

Financial Results

Presentation for FY2023 2Q

(Fiscal Year Ending April 30, 2024)

December 2023 ITO EN, LTD.



Soft Drink Market in Japan, Financial Results for
FY2023 2Q and Full-Year Forecast ...P.3

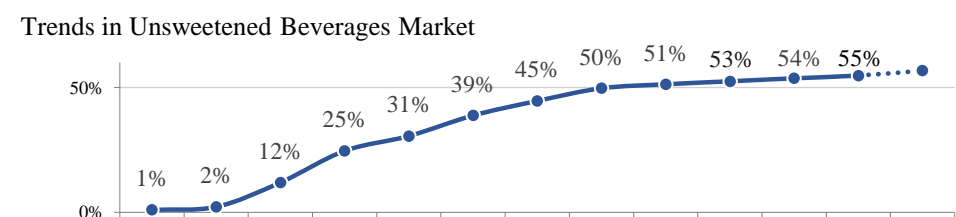
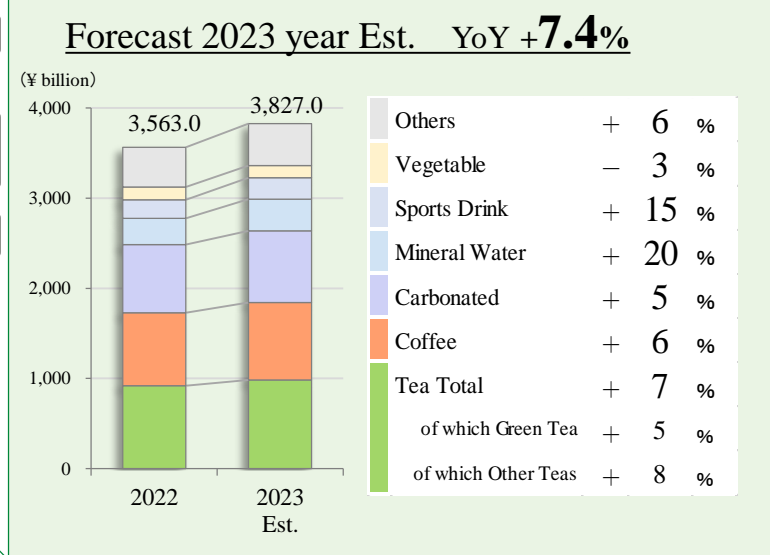
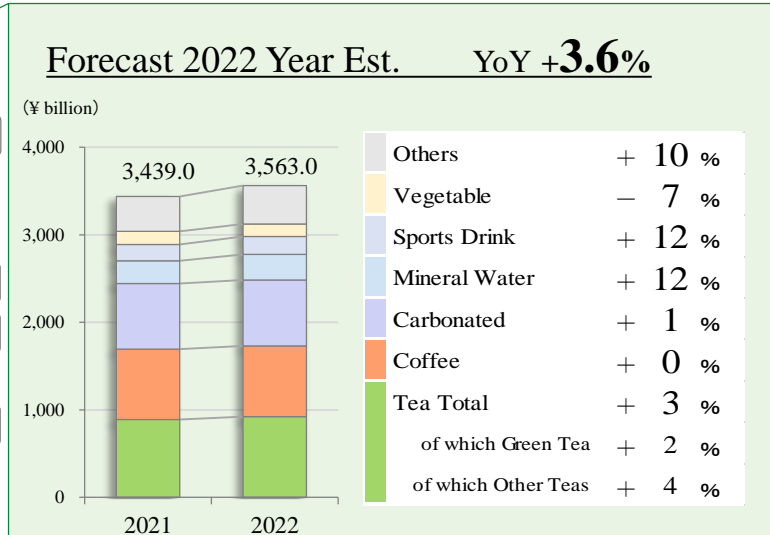
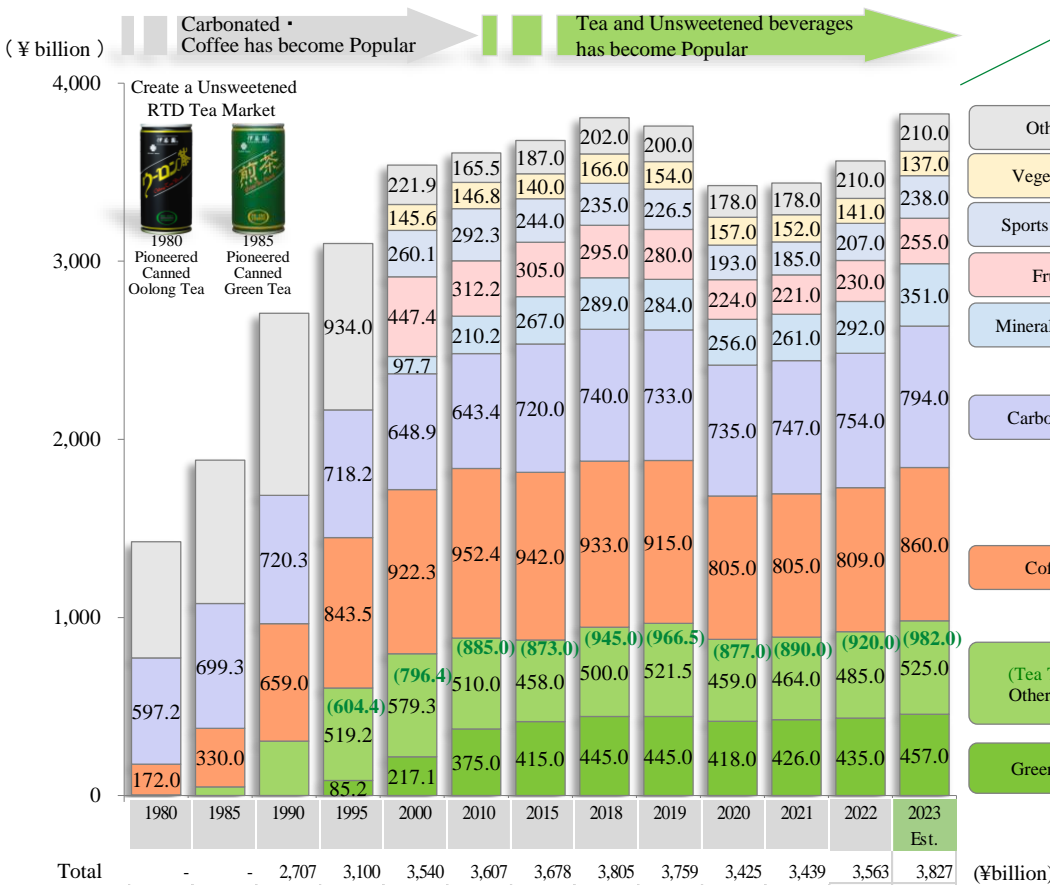
Marketing and Business Strategy ...P.10

Appendix ...P.22

Soft Drink Market in Japan, Financial Results for FY2023 2Q and Full-Year Forecast

Soft Drink Market in Japan

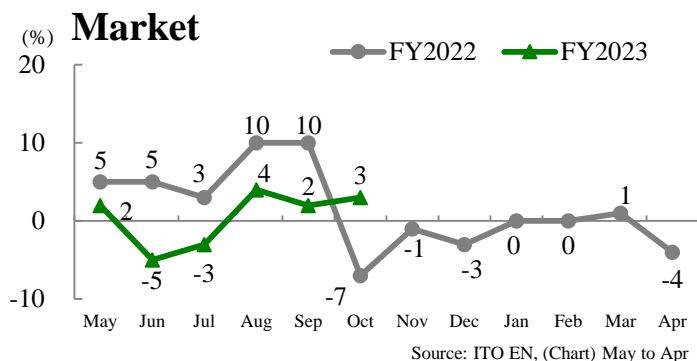
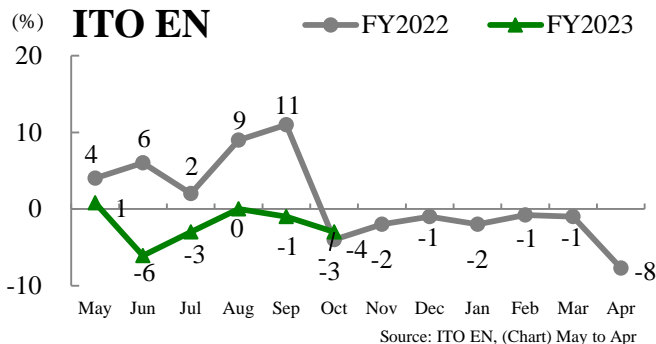
Soft Drink Market Trends(Calendar year, Monetary base)



**Unsweetened beverages continue to grow as a percentage of total sales.
More than half of all domestic beverages are unsweetened.**

Source: ITO EN

Monthly Sales Volume Trends



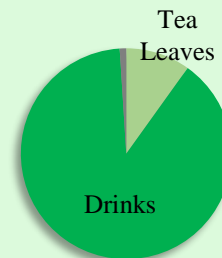
Beverage Market Environment Topics

Year	Month	Market Environment
2023	May	Mixed positive aspects of recovery in human flow and negative aspects of can product price revisions.
	Jun	Decrease in volume due to price revision and reaction to favorable weather in the previous year.
	Jul	Weather was favorable, but the impact of price revisions continued.
	Aug	Sales of thirst-quenching beverages increased due to the continued heat wave. The category showed a clear difference in sales.
	Sep	Continued increase in thirst-quenching beverages, driven by the unrelenting heat wave.
	Oct	Positive due to the rebound from the previous year's price revision reduction.

ITO EN (non-consolidated) FY2023 2Q (May to Oct,2023)

	YoY % Change
Net Sales	+ 7 %
Tea Leaves	+ 6 %
Drinks	+ 7 %
Others	- 5 %

Amount base



Sales Composition



Tea Leaves
9%



Drinks
90%



Others
1%

(Unit : ten thousand case)

Drinks Sales Volume by Category	FY 2022 Results	FY 2022		FY 2023 Results	FY 2023	
		Sales Composition	YoY % Change		Sales Composition	YoY % Change
Drinks	12,418	100%	+ 5 %	12,169	100%	- 2 %
Tea Total	8,848	71%	+ 5 %	8,706	72%	- 2 %
Japanese Teas	8,100	65%	+ 6 %	7,892	65%	- 3 %
Chinese Tea	467	4%	- 4 %	498	4%	+ 7 %
Other Tea	281	2%	+ 9 %	315	3%	+ 12 %
Vegetable	1,449	12%	- 9 %	1,307	11%	- 10 %
Coffee	892	7%	+ 11 %	890	7%	- 0 %
Mineral Water	380	3%	+ 6 %	353	3%	- 7 %
Carbonated	318	3%	+ 37 %	358	3%	+ 13 %
Fruit	241	2%	+ 6 %	272	2%	+ 13 %
Others	285	2%	+ 28 %	280	2%	- 2 %

FY2023 Results Ratio of Unsweetened Beverages : Higher than 75%

(*) Composition ratios are rounded off, so the total may not necessarily equal 100.

Financial Results for FY2023 2Q

First half (May to October 2023)

	FY2022 Results		FY2023 Results		YoY % Change
		Sales Composition		Sales Composition	
Net Sales	227,262	100.0%	242,527	100.0%	6.7%
Gross Profit	85,211	37.5%	94,371	38.9%	10.8%
Advertising	5,612	2.5%	5,981	2.5%	6.6%
Freight	7,751	3.4%	7,558	3.1%	-2.5%
Depreciation and Amortization	4,017	1.8%	3,047	1.3%	-24.1%
Selling, General and Administrative Expenses	73,875	32.5%	77,325	31.9%	4.7%
Operating Income	11,335	5.0%	17,046	7.0%	50.4%
Ordinary Income	12,548	5.5%	18,089	7.5%	44.2%
Extraordinary Losses and Income	-370	-	-784	-	-
Net Income	7,923	3.5%	11,209	4.6%	41.5%

	FY2022 Results		FY2023 Results		YoY % Change
		Sales Composition		Sales Composition	
Net Sales	167,752	100.0%	178,861	100.0%	6.6%
Gross Profit	60,397	36.0%	65,907	36.8%	9.1%
Operating Income	9,017	5.4%	13,061	7.3%	44.8%
Ordinary Income	11,002	6.6%	14,802	8.3%	34.5%

(Unit: million yen, thousand dollars)

Upper: Net Sales Bottom: Operating Income		FY2022 Results	FY2023 Results	YoY % Change	
Performances of Subsidiaries	Domestic Subsidiaries	49,809	53,285	7.0%	
		2,325	3,130	34.6%	
	Tully's Coffee Japan Co., Ltd.	16,963	19,630	15.7%	
		1,334	1,794	34.4%	
	Chichiyasu Company	6,180	6,413	3.8%	
		406	650	60.0%	
	Overseas Subsidiaries	27,165	27,132	-0.1%	
		257	1,387	439.2%	
	US Business		23,922	23,493	-1.8%
			- 321	550	-
		\$	174,008	\$ 163,465	-6.1%
		\$	-2,337	\$ 3,833	-
	Other Overseas Subsidiaries		3,243	3,639	12.2%
		578	836	44.6%	
Elimination of Internal Transactions		- 17,466	- 16,752	-	
		- 265	- 533	-	

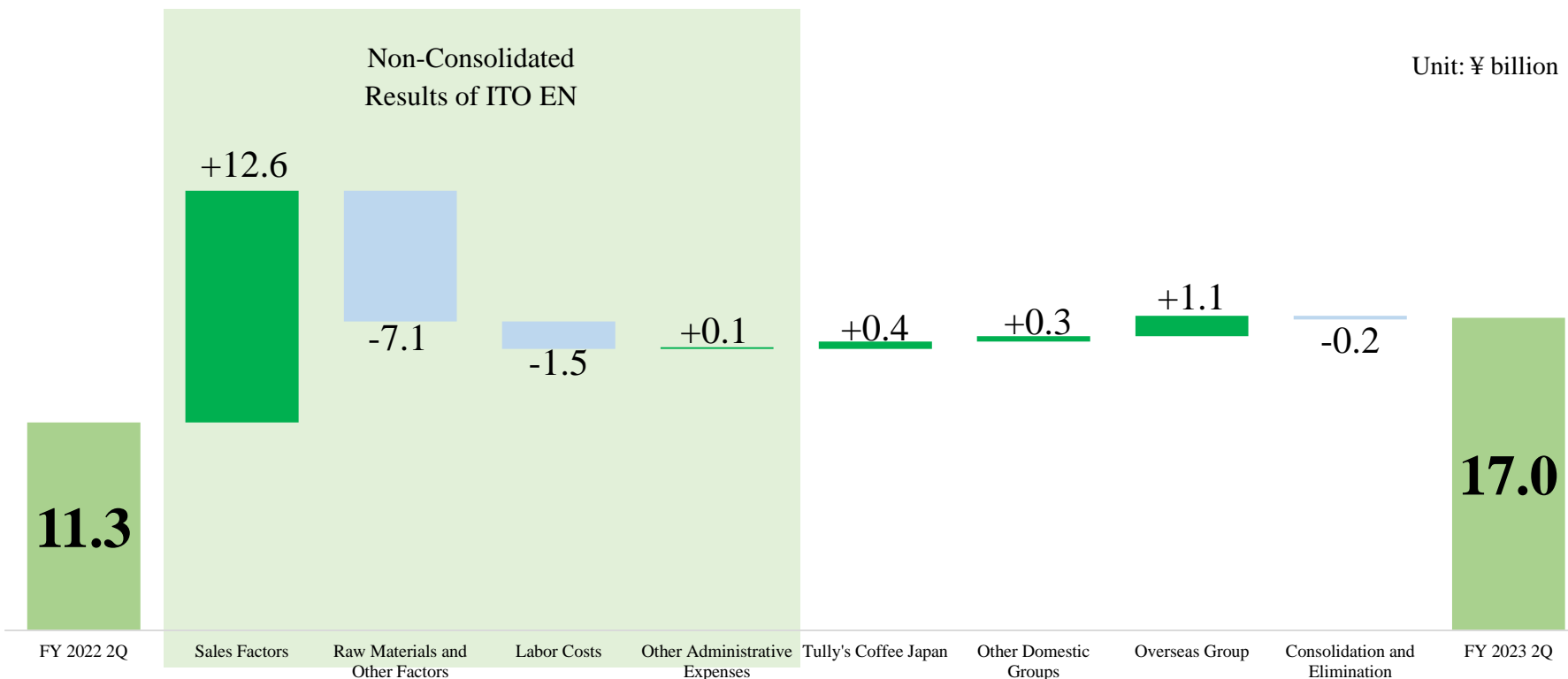
Exchange rate (US\$)
(First Half Average Rate)

137.48

143.72

Major Factors Impacting Consolidated Operating Income for the First Half of the FY2023

Price revisions and profit improvement efforts to absorb sharp rises in raw materials and materials prices and secure profits.



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

- | | | | |
|--|------|---|------|
| • Impact of increase in sales | +3.9 | • Impact of soaring raw material costs and production materials | -7.1 |
| • Changes in packaging and product mix, etc. | +8.6 | • Increase in labor costs due to higher wages | -1.5 |

Forecast for FY2023

Full year (May 2023 to April 2024)

	FY2022 Results	Sales Composition	FY2023 Forecast	Sales Composition	YoY % Change
Gross Profit	165,585	38.4%	173,700	38.6%	4.9%
Advertising	10,048	2.3%	10,549	2.3%	5.0%
Freight	14,386	3.3%	14,012	3.1%	-2.6%
Depreciation and Amortization	7,921	1.8%	6,295	1.4%	-20.5%
Selling, General and Administrative Expenses	145,996	33.8%	150,500	33.4%	3.1%
Operating Income	19,588	4.5%	23,200	5.2%	18.4%
Ordinary Income	20,341	4.7%	24,200	5.4%	19.0%
Extraordinary Losses and Income	-657	-	-1,400	-	-
Net Income	12,888	3.0%	14,700	3.3%	14.1%

	FY2022 Results	Sales Composition	FY2023 Forecast	Sales Composition	YoY % Change
Gross Profit	116,986	37.1%	119,600	36.6%	2.2%
Operating Income	16,785	5.3%	18,400	5.6%	9.6%
Ordinary Income	18,864	6.0%	20,700	6.3%	9.7%

(Unit: million yen, thousand dollars)

Upper: Net Sales Bottom: Operating Income	FY2022 Results	FY2023 Forecast	YoY % Change
Domestic Subsidiaries	97,548	103,479	6.1%
	3,784	4,745	25.4%
Tully's Coffee Japan Co., Ltd.	35,495	39,600	11.6%
	2,429	2,945	21.2%
Chichiyasu Company	11,947	12,689	6.2%
	670	918	36.9%
Overseas Subsidiaries	51,252	54,020	5.4%
	- 433	1,857	-
US Business	45,361	47,475	4.7%
	- 1,483	555	-
	\$ 333,292	\$ 327,419	-1.8%
	\$ -10,897	\$ 3,833	-
Other Overseas Subsidiaries	5,891	6,544	11.1%
	1,049	1,301	24.0%
Elimination of Internal Transactions	- 32,150	- 34,099	-
	- 548	- 1,802	-

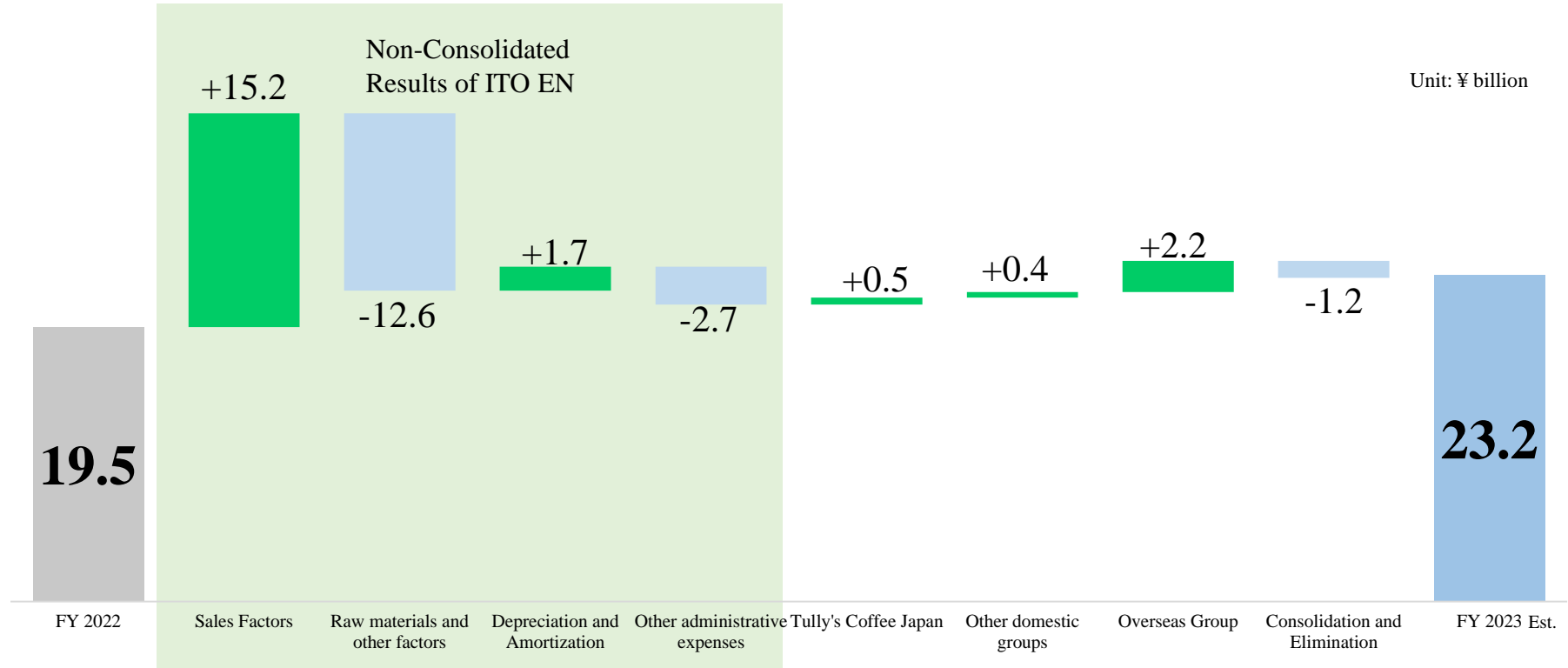
Exchange rate (US\$)
(average during a year) 136.10 145.00

Factors Impacting Consolidated Operating Income (Full Year Forecast)

We Love Nature

Major Factors Impacting Consolidated Operating Income Forecasts for the FY 2023 (Fiscal Year Ending April 30, 2024)

Aiming to secure profits by continuing to improve profitability in the face of soaring prices of raw materials and materials, etc.



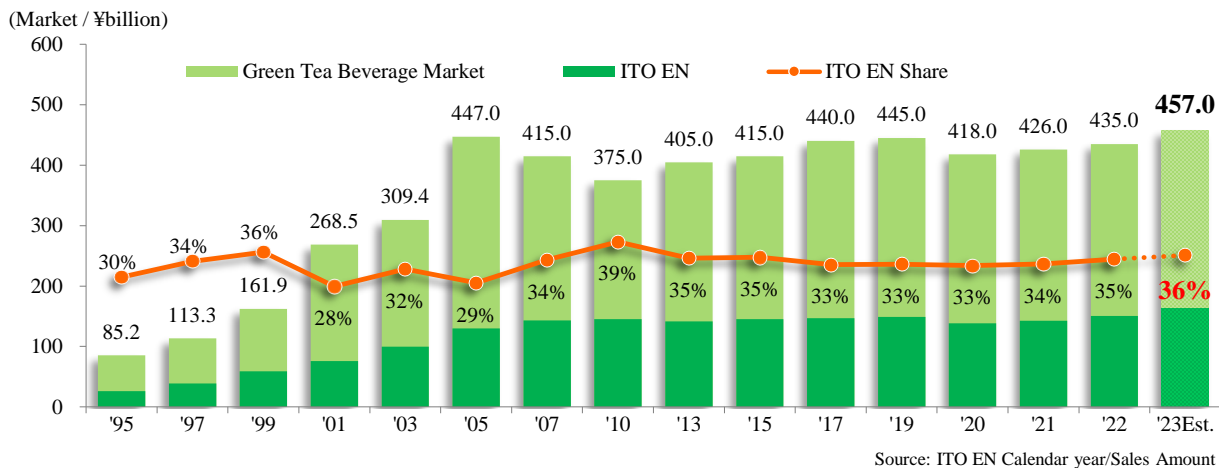
Additional factors of changes in non-consolidated results of ITO EN

- | | | | |
|--|-------|---|-------|
| • Impact of increase in sales | +4.2 | • Impact of soaring raw material costs and production materials | -12.6 |
| • Changes in packaging and product mix, etc. | +11.0 | • Effect of changes in useful lives of vending machines, etc. | +1.7 |

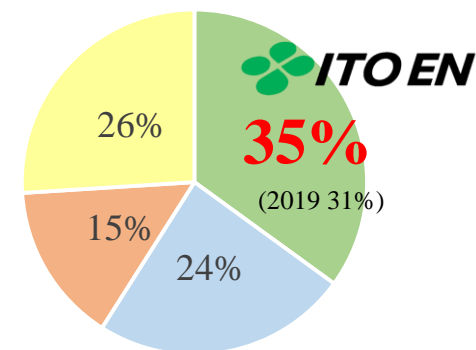
Marketing and Business Strategy

Green Tea Beverage Trends

Green Tea Beverage Market Trends

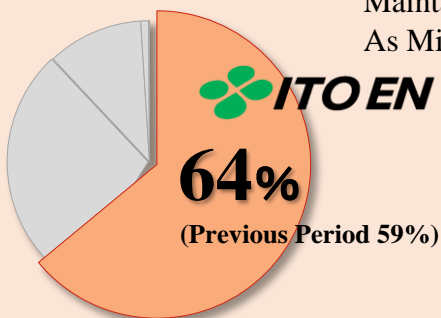


Unsweetened Tea Beverages Share (Forecast for 2023)



Hot Green Tea Beverages

Maintaining Deliciousness in Hot or Room Temperature As Microwavable

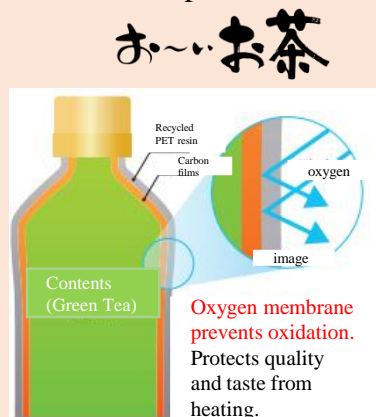


Hot Green Tea Beverages Share NO.1

Source: ITO EN Intage SRI- (Chart) Sep 2022 to Aug 2023/Price Base



Microwavable bottles are made from 100% recycled plastic bottles.



おーいお茶



Launched on September 4

Convenience Stores Only

Winter Sales Limited to 2021

↓
Sold Throughout the Year by Popular Demand

↓
Microwavable Bottles Added
Hot Beverage Launched as Microwavable

Approach to people who do not have the habit of drinking Green Tea

Held the "100,000 Cup Challenge," a major tasting event with at approximately 400 stores participating in 47 prefectures throughout Japan.



Convenient for Tumblers
Brews Plentiful



Tea Bag Type

Which type is your preference?



Instant Type

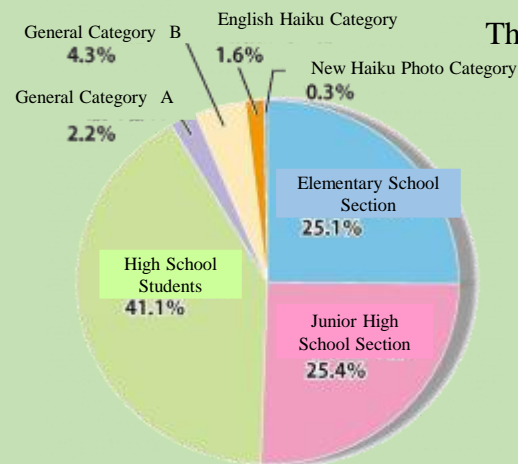
Easily dissolves in Hot or Cold Water



Tea Industry Officials × Ministry of Agriculture, Forestry and Fisheries
"Education in Tea Culture" Project

Donated Teapots to Elementary and Junior High Schools

ITO EN Oi Ocha New Haiku Contest



The 34th Total Cumulative Number of Entries
1,921,404 entries

Elementary, Junior High and High School Students

91.6%

Number of Participating Schools

3,040

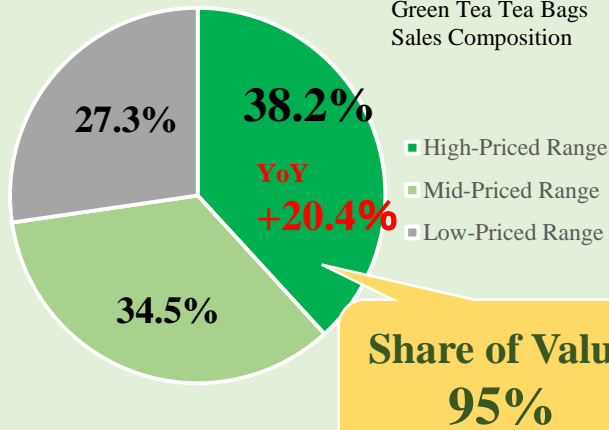


第三十四回伊藤園新俳句大賞
文部科学大臣賞
初日の出とても小さい駅で見た
(大阪府大阪市・8歳・小林航)

First Steps in Green Tea Drinking Opportunities for the Youth

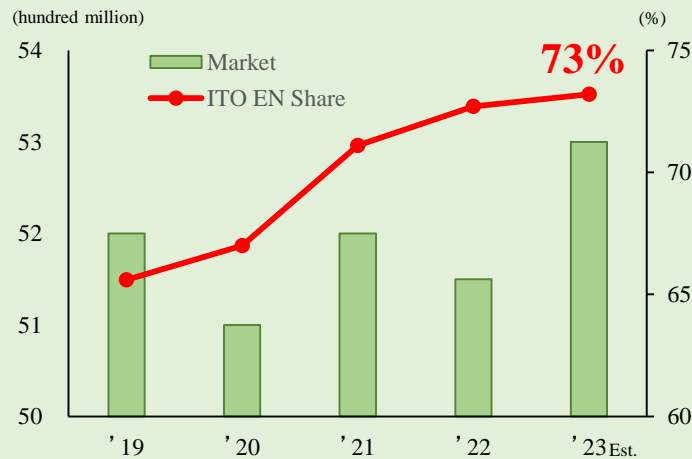
Convenience Products to Expand the Green Tea Beverage Portfolio

High-Priced Premium Tea Bags Performed Well



Source: ITO EN/SRI (Period: Jan-Dec 2022/Price Base)

Growth is in the Instant Market

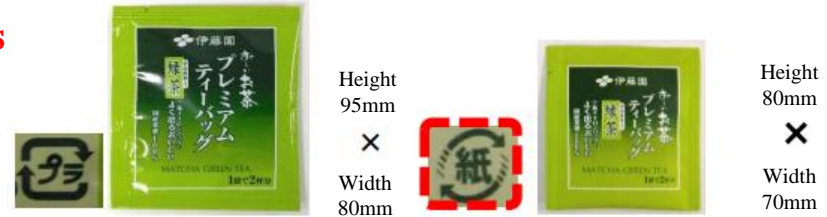


Source: ITO EN/SRI (Calendar year/Price Base)

Big Box 50 Bags Renewal



September 18 Relaunch



- Smart Sizing Reduces Carton size by **25%**.
→ Improved shelf/loading efficiency
- Paper packaging and miniaturization of individual packages → **Reduction in Plastic Use**



From October, Kumagaya Factory of Ito En Sangyo begins operations.
Strengthened Tea Bag Supply Capacity

Instant Tea Increase

Inbound demand has been extremely strong

Instant Sales Volume YoY change

(First half of the year May – Oct, Price Base)

Specialized Inbound Stores 5.4x

Airport-Related Stores 4.5x



Source: ITO EN



Health Values + Development of Unique Products for Individual Needs

Creating products that are easy to understand in terms of health value and that people can pick up in their daily habits



お〜お茶 濃い茶

“Oi Ocha Bold Green Tea”

Functional Beverages No.1 in Sales

*Intage SRI- / Functional Food Beverages Market / 2022 / Cumulative Sales Amount

Functional Ingredients: 340 mg of gallated catechin
Notification No.H30

Functional Food & Specified Health Food Market



Source: ITO EN (Period ITO EN: May-Apr / Jan-Dec of the market)

Functional Food Vegetable Beverages

First Half YoY (Amount) **+18.6%**

First Half Of The Year
YoY+20%
3 Functions in 1 Bottle



Functional Ingredients
indigestible dextrin
(Dietary fiber), GABA
Notification No.F959

Functional Ingredients
GABA
Notification No.H904

Functional Ingredients
Guar gum degenerate
(Dietary fiber)
Notification No.H908

Functional Ingredients
GABA
Notification No.H903

In the Vegetable Category

Healthy + Ease of Consuming + Meal Performance

Even if you do not like vegetables,
An easy way to enjoy
nutritious vegetables



Launched on October 9

Gulps of Refreshment



Launched on October 2

Convenient to Carry, Just Pour Over Any Meal

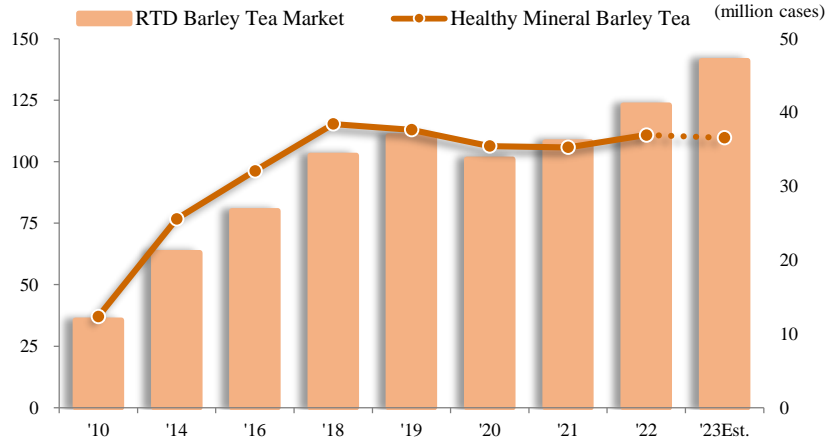
Responding to Customer Needs STILL NOW, Using Technology and Research Cultivated Over Many Years to Create Products.

Unsweetened and Caffeine-Free Beverages

Healthy Mineral Barley Tea Brand Value Enhancement

RTD Barley Tea Market

(Market/¥ billion)



This Barley Brand Can Expand Sales Space with Collaboration of Leaf Products
Babies Can Drink this Caffeine-Free Brand Safely



Launched on September 11

Demand for Unsweetened and Caffeine-Free Products driven by Health-Conscious Consumers

Caffeine-Free/Unsweetened +α For Individual Needs

Soy Isoflavones
Zero Sugar,
Zero Fat



Hot Temperature
as Microwavable+Rich Taste



Launched on September 25

Launched on September 11

Food with Functional Claims

Maintain Bone Strength,*1
100% Japanese Soybeans



Hydrates Skin,*2*3
100% Domestic Pearl Barley

Launched on September 25

*1 Functional Ingredients:
 Soy Isoflavones 25 mg (aglycon equivalent)
 Notification No. E11

*2 Functional Ingredients:
 Vanillic acid 0.25 mg
 Notification No. H637
 *3 Middle-aged people who tend to have dry skin.

Non-Caffeine Health Tea to be a New Category

Projection for TULLY'S Coffee Brand

Tully's Coffee Japan



Tully's Coffee Brand

Record Sales Volume in the First Half of the Year

▶ Two Leading Unsweetened Coffees Items Driving Strong Sales

+ **BLACK Kilimanjaro**

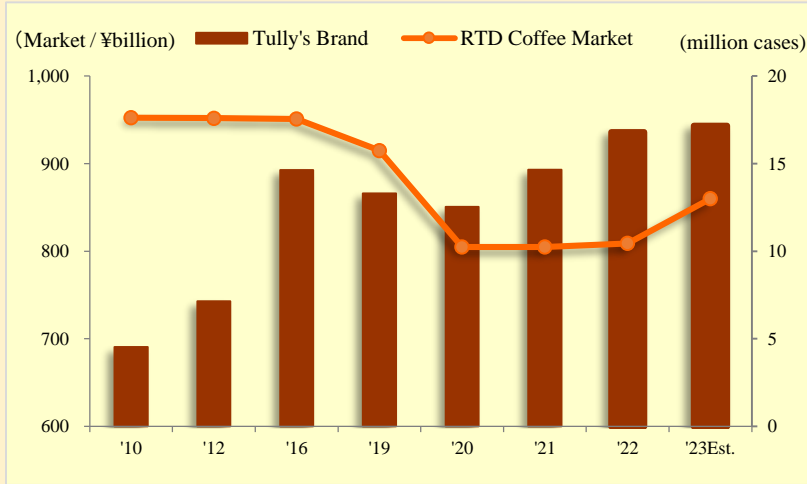
TULLY'S COFFEE
BARISTA'S BLACK

TULLY'S COFFEE
BARISTA'S Sugar-Free Latte

TULLY'S COFFEE BARISTA'S
BLACK Kilimanjaro



RTD Coffee Market



※Source: ITO EN, Market: Calendar year / Sales Amount ITO EN: May to Apr/Sales Volume

Tully's Brand New Product Lineup for the First Half of the Year

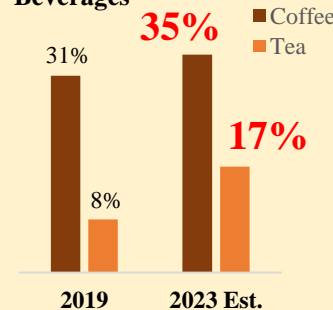
- Offering shop-quality products that meet diversifying customer tastes and preferences -



● Launched on September 18
Diluted type 340ml
ESPRESSO BASE
Sugar-Free/Mildly Sweet

● Launched on September 18
5 Drip Bags
BARISTA'S ROAST
BLACK/ Kilimanjaro Blend

Percentage of Unsweetened Beverages



Source: ITO EN/SRI-(Period: Calendar year/Price Base)



TULLY'S & TEA



● Launched September 11
Tea bags 20P
Darjeeling Blend Original

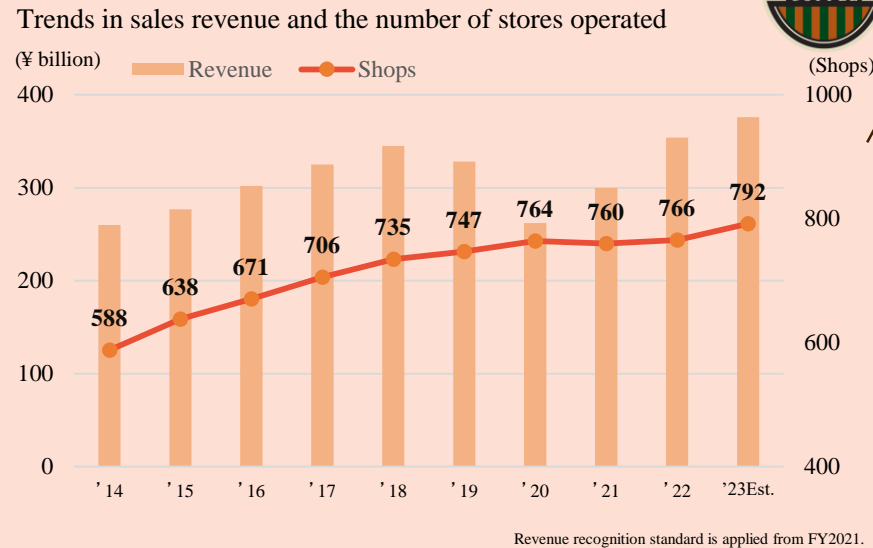
● Launched September 11
Tea bags 20P
Citrus Earl Grey

● Launched October 9
Tea bags 20P
Honey Lemon & Ginger



Spring 2024
New Products to
be Launched

Tully's Coffee Japan



First half of FY2023:

Favorable Trend with Recovery of Customer Traffic

▶ As of Oct. 31, 2023

777 Stores (Net increase 11 stores /YoY)



Compact type
Tully's Coffee Select
Opened 4 Stores
during the first half of the year

Attempt in FY2023

Strengthening store development is underway.



Full lineup of tea & TEA Stores
Opened 7 Stores
during the first half of the year

Tully's Coffee × ITO EN Joint Brand Presentation by Two Companies

2023 Costa Rica Micro lot* Launched October 11

*Very small manufacturing units.



- Initiatives with Quality Dota Agricultural Cooperatives
- Started in 2008, this year is the 16th
- Tully's development staff conducts on-site cupping review
- Maintain and strengthen initiatives with production areas
- Enjoy the individuality of each producer's beans Products sold exclusively at our stores

Commercialization of Gold Award-Winning Lots

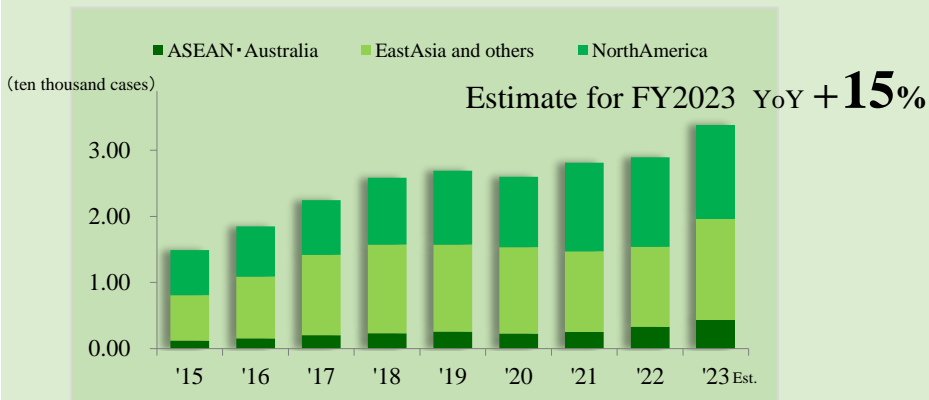
Limited Sales in 7 areas

Aiming to Enhance Tully's Brand Value by Strengthening New Initiatives



"Oi Ocha" Drinks Sold Well in Various Countries

▶Sales Volume of "Oi Ocha"



▶Sales Volume of "Oi Ocha" FY2023 First Half Results

(Compared with the first half of the previous year)

North America +6% **China +18%** **Singapore +76%**

Source: ITO EN (Period: May to October 2023 / Volume Basis)



Strong Sales Volume in Each Region of the World, Recovering from COVID-19

▶Tea Bag Products Sales Volume FY2023 First Half Results

(Compared with the first half of the previous year)

North America +11% **Singapore +8%**

Source: ITO EN (Period: May to October 2023 / Volume Basis)



Drink and Leaf +Sales Promotion Tools Promoted "Oi Ocha" brand.



Progress of Efforts in Each Country

▶Further Promotion of ITO EN = Japanese Brand



From November, Singapore, Thailand Sold in bamboo bottles exclusively for "Oi Ocha"

▶Accelerate expansion of "Oi Ocha" sales to new countries and regions

Sold in **40 countries** and regions worldwide, with more to come



Strengthen Sales of Tea Bags

▶ Global Tea Bags

MATCHA GREEN TEA Complete Renewal*



- Environmentally friendly teabag material **Biodegradable Filters**
- Further enhances the beautiful green tea infusion color
- Redesigned natural packaging

*January 2024 - Gradual switchover from the U.S.

▶ Sales Promotions Common to Each Country and Region



For VIP Guest Rooms in Japanese Hotels
Introduction of Tea Bag Set with Oi Ocha Pamphlet

Tea Bags & Matcha Tea Sets with Drinks are Introduced at the Exhibition

Strengthen Sales of Matcha Green Tea Commercial Use has Expanded to Various Countries

Matcha Exports

Results for the first half of FY2023

YoY **+33%**

*ITO EN (Period: May - Oct. 2023/Weight)

▶ Organic Matcha Available in Hawaii from Oct.



- 100% Japanese Organic Matcha Green Tea
- Fit for lattes, smoothies, and cooking.

Strengthening the Worldwide Recognition of Ito En As a Global Tea Company

▶ Introducing Matcha at Exhibitions and Events Around the World



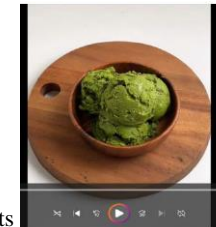
Hawaiian-Japanese Restaurants
Matcha powder introduced



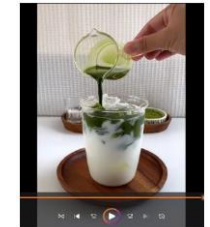
Thailand
Matcha Latte well received



Germany
Sold in combination with drinks



Produced a promotional video to increase awareness of Matcha



Initiatives for a Global Tea Company

Become a Global Tea Company by promoting "Oi Ocha" and Green Tea Culture and Japanese Culture in Each Country and Region of the World

▶ Full-scale expansion into Europe

April 1, 2024 Establishment of subsidiary in Germany
Consignment production of beverages in Germany and sales in major European countries



Trade Name : ITO EN Europe GmbH
Location : Federal Republic of Germany
Düsseldorf
Business Description : Import and sales of ITO EN brand products
Sales Destination : Germany and other major European countries

▶ Full-scale entry into Vietnam, where sales are strong

April 1, 2024 Establishment of subsidiary in Vietnam



Vietnam Domestic Beverage	Tea Bags
YoY Results	+32%
	+28%

Source: ITO EN (Period: May - Oct. 2023/Volume Basis)

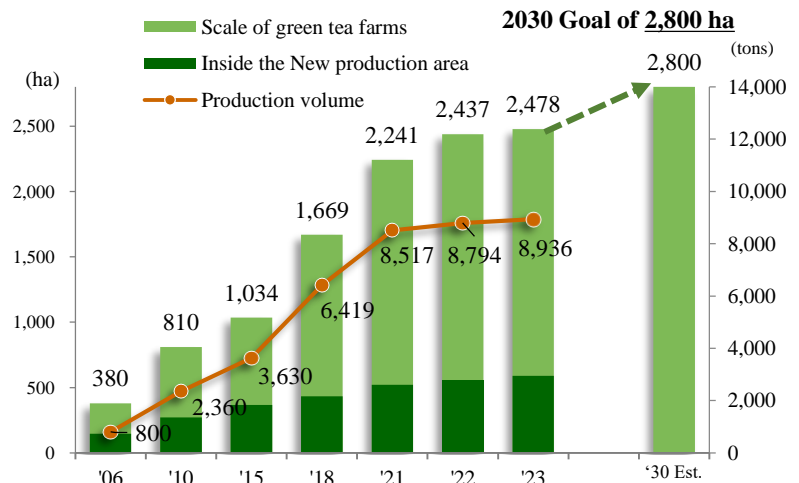
Trade Name : ITO EN VIETNAM CO.,LTD
Location : Socialist Republic of Vietnam
Ho Chi Minh City
Business Description : Import and sales of ITO EN brand products
Sales Destination : In Vietnam

▶ With certification marks from around the world
 Good Appeal for customers around the world



ITO EN Advantage = To Secure Raw Materials Through "the Tea-Producing Region Development Project"

○ Changes in the Development of the Tea-Producing Region Development Project



Source: ITO EN The Tea-Producing Region Development Project: May-April

Promotion of Sustainability Management

Contributing to a Sustainable Society and Sustainable Growth Through Good Taste & Health



Raw Material

- The Tea-Producing Region Development Project
 - Conversion of Abandoned Farmland to Tea Plantations
 - Development of Pesticide Reduction and Organic Cultivation Techniques
 - Practice Cultivation Techniques of Environmentally Friendly Agriculture
 - Bio-Carbon Spreading Test



100% Oi Ocha Ingredients



Container Packaging

- Efforts for 3Rs of Containers and Packaging
 - Lightweight Materials
 - Recycled Materials in Plastic Bottles(PET)
 - Use of Environmentally Friendly Materials
- Empty Container Collection

Used Tea Leaves Recycling System

- Upcycling Used Tea Leaves into a Product
- Focus on CO₂ Resource Conservation
- Used Tea Leaves Composting



Contract Manufacturing Factory

- Energy Conservation During Manufacturing
- Reduced Water Consumption
- Low CO₂ Emissions of Crude Tea Factory in Operation

- Research and Communication of the Health Benefits of Green Tea. Product Development Utilizing Research
- Marketing Tailored to Each Country's Regional Food Culture and Unsweetened Tea Custom
- Contribute to Improving Community & Environmental Issues

Appendix

Drink Sales Volume by Category

(Unit: ten thousand case)

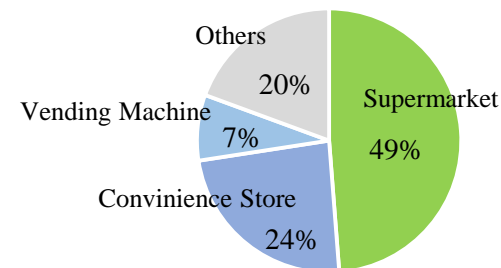
FY2023	1Q (May to Jul)			2Q (Aug to Oct)			FY 2023 Forecast	Sales Composition	YoY % Change
	Sales Composition	YoY % Change		Sales Composition	YoY % Change				
Drinks	6,093	100%	- 3 %	6,075	100%	- 1 %	21,447	100.0%	-2%
Tea total	4,351	71.4%	- 3 %	4,355	71.7%	+ 0 %	15,020	70.0%	-2%
Japanese Tea	3,942	64.7%	- 5 %	3,949	65.0%	- 0 %	13,537	63.1%	-2%
Chinese Tea	242	4.0%	+ 6 %	256	4.2%	+ 7 %	885	4.1%	6%
Other Tea	166	2.7%	+ 33 %	149	2.5%	- 5 %	597	2.8%	3%
Vegetable	656	10.8%	- 10 %	651	10.7%	- 9 %	2,451	11.4%	-5%
Coffee	453	7.4%	+ 3 %	437	7.2%	- 3 %	1,738	8.1%	-1%
Mineral Water	175	2.9%	- 11 %	177	2.9%	- 4 %	611	2.9%	-8%
Carbonated	180	3.0%	+ 15 %	177	2.9%	+ 10 %	595	2.8%	11%
Fruit	141	2.3%	+ 11 %	131	2.2%	+ 14 %	513	2.4%	13%
Others	135	2.2%	+ 3 %	145	2.4%	- 6 %	516	2.4%	-5%

Sales Composition by Channels (Non-Consolidated)

FY2023 (May 2023 to October 2023)

	Composition ratio YoY	YOY % Change
Supermarket	- 2 pt	- 6 %
Convenience Store	+ 2 pt	+ 5 %
Vending Machine	- 1 pt	- 10 %
Others	+ 1 pt	+ 4 %

Sales Volume



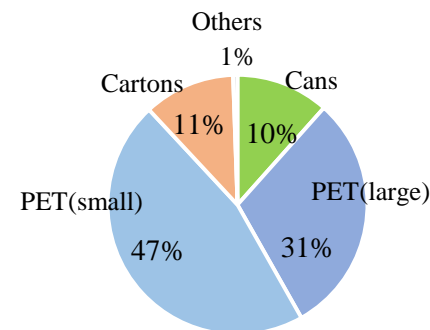
Sales Composition

Sales Composition by Packaging (Non-Consolidated)

FY2023 (May 2023 to October 2023)

(Unit: Ten thousand cases)

FY2023	1Q (May to Jul)		2Q (Aug to Oct)		FY2023 2Q		
	YOY % Change		YOY % Change		Composition ratio YOY	YOY % Change	
Drink Total	6,093	- 3 %	6,075	- 1 %	12,169	+ 0 pt	- 2 %
Cans	622	- 6 %	619	- 10 %	1,242	+ 0 pt	- 8 %
PET(large)	1,871	- 8 %	1,943	+ 1 %	3,814	+ 0 pt	- 3 %
PET(small)	2,887	+ 1 %	2,804	+ 1 %	5,692	- 0 pt	+ 1 %
Cartons	678	- 4 %	671	- 4 %	1,350	+ 0 pt	- 4 %
Others	34	+ 0 %	35	+ 15 %	70	- 0 pt	+ 7 %



Sales Composition

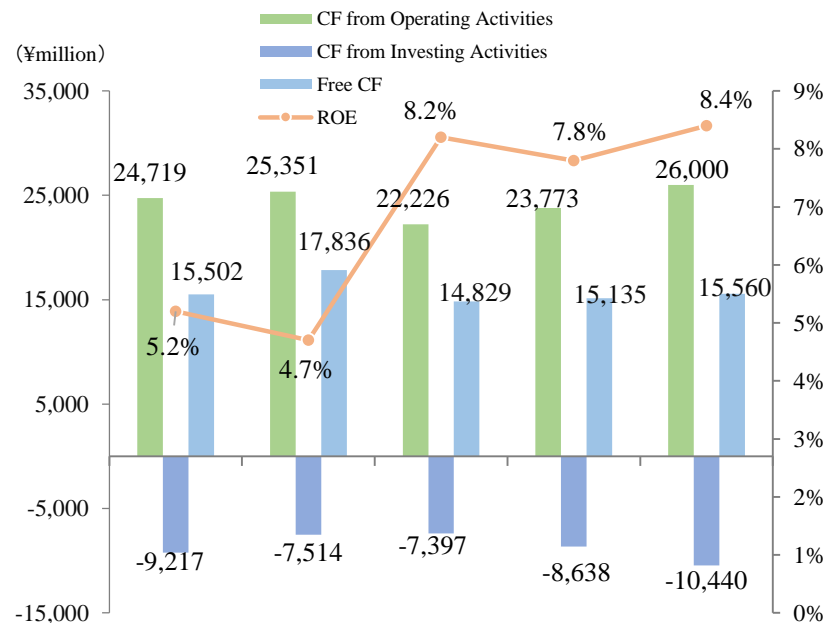
Appendix : Related Materials

Consolidated Balance Sheet (YoY Comparison)

(¥million)

	End of Oct. 2022	End of Oct. 2023	Change
Current assets	232,934	247,527	14,593
Cash and deposits	100,525	114,136	13,610
Accounts receivable-trade and inventories	119,741	120,065	324
Property, plant and equipment	74,757	73,479	-1,278
Land	23,344	23,229	-115
Leased assets	7,146	5,398	-1,747
Other	44,266	44,851	584
Intangible fixed assets	8,484	8,060	-423
Goodwill	3,078	1,997	-1,081
Investments and other assets	22,175	24,647	2,471
Total assets	338,351	353,714	15,362
Current liabilities	76,813	93,982	17,169
Accounts payable	30,439	31,881	1,442
Corporate bonds	-	10,000	10,000
Short-term loans payable	2,532	1,737	-794
Lease obligations	2,370	1,885	-485
Income taxes payable	4,520	6,092	1,572
Non-current liabilities	90,783	76,798	-13,985
Corporate bonds	10,000	-	-10,000
Long-term loans payable	60,441	59,467	-974
Lease obligations	4,542	3,063	-1,479
Total liabilities	167,597	170,781	3,183
Net assets	170,754	182,932	12,178

Consolidated Cash Flows



(¥million)	'20/4	'21/4	'22/4	'23/4	'24/4 Est.
Capital Investments	9,990	7,199	7,511	7,259	9,855
Depreciation/Amortization	7,022	7,255	7,246	7,582	6,921
Leased Assets Depr.	6,081	5,171	4,035	2,771	1,651
Lease obligations (Repayment)	-4,679	-3,691	-2,732	-2,278	-1,879

Rating	A+	Equity Ratio	10/2022	50.1%
Bond Shelf Registration (Straight Bonds)	¥ 40billion		10/2023	51.3%



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.

Stable Procurement of Raw Ingredients

Subject

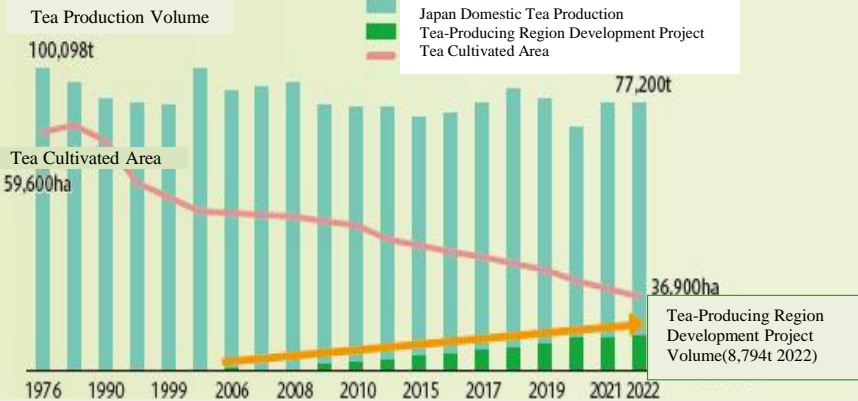
Decrease in tea cultivation area and production, stabilization of tea growers' business.

Business Opportunities

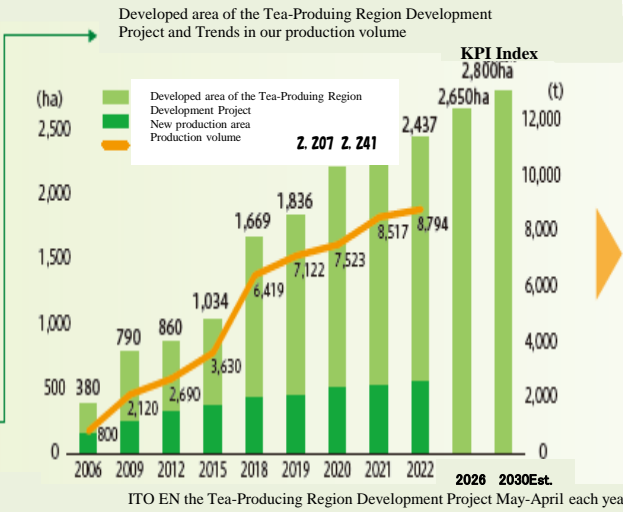
Growth of green tea beverages

Since in 1976, we started the "Tea-Producing Region Development Project" to ensure stable management of tea growers and stable procurement of high-quality raw materials.

Tea production volume and area under tea cultivation declined, while the "Tea-Producing Region Development Project" expanded the scale of its development.



Japanese Domestic Tea Production Volume, Tea cultivated area: Ministry of Agriculture, Tea-Producing Region Development Project Volume, ITO EN May-April each year



ITO EN the Tea-Producing Region Development Project May-April each year

----- Value for ITO EN -----
 Stable procurement of high-quality raw materials and lower costs/Solid foundation for our business/Improved quality of "Oi Ocha" and other products

----- Value for Society -----
 Effective use of dilapidated farmland/Stable management of producers, younger farmers, and lack of successors through whole purchase/Transfer of cultivation techniques and know-how • Cost reduction in production, Job creation, local revitalization

Labor hours per 10ha 44hrs.
 *1 new region *2 Shizuoka Average Approx. 122 hrs.

Average employee age 45
 *3 new region *4 Domestic average 67.8

Diversified Raw Materials, Adding of Extra Value

Subject

Decrease in demand for teapot-brewed tea due to expansion of the green tea beverage market

Business Opportunities

Diversified tastes, health

Development of raw materials with a wide variety of characteristics

Product Development from tea plantation Developed a tea made exclusively for "Oi Ocha" Brand.

Whole purchase through contract transactions From first and second teas to autumn and winter teas

Development of Matcha Ingredients for Various Uses Tencha (Tea Leaves Used to Make Matcha)

Product development and sales capabilities to make full use of raw tea materials from the first tea to autumn/winter tea

Unique Raw Material Processing Technologies (Firing, blending, etc.) Product Development

Matcha Production and Processing Technology (Blending, milling, etc.)

- Leaf: High-grade tea, daily tea, convenience (tea bags, instant, solid tea)
 - Beverages: PET bottles, cans, paper
 - Foods for Specified Health Use/Functional Foods: Beverage, Leaf, Supplement
 - Products for Overseas: Beverages, tea bags, matcha, etc.
 - Matcha products: From tea ceremony use to confectionery and other foodstuffs
- A lineup that meets all drinking scenarios, including in-home and my- bottle demand

----- Value for ITO EN -----
 Expanding market share in the leaf and green tea beverage markets

----- Value for Society -----
 Diversification of product options to suit your lifestyle

Enjoyment of Good Taste and Health

Inheritance of Tea Culture

Overseas Raw Materials, Environmental support

Subject

Compliance with quality standards in overseas countries and climate change

Business Opportunities

Increased global health consciousness

Expand pesticide reduction, organic farming, and strengthen environmentally friendly agriculture initiatives.

Collaboration with Various External Parties to Resolve Issues

Development of reduced pesticide and organic cultivation techniques



Reduced Use of Pesticides

Efforts toward the practical application of "steam pest control and weeding machines" that do not use pesticides

Challenges in Reducing GHG in Tea Plantations



Global Warming Measures

Biomass Power Generation Company Collaborates with Tea Producers to Conduct Biochar* Spraying Trials *Carbonized wood, bamboo, etc.

Support for inexperienced farmers and stabilization of farm management by DX



AI supplements experience and expertise.

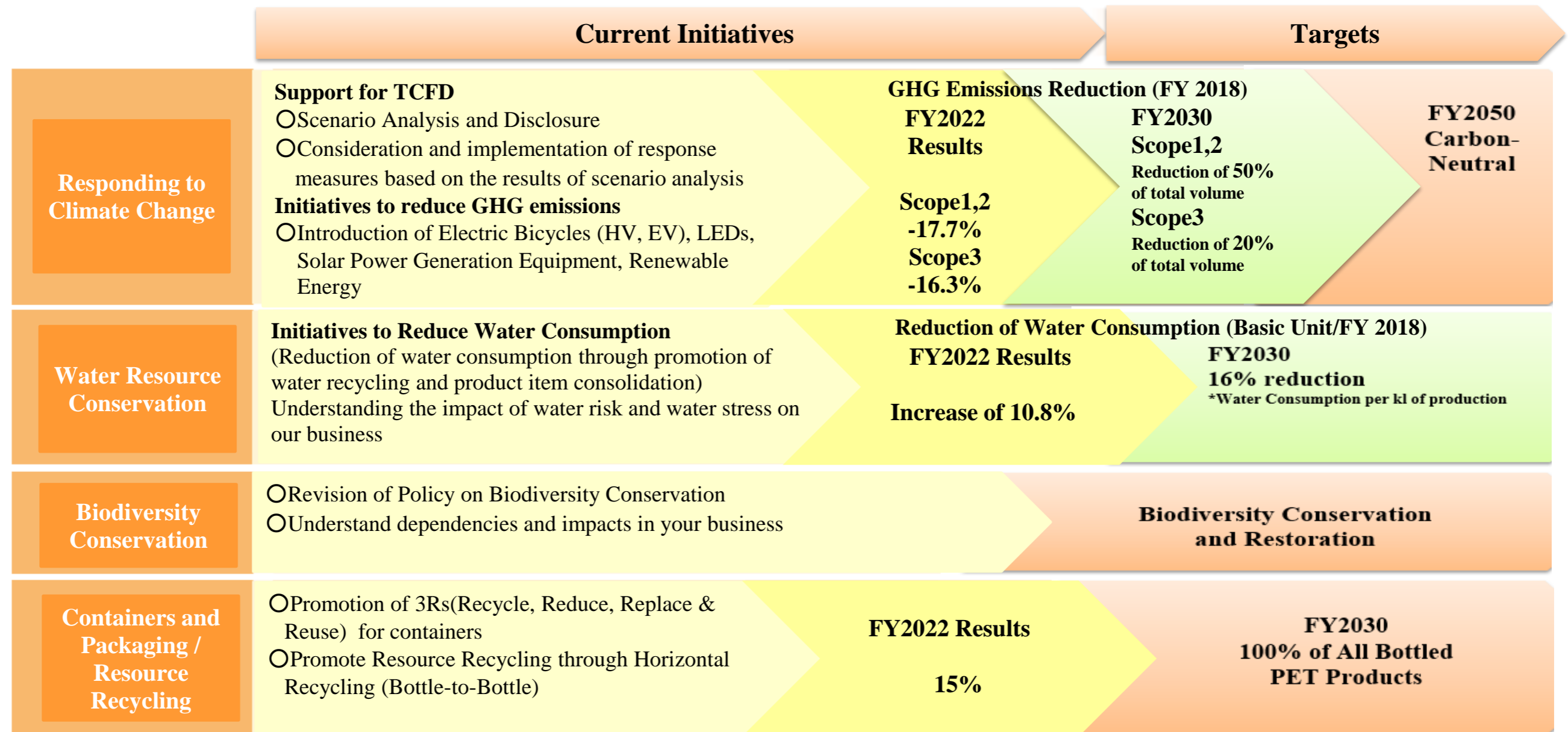
System developed jointly with an electronics equipment manufacturer to assist with AI image analysis to determine the timing and quality of harvesting.

*1 Example of a New Production Area *2 Ministry of Agriculture, Forestry and Fisheries, "Situation concerning tea" *3 Weighted average age of full-time employees in each new production area (FY2021) *4 Domestic agricultural workers (Exhibit: Ministry of Agriculture, Forestry and Fisheries) *5 The GAP certification system, which is given to farms that work on food safety and environmental preservation, includes the global standard "Global GAP" as well as "JGAP" and "ASIAGAP" developed by the Japan GAP Association. Translated with www.DeepL.com/Translator (free version)

----- Value for ITO EN -----
 Expand overseas export opportunities for green tea and matcha raw materials

----- Value for Society -----
 Improving the sustainability of tea-growing regions

100% GAP certification of tea growers for the Tea-Producing Region Development Project



*The scope of Scope 1-3 emissions includes ITO EN Corporation, ITO EN SANGYO CORPORATION, TULLY'S COFFEE JAPAN CO.



Installation of Solar Panels at Ito En's Kobe Plant (Installed in January 2023)



Industry's first "EV Bottle Car (equipped with lightweight panels containing tea leaves)" Introduced in October 2023.



(イメージ画像)

Flow of Collection, Recycling, and Commercialization

