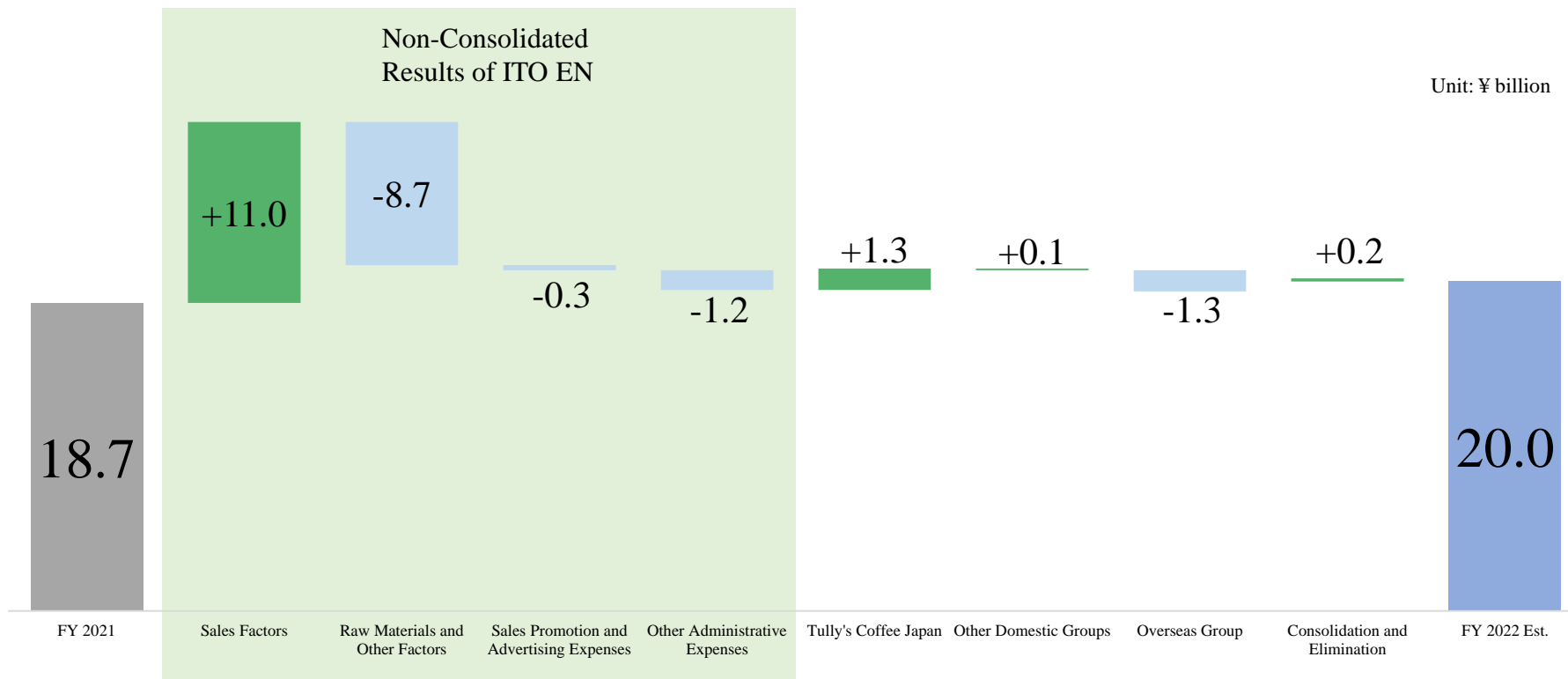
(Unit: million yen, thousand dollars)

| | FY2021 | | FY2022 | |
|--------------------------------------|------------|------------|--------------|--|
| | Results | Forecast | YoY % Change | |
| Upper: Net Sales | 90,390 | 96,853 | 7.1% | |
| Bottom: Operating Income | 2,249 | 3,738 | 66.2% | |
| Domestic Subsidiaries | 30,060 | 35,000 | 16.4% | |
| Tully's Coffee Japan Co., Ltd. | 860 | 2,250 | 161.6% | |
| Chichiyasu Company | 11,844 | 12,014 | 1.4% | |
| | 734 | 638 | -13.1% | |
| Overseas Subsidiaries | 41,927 | 50,518 | 20.5% | |
| | 1,472 | 162 | -89.0% | |
| US Business | 36,771 | 44,907 | 22.1% | |
| | 555 | - 770 | - | |
| | \$ 323,156 | \$ 332,649 | 2.9% | |
| | \$ 4,881 | \$ -5,708 | - | |
| Other Overseas Subsidiaries | 5,155 | 5,611 | 8.8% | |
| | 917 | 932 | 1.6% | |
| Elimination of Internal Transactions | - 31,867 | - 41,871 | - | |
| | - 613 | - 400 | - | |

Exchange Rate (US\$) 113.79 135.00
(Average rate of FY 2022)

Major Factors Impacting Consolidated Operating Income Forecasts for the FY 2022 (Fiscal Year Ending April 30, 2023)

The effects of high material costs were dealt with by price revisions, and cost controls to ensure profit earnings.



Additional factors of changes in non-consolidated results of ITO EN

- Impact of increase in sales +4.6
- Changes in packaging and product mix, etc. +6.4
- Impact of soaring raw material costs and production materials -8.7
- Impact of reduction in sales promotion expenses -0.3

About Japanese Green Tea Products

FY2022 3Q

おーいお茶 Oi Ocha

Drinks Sales Volume
(May 2022 to Jan 2023) YoY +5%

▶ Hot PET bottle *Oi Ocha*
Strong sales this winter YoY +7%
(Nov 2022 to Jan 2023)

▶ Advertisement for new video is well received overseas. Distribution starts in late December 2022.
About 7 million views as of February.
Delivery destination : Japan, US, Australia, Thailand and Indonesia



Effective use of Used Tea Leaves

Efforts to address environmental issues

Developed “**Paneles containing Used Tea Leaves**” that are upcycled.

▶ Adopted for soundproof walls at Toyo Mebius Kumagaya Logistics Center, which will start operations on April 1, 2023.



Soundproof wall with Soundproof Panel containing used tea leaves at Toyo Mebius Kumagaya Logistics Center.

From FY2022 4Q, Development of Japanese tea products

▶ **おーいお茶 Cherry Blossoms Package** Simultaneous release in Japan and overseas from Jan 23 (Shanghai, Taiwan and Korea)

▶ **Green Tea with Cherry Blossom Scent Sakura Green Tea**



Japan version

Shanghai, Taiwan and Korea version

Extract the salted cherry leaves blended with green tea
New Green Tea Drink

New launched February 6, 2023



“**Cherry Blossoms**”, a symbol of spring, package is also expanding overseas

▶ Smooth Melting Instant Tea Series

Oi Ocha Instant Green Tea with Matcha,
Oi Ocha Instant Roasted Green Tea,
Kenko Mineral Mugicha Instant Barley tea

Sticks from Plastic to Paper Aluminum

Approximately **37%** reduction in plastic usage
(Compared to conventional products)



Launched in March 20, 2023

Efforts to address environmental issues

Be a new challenge Planning to release Japanese tea products

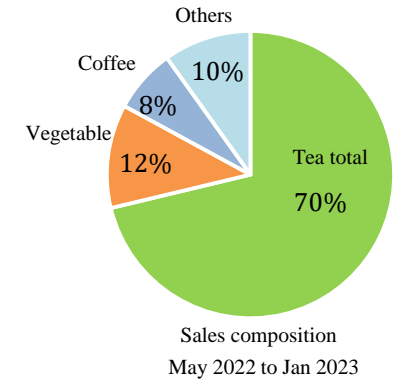
Youth Women Health

Appendix : ITO EN (non-consolidated) Results

Drink sales volume by Category

*May 2022 to Jan 2023 Unit: ten thousand cases

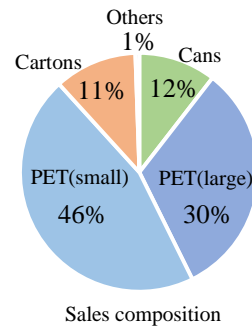
| | 1Q (May to Jul) | | | 2Q (Aug to Oct) | | | 3Q (Nov to Jan) | | |
|---------------|----------------------|-----------------|--------|----------------------|-----------------|--------|----------------------|-----------------|--------|
| | Sales Composition | YoY % Change | | Sales Composition | YoY % Change | | Sales Composition | YoY % Change | |
| Drinks | 6,285 | 100% | + 4 % | 6,133 | 100% | + 6 % | 4,568 | 100% | - 2 % |
| Tea total | 4,501 | 72% | + 4 % | 4,347 | 71% | + 6 % | 3,122 | 68% | - 0 % |
| Japanese Tea | 4,148 | 66% | + 6 % | 3,951 | 64% | + 6 % | 2,791 | 61% | - 2 % |
| Chinese Tea | 228 | 4% | - 12 % | 238 | 4% | + 4 % | 180 | 4% | - 6 % |
| Other Tea | 124 | 2% | - 4 % | 157 | 3% | + 22 % | 150 | 3% | + 49 % |
| Vegetable | 731 | 12% | - 9 % | 717 | 12% | - 9 % | 539 | 12% | - 15 % |
| Coffee | 439 | 7% | + 10 % | 453 | 7% | + 12 % | 427 | 9% | + 0 % |
| Mineral Water | 196 | 3% | + 9 % | 184 | 3% | + 3 % | 140 | 3% | - 5 % |
| Carbonated | 156 | 2% | + 47 % | 161 | 3% | + 30 % | 106 | 2% | + 33 % |
| Fruit | 126 | 2% | + 5 % | 115 | 2% | + 6 % | 99 | 2% | + 6 % |
| Others | 131 | 2% | + 18 % | 153 | 2% | + 38 % | 132 | 3% | - 3 % |



Drink sales volume by Packaging

*May 2022 to Jan 2023 Unit: ten thousand cases

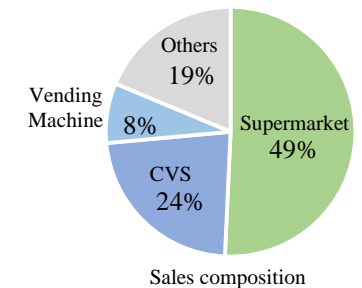
| | Sales Volume | Composition ratio YOY | |
|-------------|--------------|-----------------------|--------------|
| | | Composition ratio YOY | YOY % Change |
| Drink Total | 16,986 | - | + 3 % |
| Cans | 1,969 | - 0 pt | + 2 % |
| PET(large) | 5,132 | - 2 pt | - 3 % |
| PET(small) | 7,857 | + 2 pt | + 9 % |
| Cartons | 1,933 | - 1 pt | - 2 % |
| Others | 93 | - 0 pt | - 11 % |



Drink sales volume by Channel

*May 2022 to Jan 2023 / Base Volume

| | Composition ratio YoY | |
|-------------------|-----------------------|--------------|
| | Composition ratio YoY | YOY % Change |
| Supermarket | - 2 pt | - 0 % |
| Convenience Store | + 0 pt | + 3 % |
| Vending Machine | - 0 pt | - 0 % |
| Others | + 2 pt | + 13 % |





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.