

Financial Results

Presentation for FY2023 1Q

(Fiscal Year Ending April 30, 2024)

September 2023 ITO EN, LTD.



Financial Results for FY2023 1Q

1Q (May to July 2023)

	FY2022 Results	Sales Composition	FY2023 Results	Sales Composition	YoY % Change	
						Consolidated
	Gross Profit	42,986	38.0%	47,729	39.4%	11.0%
	Advertising	2,845	2.5%	2,880	2.4%	1.2%
	Freight	3,844	3.4%	3,752	3.1%	-2.4%
	Depreciation and Amortization	2,024	1.8%	1,504	1.2%	-25.7%
	Selling, General and Administrative Expenses	36,984	32.7%	37,737	31.1%	2.0%
	Operating Income	6,002	5.3%	9,992	8.2%	66.5%
	Ordinary Income	6,701	5.9%	10,536	8.7%	57.2%
	Extraordinary Losses and Income	-79	-	-128	-	-
	Net Income	4,217	3.7%	6,828	5.6%	61.9%

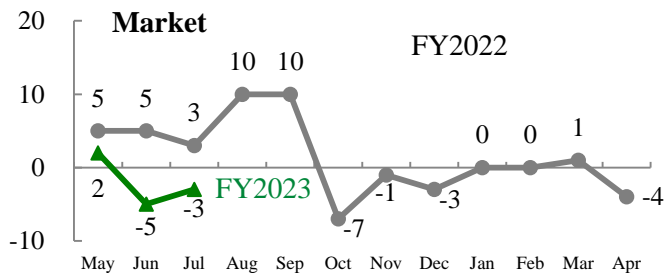
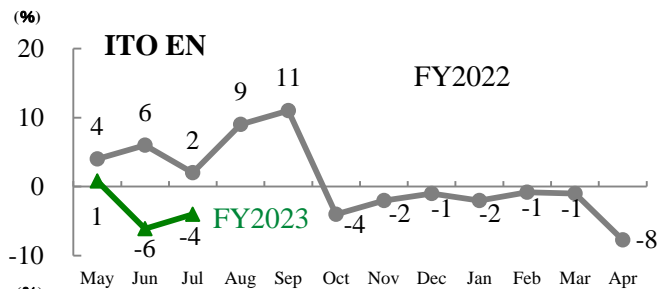
	FY2022 Results	Sales Composition	FY2023 Results	Sales Composition	YoY % Change	
						Non-Consolidated
	Gross Profit	30,757	36.6%	33,974	37.8%	10.5%
	Operating Income	4,721	5.6%	8,142	9.1%	72.5%
	Ordinary Income	6,224	7.4%	9,491	10.6%	52.5%

(Unit: million yen, thousand dollars)

	Upper: Net Sales Bottom: Operating Income	FY2022 Results	FY2023 Results	YoY % Change
		1,287	1,631	26.7%
	Tully's Coffee Japan Co., Ltd.	8,415	9,626	14.4%
		770	953	23.8%
	Chichiyasu Company	3,126	3,245	3.8%
		247	325	31.4%
	Overseas Subsidiaries	13,242	13,590	2.6%
		103	551	433.1%
	US Business	11,926	11,757	-1.4%
		- 138	193	-
		\$ 89,488	\$ 83,954	-6.2%
		\$ -1,039	\$ 1,382	-
	Other Overseas Subsidiaries	1,316	1,833	39.2%
		241	358	48.0%
	Elimination of Internal Transactions	- 8,615	- 8,434	-
		- 110	- 333	-
	Exchange rate (US\$) (1Q average rate)	133.27	140.04	

Soft Drink Market in Japan and ITO EN

Monthly Sales Volume Trends (YoY % change)



FY2022: May 2022 to April 2023
FY2023: May 2023 to July 2023

News Related to Soft Drink Market

- 2023 May The market environment is a mixture of positive aspects of the recovery of human flow due to the shift of COVID-19 to category 5, and negative aspects due to the can product price revision starting in May.
- Jun Recovery of human flow accelerated despite a rebound from favorable weather in the previous year and a decrease in volume due to price revisions.
- July Favorable conditions with high temperatures similar to last year, but the impact of volume reductions due to price revisions continued.

ITO EN (non-consolidated) FY2023 1Q

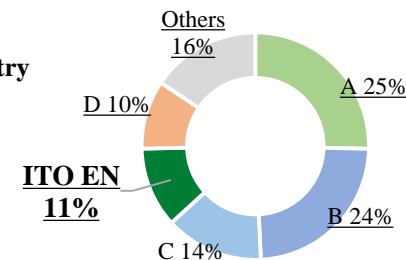
Drink Sales Volume by Category

(Unit: ten thousand cases)

Drinks Sales Volume by Category	FY 2022 Results	Sales Composition	YoY %Change	FY 2023 Results		
				Sales Composition	YoY %Change	YoY %Change
Drinks	6,285	100 %	+ 4 %	6,093	100 %	- 3 %
Tea total	4,501	72 %	+ 4 %	4,351	71 %	- 3 %
Japanese Tea	4,148	66 %	+ 6 %	3,942	65 %	- 5 %
Chinese Tea	228	4 %	- 12 %	242	4 %	+ 6 %
Other Tea	124	2 %	- 4 %	166	3 %	+ 33 %
Vegetable	731	12 %	- 9 %	656	11 %	- 10 %
Coffee	439	7 %	+ 10 %	453	7 %	+ 3 %
Mineral Water	196	3 %	+ 9 %	175	3 %	- 11 %
Carbonated	156	2 %	+ 47 %	180	3 %	+ 15 %
Fruit	126	2 %	+ 5 %	141	2 %	+ 11 %
Others	131	2 %	+ 18 %	135	2 %	+ 3 %

Ratio of Unsweetened Beverages: 75% or more

Reference:
Market Share of Beverage Industry



Source: ITO EN Jan to Jun 2023 / Quantity base

おーお茶 Catechin Green Tea

● Relunched on September 4 Oi Ocha Catechin Green Tea

Food for Specified Health Use (FOSHU)

500ml PET bottle

1L PET bottle

2L PET bottle



• Functional Ingredients: Tea Catechin 197mg/500ml
• License No. 1840

Strengthening Brand Power through Leaf and Drink Linked Sale



AI expresses the "vitality" of Green Tea (Catechins).

*This design is based on the generated AI image, and the illustrations and design have been reworked by the designer.

● Launched September 4
Oi Ocha Catechin Green Tea Stick
Food with Functional Claims
15 sticks per pack



• Functionally Involved Ingredients: (*1) Gallated Catechin 394mg
• Notification No. I123

TULLY'S &TEA



Pursued Latte for Tea Rich

3 New Tea Bag Products



● Launched September 4 260ml can Matcha
● Launched September 4 260ml can Houchicha (Roasted Green Tea)
● Launched September 25 260ml can Black Tea



● Launched September 11 Tea bags 20P Darjeeling Blend Original
● Launched September 11 Tea bags 20P Citrus Earl Grey
● Launched October 9 Tea bags 20P Honey Lemon & Ginger

TULLY'S COFFEE &TEA



Opened on July 31
Tully's Coffee & TEA
Yume Town Tokushima Store



Opened August 3
Tully's Coffee & TEA
Kanazawa 100bangai Rinto Store
& TEA Stores

First store in Hokuriku and Shikoku Prefectures
Plans to Expand Store Openings in the future

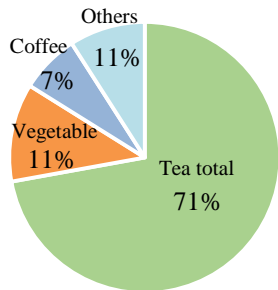
Appendix : ITO EN (non-consolidated) Results

Drink Sales Volume by Category

FY 2023 1Q(May to July 2023)

	FY 2023 Results	FY 2022	
		Sales Composition	YoY % Change
Drinks	6,093	100%	- 3 %
Tea total	4,351	71%	- 3 %
Japanese Tea	3,942	65%	- 5 %
Chinese Tea	242	4%	+ 6 %
Other Tea	166	3%	+ 33 %
Vegetable	656	11%	- 10 %
Coffee	453	7%	+ 3 %
Mineral Water	175	3%	- 11 %
Carbonated	180	3%	+ 15 %
Fruit	141	2%	+ 11 %
Others	135	2%	+ 3 %

(Unit: ten thousand cases)



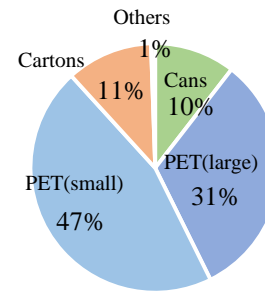
Sales Composition

Drink Sales Volume by Packaging

FY 2023 1Q(May to July 2023)

	FY 2023 Results	FY 2022	
		Composition ratio YOY	YOY % Change
Drink Total	6,093	-	- 3 %
Cans	622	- 0 pt	- 6 %
PET(large)	1,871	- 1 pt	- 8 %
PET(small)	2,887	+ 2 pt	+ 1 %
Cartons	678	- 0 pt	- 4 %
Others	34	+ 0 pt	+ 0 %

(Unit: ten thousand cases)



Sales Composition

Sales Change Ratio for Tea Leaves and Other Categories

FY 2023 1Q(May to July 2023)

	YoY % Change
Tea Leaves	+ 5 %
In-Tea Bags	+ 4 %
Others	+ 2 %

Reference values



Tea Leaves



Barley Tea Tea bags



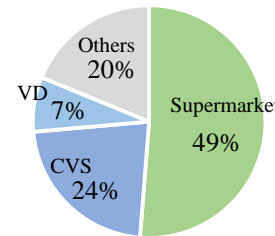
One glass of barely grass green juice a day Powder Type

Drink Sales Volume by Channel

FY 2023 1Q(May to July 2023)

	FY 2022	
	Composition ratio YoY	YOY % Change
Supermarket	- 3 pt	- 8 %
Convenience Store	+ 2 pt	+ 7 %
Vending Machine	- 1 pt	- 10 %
Others	+ 1 pt	+ 2 %

Quantity base



Sales Composition

Appendix : Forecasts for FY 2023

(Unit: million yen, thousand dollars)

	FY2022 Results		FY2023 Forecast			
		Sales Composition		Sales Composition	YoY % Change	
Consolidated	Net Sales	431,674	100.0%	440,000	100.0%	1.9%
	Gross Profit	165,585	38.4%	167,800	38.1%	1.3%
	Advertising	10,048	2.3%	9,654	2.2%	-3.9%
	Freight	14,386	3.3%	14,328	3.3%	-0.4%
	Depreciation and Amortization	7,921	1.8%	6,354	1.4%	-19.8%
	Selling, General and Administrative Expenses	145,996	33.8%	146,800	33.4%	0.6%
	Operating Income	19,588	4.5%	21,000	4.8%	7.2%
	Ordinary Income	20,341	4.7%	21,000	4.8%	3.2%
	Extraordinary Losses and Income	-657	-	-800	-	-
	Net Income	12,888	3.0%	13,500	3.1%	4.7%

	FY2022 Results		FY2023 Forecast			
		Sales Composition		Sales Composition	YoY % Change	
Non-Consolidated	Net Sales	315,025	100.0%	321,500	100.0%	2.1%
	Gross Profit	116,986	37.1%	116,000	36.1%	-0.8%
	Operating Income	16,785	5.3%	17,000	5.3%	1.3%
	Ordinary Income	18,864	6.0%	18,600	5.8%	-1.4%

	FY2022 Results		FY2023 Forecast	
				YoY % Change
Performances of Subsidiaries	Upper: Net Sales			
	Bottom: Operating Income			
	Domestic Subsidiaries	97,548	100,625	3.2%
		3,784	3,256	-14.0%
	Tully's Coffee Japan Co., Ltd.	35,495	37,600	5.9%
		2,429	2,500	2.9%
	Chichiyasu Company	11,947	12,417	3.9%
		670	680	1.5%
	Overseas Subsidiaries	51,252	50,301	-1.9%
		- 433	1,619	-
	US Business	45,361	43,709	-3.6%
		- 1,483	530	-
		\$ 333,292	\$ 336,230	0.9%
		\$ -10,897	\$ 4,080	-
	Other Overseas Subsidiaries	5,891	6,592	11.9%
	1,049	1,089	3.8%	
Elimination of Internal Transactions	- 32,150	- 32,426	-	
	- 548	- 875	-	
Exchange rate (US\$) (average during a year)	136.10	130.00		



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