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(Securities Code 2593)
July 4, 2023

To Shareholders with Voting Rights:

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

**NOTICE OF
THE 58TH 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 58th Annual General Meeting of Shareholders of ITO EN, LTD. (the “Company”). The meeting will be held for the purposes as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (items for which measures for providing information in electronic format are to be taken) in electronic format, and has posted the information on each of the following websites. Please access one of the websites to view the information.

[The Company’s website] <https://www.itoen-global.com/>

[Website for posted informational materials for the General Meeting of Shareholders]
<https://d.sokai.jp/2593/teiji/> (in Japanese)

[Tokyo Stock Exchange (TSE) website (Listed Company Search)]
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

(Access the TSE website by using the internet address shown above, enter “ITO EN” in “Issue name (company name)” or the Company’s securities code “2593” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

If you plan to be absent from the meeting, you may exercise your voting right on the internet, etc. or in writing (by mail). Please read the reference documents for the General Meeting of Shareholders and exercise your voting right in accordance with the “Guidance on Exercising Voting Rights” (in Japanese only), by 5:00 p.m. on Tuesday, July 25, 2023, Japan time.

- 1. Date and Time:** Wednesday, July 26, 2023 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
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report and Non-consolidated Financial Statements for the Company’s 58th Fiscal Year (May 1, 2022 - April 30, 2023)
 2. Consolidated Financial Statements for the Company’s 58th Fiscal Year (May 1, 2022 - April 30, 2023) and results of audits of the Consolidated Financial Statements by the Financial 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 10 Directors (excluding Directors who are Audit and Supervisory Committee Members)
- Proposal 4:** Election of 4 Directors who are Audit and Supervisory Committee Members
- Proposal 5:** Setting the amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members)
- Proposal 6:** Setting the amount of remuneration for Directors who are Audit and Supervisory Committee Members
- Proposal 7:** Decision on the remuneration to give restricted stock to Executive Officers concurrently serving as Directors (excluding Directors not concurrently serving as Executive Officers, Directors who are Audit and Supervisory Committee Members, and Outside Directors)

- * The following information is posted on websites such as the Company’s website indicated on page 1 of this notice of convocation as information subject to measures for providing information in electronic format. It is not included in the information provided in electronic format indicated in the material sent to those shareholders who have requested the written version of the material pursuant to applicable laws and regulations and Article 24, paragraph 2 of the Articles of Incorporation of the Company.
1. Notes to non-consolidated financial statements
 2. Notes to consolidated financial statements
- Therefore, the information in the document indicating items subject to measures for providing information in electronic format is a part of documents audited by the Financial Auditor when preparing accounting audit reports and by Audit & Supervisory Board Members when preparing audit reports.
- * We will post any revision made to the items subject to measures for providing information in electronic format on the Company’s website or other appropriate websites if such a revision has been made.

Requests to Shareholders

- If attending the meeting in person, please submit your voting rights exercise form to the reception desk at the venue.
- Souvenirs will not be distributed to shareholders attending. We request your understanding in this matter.
- If there is a significant change in the operation of the General Meetings of Shareholders, we will post the details on the Company’s website.

The Company’s website

<https://www.itoen-global.com/>

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, 2023, as well as the future business development, etc., the year-end dividend payment for the fiscal year ended April 30, 2023, 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, 2023, 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: ¥1,764,716,180

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

Total amount of dividend for Class-A Preferred Stock: ¥818,935,675

The annual dividend for the fiscal year ended April 30, 2023, 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 27, 2023

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 ¥7,000,000,000

(2) Item and amount of surplus to be decreased

Retained earnings brought forward ¥7,000,000,000

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 Company will shift to a company with an Audit and Supervisory Committee to strengthen the supervisory function of its Board of Directors and to further improve its corporate governance. In connection with this, the purpose of this amendment is to establish new provisions, required for the transition to a company with an Audit and Supervisory Committee, related to Audit and Supervisory Committee Members and the Audit and Supervisory Committee, and to perform deletions of provisions relating to Audit & Supervisory Board Members and the Audit & Supervisory Board, and the change of the number of Directors, etc.

(ii) New provisions will be established to achieve the effect of speeding up decision-making and increasing the agility of business execution by enabling important decisions pertaining to business execution to be delegated to Directors (Article 33 of the proposed amendment).

(iii) With the aim of implementing agile capital and dividend policies, the Company proposes to establish new provisions enabling dividends of surplus to be determined by a resolution of the Board of Directors (Article 48 of the proposed amendment) pursuant to Article 459, paragraph 1 of the Companies Act, and to delete the current Article 6 (Purchase of Treasury Shares), which duplicates part of said Article 48.

(iv) The Company proposes to perform various other required amendments, including changing article numbers, adding and deleting article text, reorganizing wordings, and correcting expressions.

2. Details of the amendments

The details of the amendments are as follows: The proposed amendments made to the Articles of Incorporation will go into effect upon the closing of this Annual General Meeting of Shareholders.

(Amended portions are underlined.)

Current	Proposed Amendment
Chapter 1 General Provisions	Chapter 1 General Provisions
Article 1 (Omitted)	Article 1 (Unchanged)
Article 2 (Purpose) The purpose of the Company shall be to engage in the following <u>operations</u> . (1)–(22) (Omitted)	Article 2 (Purpose) The purpose of the Company shall be to engage in the following <u>businesses</u> . (1)–(22) (Unchanged)
Article 3–Article 4 (Omitted)	Article 3–Article 4 (Unchanged)
Chapter 2 Shares	Chapter 2 Shares
Article 5 (Omitted)	Article 5 (Unchanged)
<u>Article 6 (Purchase of treasury shares)</u> <u>Pursuant to Article 165, paragraph 2 of the Companies Act, the Company may purchase treasury shares in market transactions, etc. following a resolution of the Board of Directors.</u>	(Deleted)
Article 7–Article 10 (Omitted)	Article 6–Article 9 (Unchanged)
Article 11 (Rights of shareholders holding fractions of one unit of stock) (Omitted)	Article 10 (Rights of shareholders holding fractions of one unit of stock) (Unchanged)
(1)–(3) (Omitted)	(1)–(3) (Unchanged)
(4) Right to make a demand as provided for in Article 9	(4) Right to make a demand as provided for in Article 8
Article 12 (Omitted)	Article 11 (Unchanged)
Chapter 3 Preferred Stock	Chapter 3 Preferred Stock
Article 13–Article 15 (Omitted)	Article 12–Article 14 (Unchanged)
Article 16 (Resolution of a general meeting of class shareholders) (Omitted)	Article 15 (Resolution of a general meeting of class shareholders) (Unchanged)
2. The provisions of Article 12, paragraph 1 shall apply mutatis mutandis to a general meeting of class shareholders in cases where matters to be resolved at an annual general meeting of shareholders require a resolution of a general meeting of class shareholders, in addition to the resolution at said general meeting of shareholders.	2. The provisions of Article 11, paragraph 1 shall apply mutatis mutandis to a general meeting of class shareholders in cases where matters to be resolved at an annual general meeting of shareholders require a resolution of a general meeting of class shareholders, in addition to the resolution at said general meeting of shareholders.
3. The provisions of Article 20, Article 21, and Article 23 shall apply mutatis mutandis to a general meeting of class shareholders.	3. The provisions of Article 19, Article 20, and Article 22 shall apply mutatis mutandis to a general meeting of class shareholders.
4. The provisions of Article 22, paragraph 2 shall apply mutatis mutandis to a resolution of a general meeting of class shareholders pursuant to the provisions of Article 324, paragraph 2 of the Companies Act.	4. The provisions of Article 21, paragraph 2 shall apply mutatis mutandis to a resolution of a general meeting of class shareholders pursuant to the provisions of Article 324, paragraph 2 of the Companies Act.
Article 17–Article 18 (Omitted)	Article 16–Article 17 (Unchanged)
Chapter 4 General Meeting of Shareholders	Chapter 4 General Meeting of Shareholders
Article 19 (Convocation) <u>Unless otherwise provided for by laws and regulations, the annual general meeting of shareholders of the Company shall be convened within <u>three months of the last day</u> of each business year and Extraordinary General Meetings of Shareholders shall be convened where necessary <u>by the Chairman or the President.</u></u>	Article 18 (Convocation) The annual general meeting of shareholders of the Company shall be convened within <u>three months of the end</u> of each business year, and Extraordinary General Meeting of Shareholders shall be convened <u>when</u> necessary.
Article 20 (Omitted)	Article 19 (Unchanged)

Current	Proposed Amendment
<p>Article <u>21</u> (Chairperson)</p> <ol style="list-style-type: none"> The duties of <u>Chairperson</u> of General Meeting of Shareholders shall be <u>undertaken</u> by the Chairman or President. When the Chairman and President are unable to perform these duties, another Director shall <u>undertake</u> them in accordance with the order determined in advance by the Board of Directors. 	<p>Article <u>20</u> (<u>Persons Entitled to Convene Meetings and Chairperson</u>)</p> <ol style="list-style-type: none"> The <u>Director</u> and Chairman or <u>Director</u> and President shall <u>convene and act as Chairperson</u> of a General Meeting of Shareholders. When the <u>Director</u> and Chairman or <u>Director</u> and President are unable to perform these duties, another Director shall <u>convene a General Meeting of Shareholders and act as Chairperson</u> in accordance with the order determined in advance by the Board of Directors.
<p>Article <u>22</u> (Method of resolution)</p> <ol style="list-style-type: none"> Unless otherwise provided for by laws and regulations and these Articles of Incorporation, resolutions of a General Meeting of Shareholders shall be made by a majority of the votes of the shareholders present at the meeting and entitled to exercise their votes at such meetings. Unless otherwise provided for by in these Articles of Incorporation, resolutions subject to the rules of Article 309, Paragraph 2 of the Companies Act shall be made by two-thirds or more of the votes of the shareholders present at the meeting where the shareholders holding one-third or more of the votes of the shareholders entitled to vote at such shareholders meeting are present. 	<p>Article <u>21</u> (Method of resolution) (Change in Japanese only; English unchanged)</p> <ol style="list-style-type: none"> Unless otherwise provided for by laws and regulations and these Articles of Incorporation, resolutions of a General Meeting of Shareholders shall be made by a majority of the votes of the shareholders present at the meeting and entitled to exercise their votes at such meetings. (Change in Japanese only; English unchanged) Unless otherwise provided for by in these Articles of Incorporation, resolutions subject to the rules of Article 309, Paragraph 2 of the Companies Act shall be made by two-thirds or more of the votes of the shareholders present at the meeting where the shareholders holding one-third or more of the votes of the shareholders entitled to vote at such shareholders meeting are present. (Change in Japanese only; English unchanged)
<p>Article <u>23</u> (Proxy Voting)</p> <ol style="list-style-type: none"> Every shareholder may exercise their votes by having one other shareholder of the Company with voting rights act as a proxy on their behalf. A shareholder or proxy must submit to the Company a document evidencing the proxy's authority to represent at every general meeting of shareholders. 	<p>Article <u>22</u> (Proxy Voting)</p> <ol style="list-style-type: none"> Every shareholder may exercise their votes by having one other shareholder of the Company with voting rights act as a proxy on their behalf. (Change in Japanese only; English unchanged) A shareholder or proxy must submit to the Company a document evidencing the proxy's authority to represent at every general meeting of shareholders. (Change in Japanese only; English unchanged)
<p>Article <u>24</u> (Omitted)</p>	<p>Article <u>23</u> (Unchanged)</p>
<p>Chapter 5 Directors and Board of Directors</p>	<p>Chapter 5 Directors and Board of Directors</p>
<p>Article <u>25</u> (Omitted)</p>	<p>Article <u>24</u> (Unchanged)</p>
<p>Article <u>26</u> (Number of Directors)</p> <p>The Company shall have not more than <u>20</u> Directors.</p> <p>(Newly established)</p>	<p>Article <u>25</u> (Number of Directors)</p> <ol style="list-style-type: none"> The Company shall have not more than <u>11</u> Directors (<u>excluding Directors who are Audit and Supervisory Committee Members</u>). <u>The Company shall have not more than 4 Directors who are Audit and Supervisory Committee Members.</u>
<p>Article <u>27</u> (Method of election)</p> <ol style="list-style-type: none"> Directors of <u>the Company</u> shall be elected by resolution at a general meeting of shareholders. Resolutions on the election in <u>the preceding paragraph</u> shall be made by a majority of the votes <u>of the shareholders present</u> at a meeting where the shareholders holding one-third or more of the votes of the shareholders entitled to exercise their votes at such shareholders meeting are present. 	<p>Article <u>26</u> (Method of election)</p> <ol style="list-style-type: none"> Directors shall be elected by votes at a general meeting of shareholders, <u>with a distinction being made between Directors who are Audit and Supervisory Committee Members and other Directors.</u> Resolutions on the election of a <u>Director</u> shall be made by a majority of the votes at a meeting where the shareholders holding one-third or more of the votes of the shareholders entitled to exercise their votes at such meeting are present.

Current	Proposed Amendment
<p>3. Resolutions for Directors' elections shall not be conducted by cumulative voting.</p> <p>Article <u>28</u> (Terms of Office) The term of office of a Director shall expire at the conclusion of the annual General Meeting of Shareholders for the latest business year ending within 1 year after their election.</p> <p style="text-align: center;">(Newly established)</p> <p style="text-align: center;">(Newly established)</p> <p>Article <u>29</u> (Representative Director) The <u>Company</u> shall appoint, by resolution <u>of the Board of Directors</u>, a small number of Representative Directors.</p> <p>Article <u>30</u> (Directors with Special Titles) The <u>Company</u> may <u>appoint</u>, by resolution <u>of the Board of Directors</u>, one Chairman and one President, and a small number of Vice Chairmen, Vice Presidents, Senior Managing Directors, and Managing Directors.</p> <p>Article <u>31</u> (Remuneration, etc.) <u>Remuneration, etc.</u> of Directors shall be determined by resolution of a general meeting of shareholders.</p> <p>Article <u>32</u> (Convocation and Chairperson)</p> <ol style="list-style-type: none"> 1. <u>Notice to convene a meeting of the Board of Directors shall be provided to each Director and Audit & Supervisory Board Member by the Chairman or President no later than three days before the date of the meeting. However, when there is an urgent need this period may be shortened.</u> 2. <u>The duties of Chairperson of the Board of Directors shall be undertaken by the Chairman or President. However, when the Chairman or President are unable to perform these duties, another Director shall undertake these duties in accordance with the order determined in advance by the Board of Directors.</u> <p style="text-align: center;">(Newly established)</p>	<p>3. Resolutions for the Directors' elections shall not be conducted by cumulative voting. (Change in Japanese only; English unchanged)</p> <p>Article <u>27</u> (Terms of Office)</p> <ol style="list-style-type: none"> 1. The term of office of a Director (<u>excluding Directors who are Audit and Supervisory Committee Members</u>) shall expire at the conclusion of the annual General Meeting of Shareholders for the latest business year ending within 1 year after their election. 2. <u>The term of office of a Director who is an Audit and Supervisory Committee Member shall expire at the conclusion of the annual General Meeting of Shareholders for the latest business year ending within 2 years after their election.</u> 3. <u>The term of office of a Director who is an Audit and Supervisory Committee Member who is elected as the substitute for a Director who is an Audit and Supervisory Committee Member who retired before the expiration of their term of office shall continue until the time the term of office of the Director who is an Audit and Supervisory Committee Member who retired from office is to expire.</u> <p>Article <u>28</u> (Representative Director) <u>The Board of Directors shall by its resolution appoint from among the Directors (excluding Directors who are Audit and Supervisory Committee Members) a small number of Representative Directors.</u></p> <p>Article <u>29</u> (Directors with Special Titles) <u>The Board of Directors may by its resolution appoint from among the Directors (excluding Directors who are Audit and Supervisory Committee Members) one Director and Chairman and one Director and President, and a small number of Director and Vice Chairmen, Director and Vice Presidents, Senior Managing Directors, and Managing Directors.</u></p> <p>Article <u>30</u> (Remuneration, etc.) <u>Directors' remuneration, bonuses and other property benefits given by the Company in consideration for the execution of duties ("remuneration, etc.") shall be determined by resolution of a general meeting of shareholders, with a distinction being made between Directors who are Audit and Supervisory Committee Members and other Directors.</u></p> <p>Article <u>31</u> (Convener and Chairperson of Meetings of the Board of Directors)</p> <ol style="list-style-type: none"> 1. <u>Unless otherwise provided for by laws and regulations, the Director and Chairman or Director and President shall convene meetings of the Board of Directors and chair the meetings.</u> 2. When the <u>Director and Chairman or Director and President are unable to perform these duties, another Director shall convene a meeting of the Board of Directors and act as Chairperson in accordance with the order determined in advance by the Board of Directors.</u> <p><u>Article 32 (Notice to Convene a Meeting of the Board of Directors)</u></p>

Current	Proposed Amendment
<p><u>Article 33 (Board of Directors)</u> <u>In addition to matters required by laws and regulations, the Board of Directors shall decide important matters of business execution.</u> (Newly established)</p>	<p><u>1. Notice to convene a meeting of the Board of Directors shall be provided no later than three days before the date of the meeting. However, when there is an urgent need this period may be shortened.</u> <u>2. With the consent of all Directors, a meeting of the Board of Directors may be held without following the convening procedures.</u> (Deleted)</p>
<p><u>Article 34 (Method of resolution, etc. for the Board of Directors)</u> 1. Resolutions of the Board of Directors shall be made by a majority of <u>the Directors present</u> at a meeting where a majority of Directors entitled to participate in resolutions are present. 2. Pursuant to the provisions of Article 370 of the <u>Companies Act, if all Directors indicate their intention to agree to matters to be resolved by the Board of Directors in writing or by using an electromagnetic record, it is deemed that a resolution to adopt said matters has been made by the Board of Directors. However, this shall not apply if an objection is raised by an Audit & Supervisory Board Member.</u> (Newly established)</p>	<p><u>Article 33 (Delegation of decisions on important matters of business execution)</u> Pursuant to the provisions of Article 399-13, paragraph 6 of the <u>Companies Act, by a resolution of the Board of Directors the Company may delegate all or some decisions on important matters of business execution (excluding the items listed in paragraph 5 of the same Article) to a Director.</u> <u>Article 34 (Method of resolution for the Board of Directors)</u> Resolutions of the Board of Directors shall be made by a majority at a meeting where a majority of Directors entitled to participate in resolutions are present. (Deleted)</p>
<p><u>Article 35–Article 36 (Omitted)</u></p>	<p><u>Article 34 (Method of resolution for the Board of Directors)</u> Resolutions of the Board of Directors shall be made by a majority at a meeting where a majority of Directors entitled to participate in resolutions are present. (Deleted)</p>
<p><u>Chapter 6 Audit & Supervisory Board Members and Audit & Supervisory Board</u> <u>Article 37 (Establishing of Audit & Supervisory Board Members and Audit & Supervisory Board)</u> <u>The Company shall have Audit & Supervisory Board Members and an Audit & Supervisory Board.</u> <u>Article 38 (Number of Directors)</u> <u>The Company shall have not more than 5 Audit & Supervisory Board Members.</u> <u>Article 39 (Election)</u> <u>Elections of the Audit & Supervisory Board Members of the Company shall be made by a majority of the votes of the shareholders present at a general meeting of shareholders where the shareholders holding one-third or more of the votes of the shareholders entitled to exercise their votes at such meetings are present.</u> <u>Article 40 (Terms of Office)</u></p>	<p><u>Article 35 (Omission of Resolutions of the Board of Directors)</u> <u>The Company shall deem that a resolution of the Board of Directors has been made in cases where the requirements set forth in Article 370 of the Companies Act have been fulfilled.</u> <u>Article 36–Article 37 (Unchanged)</u> (Deleted) (Deleted) (Deleted) (Deleted) (Deleted)</p>

Current	Proposed Amendment
<p><u>The term of office of an Audit & Supervisory Board Member shall expire at the conclusion of the annual general meeting of shareholders for the last business year out of the business years terminating within four years after the election of the Audit & Supervisory Board Member. However, the term of office of an Audit & Supervisory Board Member who is elected as the substitute for an Audit & Supervisory Board Member who retired before the expiration of their term of office shall continue until the time the term of office of the Audit & Supervisory Board Member who retired from office is to expire.</u></p>	
<p><u>Article 41 (Election of Full-Time Audit & Supervisory Board Member)</u></p>	(Deleted)
<p><u>The Audit & Supervisory Board shall elect a Full-Time Audit & Supervisory Board Member from among the Audit & Supervisory Board Members.</u></p>	
<p><u>Article 42 (Remuneration, etc.)</u></p>	(Deleted)
<p><u>The Remuneration, etc. of Audit & Supervisory Board Members shall be determined by resolution of a general meeting of shareholders.</u></p>	
<p><u>Article 43 (Convocation and Chairperson)</u></p>	(Deleted)
<p><u>1. Notice to convene a meeting of the Audit & Supervisory Board shall be provided to each Audit & Supervisory Board Member no later than three days before the date of the meeting. However, when there is an urgent need this period may be shortened.</u></p>	
<p><u>2. The duties of Chairperson of the Audit & Supervisory Board shall be undertaken by the Convener.</u></p>	
<p><u>Article 44 (Regulations of the Audit & Supervisory Board)</u></p>	(Deleted)
<p><u>Matters concerning the Audit & Supervisory Board shall be governed by the Regulations of the Audit & Supervisory Board established by the Audit & Supervisory Board, in addition to laws and regulations and these Articles of Incorporation.</u></p>	
<p><u>Article 45 (Reduction in Liabilities of Audit & Supervisory Board Members, etc.)</u></p>	(Deleted)
<p><u>1. By a resolution of the Board of Directors, the Company may exempt Audit & Supervisory Board Members (and persons who were formerly Audit & Supervisory Board Members) from liability for damages to an amount derived by deducting the minimum liability amount provided for by laws and regulations from the amount of liability for damages, in cases where the requirements of Article 423, paragraph 1 of the Companies Act are satisfied.</u></p>	
<p><u>2. The Company may enter into agreements with Audit & Supervisory Board Members to limit their liability for damages, in cases where the requirements of Article 423, paragraph 1 of the Companies Act are satisfied. The maximum amount of liability for damages under said agreement shall be the minimum liability amount stipulated by laws and regulations.</u></p>	
<p>(Newly established)</p>	
<p>(Newly established)</p>	<p>Chapter 6 Audit and Supervisory Committee <u>Article 38 (Establishing of Audit and Supervisory Committee)</u> <u>The Company shall have an Audit and Supervisory Committee.</u></p>

Current	Proposed Amendment
(Newly established)	<p><u>Article 39 (Full-Time Audit and Supervisory Committee Member)</u> <u>The Audit and Supervisory Committee may appoint a Full-Time Audit and Supervisory Committee Member by its own resolution.</u></p>
(Newly established)	<p><u>Article 40 (Notice to Convene a Meeting of the Audit and Supervisory Committee)</u> 1. <u>Notice to convene a meeting of the Audit and Supervisory Committee shall be provided no later than three days before the date of the meeting. However, when there is an urgent need this period may be shortened.</u> 2. <u>With the consent of all Audit and Supervisory Committee Members, a meeting of the Audit and Supervisory Committee may be held without following the convening procedures.</u></p>
(Newly established)	<p><u>Article 41 (Method of resolution for the Audit and Supervisory Committee)</u> <u>Resolutions of the Audit and Supervisory Committee shall be made by a majority at a meeting where a majority of Audit and Supervisory Committee Members entitled to participate in resolutions are present.</u></p>
(Newly established)	<p><u>Article 42 (Regulations of the Audit and Supervisory Committee)</u> <u>Matters concerning the Audit and Supervisory Committee shall be governed by the Regulations of the Audit and Supervisory Committee established by the Audit and Supervisory Committee, in addition to laws and regulations and these Articles of Incorporation.</u></p>
<p>Chapter 7 Financial Auditor Article 46–Article 48 (Omitted) Article 49 (Remuneration, etc.) Remuneration, etc. for the Financial Auditor shall be determined by the Representative Director after obtaining the approval of the <u>Audit & Supervisory Board</u>.</p>	<p>Chapter 7 Financial Auditor Article 43–Article 45 (Unchanged) Article 46 (Remuneration, etc.) Remuneration, etc. for the Financial Auditor shall be determined by the Representative Director after obtaining the approval of the <u>Audit and Supervisory Committee</u>.</p>
<p>Chapter 8 Accounts Article 50 (Business year) The business year of the Company shall commence on May 1 of each year and end on April 30 of the following year. <u>Article 51 (Dividends of surplus)</u> <u>By a resolution of a general meeting of shareholders, the Company shall pay dividends of surplus to shareholders or pledgees recorded in the shareholder register at the close of business on the last day of each business year (“year-end dividends”).</u> (Newly established) <u>Article 52 (Interim dividends)</u></p>	<p>Chapter 8 Accounts Article 47 (Business year) The business year of the Company shall commence on May 1 of each year and end on April 30 of the following year. (Change in Japanese only; English unchanged) (Deleted) <u>Article 48 (Organizational Body to Determine Dividends of Surplus, etc.)</u> <u>Unless otherwise provided for by laws and regulations, the Company may, by resolution of the Board of Directors, determine dividends of surplus and other matters set forth in the items of Article 459, paragraph 1 of the Companies Act.</u> (Deleted)</p>

Current	Proposed Amendment
<p><u>Pursuant to Article 454, paragraph 5 of the Companies Act, by a resolution of the Board of Directors, the Company may pay dividends of surplus to shareholders or pledgees recorded in the shareholder register at the close of business on October 31 of each business year (“interim dividends”).</u> (Newly established)</p> <p><u>Article 53 (Prescription Period for Payment of Year-End Dividends)</u></p> <ol style="list-style-type: none"> <u>For year-end dividends or interim dividends, if the dividends have not been received after three full years have elapsed from the date on which payment commenced, the Company shall be exempt from the obligation to pay such dividends.</u> (Omitted) <p>(Newly established)</p>	<p><u>Article 49 (Record Date for Dividends of Surplus)</u></p> <ol style="list-style-type: none"> <u>The record date for year-end dividends of the Company shall be April 30 of each year.</u> <u>The record date for interim dividends of the Company shall be October 31 of each year.</u> <u>In addition to the provisions of the preceding two paragraphs, the Company may pay dividends of surplus by setting a record date.</u> <p><u>Article 50 (Prescription Period for Payment of Dividends)</u></p> <ol style="list-style-type: none"> <u>In cases where the dividend property is monetary and the dividends have not been received after three full years have elapsed from the date on which payment commenced, the Company shall be exempt from the obligation to pay such dividends.</u> (Unchanged) <p><u>Supplementary Provisions</u></p> <p><u>Article 1 (Transitional Measures for Exemption of Liability for Audit & Supervisory Board Members)</u></p> <p><u>Pursuant to the provisions of Article 426, paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt Audit & Supervisory Board Members (and persons who were formerly Audit & Supervisory Board Members) from liability for neglect of duties, before the amended Articles of Incorporation approved by the 58th Annual General Meeting of Shareholders come into effect, to the minimum amount provided for in laws and regulations.</u></p>

Proposal 3: Election of 10 Directors (excluding Directors who are Audit and Supervisory Committee Members)

If Proposal 2, “Amendment to the Articles of Incorporation,” is approved as proposed, the Company will become a company with an Audit and Supervisory Committee and the terms of office of all 13 Directors will expire upon the effective date of the amendments to the Articles of Incorporation. Therefore, the Company proposes the election of 10 Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter the same shall apply in this proposal), who will take office after the shift to a company with an Audit and Supervisory Committee.

This proposal shall become effective on the condition that the amendment to the Articles of Incorporation in Proposal 2, “Amendment to the Articles of Incorporation,” takes effect.

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, and Group Management Promotion Division
5	Reappointment	Yoshihisa Nakano	Director and Senior Managing Executive Officer General Manager of Production Division and CSO Logistics Division
6	Reappointment	Shigeru Kamiya	Director and Senior Managing Executive Officer National Distribution Sales Division, National Retailer Sales Division, and General Planning Division
7	Reappointment	Yosuke Jay Oceanbright Honjo	Director and Executive Officer U.S. Operations
8	Reappointment	Atsushi Hirata	Director and Senior Managing Executive Officer General Manager of Administration Division and CHRO Compliance, Internal Control
9	Reappointment Outside Independent	Hideo Takano	Outside Director
10	Reappointment Outside Independent	Keiko Abe	Outside Director

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 1,159,960</p> <p>Class-A preferred stock 216,870</p>	Not applicable
<p>[Reason for the nomination as a candidate for Director] Mr. Daisuke Honjo 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" as a "Health Creation 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</p> <p>May 2023 In charge of Group Management Promotion Division (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 for many years and has extensive experience and knowledge in the financial, personnel and general affairs, overseas businesses, and new 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>May 2023 Chief Sustainability Officer (CSO) (current post)</p>	<p>Common stock 11,700</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 and logistics 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</p> <p> 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</p> <p>May 2022 In charge of National Retailer Sales Division (current post)</p> <p>May 2023 In charge of General Planning Division (current post)</p>	<p>Common stock 9,200</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.</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
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>June 2023 Executive Officer In charge of U.S. businesses (current post)</p> <p>[Significant concurrent positions] 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] Mr. Yosuke Jay Oceanbright Honjo has led U.S. businesses as CEO and made efforts to enable the Company to promote global business management since the Company entered its U.S. business. The Company re-nominates him as a candidate for Director based on such achievement.</p>				
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>May 2023 Chief Human Resource Officer (CHRO) (current post)</p>	<p>Common stock 1,365</p> <p>Class-A preferred stock 120</p>	Not applicable
<p>[Reason for the nomination as a candidate for Director] 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.</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
9	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 opinions, advice, and proposals that contribute to the enhancement of the ITO EN Group's corporate value, from a standpoint independent of the Board of Directors and the management of the Company. Based on such achievement and extensive experience, the Company re-nominates him as a candidate for Outside Director in the expectation that he will continue to serve as an advisor and highly effective supervisor of the Company's Group management.</p>				
10	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 post)</p> <p>April 2010 Project Professor of Graduate School of Agricultural and Life Sciences, The University of Tokyo</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>July 2022 Outside Director of the Company (current post)</p> <p>[Significant concurrent positions] Professor Emeritus of 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. She has made statements that contribute to the improvement of corporate value by providing useful opinions and advice on research areas related to medium- to long-term management based on her extensive experience and expertise in food functionality research. Based on her extensive experience and knowledge, the Company re-nominates her as a candidate for Outside Director in the expectation that she will continue to serve as an advisor and highly effective supervisor of the Company's Group management.</p>				

(Notes)

1. Each candidate has no special interest in the Company.

2. Mr. Hideo Takano and Ms. Keiko Abe are candidates for Outside Director.
3. 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. 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.
4. Mr. Hideo Takano and Ms. Keiko Abe currently serve as Outside Directors of the Company. At the conclusion of this General Meeting of Shareholders, Mr. Hideo Takano will have served for three years and Ms. Keiko Abe for one year.
5. In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into contracts with Mr. Hideo Takano and Ms. Keiko Abe 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 Mr. Hideo Takano and Ms. Keiko Abe is approved, the Company intends to continue said contracts.
6. 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 policy) in which Directors and Audit & Supervisory Board Members of the Company and the ITO EN 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.
7. Mr. Hideo Takano and Ms. Keiko Abe 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. If elected as proposed, the Company plans for their designation as an independent director to continue.

Proposal 4: Election of 4 Directors who are Audit and Supervisory Committee Members

If Proposal 2, “Partial Amendments to the Articles of Incorporation,” is approved as proposed, the Company will become a company with an Audit and Supervisory Committee; therefore, we request election of 4 Directors who are Audit and Supervisory Committee Members.

The Audit & Supervisory Board has given its consent to this proposal.

This proposal shall become effective on the condition that the amendment to the Articles of Incorporation in Proposal 2, “Amendment to the Articles of Incorporation,” takes effect.

Candidates for Directors who are Audit and Supervisory Committee Members are listed below.

No.	Name	Current positions and responsibilities at the Company
1	New appointment Kiyoshi Kondo	Advisor
2	New appointment Outside Independent Yuichi Usui	Outside Director
3	New appointment Outside Independent Yutaka Tanaka	Outside Director
4	New appointment Outside Independent Hitoshi Yokokura	Outside Audit & Supervisory Board Member

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	* Kiyoshi Kondo (February 10, 1962)	<p>August 1989 Joined the Company</p> <p>May 1999 General Manager of South Tokyo Sales Department</p> <p>May 2002 General Manager of Sales Promotion Department III</p> <p>May 2009 General Manager of Vending Machine Division</p> <p>May 2012 Manager of Internal Auditing Office</p> <p>May 2014 General Manager of Regional Sales Management Division</p> <p>May 2019 General Manager of Sales and Management Division</p> <p>May 2020 Executive Officer</p> <p>May 2022 Advisor (current post)</p>	<p>Common stock 2,600</p> <p>Class-A preferred stock 960</p>	Not applicable
<p>[Reason for the nomination as a candidate for Director]</p> <p>Mr. Kiyoshi Kondo has directed marketing and sales promotion at the Company and overseen company-wide sales as the General Manager of Sales and Management Division. He also has experience directing Internal Auditing Office and thorough knowledge of group management. The Company nominates him as a candidate for Director based on such achievement and extensive experience.</p>				
2	* 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 900</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. 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. He views an overall picture of the management of the ITO EN Group and has offered opinions that contribute to the enhancement of the ITO EN Group's corporate value, from a standpoint independent of the Board of Directors and the management of the Company based on his various experience and insight. Based on such achievement and extensive experience, he is nominated as a candidate for Outside Director so that he may continue to provide advice regarding risks and conduct highly effective audits of the Company's management, drawing on his experience as a corporate manager.</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	* 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 5,700</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 and extensive knowledge and experience as a licensed tax accountant. Since his appointment as an Outside Audit & Supervisory Board Member of the Company, he has viewed an overall picture of the management of the ITO EN Group and has offered opinions that would contribute to an increase in the ITO EN Group's corporate value, from a standpoint independent of the Board of Directors and the management of the Company. Based on such achievement and extensive experience, he has been nominated as a candidate for Outside Director so that he may continue to provide highly effective auditing on the Company's management and advice based on his professional knowledge and experience.</p>				
4	* Hitoshi Yokokura (May 30, 1969)	<p>April 1992 Joined Asahi Shinwa & Co. (currently KPMG AZSA LLC)</p> <p>March 1995 Registered as Certified Public Accountant</p> <p>December 2001 Resigned from Asahi Shinwa & Co. (currently KPMG AZSA LLC)</p> <p>January 2002 Established Yokokura CPA Office</p> <p>December 2007 Registered as Attorney (Tokyo Bar Association) Joined Bingham Sakai Mimura Aizawa (currently Anderson Mori & Tomotsune)</p> <p>April 2014 Partner attorney of Waseda Legal Commons, LPC (current post)</p> <p>July 2017 Auditor of Minori Audit Corporation</p> <p>June 2020 Outside Director of Credit Saison Co., Ltd. (current post)</p> <p>July 2021 Outside Audit & Supervisory Board Member of the Company (current post)</p> <p>May 2023 Outside Corporate Auditor, Yoshinoya Holdings Co., Ltd. (current post)</p> <p>[Significant concurrent positions] Partner attorney of Waseda Legal Commons, LPC Outside Director of Credit Saison Co., Ltd. Outside Corporate Auditor, Yoshinoya Holdings 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] Mr. Hitoshi Yokokura possesses expert insight, extensive knowledge and experience as a certified public accountant and an attorney. As an Outside Audit & Supervisory Board Member, he mainly audits the legality of the performance of their duties by Directors and provides advice and recommendations as appropriate. Based on these accomplishments and his wealth of experience, he has been nominated as a candidate for Outside Director so that he may continue to provide suggestions from an accounting and legal perspective and conduct highly effective audits of the Company's management.</p>				

(Notes)

1. Each candidate has no special interest in the Company.
2. * indicates a new candidate for Director.
3. Messrs. Yuichi Usui, Yutaka Tanaka, and Hitoshi Yokokura 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. 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. Hitoshi Yokokura possesses expert insight and a wide range of knowledge and experience as a certified public accountant and lawyer. Therefore, the Company has judged that he can appropriately perform his duties as an Outside Director.

5. Messrs. Yuichi Usui and Yutaka Tanaka currently serve as Outside Directors of the Company. At the conclusion of this General Meeting of Shareholders, Mr. Yuichi Usui will have served for five years and Mr. Yutaka Tanaka for four years.
Mr. Hitoshi Yokokura is currently an Outside Audit & Supervisory Board Member of the Company, and his term of office as an Outside Audit & Supervisory Board Member will be two years at the conclusion of this General Meeting of Shareholders.
6. In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into contracts with Messrs. Yuichi Usui, Yutaka Tanaka, 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 minimum amount stipulated by laws and regulations. If the election of Messrs. Kiyoshi Kondo, Yuichi Usui, Yutaka Tanaka, and Hitoshi Yokokura 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 policy), 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. Yuichi Usui, Yutaka Tanaka, and Hitoshi Yokokura 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. If elected as proposed, the Company plans for their designation as an independent director to continue.

(Reference)

Skills Matrix (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 and Executive Officer	○	○		○			
	8	Atsushi Hirata	Director and Senior Managing Executive Officer	○				○	○	○
	9	Hideo Takano	Outside Director	○					○	
	10	Keiko Abe	Outside Director			○				
Directors who are Audit and Supervisory Committee Members	1	Kiyoshi Kondo	Director		○					○
	2	Yuichi Usui	Outside Director	○				○	○	
	3	Yutaka Tanaka	Outside Director				○		○	
	4	Hitoshi Yokokura	Outside Director				○			○

*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)

<Standards for Determining the Independence of Outside Directors>

Based on the standards for the independence of Outside Directors and Outside Audit and Supervisory Committee Members specified by Tokyo Stock Exchange Inc., the Company's standards for the independence of independent Outside Directors and Outside Audit and Supervisory Committee Members are as described below.

- Persons who do not fall under below and are deemed unlikely to have conflicts of interest with general shareholders
 - (1) The ITO EN Group's executive persons who has fallen under recently and in the past 10 years
 - (2) Those who have been listed in any of the following (i) to (viii) in the recent and past 5 years
 - (i) A major customer of the ITO EN Group or their executive persons
 - (ii) A major business partner of the ITO EN Group or their executive persons
 - (iii) Consultants, certified public accountants or legal specialists who obtain a large amount of money or other property, other than officers' remuneration, from the ITO EN Group (in cases in which persons obtaining the properties are corporate bodies, associations or other organizations, persons who belong to said organizations)
 - (iv) Employees, partners, or associates of the ITO EN Group's financial auditor, the audit corporation
 - (v) Major shareholders of the ITO EN Group (if such major shareholder is a corporation, its executive person)
 - (vi) Executive persons of corporations in which the ITO EN Group is a major shareholder
 - (vii) Executive persons of the corporation with which the relationship of mutual appointment of officers is made
 - (viii) Persons who have received donations or grants of a certain amount from the ITO EN Group (if the donor or grantee is a corporation, partnership, or other organization, its executive persons)
 - (3) Close relatives (only important person) listed in (1) or (2) above

(Notes)

1. The term "the ITO EN Group" means the Company and its subsidiaries.
2. "Executive persons" means executive directors, executive officers, other officers who execute the business of a juridical person, employees who execute the business of a juridical person, and other persons or employees who are equivalent thereto.
3. A "major customer of the ITO EN Group" is defined as a customer that has received payment from the ITO EN Group in an amount equal to 2% or more of the customer's consolidated sales (consolidated sales revenue) in the most recent fiscal year.
4. A "major business partner of the ITO EN Group" is a person who falls under any of the following categories.
 - Persons who have made payments to the ITO EN Group in an amount equal to or greater than 2% of the ITO EN Group's consolidated net sales in the most recent fiscal year
 - Financial institutions and other major creditors that are essential to the ITO EN Group's financing and on which the ITO EN Group relies to the extent that there is no alternative
5. A "large amount of money or other property" means, in the case of an individual, money or other property income of 10 million yen or more per year in the most recent fiscal year, or in the case of an organization, money or other property income of 2% or more of the total income of the organization in the most recent fiscal year.
6. A "major shareholder" is a shareholder that directly or indirectly holds 10% or more of the total voting rights.
7. "Relationship of mutual appointment of officers" means a relationship in which an executive person of the ITO EN Group is an outside officer of another corporation and the executive person of that other corporation is an outside director of the ITO EN Group.
8. A "certain amount" is defined as 10 million yen or more per year.
9. "Close relatives" means a spouse, a relative within the second degree of kinship, or a relative living in the same household.
10. "Important person" means, with respect to an executive person, a director or a department manager, and with respect to (iii) and (iv) above, a certified public accountant, an attorney, or a person who is objectively and reasonably considered to be of equal importance to these persons.

Proposal 5: Setting the amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members)

The Company will have an Audit and Supervisory Committee if Proposal 2, "Amendment to the Articles of Incorporation," is approved as proposed.

The amount of remuneration for Directors was approved at the 27th Annual General Meeting of Shareholders held on July 29, 1992, as 100 million yen or less per month (not including salaries as employees), and has remained unchanged to this day. However, due to the shift to a company with an Audit and Supervisory Committee, the Company has decided to abolish this system and newly set the amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) and proposes that the remuneration be 1,200 million yen per year or less (including 100 million yen or less for Outside Directors, not including salaries as employees), taking into consideration the amount of remuneration for Directors to date, the number of Directors, and various circumstances, including the recent economic conditions. Details such as the specific amount paid to each Director and timing of payment are determined by the Board of Directors respecting the report of the Nomination & Remuneration Committee, in which a majority of members are independent Outside Directors, which deliberates on the consistency of such details with its decision policy and assessment based on its remuneration standards.

The Company has a basic policy for the remuneration of Directors, including that the remuneration should be commensurate with the levels of their roles and responsibilities and their contribution to the Company's performance, and the Company considers that the amount of remuneration, etc. in this proposal is appropriate based on such a policy and in consideration of the Company's business scale, executive remuneration system, future trends, and other factors.

This Remuneration does not include the employee's salary for Directors who serve concurrently as employees. The Company currently has 13 Directors (including five Outside Directors). If Proposal 2, "Amendment to the Articles of Incorporation," and Proposal 3, "Election of 10 Directors (excluding Directors who are Audit and Supervisory Committee Members)," are approved as proposed, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) will be 10, including two Outside Directors.

This proposal shall become effective on the condition that the amendment to the Articles of Incorporation in Proposal 2, "Amendment to the Articles of Incorporation," takes effect.

Proposal 6: Setting the amount of remuneration for Directors who are Audit and Supervisory Committee Members

The Company will have an Audit and Supervisory Committee if Proposal 2, "Amendment to the Articles of Incorporation," is approved as proposed.

Therefore, the Company proposes that the amount of remuneration paid to Directors who are Audit and Supervisory Committee Members be no more than 72 million yen per year, taking into account the recent economic conditions and other factors. The specific amount, timing, etc. of payment to each Director who is an Audit and Supervisory Committee Member will be determined upon consultation among the Directors who are Audit and Supervisory Committee Members.

This proposal was determined based on comprehensive consideration of the Company's business scale, executive compensation structure, and its payment level, the current number of Directors and executive officers, and future trends. The Company, therefore, consider it appropriate.

The number of Directors who are Audit and Supervisory Committee Members will be four if Proposal 2, "Amendment to the Articles of Incorporation," and Proposal 4, "Election of 4 Directors who are Audit and Supervisory Committee Members," are approved and resolved as originally proposed.

This proposal shall become effective on the condition that the amendment to the Articles of Incorporation in Proposal 2, "Amendment to the Articles of Incorporation," takes effect.

Proposal 7: Decision on the remuneration to give restricted stock to Executive Officers concurrently serving as Directors (excluding Directors not concurrently serving as Executive Officers, Directors who are Audit and Supervisory Committee Members, and Outside Directors)

At the 27th Annual General Meeting of Shareholders held on July 29, 1992, the Company set the amount of remuneration for Directors at 100 million yen per month (not including employee salaries), and at the 46th Annual General Meeting of Shareholders held on July 26, 2011, the amount of remuneration for Directors (excluding Outside Directors), which is separate from the above-mentioned amount, was approved. The amount of remuneration, etc. to Directors (excluding Outside Directors) in the form of stock acquisition rights as performance-linked stock compensation-type stock options was approved as 100 million yen per year and 32,000 shares or less of common stock.

The Company will have an Audit and Supervisory Committee if Proposal 2, “Amendment to the Articles of Incorporation,” is approved as proposed in this General Meeting of Shareholders. Accordingly, as part of the revision of the system to improve the corporate governance of the Company, the Company proposes that its Directors concurrently serving as Executive Officers (excluding Directors who do not concurrently serve as executive officers, Directors who are Audit and Supervisory Committee Members, and Outside Directors; hereinafter referred to as “Eligible Directors”) be given a new reward for the grant of restricted stock separately from the amount of remuneration approved in Proposal 5, “Setting the amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members),” for the purpose of giving them incentives to continuously raise the Company’s corporate value and to further promote value sharing with shareholders.

The remuneration to be paid to the Eligible Directors for the grant of the restricted stock pursuant to this proposal shall be a monetary claim (hereinafter referred to as “Monetary Remuneration Claim”). The total amount shall be an amount considered reasonable in light of the aforementioned purpose, which shall be no more than 200 million yen per year (not including the employee’s salary for Directors who concurrently serve as employees). The specific timing and allocation of payments to each Eligible Director will be determined by the Board of Directors after deliberation by the Nomination & Remuneration Committee. Subject to the approval of this proposal, the performance-linked stock option scheme will be abolished, and thereafter, no new stock acquisition rights will be issued as performance-linked stock option scheme in the future.

The current number of Directors is 13. If Proposal 2, “Amendment to the Articles of Incorporation,” and Proposal 3, “Election of 10 Directors (excluding Directors who are Audit and Supervisory Committee Members),” are approved as proposed, the number of Eligible Directors will be seven. In addition, the Eligible Directors shall, based on the resolution of the Board of Directors of the Company, pay all of the monetary claims to be paid under this proposal as assets contributed in kind and receive the issuance or disposal of common shares of the Company. The total number of common shares of the Company to be issued or disposed of as a result thereof shall not exceed 48,000 shares per year (provided, however, that the total number of shares of the Company shall be adjusted within a reasonable range in the event of a stock split (including gratis allotment of shares of the Company’s common stock) or a reverse split of the Company’s common stock after the date of approval of this proposal, or any other event requiring adjustment of the total number of shares of common stock of the Company to be issued or disposed of as restricted stock occurs). The amount to be paid per share shall be determined by the Board of Directors based on the closing price of the Company’s common shares on the Tokyo Stock Exchange on the business day immediately before each date of resolution by the Board of Directors (if there is no closing price on such date, the closing price on the closest preceding trading day) or any other amount within the extent that the amount will not be particularly advantageous to Eligible Directors who subscribe the Company’s common shares. The issuance or disposal of shares of common stock of the Company and the payment of monetary claims as assets contributed in kind shall be subject to the execution of a restricted stock allotment agreement (hereinafter referred to as the “Allotment Agreement”) between the Company and the Eligible Directors, which shall include the following terms and conditions. In addition, the Company considers that the maximum amount of remuneration, the total number of shares of the Company’s common stock to be issued or disposed of, and other terms and conditions of the grant of restricted stock to the Eligible Directors under this proposal are appropriate as they have been determined in accordance with the aforementioned purpose, the Company’s business conditions, the policy for the determination of remuneration, etc. for the Directors of the Company (if this proposal is approved, the Company plans to change this policy to the one described in the [Reference] section below to be consistent with the details approved by the Board of Directors), and various other conditions.

If the proposal for this plan is approved at this General Meeting of Shareholders as originally proposed, the Company plans to introduce a similar restricted stock compensation plan for Executive Officers, who do not concurrently serve as Directors of the Company. Furthermore, the Company plans to introduce restricted stock ownership plan for some of its employees through the use of the Company's Class-A Preferred Stock.

[Summary of the Allotment Agreement]

(1) Restriction Period

The Eligible Directors shall not transfer, create a security interest in, or otherwise dispose of the shares of common stock of the Company allotted under the Allotment Agreement (hereinafter referred to as the "Allotted Shares") from the date of allotment under the Allotment Agreement until the time immediately following their retirement or resignation from the position of an officer or employee of the Company or its subsidiary as predetermined by the Board of Directors of the Company (hereinafter referred to as the "Restricted Transfer Period"). However, if the time immediately following such retirement or resignation is before the date three months have elapsed since the end of the fiscal year that includes the date on which the Allotted Shares are to be allotted, the termination date of the Restricted Transfer Period may be adjusted within reasonable limits.

(2) Treatment at the time of retirement or resignation

If an Eligible Director resigns or retires from his/her position as an officer or employee of the Company or its subsidiary before the expiration of the period predetermined by the Board of Directors of the Company (hereinafter referred to as the "Service Period"), the Company shall naturally acquire the Allotted Shares without consideration, unless there is a justifiable reason such as the expiration of his/her term of office and death for his/her resignation or retirement.

(3) Lifting of transfer restrictions

The Company shall lift the transfer restrictions of all of the Allotted Shares upon expiration of the Restricted Transfer Period on the condition that the Eligible Director has remained in the position of an executive or employee of the Company or its subsidiary predetermined by the Board of Directors of the Company throughout the Service Period. However, if (i) the Eligible Director resigns or retires from the position of officer or employee of the Company or its subsidiary, which is predetermined by the Board of Directors of the Company, before the expiration of the Service Period for justifiable reasons, or (ii) the Eligible Director retires or retires from the position of officer or employee of the Company or its subsidiary, which is predetermined by the Board of Directors of the Company, for reasons other than justifiable reasons before the expiration of the Restricted Transfer Period, even after the expiration of the Service Period, the number of the Allotted Shares, from the restrictions on transfer will be lifted, and the timing of lifting the restrictions on transfer shall be reasonably adjusted as necessary. Additionally, the Company shall duly acquire without contribution any Allotted Shares, from which the transfer restrictions have not been lifted as of the time immediately after the transfer restrictions were lifted pursuant to the above provision.

(4) Treatment during reorganization, etc.

Notwithstanding the provision of (1) above, if, during the Restricted Transfer Period, matters relating to a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other reorganization, etc. are approved at the Company's General Meeting of Shareholders (or at a meeting of its Board of Directors in cases where approval at the Company's General Meeting of Shareholders is not required in relation to the reorganization, etc.), the Company shall lift the transfer restrictions on the Allotted Shares with the number of shares that is reasonably determined considering the period from the start date of the Restricted Transfer Period to the date of approval of the reorganization, etc. prior to the date on which the reorganization, etc. becomes effective, by resolution of the Board of Directors of the Company. In cases specified above, the Company shall automatically acquire without contribution the Allotted Shares, from which the transfer restrictions have not been lifted, as of the time immediately after the transfer restrictions were lifted.

(5) Other matters

Other matters concerning the Allotment Agreement shall be determined by the Board of Directors of the Company.

This proposal shall become effective on the condition that the amendment to the Articles of Incorporation in Proposal 2, "Amendment to the Articles of Incorporation," takes effect.

[Reference] Policy for determining the remuneration for Directors and Audit and Supervisory Committee 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.

Remuneration for Directors shall be determined separately between Directors who are Audit and Supervisory Committee Members and those who are not by a resolution of the General Meeting of Shareholders within the range of remuneration limit resolved at the General Meeting of Shareholders.

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. (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.)

(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 perpetual 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 value 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 Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) shall comprises fixed remuneration and variable remuneration, with fixed remuneration comprising approximately 65% and variable remuneration approximately 35% (approximately 20% of performance-based remuneration and approximately 15% of share-based remuneration).

Remuneration for Outside Directors and Directors who are Audit and Supervisory Committee Members shall be fixed remuneration only.

Composition

← Fixed remuneration	→ Variable remuneration →		
Base remuneration (Monetary remuneration) (65% ±10%)	<table border="1"> <tr> <td style="text-align: center;"> Performance-linked remuneration (Monetary remuneration) (20% ±5%) </td> <td style="text-align: center;"> Share-based remuneration (Restricted stock compensation) (15% ±5%) </td> </tr> </table>	Performance-linked remuneration (Monetary remuneration) (20% ±5%)	Share-based remuneration (Restricted stock compensation) (15% ±5%)
Performance-linked remuneration (Monetary remuneration) (20% ±5%)	Share-based remuneration (Restricted stock compensation) (15% ±5%)		

(i) Fixed remuneration

Fixed remuneration shall be the basic reward paid in cash according to positions and roles, which shall be paid, in principle, monthly.

(ii) Variable remuneration

Performance-linked remuneration is monetary remuneration determined based on performance assessment for the applicable period, which, in principle, paid monthly.

Share-based remuneration is paid for the purpose of promoting interest and further encouraging motivation and morale in raising the share price and improving business performance by increasing the link between remuneration and the share price of the Company’s stock and placing Directors in a position to share the value of impact of share price fluctuations with shareholders. Director concurrently serving as Executive Officers

(excluding Directors not concurrently serving as Executive Officers, Directors who are Audit and Supervisory Committee Members, and Outside Directors) shall be given common stock of the Company as restricted stock once a year depending on their positions and roles during the applicable period.

(ii)-1 Determination of variable 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)-2 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)."

Business Report

(From May 1, 2022 to April 30, 2023)

1. Items regarding current status of corporate group

(1) Business activities and results

During the fiscal year ended April 30, 2023 (May 1, 2022 - April 30, 2023), the Japanese economy remained in a tough situation due to the protracted impact of the Russia-Ukraine conflict, increased risk of an economic downturn due to global fiscal tightening, and soaring costs of raw materials and energy, despite expectations for a recovery in business conditions due to various policies enacted for the era of coexistence with the novel coronavirus disease (COVID-19).

Under these business conditions, in keeping with the management principle of “Always Putting the Customer First,” the ITO EN Group vigorously engaged in business activities while constantly seeking to identify and address areas of customer dissatisfaction in the beverage market.

As a result, consolidated performance for the fiscal year ended April 30, 2023 was as follows. The Group recorded net sales of 431,674 million yen (up 7.7% year on year), operating income of 19,588 million yen (up 4.2% year on year), ordinary income of 20,341 million yen (up 1.9% year on year), and profit attributable to owners of parent of 12,888 million yen (down 0.3% year on year).

Performance by each of the business segments was as follows.

<Tea Leaves and Beverages Business>

Cumulative sales of the “Oi Ocha” brand surpassed 40 billion bottles since its launch in 1989. In addition, consolidated sales volumes for the year ended April 30, 2023 were the highest on record. The reason that “Oi Ocha” has been enjoyed for many years since the brand was launched is the product development based on technologies and experience accumulated from a desire to offer people delicious tea “anytime, anywhere,” and our efforts to strengthen the brand through such initiatives as the “Japanese Tea Day Oi Ocha Grand Tea Ceremony” and the “‘Making Japan Beautiful Through Tea’ campaign” which enhance the value of tea. While addressing the changing times, going forward we will continue to work to make “Oi Ocha” a more familiar presence in people’s lives, without forgetting our gratitude to the customers who have nurtured the brand.

With the aim of helping customers achieve healthy and fulfilling lifestyles and assisting in the realization of a sustainable society, we will enhance convenience, increase the number of users, and develop products that contribute to resolving social issues, while also utilizing digital tools to improve our contact with customers.

In March 2023, in the Smooth Melting Instant Tea series (powder type) we launched “Sarasatokeru Oi Ocha Japanese Green Tea with Matcha” (smooth melting Oi Ocha instant Japanese green tea with matcha), and “Sarasatokeru Oi Ocha Roasted Green Tea” (smooth melting Oi Ocha instant roasted green tea), as well as “Sarasatokeru Kenko Mineral Mugicha” (smooth melting instant healthy mineral barley tea). The Smooth Melting Instant Tea series seeks to reproduce the taste of green tea and roasted green tea that has been brewed in a teapot, and mugicha (barley tea) that has been brewed in a kettle, while focusing on ensuring the product dissolves easily not only in hot water but also in cold water. In addition to improvements in the quality of instant tea products, demand for a tea that can be drunk easily even when the customers are short of time has been increasing, leading to an upward trend in the instant tea market. As one of the leading companies in tea, we will contribute to expanding this market.

Also in March, the Company launched new beverage products developed jointly with the Nippon Yell Project of the National Federation of Agricultural Cooperative Associations (JA ZEN-NOH) to support Japanese agriculture. These were “Nippon Yell Kokusan Kankitsu Sanshu Blend” and “Nippon Yell Wakayamaken-san Mikan Zeri.” Through the sale of products jointly developed with JA ZEN-NOH, we contribute to increasing awareness and consumption of domestic agricultural and livestock products.

Also in March, we began rolling out the CHACOCO vending machine smartphone app, whose name is derived from a combination of “cha” (tea) and “kokoro” (heart), to embody our desire to develop closer ties with our customers through the app. In recent years there has been an increase in purchasing behavior that makes use of the superior convenience and hygiene offered by cashless payment, and a rise in the use of smartphone apps that aim to develop closer communications with customers. CHACOCO is a vending machine app with outstanding visibility and usability that allows customers to utilize around 20,000 vending machines equipped with cashless payment functions, mostly in business offices and tourist districts of urban

areas. By focusing on smooth payments and a stamp function, we achieved a simple, easily understood, and convenient app-based service. In future, we are considering rolling out campaigns linked to the app, such as subscription services.

In April this year, we launched a new fruit tea with a Japanese tea base called “Hare nochi kumori tokidoki Ocha.” The fruits used are apple, lemon, and peach, and plant-based lactic bacteria are also incorporated. The result is the new sensation of a crisp-tasting fruit tea that combines the soft roasted aroma of refreshing green tea and roasted green tea. This product was developed on the concept of “a cup of tea lifts my feelings whether the day is fine or cloudy.” The design of the packaging has its roots in the saying that when the swallows fly high the weather will be fine, and that when they fly low it will rain. The two swallows on the packaging express the blessings conferred by tea and fruit. We will roll out promotions that provide additional experiences based on the worldview of the packaging, and as well as conveying to new customers that Japanese tea beverages are delicious and enjoyable, we aim to invigorate the Japanese tea market.

Also in April, we launched the first food products with function claims in the “Maiasa Kaicho” brand, namely the “Maiasa Kaicho Yogurt Chonai Kankyo Kaizen” and “Maiasa Kaicho Yogurt Chonai Kankyo Kaizen Teitoshitsu” yogurt products, and the “Maiasa Kaicho Yogurt Chonai Kankyo Kaizen” beverage. In the 26 years since its launch by Chichiyasu in 1997, “Maiasa Kaicho Yogurt” has demonstrated its strength as a health-conscious brand loved by customers. By bringing together a lineup of new foods with function claims that cut across the yogurt and beverage product categories, we will continue to support healthy and fulfilling lifestyles for our customers.

As a result of these activities, the Tea Leaves and Beverages Business recorded net sales of 390,033 million yen, up 7.1% year on year, and operating income of 17,827 million yen, down 0.7% year on year.

<Restaurant Business>

As limited-edition seasonal spring beverages, Tully’s Coffee Japan Co., Ltd. launched its first drinks using oat milk, including “Maple & Pecan Nuts Oat Latte” and “& TEA Honey and Oat Royal Milk Tea,” which have been particularly well received by health-conscious customers. We also rolled out a collaboration with fashion brand Manhattan Portage, resulting in items with a limited-edition logo attracting much attention.

In April, we also made steady progress in opening new stores, such as the TULLY’S COFFEE TOBU icourt shop, which has CFC-free refrigerators, and uses many eco-friendly materials, such as pendant light shades made from waste coffee grounds. As of April 30, 2023, we operated a total of 766 outlets.

As a result, Restaurant Business recorded net sales of 35,492 million yen, up 18.1% year on year, and operating income of 2,429 million yen, up 182.2% year on year.

<Others>

The Others recorded net sales of 6,148 million yen, down 7.1% year on year, and operating loss of 20 million yen, compared with operating income of 605 million yen in the same period last year.

(2) Net sales by segment

(Millions of yen)

Business segment	57th term (from May 1, 2021 to April 30, 2022)		58th term (from May 1, 2022 to April 30, 2023)		YoY change % (decrease)
	Net sales	Sales Composition	Net sales	Sales Composition	
Tea Leaves and Beverages Business	364,103	% 90.9	390,033	% 90.4	% 7.1
Restaurant Business	30,046	7.5	35,492	8.2	18.1
Others	6,619	1.6	6,148	1.4	(7.1)
Total	400,769	100.0	431,674	100.0	7.7

(Note) Intersegment transactions have been eliminated in the above figures for net sales.

(3) Capital investments

Total capital investments in the fiscal year ended April 30, 2023 amounted to 7.2 billion yen. The main components thereof were as follows.

Company name	Details of main facilities and equipment
The Company	Vending machines, Software, etc.
Tully's Coffee Japan Co., Ltd.	New store facilities, etc.

(4) Financing

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 actively 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," "Safe" and "Delicious" in addition to "The Environment," which contributes to a sustainable society. 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 further strengthen its brand 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 dilapidated farmland, 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 dilapidated farmland, 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 Japanese 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 Japanese 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 Group aims to both solve environmental and social issues and enhance corporate value (creation of shared value: CSV) by promoting and implementing sustainability management. Under the “ITO EN Group Basic Sustainability Policy,” the Group promotes initiatives that work in conjunction with the Medium and Long-Term Management Plan, positioning the seven material issues (materiality) for sustainability as its management strategy.



<Dietary Habits and Health>

The Group works to develop products that match the health needs of customers, which have come about due to the global increase of health consciousness and lifestyle changes, in relation to nutritional issues caused by the poor intake of vitamins and minerals or excessive intake of fat, sugar, salt, etc. Furthermore, the Group contributes to customers’ healthy and fulfilling lives by utilizing the results of its many years of research, such as research related to the functionality of active ingredients in green tea and matcha, and providing food for specified health uses and products labeled with functional food claims, which contribute to improved nutrition and health.

Amid the entry into a super-aging society where people are living into their hundreds and the increase of healthy life expectancy and prevention of lifestyle-related diseases are becoming social issues, we continuously hold the “ITO EN Wellness Forum,” which conveys the health benefits of tea through lectures and panel discussions with researchers, etc. In addition to conveying information that helps customers live healthy daily lives, we will create connections through “tea” and support customers’ health from the perspective of both spirit and body.

<Sustainable Agriculture>

For the Tea-Producing Region Development Project, which has been worked on since 1976, we contribute to the revitalization of domestic agriculture by stably procuring high-quality plucked tea leaves in addition to converting dilapidated farmland, etc. into tea plantations, and promote environmentally friendly agriculture. Our dedicated crude tea factory in Iruma, Saitama has reduced CO₂ emissions by 57%(*1) compared to the average crude tea leaf factory due to the usage of city gas and the reuse of exhaust heat. Furthermore, from spring 2023, we have begun to evaluate the effects of measures against climate change by spreading “biochar” over tea-producing land in collaboration with four related companies. “Biochar” refers to a resource created by heating resources derived from living

things (biomass), such as wood or bamboo. It has the effect of suppressing emissions released into the atmosphere as it traps the CO₂ absorbed by biomass resources in the charcoal. In addition, we compost used tea leaves generated from outsourced plants during the manufacturing process of beverages, such as “*Oi Ocha*,” and promote circular agriculture by utilizing contract plantations.

Due to growing global awareness regarding reduced or no sugar, we are focusing on the development of production regions that use less pesticides or practice organic cultivation for overseas markets, where demand is expected to increase going forward. We have fully acquired “GAP Certification(*2),” which is the certification system for the management of agricultural production processes, for the Tea-Producing Region Development Project. Continuing to provide products that take into consideration safety and security going forward, and realizing production and procurement of plucked tea leaves that meet the standards of and have acquired certification in various countries around the world will lead to the expansion of business opportunities.

(*1) CO₂ emissions per unit production volume (according to research by TERADA SEISAKUSHO CO., LTD.)

(*2) The GAP certification system, which is given to farms that are committed to food safety and environmental preservation in addition to carrying out initiatives such as respecting human rights, occupational safety and farm management, 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.

<Initiatives for Environmental Issues>

The Group believes that protecting the global environment shared by all humankind and passing it down to the next generation is one of its most important issues as a company that conducts business activities that are primarily related to products derived from nature. Against the backdrop of environmental issues such as climate change, water resources and waste, primarily plastics, as well as the diverse issues regarding biodiversity, which is closely affected by these issues, the Group has set Medium- to Long-Term Environmental Goals under the “ITO EN Group Environmental Policy” and works to reduce the environmental burden and prevent pollution for the entire value chain for the Group’s business activities.

ITO EN Group’s Medium- to Long-Term Environmental Goals

Realization of carbon neutrality for the entire value chain by FY 2050

Indicators	FY2030 Targets
CO ₂ emissions Scope 1・2	50% reduction* ¹
CO ₂ emissions Scope 3	20% reduction* ¹
Water usage basic unit* reduction *consumption per 1 kiloliter of production	16% reduction* ¹
Ratio of recycled materials* used for PET bottles *including bio-derived materials	100%

(*1) Compared to base year FY 2018

• Response to climate change

The Group has expressed its endorsement of the TCFD (Task Force on Climate Change-related Financial Disclosures) recommendations for the solving of various issues related to climate change. The Group began scenario analysis on green tea, main ingredient, expanded the scope to the entire value chain from FY 2021, and advanced the evaluation of the impact of risks and opportunities pertaining to climate change on business activities and investigation of response measures. The details have been presented in the integrated report, the Company’s website, etc.

For the realization of a decarbonized society, the Group realized weight reduction of a maximum of 110kg compared to previous vehicles and contributed to the reduction of petroleum resources used and CO₂ emissions by utilizing lightweight panels made from a composition containing used tea leaves, which were jointly developed with the Company’s proprietary technology “Used Tea Leaves Recycling System,” in frames for its commercial fleet. Furthermore, we have worked to switch to electric vehicles for its commercial fleet, implement eco-driving, introduce solar power generation facilities at our plants and offices, and increase the ratio of electricity derived from renewable energy sources by purchasing electricity with a CO₂-free plan.

• Water resources

We aim to utilize sustainable water resources, and promotes initiatives such as the reduction of the volume of water used in production activities. In addition to evaluating and identifying water risks applicable to our plants and partner plants and taking necessary measures, we cooperate with partner plants and promote forest protection activities, which will lead to the protection of water resources, which are the intake source around plants.

- Containers and packaging

For the realization of a decarbonized and circular society, we are working on 3R (Recycle, Reduce, Replace & Reuse) + Clean (environmental protection) for containers and packaging by reducing the volume of materials, such as PET bottles, caps and labels, and other initiatives, expanding label-less products and making substitutions using environmentally friendly materials and reusable containers, which include biodegradable materials derived from plants, in accordance with the “ITO EN Group Policy on Plastics” and the “ITO EN Group Policy on Containers and Packaging.” Furthermore, we cooperate with associated parties, including local governments and partner plants, and promote resource circulation through horizontal recycling into new PET bottles (bottle-to-bottle).

- Biodiversity

The Group, which carries out business activities that use the abundant blessings of nature, recognizes that the protection and recovery of biodiversity is an urgent issue, similar to climate change, and thoroughly revised the “ITO EN Group Basic Policy on Biodiversity Protection.” Based on this policy, we understand the dependency and impact on biodiversity and natural resources during each stage of the Group’s value chain in FY 2022, and recognize priority matters to be addressed. Going forward, we will promote initiatives for the protection and recovery of biodiversity.

<Initiatives for human rights and human resources>

The Group promotes initiatives for respecting the human rights of all people in the value chain under the “ITO EN Group Human Rights Policy” and the “ITO EN Group Fundamental Supplier Policy.” In FY 2022, we held human rights seminars for management, which included Group companies, and human rights workshops for managers. Going forward, we will work to implement due diligence for human rights in the supply chain.

Furthermore, based on the belief that “people” are the most important asset, the Group sees all human resources that work for it as “human assets,” and aims to develop human resources that can always take on challenges in a positive manner under the “ITO EN Group Human Resources Policy.” In order to realize its management strategy, we have established the themes of “Community Communication,” “Globalization,” “Next-Generation Leaders,” “Promotion of DX,” and “Diversity and Inclusion” and defined a concrete image of the kinds of human resources we are looking for, and have advanced human capital management that connects with the five key strategies in the Medium and Long-Term Management Plan.



We aim to enhance work engagement for all employees and increase sustainable corporate value by continuing and developing initiatives for human resources management.

<Main external evaluations>

The Group’s ESG initiatives have been evaluated, and the Group has been included as a constituent in “FTSE4Good Index Series,” one of the world’s leading ESG indexes, and several of the ESG investment indexes for stocks of Japanese companies that have been adopted by the Government Pension Investment Fund (GPIF), one of the largest pension fund in the world. In addition, the Group was selected for the second year in a row as a “Supplier Engagement Leader,” the highest rating in the Supplier Engagement Assessment by CDP, an international environmental non-profit organization, in recognition of its continuous efforts to reduce environmental impact throughout the entire supply chain by cooperating with suppliers.

The Group also worked to promote health management for the maintenance and improvement of the health of employees and their families, and continued to receive certification under the “2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program (large enterprise category) (White 500),” which is jointly implemented by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.



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*The information as of June 6, 2023 is presented.

(6) Trends in assets and operating results

(i) Assets and operating results of the Group

Item \ Term	55th term (fiscal year ended April 30, 2020)	56th term (fiscal year ended April 30, 2021)	57th term (fiscal year ended April 30, 2022)	58th term (current fiscal year) (fiscal year ended April 30, 2023)
Net sales (Millions of yen)	483,360	446,281	400,769	431,674
Ordinary income (Millions of yen)	19,432	17,029	19,971	20,341
Profit attributable to owners of parent (Millions of yen)	7,793	7,011	12,928	12,888
Earnings per share of common stock (Yen)	61.53	55.10	103.92	103.82
Earnings per share of Class-A preferred stock (Yen)	71.53	65.10	113.89	113.82
Total assets (Millions of yen)	290,651	333,065	328,359	338,774
Net assets (Millions of yen)	149,695	153,057	163,012	172,128
Net assets per share of common stock (Yen)	1,221.92	1,250.37	1,334.88	1,408.55
Net assets per share of Class- A preferred stock (Yen)	1,226.92	1,255.37	1,339.88	1,413.55

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

Item \ Term	55th term (fiscal year ended April 30, 2020)	56th term (fiscal year ended April 30, 2021)	57th term (fiscal year ended April 30, 2022)	58th term (current fiscal year) (fiscal year ended April 30, 2023)
Net sales (Millions of yen)	377,787	352,732	300,319	315,025
Ordinary income (Millions of yen)	18,142	17,565	17,409	18,864
Net income (Millions of yen)	13,148	7,115	12,360	13,281
Earnings per share of common stock (Yen)	105.69	55.96	99.24	107.07
Earnings per share of Class-A preferred stock (Yen)	115.69	65.96	109.21	117.07
Total assets (Millions of yen)	266,436	296,470	278,776	288,473
Net assets (Millions of yen)	147,918	150,501	156,444	165,038
Net assets per share of common stock (Yen)	1,217.27	1,238.65	1,290.96	1,361.57
Net assets per share of Class- A preferred stock (Yen)	1,222.27	1,243.65	1,295.96	1,366.57

(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.

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 57th term, and figures for assets and operating results for the terms from the 57th term 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	92.6%	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	183 offices in 29 regions nationwide
	Stores	107 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.: 766 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, 2023)**(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	6,834	Decrease by 65
Restaurant Business	860	Decrease by 17
Others	234	Decrease by 18
Total	7,928	Decrease by 100

(Note) The above numbers of employees do not include 20 persons seconded to other companies and 9,911 temporary employees (temporary employees, contract employees, and part-time employees). In addition, the numbers include three 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
5,205	Increase by 30	40.9 years old	17.2 years

(Note) The above numbers of employees do not include 108 persons seconded to other companies and 1,668 temporary employees (temporary employees, contract employees, and part-time employees). In addition, the numbers include 36 persons seconded from another company.

2. Status of shares of the Company (as of April 30, 2023)

(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 976,571 treasury stock)

Class-A preferred stock 34,246,962 shares (including 1,489,535 treasury stock)

(3) Number of shareholders

Common stock 61,450 (Increase by 11,884 from the previous fiscal year-end)

Class-A preferred stock 67,871 (Increase by 3,688 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	19.42
The Master Trust Bank of Japan, Ltd. (Trust account)	10,841	85	10,926	9.03
Honjo International Scholarship Foundation	5,200	1,560	6,760	5.59
Hachiro Honjo	2,446	882	3,329	2.75
The Bank of New York 134104	–	3,294	3,294	2.72
ITO EN Employees' Shareholding Association	1,934	239	2,174	1.80
Toyo Seikan Group Holdings, Ltd.	1,955	126	2,081	1.72
The Bank of New York Mellon (International) Limited 131800	2,036	–	2,036	1.68
Resona Bank, Limited	1,933	–	1,933	1.60
State Street Bank and Trust Company 505223	1,803	–	1,803	1.49

(Notes)

1. The Company holds 2,466 thousand treasury stock (976 thousand shares of common stock and 1,489 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

Not applicable.

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, 2023

Name	Second 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)	3	2
Audit & Supervisory Board Members of the Company	1	–
Date of resolution on issuance	July 28, 2004	October 26, 2018
Exercise period for share acquisition rights	From September 1, 2004 to August 31, 2034	From September 1, 2019 to August 31, 2024
Number of share acquisition rights	880	55
Class of shares underlying share acquisition rights	Common stock of the Company	Common stock of the Company
Number of shares underlying share acquisition rights	228,800 shares	5,500 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.	15th series of share acquisition rights of ITO EN, LTD.
Number of holders		
Directors of the Company (excluding Outside Directors)	2	7
Audit & Supervisory Board Members of the Company	–	–
Date of resolution on issuance	October 25, 2019	October 26, 2022
Exercise period for share acquisition rights	From September 1, 2020 to August 31, 2025	From September 1, 2023 to August 31, 2028
Number of share acquisition rights	67	163
Class of shares underlying share acquisition rights	Common stock of the Company	Common stock of the Company
Number of shares underlying share acquisition rights	6,700 shares	16,300 shares
Issuance price of share acquisition rights	Gratis	Gratis
Amount to be paid in upon exercise of share acquisition rights	1 yen	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, 2023

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	In charge of Marketing Division 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 and Executive Officer	Minoru Watanabe	In charge of Administration, 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 and Senior Managing Executive Officer	Yoshihisa Nakano	General Manager of Production Division In charge of Logistics Division
Director and Senior Managing Executive Officer	Shigeru Kamiya	General Manager of Tokyo and Chiba Area Sales Division In charge of National Distribution Sales Division and National Retailer 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	General Manager of Administration Division In charge of Compliance and Internal Control
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
Director	Keiko Abe	Professor Emeritus of The University of Tokyo Outside Director of Taiyo Kagaku Co., Ltd.
Standing Audit & Supervisory Board Member of the Company	Shuji Nakagomi	
Audit & Supervisory Board Member	Yoshiaki Takasawa	Attorney and Representative of Yoshiaki Takasawa Law Firm
Audit & Supervisory Board Member	Takashi Miyajima	Outside Audit & Supervisory Board Member of MONTEROZA Co., Ltd.
Audit & Supervisory Board Member	Hitoshi Yokokura	Partner attorney of Waseda Legal Commons, LPC Outside Director of Credit Saison Co., Ltd.

(Notes)

1. Directors Morikazu Taguchi, Yuichi Usui, Yutaka Tanaka, Hideo Takano and Keiko Abe are Outside Directors as defined in Article 2, Item 15 of the Companies Act.
2. 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.
3. 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.

4. The Company has registered Directors Morikazu Taguchi, Yuichi Usui, Yutaka Tanaka Hideo Takano, Keiko Abe, and Audit & Supervisory Board Members Yoshiaki Takasawa and Hitoshi Yokokura as independent officers with the Tokyo Stock Exchange.
5. Audit & Supervisory Board Member Yoshiaki Takasawa possesses considerable knowledge regarding legal affairs and finance as an attorney.
6. Audit & Supervisory Board Member Takashi Miyajima possesses considerable knowledge regarding finance and accounting from his many years of experience at financial institutions.
7. Audit & Supervisory Board Member Hitoshi Yokokura possesses considerable knowledge regarding finance, accounting and legal affairs as a Certified Public Accountant and an attorney.
8. 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 policy) 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.
9. The Company has entered into contracts with Directors Morikazu Taguchi, Yuichi Usui, Yutaka Tanaka, Hideo Takano and Keiko Abe, 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.
10. Changes in Directors and Audit & Supervisory Board Members from the fiscal year ended April 30, 2023 Responsibilities in the Company and significant concurrent positions outside the Company for Directors as of May 1, 2023 are as follows.

Position	Name	Responsibilities in the Company and significant concurrent positions outside the Company
Vice Chairman Executive Officer	Minoru Watanabe	In charge of Administration Division, International Division, and Group Management Promotion 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 Sustainability Promotion (CSO) General Manager of Production Division In charge of Logistics Division
Director Senior Managing Executive Officer	Shigeru Kamiya	In charge of National Distribution Sales Division, National Retailer Sales Division and General Planning Division
Director Senior Managing Executive Officer	Atsushi Hirata	In charge of Personnel & Human Rights Promotion (CHRO) General Manager of Administration Division In charge of Compliance and Internal Control

(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)	503	453	–	50	10
Outside Director	48	48	–	–	5
Total	552	501	–	50	15
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	13	13	–	–	1
Outside Audit & Supervisory Board Members	34	34	–	–	3
Total	47	47	–	–	4

(Notes)

- As of the end of the fiscal year ended April 30, 2023, there were 13 Directors and four Audit & Supervisory Board Members.
- The table above includes two Directors who retired at the conclusion of the 57th Annual General Meeting of Shareholders held on July 28, 2022.
- The total amount of the remuneration for Directors (excluding Outside Directors) does not include employee salary paid to 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 38.
- 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).
- 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).
- 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).
- The amount of the above-stated share-based remuneration is 50 million yen in an amount expensed during the fiscal year under review in relation to share acquisition rights granted in the form of share options to seven (7) Directors (excluding Outside Directors).
- 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.

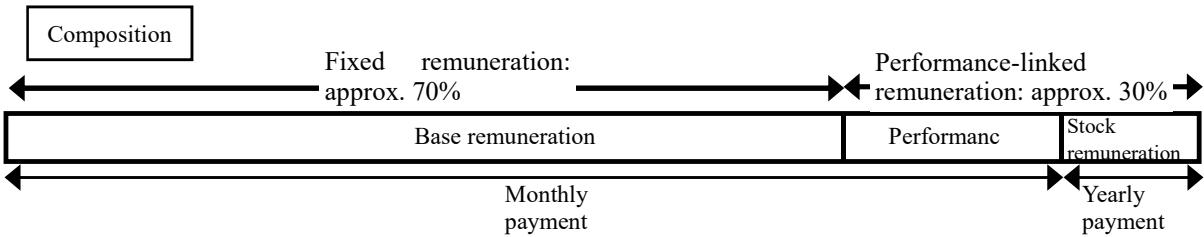
(a) Basic policy

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 Outside Directors and Audit & Supervisory Board 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), and 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)."

The Company will shift to a company with an Audit and Supervisory Committee if Proposal 2 "Amendment to the Articles of Incorporation" is approved and adopted as originally proposed. The policy for determining the remuneration for Directors and Audit and Supervisory Committee Members after the transition will be as stated in "[Reference] Policy for determining the remuneration for Directors and Audit and Supervisory Committee Members" on page 28.

(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 fair and transparent management of the Nomination & Remuneration Committee 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. He has also provided a leadership role in the fair and transparent management of the Nomination & Remuneration Committee as a member of the committee.
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
Director	Keiko Abe	10/10	–	Ms. Keiko Abe 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, she has usefully fulfilled her role in the research field, which influenced the medium- to long-term management, by offering opinions, leveraging her extensive experience and expert knowledge in the research of food functionality.
Audit & Supervisory Board Member	Yoshiaki Takasawa	11/12	12/13	Mr. Yoshiaki Takasawa has offered appropriate and useful advice and proposals at the Board of Directors meetings and Audit & Supervisory Board meetings based on his extensive experience and expert viewpoint as an attorney for many years. He has carried out audits, primarily regarding the legality of the performance of duties by Directors, from an independent, objective and fair standpoint, and fulfilled his role in the strengthening of the Company's corporate governance.
Audit & Supervisory Board Member	Takashi Miyajima	12/12	13/13	Mr. Takashi Miyajima has attended all Board of Directors meetings and Audit & Supervisory Board meetings, and offered appropriate and useful advice and proposals based on his extensive experience at financial institutions and wide-ranging insight related to corporate management. He has carried out audits related to the performance of duties by Directors, such as the internal control systems, from an objective and fair standpoint, and fulfilled his role in the strengthening of the Company's corporate governance.
Audit & Supervisory Board Member	Hitoshi Yokokura	12/12	13/13	Mr. Hitoshi Yokokura has attended all Board of Directors meetings and Audit & Supervisory Board meetings, and offered appropriate and useful advice and proposals based on his expert and broad experience and insight as a certified public accountant and attorney. He has carried out audits related to the performance of duties by Directors from the perspectives of accounting and legal affairs and from an objective and fair standpoint, and fulfilled his role in the strengthening of the Company's corporate governance.

(Note) The attendance of Director Keiko Abe, who was appointed to her position on July 28, 2022, is shown for meetings of the Board of Directors after her 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	82 million yen
Total of money and other economic benefits that the Company and subsidiaries should pay to Accounting Auditor	109 million yen

(Notes)

1. 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 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” pertaining to the compliance system and the Group’s Directors and employees 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” 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” 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” 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" as its operational guidelines for day-to-day operations. The Company also distributed copies of its handbook to officers and employees 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 five 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 four 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, 2023. 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, 2023, 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, 2023)

(Millions of yen)

Assets		Liabilities	
Account	Amount	Account	Amount
Current assets	185,102	Current liabilities	68,116
Cash and deposits	86,976	Accounts payable - trade	23,211
Notes receivable - trade	43	Current portion of bonds payable	10,000
Accounts receivable - trade	50,836	Short-term loans payable	1,300
Merchandise and finished goods	28,898	Lease obligations	1,227
Raw materials and supplies	8,488	Accounts payable - other	258
Prepaid expenses	1,846	Accrued expenses	24,181
Short-term loans receivable from subsidiaries and associates	575	Income taxes payable	3,466
Accounts receivable - other	7,067	Unearned revenue	14
Other	385	Provision for bonuses	3,333
Allowance for doubtful accounts	(17)	Other	1,123
Non-current assets	103,371	Non-current liabilities	55,318
Property, plant and equipment	45,211	Long-term loans payable	42,750
Buildings	10,528	Lease obligations	2,030
Structures	225	Provision for retirement benefits	9,480
Machinery and equipment	1,768	Deferred tax liabilities for land revaluation	719
Vehicles	21	Other	338
Tools, furniture and fixtures	12,744		
Land	15,181	Total liabilities	123,435
Leased assets	4,726	Net assets	
Construction in progress	13	Shareholders' equity	169,568
Intangible assets	4,208	Capital stock	19,912
Leasehold interests in land	80	Capital surplus	20,205
Trademark right	1,125	Legal capital surplus	5,000
Software	1,569	Other capital surplus	15,205
Telephone subscription right	89	Retained earnings	136,362
Other	1,343	Legal retained earnings	1,320
Investments and other assets	53,952	Other retained earnings	135,042
Investment securities	3,713	Reserve for tax purpose reduction entry of non-current assets	524
Shares of subsidiaries and associates	37,331	General reserve	117,616
Investments in capital	9	Retained earnings brought forward	16,901
Investments in capital of subsidiaries and associates	1,051	Treasury shares	(6,911)
Long-term loans receivable from subsidiaries and associates	3,200	Valuation and translation adjustments	(4,664)
Distressed receivables	16	Valuation difference on available-for-sale securities	1,388
Long-term prepaid expenses	63	Revaluation reserve for land	(6,053)
Deferred tax assets	4,631	Share acquisition rights	134
Leasehold and guarantee deposits	2,000		
Business insurance premiums	353	Total net assets	165,038
Other	1,670	Total liabilities and net assets	288,473
Allowance for doubtful accounts	(90)		
Total assets	288,473		

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

Non-consolidated Statement of Income

(From May 1, 2022 to April 30, 2023)

(Millions of yen)

Account	Amount	
Net sales		315,025
Cost of sales		198,038
Gross profit		116,986
Selling, general and administrative expenses		100,200
Operating income		16,785
Non-operating income		
Interest and dividend income	1,679	
Foreign exchange gains	232	
Other	544	2,456
Non-operating expenses		
Interest expenses	124	
Interest on bonds	22	
Rent expenses	31	
Depreciation on rental buildings	61	
Loss on cancellation of leases	47	
Other	91	377
Ordinary income		18,864
Extraordinary income		-
Extraordinary losses		
Loss on abandonment of non-current assets	203	
Loss on valuation of investment securities	17	
Other	1	221
Income before income taxes		18,643
Income taxes - current	5,988	
Income taxes - deferred	(626)	5,361
Net income		13,281

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

Non-consolidated Statement of Changes in Shareholders' Equity

(From May 1, 2022 to April 30, 2023)

(Millions of yen)

	Shareholders' equity								
	Capital stock	Capital surplus			Legal retained earnings	Retained earnings			Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		Other retained earnings			
						Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward	
Balance as of May 1, 2022	19,912	5,000	15,280	20,280	1,320	526	111,616	14,785	128,248
Changes of items during period									
Dividends of surplus								(5,166)	(5,166)
General reserve							6,000	(6,000)	
Reversal of reserve for tax purpose reduction entry of non-current assets						(1)		1	
Net income								13,281	13,281
Purchase of treasury shares									
Disposal of treasury shares			(75)	(75)					
Net changes of items other than shareholders' equity									
Total changes of items during period	-	-	(75)	(75)	-	(1)	6,000	2,115	8,114
Balance as of April 30, 2023	19,912	5,000	15,205	20,205	1,320	524	117,616	16,901	136,362

	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, 2022	(7,016)	161,424	955	(6,053)	(5,097)	117	156,444
Changes of items during period							
Dividends of surplus		(5,166)					(5,166)
General reserve		–					–
Reversal of reserve for tax purpose reduction entry of non-current assets		–					–
Net income		13,281					13,281
Purchase of treasury shares	(4)	(4)					(4)
Disposal of treasury shares	109	33					33
Net changes of items other than shareholders' equity			433		433	17	450
Total changes of items during period	104	8,143	433	–	433	17	8,594
Balance as of April 30, 2023	(6,911)	169,568	1,388	(6,053)	(4,664)	134	165,038

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

Consolidated Balance Sheet

(As of April 30, 2023)

(Millions of yen)

Assets		Liabilities	
Account	Amount	Account	Amount
Current assets	234,393	Current liabilities	89,226
Cash and deposits	104,181	Accounts payable - trade	29,958
Notes receivable - trade	75	Current portion of bonds payable	10,000
Accounts receivable - trade	60,120	Short-term loans payable	2,743
Merchandise and finished goods	44,767	Lease obligations	2,135
Raw materials and supplies	12,880	Accrued expenses	29,519
Accounts receivable - other	9,256	Income taxes payable	4,367
Other	3,394	Provision for bonuses	4,296
Allowance for doubtful accounts	(281)	Other	6,206
Non-current assets	104,381	Non-current liabilities	77,419
Property, plant and equipment	72,005	Long-term loans payable	58,210
Buildings and structures	21,093	Lease obligations	3,662
Machinery, equipment and vehicles	5,694	Net defined benefit liability	10,810
Tools, furniture and fixtures	14,181	Deferred tax liabilities for land revaluation	719
Land	22,979	Other	4,017
Leased assets	6,075		
Construction in progress	912	Total liabilities	166,646
Other	1,067	Net assets	
Intangible assets	8,270	Shareholders' equity	170,386
Goodwill	2,528	Capital stock	19,912
Software	1,857	Capital surplus	18,558
Other	3,884	Retained earnings	138,827
Investments and other assets	24,105	Treasury shares	(6,911)
Investment securities	3,990	Accumulated other comprehensive income	202
Deferred tax assets	7,362	Valuation difference on available-for-sale securities	1,693
Other	12,862	Revaluation reserve for land	(6,053)
Allowance for doubtful accounts	(110)	Foreign currency translation adjustment	4,132
		Remeasurements of defined benefit plans	429
		Share acquisition rights	134
		Non-controlling interests	1,404
		Total net assets	172,128
Total assets	338,774	Total liabilities and net assets	338,774

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

Consolidated Statement of Income

(From May 1, 2022 to April 30, 2023)

(Millions of yen)

Account	Amount	
Net sales		431,674
Cost of sales		266,089
Gross profit		165,585
Selling, general and administrative expenses		145,996
Operating income		19,588
Non-operating income		
Interest income	226	
Dividend income	91	
Rent income	104	
Compensation income for damaged products	40	
Share of profit of entities accounted for using equity method	138	
Gain on prepaid card	185	
Foreign exchange gains	271	
Subsidy income	280	
Other	236	1,577
Non-operating expenses		
Interest expenses	544	
Loss on cancellation of leases	47	
Other	231	823
Ordinary income		20,341
Extraordinary income		
Gain on sales of non-current assets	3	
Gain on donation of non-current assets	3	6
Extraordinary losses		
Loss on sales of non-current assets	0	
Loss on abandonment of non-current assets	240	
Impairment loss	402	
Loss on valuation of investment securities	17	
Other	2	664
Income before income taxes		19,684
Income taxes - current	7,810	
Income taxes - deferred	(1,325)	6,484
Net income		13,199
Profit attributable to non-controlling interests		310
Profit attributable to owners of parent		12,888

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

Consolidated Statement of Changes in Shareholders' Equity

(From May 1, 2022 to April 30, 2023)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of May 1, 2022	19,912	18,662	131,105	(7,016)	162,664
Changes of items during period					
Dividends of surplus			(5,166)		(5,166)
Profit attributable to owners of parent			12,888		12,888
Capital increase of consolidated subsidiaries		(28)			(28)
Purchase of treasury shares				(4)	(4)
Disposal of treasury shares		(75)		109	33
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(103)	7,721	104	7,722
Balance as of April 30, 2023	19,912	18,558	138,827	(6,911)	170,386

	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, 2022	1,202	(6,053)	3,738	88	(1,023)	117	1,254	163,012
Changes of items during period								
Dividends of surplus								(5,166)
Profit attributable to owners of parent								12,888
Capital increase of consolidated subsidiaries								(28)
Purchase of treasury shares								(4)
Disposal of treasury shares								33
Net changes of items other than shareholders' equity	491	-	393	340	1,226	17	149	1,393
Total changes of items during period	491	-	393	340	1,226	17	149	9,115
Balance as of April 30, 2023	1,693	(6,053)	4,132	429	202	134	1,404	172,128

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

Independent Auditor's Report (Translation)

June 19, 2023

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 58th Fiscal Year (May 1, 2022 - April 30, 2023) 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 19, 2023

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, 2022 to April 30, 2023 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 58th fiscal year, for the period from May 1, 2022 to April 30, 2023, 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 has endeavored to communicate with directors, executive officers, 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, 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 to exchanging views with the President, with regard to subsidiaries, each Audit & Supervisory Board Member conducted visits to the subsidiaries based on the audit plan and communicated and exchanged information with the directors, Audit & Supervisory Board Members, etc. of the subsidiaries and received business reports 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, executive officers, employees, etc., on the status of the establishment and implementation of these internal control systems, requested explanations, and expressed their views as necessary. Furthermore, with regard to internal controls over financial reporting, each Audit & Supervisory Board Member received reports from directors, etc. and KPMG AZSA LLC on the evaluations of the internal controls and on the status of audits, and requested explanations 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 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, 2023.

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 including internal controls over financial reporting.

(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 27, 2023

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.