

## Consolidated Financial Results

Under Japanese Standards for the First Quarter of the fiscal year ending April 30, 2025 (Unaudited)

Scheduled date of commencement of dividend payment: –

Supplementary documents for results prepared: Yes

Results presentation held: None

(Figures are rounded down to million yen.)

### 1. Consolidated Performance for the First Quarter of the Fiscal Year Ending April 30, 2025 (May 1, 2024 - July 31, 2024)

#### (1) Consolidated Results of Operations – cumulative

(% indicates year on year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen		Million yen		Million yen		Million yen	
7/31/2024	125,039	3.2%	7,128	-28.7%	7,219	-31.5%	4,440	-35.0%
7/31/2023	121,154	7.0%	9,992	66.5%	10,536	57.2%	6,828	61.9%

Note 1: Comprehensive income 7/31/2024: 4,539 million yen (-42.1%) 7/31/2023: 7,846 million yen (57.6%)

	Earnings per share		Earnings per share (diluted)	
	Yen		Yen	
7/31/2024	37.31		37.23	
7/31/2023	56.43		56.31	

Note 2: The above per share information pertains to Common Stock. For per share information for Class-A Preferred Stock, refer to “Reference” below.

#### (2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	
7/31/2024	352,501	180,119	50.7%
4/30/2024	353,892	183,216	51.3%

Reference: Shareholders' equity 7/31/2024: 178,572 million yen 4/30/2024: 181,483 million yen

### 2. Dividends

	Dividend per share				
	First quarter end	Second quarter end	Third quarter end	Year end	Full year
	Yen	Yen	Yen	Yen	Yen
4/30/2024	–	21.00	–	21.00	42.00
4/30/2025	–				
4/30/2025 (Forecast)		22.00	–	22.00	44.00

Note 1: Revision to the most recently disclosed dividend forecast: None

Note 2: The above dividend per share pertains to Common Stock. For dividend per share for Class-A Preferred Stock, refer to “Reference” below.

### 3. Forecasted Consolidated Results for the Fiscal Year Ending April 30, 2025 (May 1, 2024 - April 30, 2025)

(% indicates year on year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Million yen		Million yen		Million yen		Million yen		Yen
4/30/2025	466,600	2.8%	26,500	5.9%	26,700	0.1%	17,200	9.9%	140.70

Note 1: Revision to the most recently forecasted consolidated results: None

Note 2: The above per share information in forecasted consolidated results pertains to Common Stock. For per share information for Class-A Preferred Stock, refer to “Reference” below.

## Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Application of special accounting methods in preparation for quarterly consolidated financial statements: Yes

Note: For further details, please refer to the section of “(3) Notes to Quarterly Consolidated Financial Statements, (Application of Special Accounting Methods in Preparation for Quarterly Consolidated Financial Statements)” of “2. Quarterly Consolidated Financial Statements and Main Notes” on page 8 of the attached material.

(3) Changes in accounting policies, changes in accounting estimates, and restatements

i. Changes in accounting policies associated with revisions to accounting standards: Yes

ii. Changes in accounting policies other than i. above: None

iii. Changes in accounting estimates: None

iv. Restatements: None

Note: For further details, please refer to the section of “(3) Notes to Quarterly Consolidated Financial Statements, (Changes in Accounting Policies)” of “2. Quarterly Consolidated Financial Statements and Main Notes” on page 8 of the attached material.

(4) Number of issued shares (common stock)

i. Number of issued shares (including treasury stock)      7/31/2024    88,212,380 shares      4/30/2024    89,212,380 shares

ii. Number of treasury stock      7/31/2024      939,975 shares      4/30/2024      939,878 shares

iii. Average number of shares outstanding during the period      7/31/2024    87,720,092 shares      7/31/2023    88,236,894 shares

Note: The above “Number of issued shares” pertains to Common Stock. For “Number of issued shares” for Class-A Preferred Stock, refer to “Reference” below.

\* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None

\* Request for appropriate use of the business outlook and other special remarks

Forward-looking statements in this document, including forecasts, are based on information available to management at the time of the announcement, which management assumes to be reasonable. Because of variable factors, actual results may differ from the forecast figures.

## Reference

### (1) Per share information of Class-A Preferred Stock

	Earnings per share	Earnings per share (diluted)
	Yen	Yen
7/31/2024	37.31	37.23
7/31/2023	56.43	56.31

### (2) Dividends – Class-A Preferred Stock

	Dividend per share				
	First quarter end	Second quarter end	Third quarter end	Year end	Full year
	Yen	Yen	Yen	Yen	Yen
4/30/2024	–	27.00	–	27.00	54.00
4/30/2025	–				
4/30/2025 (Forecast)		28.00	–	28.00	56.00

Note: Revision to the most recently disclosed dividend forecast: None

### (3) Per share information of Class-A Preferred Stock in forecasted consolidated results

	Earnings per share (Consolidated)
	Yen
4/30/2025	152.70

Note: Revision to the most recently forecasted consolidated results: None

### (4) Number of issued shares – Class-A Preferred Stock

i. Number of issued shares (including treasury stock)	7/31/2024	32,246,962 shares	4/30/2024	34,246,962 shares
ii. Number of treasury stock	7/31/2024	1,443,985 shares	4/30/2024	2,943,655 shares
iii. Average number of shares outstanding during the period	7/31/2024	31,286,939 shares	7/31/2023	32,757,192 shares

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# 1. Qualitative Information Regarding Consolidated Financial Results for This Quarter

## (1) Explanations Regarding Consolidated Results of Operations

During the first three months of the fiscal year ending April 30, 2025 (May 1, 2024 - July 31, 2024), the Japanese economy was expected to continue its gradual recovery due to factors such as the improvement in the employment and income environment, and the increase in inbound demand from overseas tourism. However, certain conditions continue to present an uncertain outlook, such as concerns regarding the economic impact of high energy prices and raw material costs in conjunction with foreign exchange fluctuations.

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, the business performance for the first three months of the fiscal year ending April 30, 2025 was as follows.

Net sales	125,039 million yen, up 3.2%
Operating income	7,128 million yen, down 28.7%
Ordinary income	7,219 million yen, down 31.5%
Profit attributable to owners of parent	4,440 million yen, down 35.0%

In June 2024, the Group announced the ITO EN Group Medium-Term Management Plan (“New Medium-Term Management Plan”), covering the period from the fiscal year ending April 30, 2025 to the fiscal year ending April 30, 2029.

Under the New Medium-Term Management Plan, we will promote a more rapid development of the business to create healthy and fulfilling lifestyles for customers and a sustainable society as we work to achieve a long-term future vision for the fiscal year ending April 30, 2041. Without changing the basic framework of the 5 Key Strategies described in the medium- to long-term management plan announced in June 2022, we have updated and extended the content. We also articulate the Group’s mission of being a “Health Creation Company,” which “creates healthy and fulfilling lifestyles for customers and a sustainable society.” Guided by the New Medium-Term Management Plan, we will continue to work on the value creation of the physical and mental health, the health of society, and the health of the planet, contributing to the creation of healthy and fulfilling lifestyles for customers and a sustainable society.

Performance by each of the business segments was as follows.

### <Tea Leaves and Beverages Business>

In 2024, the Company celebrated the 60th anniversary of its founding and the 35th launch anniversary of “*Oi Ocha*.” Going forward, as we promote further broadening and deepening of the global development of business, we see our mission as communicating the role that tea has fulfilled in the past and its prospects for continuing into the future as part of the daily lives of people. To this end, in May 2024 we opened a museum complex to serve as a hub to co-create the future of tea, which traces the how customary practices regarding tea and its consumption relates to history. Consisting of two museums on the theme of changes in tea customs, namely the OCHA CULTURE CREATION MUSEUM and the Oi Ocha Museum, this is a rare example in Japan of a museum complex. The OCHA CULTURE CREATION MUSEUM traces the history of tea, providing an opportunity to learn about the changes in production process and drinking methods, and the customary practices surrounding tea that naturally emerged, and it will play a role in the perpetuation of Japanese culture through tea. The Oi Ocha Museum focuses on “*Oi Ocha*,” which has been with us through our changing times and lifestyles, and tells the story of the history of “*Oi Ocha*” and vision for the future. By opening the museums within the Old Shimbashi Station, which is considered the birthplace of the railways that have supported modern Japan, we will provide an opportunity for visitors to experience the appeal of tea and wonder of tea drinking, further enhancing tea’s value.

As a result of these activities, the Tea Leaves and Beverages Business recorded net sales of 112,207 million yen, up 2.2% year on year, and operating income of 6,087 million yen, down 33.4% year on year.

### <Restaurant Business>

As a project to convey the appeal of Japanese ingredients, Tully’s Coffee Japan Co., Ltd. (“Tully’s”) has started a FUN FAN JAPAN! campaign, offering seasonal limited products such as “*HYUGANATSU SWIRKLE*®,” “*HYUGANATSU Citrus Chiffon Cake*,” and “*Japanese-style Peperoncino with Vegetables & RISHIRI KOMBU Broth*,” which have been well-received. Tully’s has also launched “*Melon & Yogurt SWIRKLE*®” and “*&TEA Peach Frozen Tea*” as seasonal limited drinks for early summer. Their fresh and fruity taste has won widespread support, resulting in strong sales. Moreover, to celebrate the anniversary of its founding on August 7, Tully’s is offering a “*27th Anniversary Happy Bag*” filled with coffee beans and goods to express its gratitude to loyal customers, as well as “*TULLY’S Anniversary Blend*,” which consists of two flavor varieties, differentiated by the degree of roasting. Tully’s is making steady progress in new store openings, including the &TEA Nagoya LACHIC store, which has attracted attention as the first store in the “&TEA” format in the Tokai area, with the total number of shops as of July 31, 2024 standing at 796.

As a result of these activities, the Restaurant Business recorded net sales of 10,609 million yen, up 10.2% year on year, and operating income of 1,052 million yen, up 10.4% year on year.

**<Others>**

The Others recorded net sales of 2,221 million yen, up 25.7% year on year, and operating income of 161 million yen, up 183.6% year on year.

**(2) Explanations Regarding Consolidated Financial Position**

The following is a consolidated financial position at the end of the first quarter of the fiscal year ending April 30, 2025.

Total assets as of July 31, 2024 stood at 352,501 million yen, decreased by 1,390 million yen from the end of the previous fiscal year. These changes in total assets mainly reflected a decrease of 17,009 million yen in “Cash and deposits,” an increase of 11,395 million yen in “Accounts receivable - trade,” an increase of 2,443 million yen in “Merchandise and finished goods,” and an increase of 1,585 million yen in “Raw materials and supplies.”

Liabilities as of July 31, 2024 stood at 172,381 million yen, increased by 1,705 million yen from the end of the previous fiscal year. These changes in liabilities mainly reflected an increase of 5,996 million yen in “Accounts payable - trade,” a decrease of 2,219 million yen in “Provision for bonuses,” an increase of 1,963 million yen in “Accrued expenses,” and a decrease of 1,934 million yen in “Income taxes payable.”

Net assets as of July 31, 2024 stood at 180,119 million yen, decreased by 3,096 million yen from the end of the previous fiscal year. This mainly reflected decreases of 7,696 million yen in “Capital surplus” and 7,696 million yen in “Treasury shares” due to “Cancellation of treasury shares,” an increase of 4,587 million yen in “Treasury shares” due to “Purchase of treasury shares,” an increase of 4,440 million yen in “Retained earnings” due to “Profit attributable to owners of parent,” and a decrease of 2,698 million yen in “Retained earnings” due to “Dividends of surplus.”

**(3) Explanations Regarding Forecasts for Consolidated Results and Future Outlook**

As for the consolidated business outlook for the fiscal year ending April 30, 2025, no changes have been made to the forecasts that were announced on June 3, 2024.

## 2. Quarterly Consolidated Financial Statements and Main Notes

### (1) Quarterly Consolidated Balance Sheet

As of April 30, 2024 and July 31, 2024

(Millions of yen)

	As of April 30, 2024	As of July 31, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	109,313	92,304
Notes receivable - trade	78	140
Accounts receivable - trade	62,352	73,748
Merchandise and finished goods	43,603	46,047
Raw materials and supplies	13,752	15,337
Other	14,868	14,950
Allowance for doubtful accounts	(219)	(253)
<b>Total current assets</b>	<b>243,749</b>	<b>242,274</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	22,868	23,179
Land	23,154	23,047
Leased assets, net	4,815	4,458
Other, net	23,197	23,646
<b>Total property, plant and equipment</b>	<b>74,036</b>	<b>74,332</b>
<b>Intangible assets</b>		
Goodwill	1,456	1,200
Other	5,654	5,638
<b>Total intangible assets</b>	<b>7,110</b>	<b>6,839</b>
<b>Investments and other assets</b>		
Other	29,122	29,182
Allowance for doubtful accounts	(127)	(127)
<b>Total investments and other assets</b>	<b>28,995</b>	<b>29,055</b>
<b>Total non-current assets</b>	<b>110,142</b>	<b>110,226</b>
<b>Total assets</b>	<b>353,892</b>	<b>352,501</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	31,616	37,613
Short-term loans payable	14,442	29,124
Lease obligations	1,682	1,579
Accrued expenses	31,667	33,631
Income taxes payable	4,972	3,037
Provision for bonuses	4,606	2,386
Other	7,677	7,260
<b>Total current liabilities</b>	<b>96,665</b>	<b>114,633</b>
<b>Non-current liabilities</b>		
Bonds payable	10,000	10,000
Long-term loans payable	47,306	32,056
Lease obligations	2,572	2,254
Net defined benefit liability	7,511	7,531
Other	6,620	5,905
<b>Total non-current liabilities</b>	<b>74,010</b>	<b>57,748</b>
<b>Total liabilities</b>	<b>170,675</b>	<b>172,381</b>

## Quarterly Consolidated Balance Sheet – Continued

(Millions of yen)

	As of April 30, 2024	As of July 31, 2024
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	19,912	19,912
Capital surplus	18,554	10,858
Retained earnings	149,154	150,896
Treasury shares	(9,480)	(6,372)
<b>Total shareholders' equity</b>	<b>178,141</b>	<b>175,295</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,849	1,992
Revaluation reserve for land	(6,053)	(6,053)
Foreign currency translation adjustment	7,046	6,845
Remeasurements of defined benefit plans	499	492
<b>Total accumulated other comprehensive income</b>	<b>3,342</b>	<b>3,277</b>
<b>Share acquisition rights</b>	<b>104</b>	<b>104</b>
<b>Non-controlling interests</b>	<b>1,627</b>	<b>1,442</b>
<b>Total net assets</b>	<b>183,216</b>	<b>180,119</b>
<b>Total liabilities and net assets</b>	<b>353,892</b>	<b>352,501</b>



## (2) Quarterly Consolidated Statement of Income and Comprehensive Income

From May 1 to July 31, 2023 and 2024

### Quarterly Consolidated Statement of Income [First quarter period]

(Millions of yen)

	Three months ended July 31, 2023	Three months ended July 31, 2024
<b>Net sales</b>	<b>121,154</b>	<b>125,039</b>
Cost of sales	73,425	77,649
<b>Gross profit</b>	<b>47,729</b>	<b>47,389</b>
Selling, general and administrative expenses	37,737	40,260
<b>Operating income</b>	<b>9,992</b>	<b>7,128</b>
<b>Non-operating income</b>		
Interest income	86	151
Dividend income	49	50
Share of profit of entities accounted for using equity method	46	51
Foreign exchange gains	379	—
Gain on prepaid card	54	32
Other	96	106
<b>Total non-operating income</b>	<b>712</b>	<b>393</b>
<b>Non-operating expenses</b>		
Interest expenses	117	128
Foreign exchange losses	—	62
Loss on cancellation of leases	9	72
Other	41	40
<b>Total non-operating expenses</b>	<b>168</b>	<b>302</b>
<b>Ordinary income</b>	<b>10,536</b>	<b>7,219</b>
<b>Extraordinary income</b>		
Gain on sales of non-current assets	0	0
<b>Total extraordinary income</b>	<b>0</b>	<b>0</b>
<b>Extraordinary losses</b>		
Loss on abandonment of non-current assets	35	46
Impairment loss	11	0
Loss on valuation of investment securities	—	3
Loss on revision of retirement benefit plan	80	—
<b>Total extraordinary losses</b>	<b>128</b>	<b>50</b>
<b>Income before income taxes</b>	<b>10,409</b>	<b>7,169</b>
<b>Income taxes</b>	<b>3,494</b>	<b>2,641</b>
<b>Net income</b>	<b>6,914</b>	<b>4,528</b>
<b>Profit attributable to non-controlling interests</b>	<b>86</b>	<b>87</b>
<b>Profit attributable to owners of parent</b>	<b>6,828</b>	<b>4,440</b>

**Quarterly Consolidated Statement of Comprehensive Income [First quarter period]**

(Millions of yen)

	Three months ended July 31, 2023	Three months ended July 31, 2024
<b>Net income</b>	<b>6,914</b>	<b>4,528</b>
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	165	115
Foreign currency translation adjustment	905	(139)
Remeasurements of defined benefit plans, net of tax	(117)	(6)
Share of other comprehensive income of entities accounted for using equity method	(22)	42
<b>Total other comprehensive income</b>	<b>932</b>	<b>11</b>
<b>Comprehensive income</b>	<b>7,846</b>	<b>4,539</b>
Comprehensive income attributable to owners of parent	7,730	4,375
Comprehensive income attributable to non-controlling interests	115	164

### (3) Notes to Quarterly Consolidated Financial Statements

#### (Note Regarding the Company's Position as a Going Concern)

Not applicable

#### (Note Regarding Significant Changes in the Amount of Shareholders' Equity)

(Purchase of treasury shares)

The Company purchased 1,000,000 shares of common stock during the period from June 4, 2024 to June 13, 2024 based on a resolution at the meeting of the Board of Directors held on May 30, 2024. In addition, the Company purchased 500,000 shares of Class-A Preferred Stock on July 29, 2024 based on a resolution at the meeting of the Board of Directors held on July 26, 2024. As a result, including the increase due to the purchase of shares less than one share unit, treasury shares increased by 4,587 million yen in the first three months of the fiscal year ending April 30, 2025.

(Cancellation of treasury shares)

Based on the resolutions at the meetings of the Board of Directors held on May 30, 2024 and July 26, 2024, the Company cancelled 1,000,000 shares of common stock and 2,000,000 shares of Class-A Preferred Stock on July 31, 2024. As a result, capital surplus and treasury shares each decreased by 7,696 million yen in the first three months of the fiscal year ending April 30, 2025.

#### (Application of Special Accounting Methods in Preparation for Quarterly Consolidated Financial Statements)

(Calculation of income taxes)

The effective tax rate after the application of deferred tax accounting to the income before income taxes for the fiscal year including the first quarter under review is reasonably estimated, and the tax expenses are calculated by multiplying income before income taxes by this estimated effective tax rate.

#### (Changes in Accounting Policies)

(Application of "Accounting Standard for Current Income Taxes," Etc.)

The Company has applied the "Accounting Standard for Current Income Taxes" (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the "Revised Accounting Standard of 2022") and other relevant ASBJ regulations from the beginning of the first quarter of the fiscal year ending April 30, 2025.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of paragraph 65-2(2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; the "Revised Guidance of 2022"). This has no impact on the quarterly consolidated financial statements.

In addition, regarding the revisions related to revised treatment in the consolidated financial statements of the deferral for tax purposes of gains or losses arising from the sale of shares of subsidiaries, etc. between consolidated companies, the Company has applied the Revised Guidance of 2022 from the beginning of the first quarter of the fiscal year ending April 30, 2025. This change in accounting policy has been applied retrospectively, and the new accounting policy is reflected in the quarterly consolidated financial statements for the same period of the previous fiscal year and in the consolidated financial statements for the previous fiscal year. There is no impact from such application on the quarterly consolidated financial statements for the same period of the previous fiscal year and on the consolidated financial statements for the previous fiscal year.

#### (Notes to Quarterly Consolidated Statement of Cash Flows)

A quarterly consolidated statement of cash flows for the first three months of the fiscal year ending April 30, 2025 (May 1, 2024 - July 31, 2024) has not been prepared. Depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill for the first three months of the fiscal year ending April 30, 2025 was as follows.

	Million yen	
	Three months ended July 31, 2023	Three months ended July 31, 2024
Depreciation	2,060	2,093
Amortization of goodwill	269	255

**(Notes on Segment Information, etc.)**

## Segment Information

Information regarding amounts of sales and profits or losses by reporting segment

For the first three months of the fiscal year ended April 30, 2024 (May 1, 2023 – July 31, 2023)

(Millions of yen)

	Reporting Segment				Adjustment	Total
	Tea Leaves /Beverages Business	Restaurant Business	Others	Total		
Net sales:						
(1) Outside	109,760	9,626	1,767	121,154	–	121,154
(2) Intersegment	153	0	660	814	(814)	–
Total net sales	109,913	9,626	2,428	121,969	(814)	121,154
Segment profits	9,144	953	56	10,154	(162)	9,992

Notes: i. The segment profits adjustment includes (247) million yen in amortization of goodwill and 84 million yen in intersegment transactions.

ii. Segment profits are adjusted to the operating income figure on the Quarterly Consolidated Statement of Income.

For the first three months of the fiscal year ending April 30, 2025 (May 1, 2024 – July 31, 2024)

(Millions of yen)

	Reporting Segment				Adjustment	Total
	Tea Leaves /Beverages Business	Restaurant Business	Others	Total		
Net sales:						
(1) Outside	112,207	10,609	2,221	125,039	–	125,039
(2) Intersegment	290	0	720	1,011	(1,011)	–
Total net sales	112,498	10,609	2,942	126,050	(1,011)	125,039
Segment profits	6,087	1,052	161	7,302	(173)	7,128

Notes: i. The segment profits adjustment includes (247) million yen in amortization of goodwill and 73 million yen in intersegment transactions.

ii. Segment profits are adjusted to the operating income figure on the Quarterly Consolidated Statement of Income.