

Financial Results

Presentation for FY2024 2Q

(Fiscal Year Ending April 30, 2025)

December 2024 ITO EN, LTD.



Soft Drink Market in Japan, Financial Results for
FY2024 2Q and Full-Year Forecast ...P.3

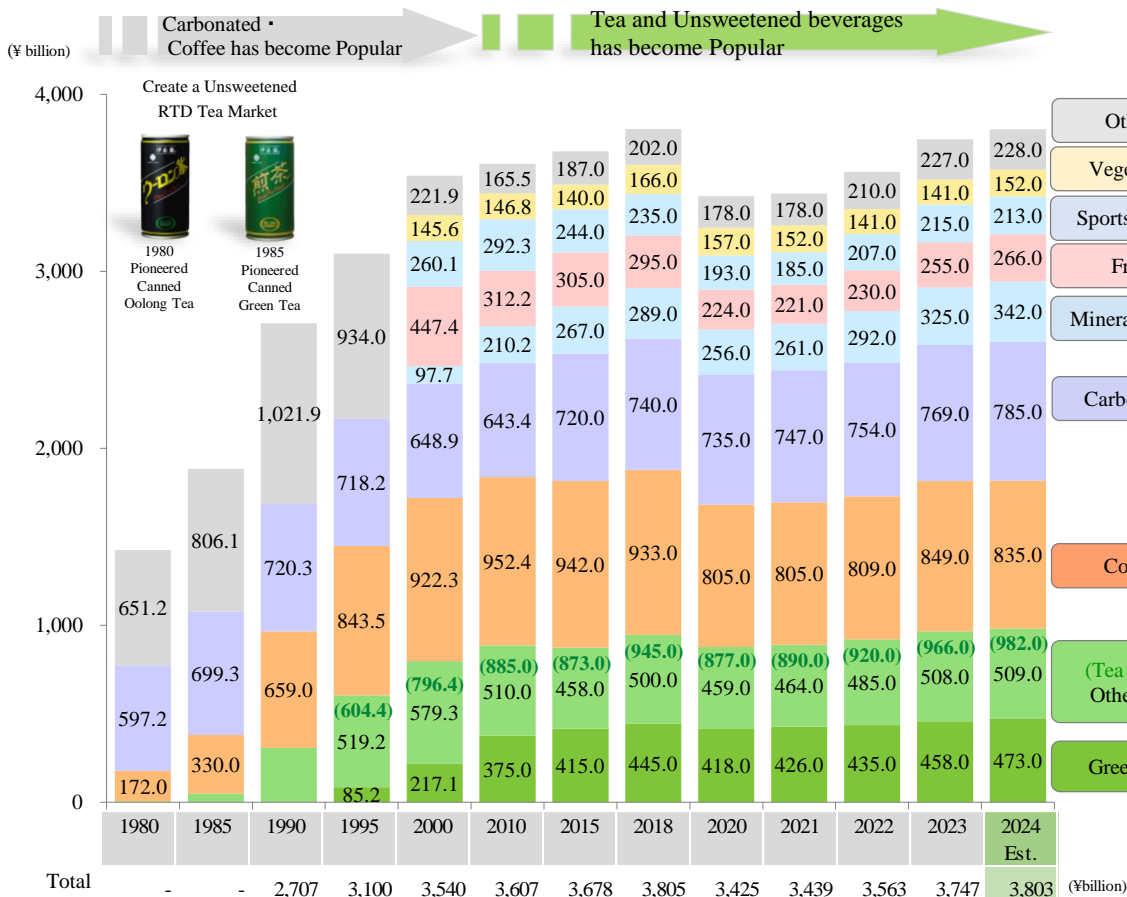
Business and Marketing Strategy ...P.10

Appendix ...P.25

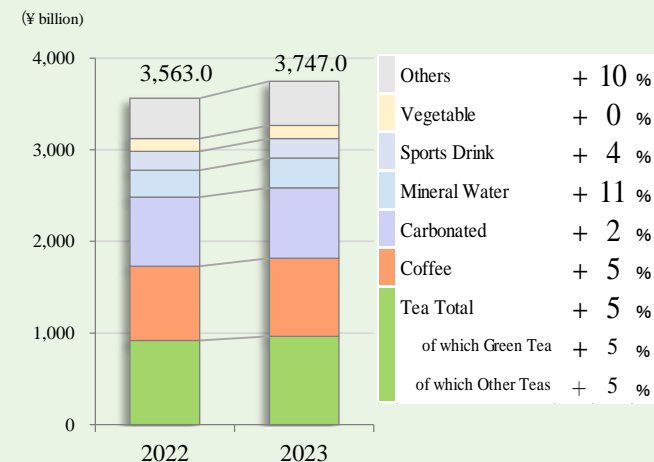
Soft Drink Market in Japan, Financial Results for FY2024 2Q and Full-Year Forecast

Soft Drink Market in Japan

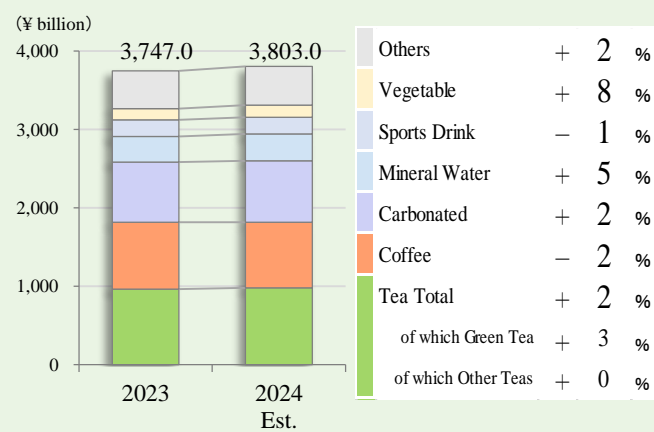
▼Soft Drink Market Trends(Calendar year, Monetary base)



Forecast 2023 Year Est. YoY+ 5.2%

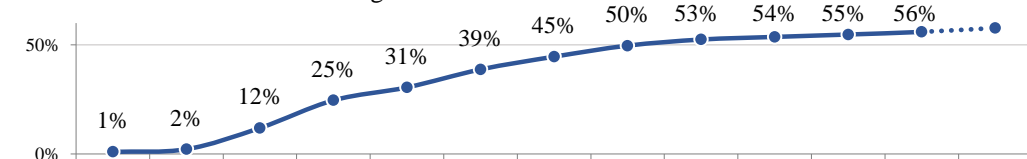


Forecast 2024 Year Est. YoY+ 1.5%



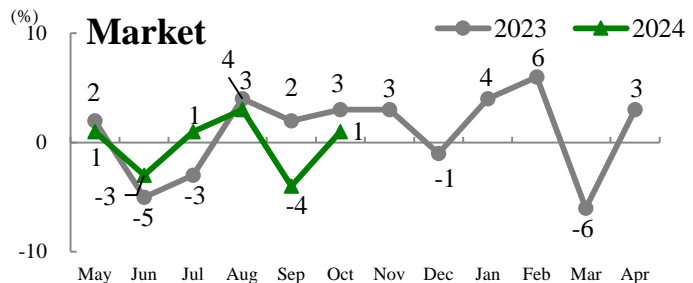
Source: ITO EN

▼Trends in Unsweetened Beverages Market

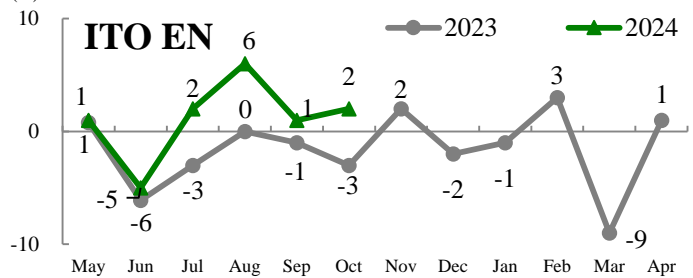


**The Percentage of Unsweetened Beverages Continues to Grow.
More than half of all domestic beverages are unsweetened.**

Monthly Sales Volume Trends



Source: ITO EN, (Chart) May to Apr



Source: ITO EN, (Chart) May to Apr

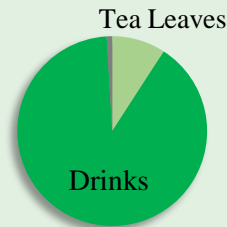
Beverage Market Environment Topics

- 2024 May** Moderate due to unseasonable weather and other negative factors.
- Jun.** Intermittent price hikes have led to a trend toward prioritizing the necessities of life.
- Jul.** Although there were expectations of a halt in demand due to the nationwide heat wave, However, price revisions and the extremely hot weather in the same month of the previous year limited the reactionary increase.
- Aug.** In addition to the demand for stoppage demand due to the heat wave, stockpiling demand surged due to earthquake information and the impact of typhoons. The categories were divided into bright and dark areas.
- Sep.** This was due to one less operating day than the previous year, the impact of price revisions for large PET bottles, and sluggish demand for fall and winter merchandise due to lingering summer heat.
- Oct.** Although there were concerns that the price revisions would reduce consumption, it was not a major negative factor.

ITO EN (non-consolidated) FY2024 2Q (May to Oct,2024)

	YoY % Change
Net Sales	+ 2 %
Tea Leaves	- 3 %
Drinks	+ 2 %
Others	+ 5 %

Amount base



Sales Composition



Tea Leaves
8%



Drinks
91%



Others
1%

(Unit : ten thousand case)

Drinks Sales Volume by Category	FY 2023 Results	Sales Composition	YoY % Change	FY 2024 Results		
				Sales	Sales Composition	YoY % Change
Drinks	12,169	100 %	- 2 %	12,327	100 %	+ 1 %
Tea Total	8,706	72 %	- 2 %	8,739	71 %	+ 0 %
Japanese Tea	7,892	65 %	- 3 %	7,890	64 %	- 0 %
Green Tea	5,209	43 %	- 4 %	5,208	42 %	- 0 %
Barley Tea	2,682	22 %	- 0 %	2,681	22 %	- 0 %
Chinese Tea	498	4 %	+ 7 %	530	4 %	+ 7 %
Other Tea	315	3 %	+ 12 %	318	3 %	+ 1 %
Vegetable	1,307	11 %	- 10 %	1,264	10 %	- 3 %
Coffee	890	7 %	- 0 %	998	8 %	+ 12 %
Mineral Water	353	3 %	- 7 %	427	3 %	+ 21 %
Carbonated	358	3 %	+ 13 %	338	3 %	- 6 %
Fruit	272	2 %	+ 13 %	293	2 %	+ 8 %
Others	280	2 %	- 2 %	265	2 %	- 5 %

FY2024 Results Ratio of Unsweetened Beverages : Higher than **80%**

Financial Results for FY2024 2Q

First half (May to October 2024)

	FY2023 Results		FY2024 Results		
		Sales Composition		Sales Composition	YoY % Change
Net Sales	242,527	100.0%	252,321	100.0%	4.0%
Gross Profit	94,371	38.9%	94,845	37.6%	0.5%
Advertising	5,981	2.5%	6,833	2.7%	14.2%
Freight	7,558	3.1%	7,742	3.1%	2.4%
Depreciation and Amortization	3,047	1.3%	3,136	1.2%	2.9%
Selling, General and Administrative Expenses	77,325	31.9%	80,456	31.9%	4.1%
Operating Income	17,046	7.0%	14,389	5.7%	-15.6%
Ordinary Income	18,089	7.5%	14,617	5.8%	-19.2%
Extraordinary Losses and Income	-784	-	-311	-	-
Net Income	11,209	4.6%	9,191	3.6%	-18.0%

	FY2023 Results		FY2024 Results		
		Sales Composition		Sales Composition	YoY % Change
Net Sales	178,861	100.0%	181,687	100.0%	1.6%
Gross Profit	65,907	36.8%	61,768	34.0%	-6.3%
Operating Income	13,061	7.3%	9,507	5.2%	-27.2%
Ordinary Income	14,802	8.3%	10,874	6.0%	-26.5%

(Unit: million yen, thousand dollars)

Upper: Net Sales Bottom: Operating Income		FY2023 Results	FY2024 Results	YoY % Change
Performances of Subsidiaries	Domestic Subsidiaries	53,285	62,209	16.7%
		3,130	3,348	7.0%
	Tully's Coffee Japan Co., Ltd.	19,630	21,620	10.1%
		1,794	2,064	15.1%
	Chichiyasu Company	6,413	6,696	4.4%
		650	681	4.8%
	Overseas Subsidiaries	27,132	29,339	8.1%
		1,387	1,806	30.2%
		23,493	25,638	9.1%
	US Business	550	1,005	82.5%
		\$ 163,465	\$ 168,552	3.1%
		\$ 3,833	\$ 6,610	72.4%
	Tea-Related Business Companies ※	8,855	10,190	15.1%
		980	1,289	31.6%
		\$ 61,613	\$ 66,991	8.7%
	\$ 6,820	\$ 8,478	24.3%	
Other Overseas Subsidiaries	3,639	3,700	1.7%	
	836	800	-4.3%	
Elimination of Internal Transactions	- 16,752	- 20,914	-	
	- 533	- 273	-	

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

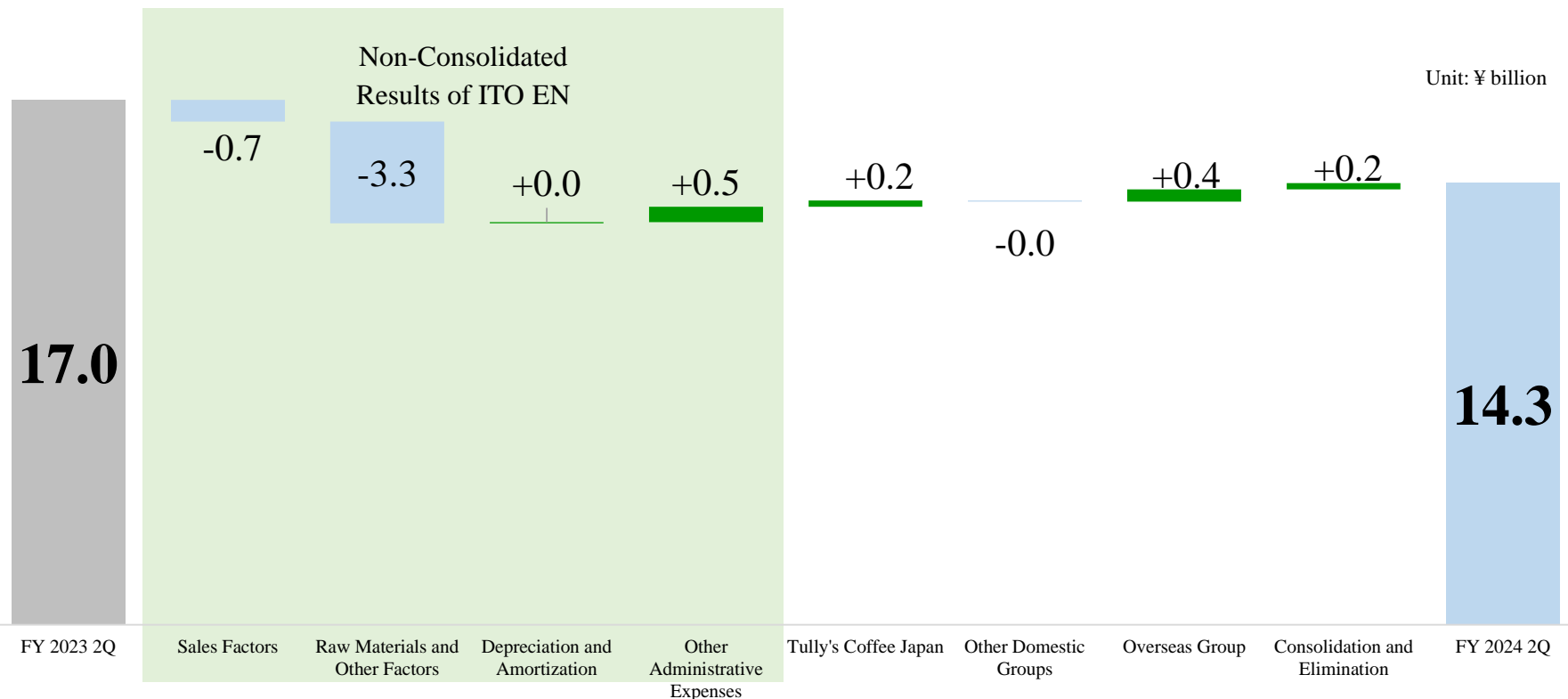
143.72

152.11

※Sum of ITO EN (North America) INC. and ITO EN (Hawaii) LCC

Major Factors Impacting Consolidated Operating Income for the First Half of the FY2024

Despite continued efforts to improve profitability, the impact of the sharp rise in raw material and material costs could not be absorbed.



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

• Impact of increase in sales	+1.0	• Impact of soaring raw material costs and production materials	-3.3
• Changes in packaging and product mix, etc.	-1.8	• Impact of spin-off, etc.	+0.6

Forecast for FY2024

通期（2024年5月～2025年4月）

		2024年4月期		2025年4月期		
		実績	構成比	予測	構成比	増減率
連 結	売上高	453,899	100.0%	466,600	100.0%	2.8%
	売上総利益	177,067	39.0%	186,150	39.9%	5.1%
	広告宣伝費	11,454	2.5%	12,820	2.7%	11.9%
	運送費	14,168	3.1%	15,292	3.3%	7.9%
	減価償却費	6,156	1.4%	6,837	1.5%	11.1%
	販売費及び一般管理費	152,044	33.5%	159,650	34.2%	5.0%
	営業利益	25,023	5.5%	26,500	5.7%	5.9%
	経常利益	26,681	5.9%	26,700	5.7%	0.1%
	特別損益	△ 2,156	-	△ 600	-	-
	当期純利益	15,650	3.4%	17,200	3.7%	9.9%

		2024年4月期		2025年4月期		
		実績	構成比	予測	構成比	増減率
単 独	売上高	329,069	100.0%	336,470	100.0%	2.2%
	売上総利益	120,985	36.8%	123,660	36.8%	2.2%
	営業利益	18,819	5.7%	19,600	5.8%	4.2%
	経常利益	21,493	6.5%	21,650	6.4%	0.7%

Upper: Net Sales Bottom: Operating Income		FY2023 Results	FY2024 Forecast	YoY % Change
Performances of Subsidiaries	Domestic Subsidiaries	104,134	114,180	9.6%
	Tully's Coffee Japan Co., Ltd.	5,138	5,094	-0.8%
	Tully's Coffee Japan Co., Ltd.	40,352	43,200	7.1%
	Chichiyasu Company	3,236	3,380	4.4%
	Chichiyasu Company	12,681	12,656	-0.2%
	Chichiyasu Company	1,227	1,180	-3.9%
	Overseas Subsidiaries	53,193	51,012	-4.1%
	US Business	1,791	2,343	30.8%
	US Business	46,598	44,318	-4.9%
	US Business	393	984	149.9%
	US Business	\$ 318,577	\$ 316,562	-0.6%
	US Business	\$ 2,692	\$ 7,029	161.1%
	Tea-Related Business Companies ※	17,843	17,425	-2.3%
	Tea-Related Business Companies ※	1,827	1,796	-1.7%
	Tea-Related Business Companies ※	\$ 121,987	\$ 124,470	2.0%
Tea-Related Business Companies ※	\$ 12,491	\$ 12,830	2.7%	
Other Overseas Subsidiaries	6,595	6,693	1.5%	
Other Overseas Subsidiaries	1,397	1,359	-2.7%	
Elimination of Internal Transactions	-32,498	-35,062	-	
	-725	-537	-	

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

146.27

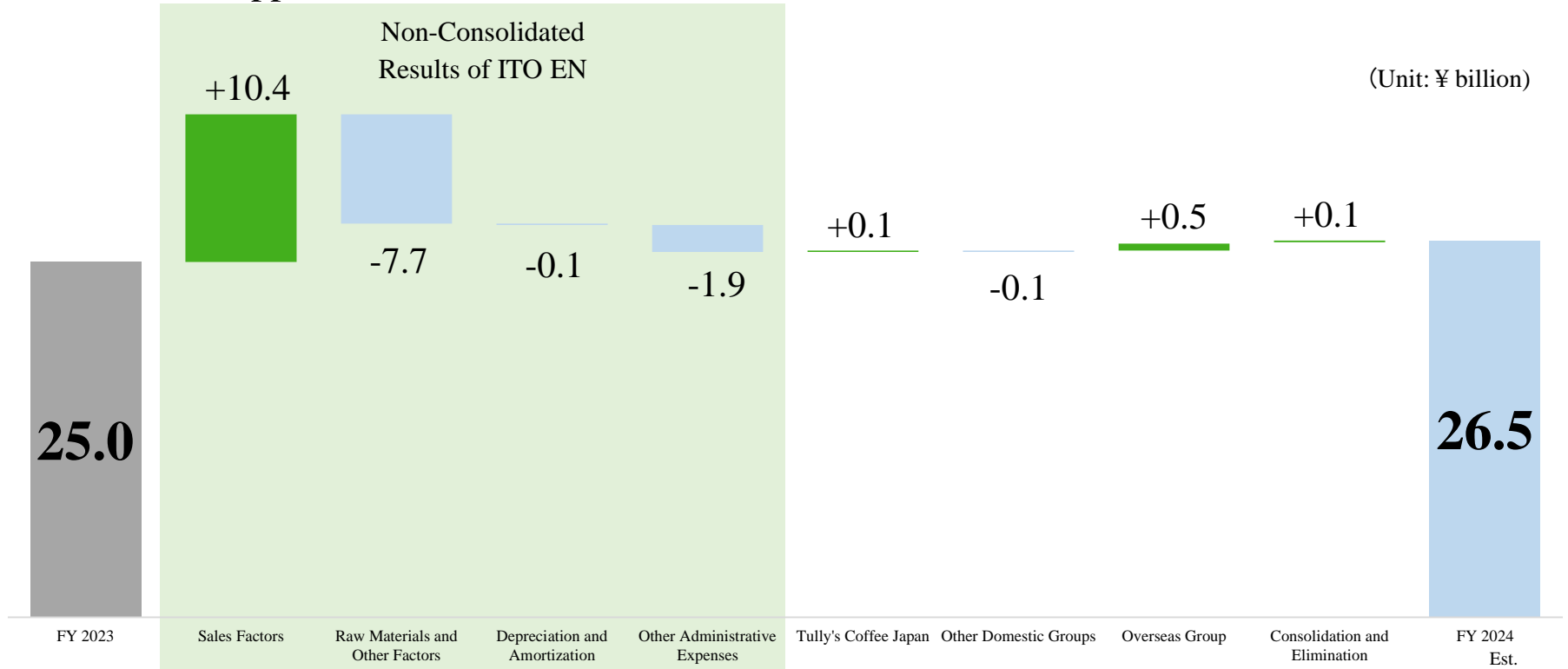
140.00

※Sum of ITOEN (North America) INC. and ITOEN (Hawaii) LCC

Factors Impacting Consolidated Operating Income (Full Year Forecast)

Major Factors Impacting Consolidated Operating Income Forecasts for the FY 2024 (Fiscal Year Ending April 30, 2025)

Continue to improve profitability and increase profit margins in response to rising costs of raw materials and supplies



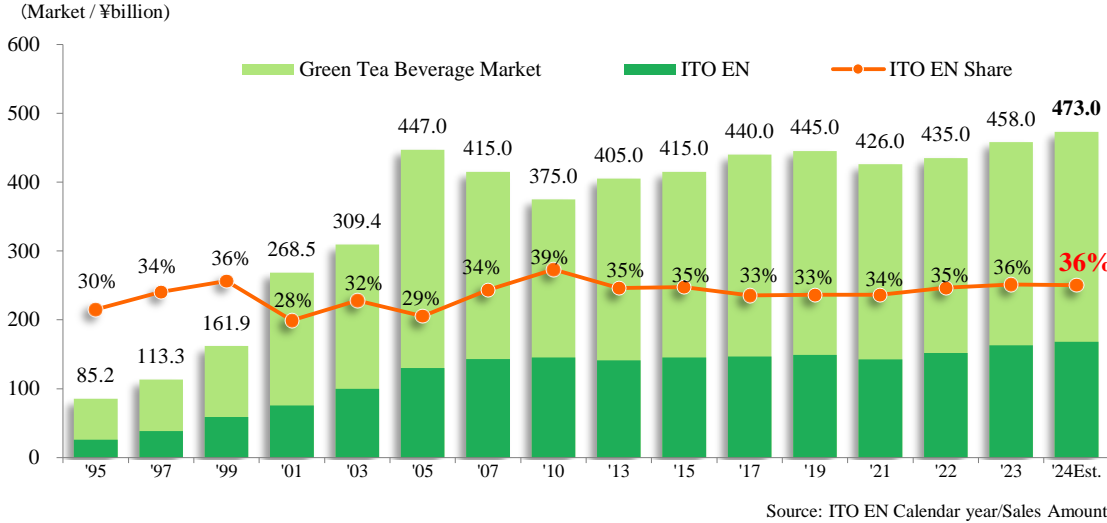
Additional factors of changes in non-consolidated results of ITO EN

- Impact of increase in sales + 2.7
- Changes in packaging and product mix, etc. + 7.7
- Impact of soaring raw material costs and production materials -7.7
- Marketing, sales promotion, etc. -1.5

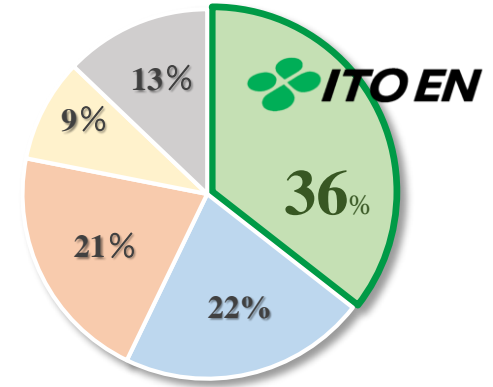
Business and Marketing Strategy

Green Tea Beverage Trends

Green Tea Beverage Market Trends



Unsweetened Tea Beverages Share (Forecast for 2024)



Source: ITO EN / Period: January-December 2024 Total Forecast

The commitment to the deliciousness of "Oi Ocha"

- Making products from the Field and Raw Material Procurement Capabilities
- Manufacturing technology to protect taste and freshness
- Proposals in various product forms

おいお茶
Oi Ocha

100 Million Cases
Worldwide Target



(*1) Guinness World Record TM Record name "Largest unsweetened green tea beverage brand (latest annual sales)" official English record name: Largest unsweetened green tea RTD brand - retail, current record subject brand: Oi Ocha brand (excluding Oi Ocha hojicha product) year covered: January - December 2023

"Oi Ocha" Tea that continues to Evolve in Harmony with Changes in Customers and the Times.

Efforts of "Oi Ocha"

With the release of the Shohei Ohtani player package, "Oi Ocha" has seen growth.

Launched on July 8th

Shohei Ohtani Player Package



Sales Volume

+9.2%

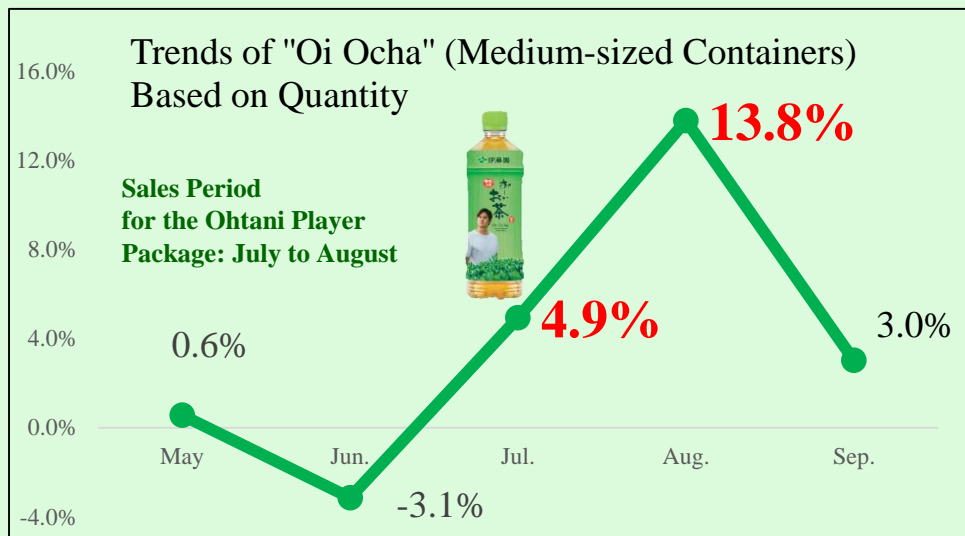
(July-August compared to previous year)

When it comes to Green Tea Beverages, Mindshare

26.8% → **37.3%**

Mar. 2024

Sep. 2024



Source: ITO EN (period: May-Sep 2024/Volume Base)

We will continue to expand sales of "Oi Ocha" through various initiatives.

Marketing of "Oi Ocha" in Japan and Overseas

Continuous Communication Development with Ohtani on Multi-Year Contract

- April 30 Global contract signed
- May 20 Appointed as Global Ambassador
- May 31 Jacked up huge outdoor advertisements in more than 85 locations around the world!
- July 10 Global Social Contribution Projects "Green Tea for Good" started
- October 1 Launch of "Green Tea for Family" Japanese Tea Day



Global Social Contribution Projects

"Green Tea for Good" *(Starts July 10)

* Social Contribution Projects that utilize a portion of the sales from the "Oi Ocha" brand beverages and leaf products to carry out conservation efforts, including those related to forests, water, and biodiversity in Japan and overseas.

"Making Iwate Beautiful With Green Tea" Implemented on August 4th



"Making Hawaii Beautiful With Green Tea" Implemented on August 18th



Enhance the Social Value of "Oi Ocha"

"Oi Ocha Bold Green Tea"

Leading the Market for Functional Foods

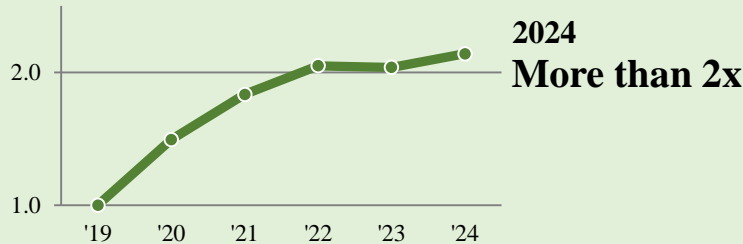
▼ The Market Expands due to Increase of Health Consciousness



お〜お茶 濃い茶

"Oi Ocha Bold Green Tea"

Growth rate with 2019 as 1.0
(Period: May-October sales of each year/Volume Base)



Sales Volume in the First Half of the Year Reaches an All-time High

Growth rate for ITO EN: May - October 2024 /Volume Base

YoY
+ **5.0%**

Functional Beverages Sales No. 1

*Intage SRI- / Functional Food Beverages Market / 2023 / Cumulative Sales Amount

Contains **Twice the Amount** of Gallate-type Catechins

*Contains twice as much green tea as our main green tea beverage

【"Oi Ocha Bold Green Tea" PREMIUM STRONG】

Developed in Response to Customer Requests for a "Much Stronger" Green Tea.

【 Contributed to the Acquisition of New Customers 】



The Consumption Ratio in their 10s and 20s is Approximately **Three times Higher***

*Comparison with Bold Tea (based on in-house research)

Further Market Expansion A Wide Range of Products from Drinks to Powders



Contributing to Customers' Health

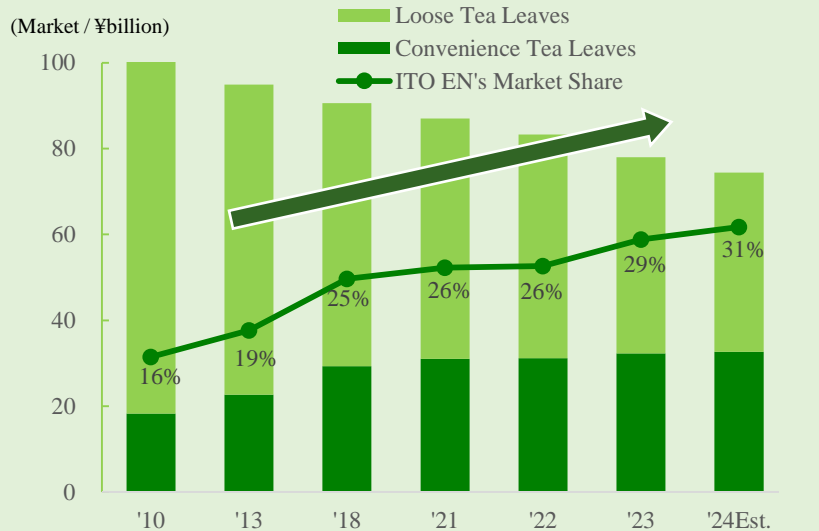
Further Expansion of Convenience Products

Household Leaf Market and ITO EN Sales and Initiatives

Expansion of the Lineup of Convenience Products

▼ Household Leaf Market and ITO EN Market Share

▼ Launched Shohei Ohtani Package Design (12Types,Limited Quantity)



Source: ITO EN, Market: Calendar year ITO EN: May to Apr/Amount Base

Creating Opportunities for Many Customers to Pick Up Our Products



▼ Expanding Strong Sales of Instant (Powdered) Products to Health Tea

▼ Simplified Products are also Performing well in Inbound Demand

A New Proposal Utilizing Traditional Materials that can be Commercialized only by ITO EN

Capture Inbound Demand at Airport Stores

Expanded Lineup



Narita Airport Store

Sales Amount Compared to the Previous year at All Airport Stores

YoY +13.6%

(ITO EN: May to October 2024 / Amount Base)

Making "Tea" More Accessible and Easier to Use with Convenience Products

"Oi Ocha" Overseas Expansion

Expanding "Oi Ocha" Overseas

▼ "Development of Raw Materials that can Deliver the Same Taste and Quality in any Country around the World
 ⇒ Expanding Distribution Channels with a Greater Sense of Speed than Before."



FY2023
 Sales in more than **40** Countries and Regions

FY2028
 Sales in more than **60** Countries and Regions
 Sales Volume **10 Million Cases**

FY2040
 Sales in more than **100** Countries and Regions

Expansion of Sales Countries and Channels



Product Marketing

- Product development tailored to market characteristics, including beverages, tea bags, instant and matcha teas, etc.
- Global marketing & local marketing rooted in each country/region



Unsweetered "Oi Ocha" to become a Global Brand

"Oi Ocha" Overseas Marketing

Acquiring Awareness of "Oi Ocha" and Promoting Understanding of "Oi Ocha" Value

Global x Local Value Appeal and Market Development of "Oi Ocha"

Global Marketing

Mr. Danjuro Ichikawa



Japanese Culture, Tradition and Innovation

Mr. Shohei Ohtani



Global, Challenge, Health



Local Marketing

(Tasting, Sampling, SNS Advertising, etc.)

North America



Exhibited at ANIME NYC, a Japanese pop culture festival in Manhattan, North America



At Kapiolani Park, Hawaii Sampling "Oi Ocha"

Europe



Sampling at Germany's largest anime and manga exhibition

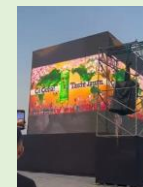


Exhibited at Japan Expo in Paris, France Sold "Oi Ocha"

Asia



For those who purchase products at our stores in Thailand
Clear file present project



Wrapping vending machines at the Japan Festival in Kuala Lumpur, and uploading "Oi Ocha" video on a large screen at the venue.

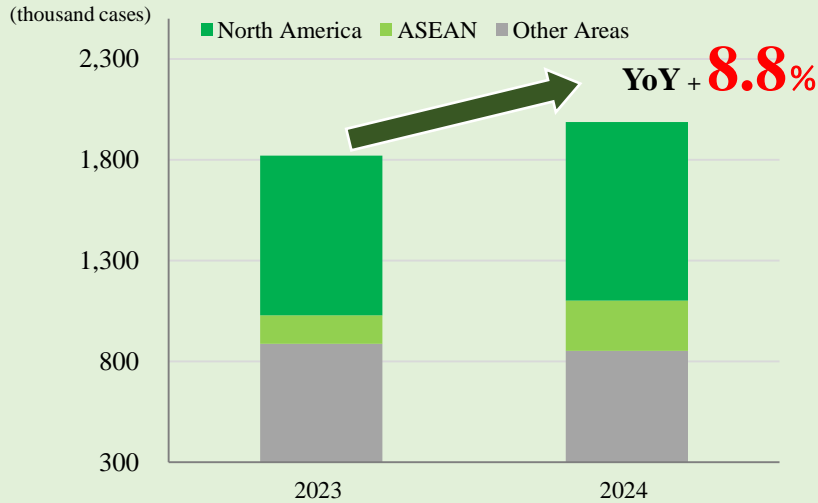
Marketing to Expand "Oi Ocha" to People Around the World in accordance with the Region

"Oi Ocha" Overseas Sales Status

Sales of "Oi Ocha" by Region

▼ Oi Ocha RTD Sales Trend

North America + ASEAN + Other Areas



« Beverage Sales »

Source: ITO EN (Period: May to October)

North America: Asian Supermarkets Performing Well, ASEAN: CVS Introduction Stores Increase



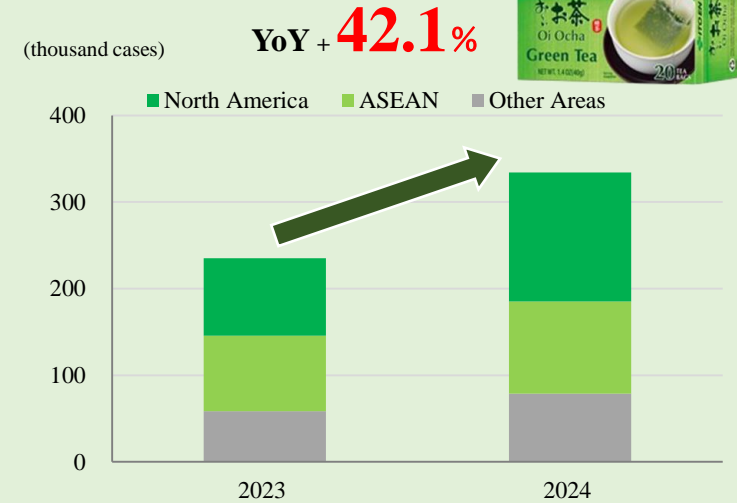
Exhibited at ANIME NYC, a Japanese pop culture festival in Manhattan, North America



Sponsored cleanup activities at Wat Arun in Thailand

▼ Sales Volume of "Oi Ocha" Tea Bags

North America + ASEAN + Other Areas



« Tea Bag Sales »

Source: ITO EN (Period: May to October)

Increased Awareness through Sampling and Sales Linked to Beverages



Tea leaf Shelf in Malaysia



Sampling in Hawaii

Continue to Expand Sales Channels to be "A Global Tea Company"

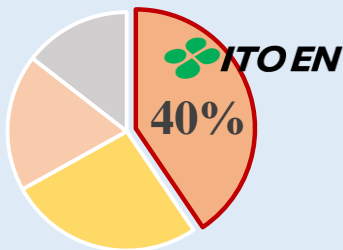
Barley Tea and Health Tea Beverages

Healthy Mineral Barley Tea

▼ No. 1 Barley Tea Beverage

Supported by a Wide Range of Consumers

Domestic sales value share of barley tea beverages in 2024 (forecast)



Source: ITO EN
(period: January to December 2024 forecast)

Record Name: "Most Sold RTD Barley Tea Brand (Latest Annual Sales Volume)"
Official English Record Name: "Best-selling RTD barley tea brand – current"
Recorded Brand: "Healthy Mineral Mugi-cha" (Barley Tea)
Year Covered: 2023

A Brand that Babies can Drink Safely



The "Tamahiyo Baby Goods Award 2024" is a project to announce the results of a survey conducted by 2,062 mothers and fathers of Tamahiyo readers on products and services they are glad they actually used, in a ranking format. (Survey conducted in September 2023 and published in the web media "Tamahiyo")



Toward Further Expansion of the Barley Tea Market Expanding the "Healthy Mineral Barley Tea" Brand

New product to be introduced as the second pillar of the "Healthy Mineral Barley Tea" brand to be launched next spring

Healthy Tea(Caffeine-Free Beverages)

Black Bean Tea Products

Growth rate is for drink products (ITO EN: May to Oct 2024/ Volume Base)

New Products



YoY
+**69.6%**



Delicious **Soy Isoflavones** can be enjoyed anytime, whether cold or hot.

Chinese Tea(Aromatic Beverages)

Jasmine Tea Products

Growth rate is for drink products (ITO EN: May to Oct 2024/ Volume Base)



YoY
+**8.6%**



The pleasant aroma and refreshing aftertaste have made it a favorite drink of many people, especially women.

Linked Sales of Drinks and Reefs, One of Our Strengths

Vegetable and Fruit Juice Products

Focus on the Health Value of Vegetables

▼ Tomato Boom Continues

For those who want to take lycopene



Tomato Beverages Overall YoY

+17.2%

Appeal with in-store POP



(ITO EN: May to Oct 2024/Volume Base)



Strengthening Tomato Products

Launched on Sept. 30.
Ripe Tomatoes (need to be refrigerated)
Chilled paper carton 900ml

▼ Long-time Bestseller "One Day Veggies", 20th Anniversary of the Launch

You can obtain the main nutritional components equivalent to the daily vegetable intake target of 350g from a single serving.

*Main Nutritional Components (proprietary standard)
Vitamin C, beta-carotene, calcium, magnesium, potassium

New Proposal

Delivering Seasonal Deliciousness and Nutrition
"One Day Veggies" (Season Limited Editions)



July
Concentrated
Tomato



September
Sweet Potato



December
Carrot

Nippon Yell Project Joint Project by JA Zen-Noh

▼ Nippon Yell Project

An initiative under the concept of "Let's send cheers to Japanese food delivered from all over the country, and to Japan," where JA Zen-Noh, ITO EN, and other manufacturers and retailers collaborate to support production areas.

Supporting manufacturers promote and support production areas by selling products under the same theme.



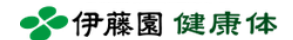
Nagano Prefecture
The Three Apple
Brothers

Focus on the Health Value of Pomegranates

▼ Pomegranate Products Grew in Sales.

For those who care about their daily beauty and health.

ITO EN's Official Online Shopping Site



Online Shop

Mail Order-only "Pomegranate" Products



Paper Carton 200ml



Supplements



Jelly



Beverages

Proposal of Health Value with Materials

Coffee Shop Quality

TULLY'S COFFEE



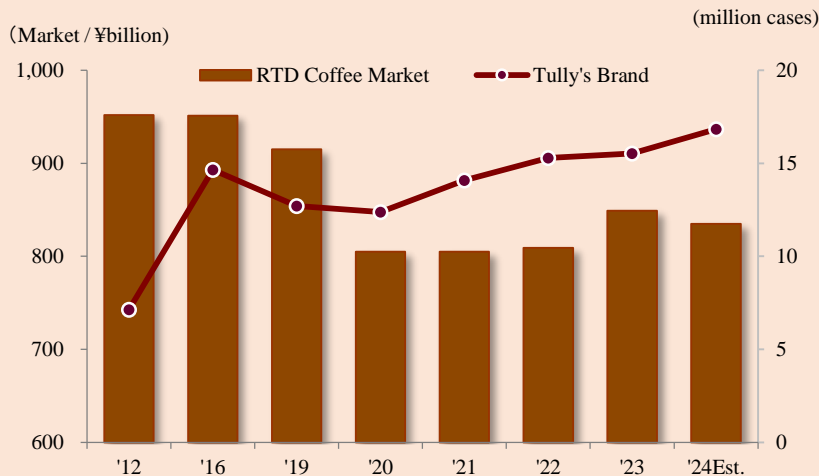
Tully's Coffee Brand

YoY + **14.9%**

Record Sales Volume in the First Half of the Year

Growth rate is ITO EN: May - Oct 2024/Volume Base

▼ Coffee Beverage Market Situation



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

Unsweetened Coffee Favored by Coffee Lovers



TULLY'S COFFEE BARISTA'S BLACK



TULLY'S COFFEE BARISTA'S Sugar-Free Latte



TULLY'S COFFEE BARISTA'S BLACK Kilimanjaro

New Non-Bitter Coffee With a Distinctive Aroma



PET TULLY'S COFFEE AROMA ESPRESSO Cafe Latte/Non-Sugar Latte/Black

Synergy with TULLY'S COFFEE

YoY **93.1%** First "Tully's Coffee Japan x ITO EN" Initiative

Products made with jointly procured Kilimanjaro beans will be sold in conjunction with shops, along with information dissemination.



▼ Joint Procurement of Beans (Kilimanjaro Beans)



▼ Product Launches

(ITO EN: bottled cans, Tully's Coffee Japan: beans, drip)



▼ Information Dissemination (Oct. 1 Coffee Day)



Synergies that Enhance the Value of the Tully's Brand

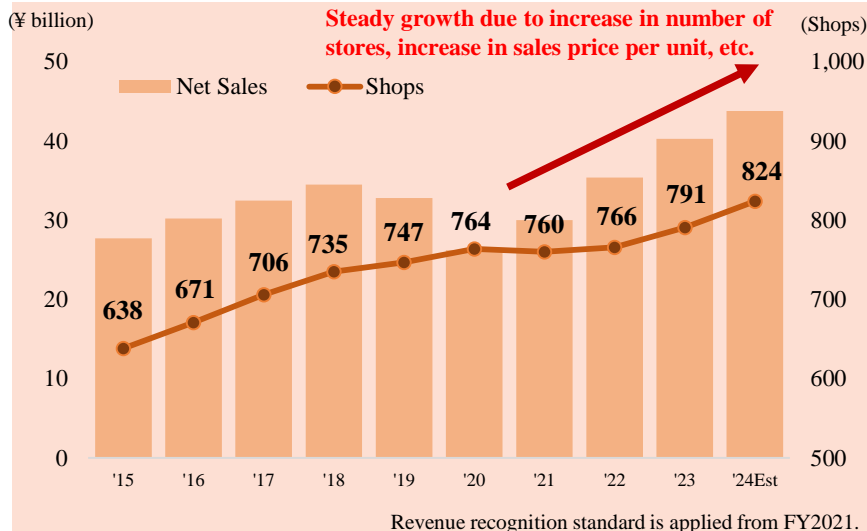
Growth rate is ITO EN: May - Oct 2024/Volume Base

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Proposing the Most Suitable Stores for each Location

▼ Trends in the Sales* and Number of Stores



▼ First Half Hit Products

Combined with the summer heat, iced drinks, including frozen drinks, sold well.



The “Vanilla Affogato Shake” frozen drink, launched for a limited time to commemorate the company's founding, enjoyed strong sales in the first half of the year, and the “Tully's Bearful Hug Me Bottle” sold out immediately.

▼ Store Development Based on Four Business Categories

As of October 31, 2024 **800 stores**

(Net Increase **9 Stores** / FY2023)

Opened on September 6, 2024
Tully's Coffee Gran Green Osaka



TULLY'S COFFEE
-SELECT-



A store that offers new values where customers can enjoy carefully selected books and art experiences with a cup of coffee.

▼ Commitment to Raw Materials

We work together at La Minita Estate, which is owned by DISTANT LANDS TRADING CO.



Confirmation work with Tully's representative and farm engineer



DISTANT LANDS
COFFEE



Costa Rica La Minita Wetmill
Sweet Washed
Launched on Nov. 20th

Strengthen Efforts to Enhance the Value of the Tully's Brand

Aiming to Create Markets in New Categories

Proposing Product Development that Provides New Experiential Value to the Market at a Faster Pace than Ever Before

Portable "Drinking Sweets" Beverages

New "Drinking Sweets" Beverage Favored By Young Women



Part 1 Launched on
September 16th

A Hot Topic on SNS

► Almond Oolong

Sweet and smooth texture like apricot bean curd, with the refreshing taste of oolong tea that gives it a sharp taste.



Part 2
Launched on
December 9th

► Strawberry
Dou Hua Oolong
Smooth Taste reminiscent of
Sweet Strawberries and
Gentle Soybean Pudding



Part 3
Scheduled to
be launched
next spring

Coming soon!
Stay tuned!

Textured "Eatable Juice" Beverages

Responding to the Needs from Snack Time to Satisfying Small Hunger

"MOG-GOOD!" with a Munching Texture

Enjoy the Chewy Texture of Nata de Coco

Sales from vending machines and storefronts are also performing well

Launched on March 4th



Launched on August 26th



(Left) Nata de coco & mango
(Right) Nata de coco & mellow grape

Carbonated Beverages with a Nostalgic Taste

Retro Taste Favored By All Generations

A Rich and Creamy Café-quality Carbonated Drink that Tastes like Melted Ice Cream

Launched on October 7th



Launched on March 18th



(Left) Thick banana cream soda at a cafe
(Right) Thick melon cream soda at a cafe



Showa-retro motif with a fresh and unique design with a sense of nostalgia

Product Development that Embraces Diverse Ideas and Challenges

Strengthen Research through Industry-Government-Academia Collaboration

▼ ITO EN Central Research Laboratory



Proving and Communicating the “Value of Green Tea” through Industry-Government-Academia Collaborative Research

In recent years, through industry-government-academia collaboration, promotion of research to scientifically prove the “health and functional value” of green tea, such as the function of catechins and theanine, and the “emotional value” of physical and mental health, such as aroma and communication through tea.

▼ Drinking green tea and roasted green tea affects multiple physiological responses and contributes to improved work performance and reduced fatigue

(Published in Scientific Reports 2024)

- Collaborative Research Partner:
University of Occupational and Environmental Health,
School of Industrial Health, Human Information Science



Using measuring instruments to confirm autonomic nervous system activity, changes in cerebral blood flow, peripheral vascular contraction, and fluctuations in heart rate.

■ Test Methods

Twenty participants were involved in the study. After a 5-minute rest, they performed mental arithmetic tasks for 5 minutes, repeated three times, followed by another 5-minute rest. Before each task and before the final rest, they consumed beverages (hot water, commercially available green tea, or roasted green tea; 50ml × 4 times). Physiological responses were measured during rest and task periods, and subjective fatigue was assessed before and after the tasks.

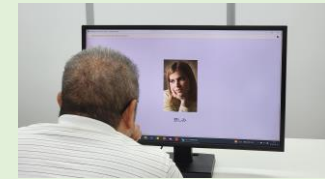
▼ Confirmed the effects of matcha on social cognitive function (emotion perception from facial expressions) and sleep quality

(Published in the journal PLOS ONE, 2024)

- Collaborative Research Partner:
MCBI Corporation, National University Corporation University of Tsukuba,
Medical Corporation Soshikai Memory Clinic Toride



Capsule filled with 2g of matcha



Determine within 3 seconds whether the facial expression in the photo matches the words of the emotional expression.

■ Test Methods

The effects of long-term consumption of matcha on cognitive function were investigated using test foods, with the matcha group receiving capsules filled with 2g of matcha, while the placebo group received capsules filled with colored corn starch, and the comparison was verified through a comparative study.

Evolution of a Vertically Integrated Business Model from The Fields Cultivated in Tea

By integrating a vertically integrated business model with the seven materialities and further evolving them, we aim to strengthen the sources of our growth potential.

Sustainable Agriculture

Vertically Integrated Business Model from the field Cultivated in Tea

Research, Planning and Development

Raw Material Production

Raw Material Procurement and Processing

Manufacturing & Logistics

Sales

Environment/ Resource Recycling

Diverse Human Resources

Governance

Seven Materialities

Diet and Health

Research and dissemination of healthfulness products that contribute to health

Sustainable Supply Chain

Supply chain management

Community

Creating together with local communities, communication through tea

Environment

Environmental response from tea plantation to tea husks and empty containers

Disseminating research results, etc.

Product development for all types of drinking occasions

Development of green tea and matcha that meet the standards of various overseas countries

Horizontal expansion to other categories

Promoting Environmental Consideration in the Value Chain

Appendix

Appendix : Contribution to Sustainable Domestic Agriculture

The scale of the Tea-Producing Region Development Project has expanded, while Japanese crude tea production and tea farm area has declined.

Domestic crude tea production
Down approx. 25% over 47 years

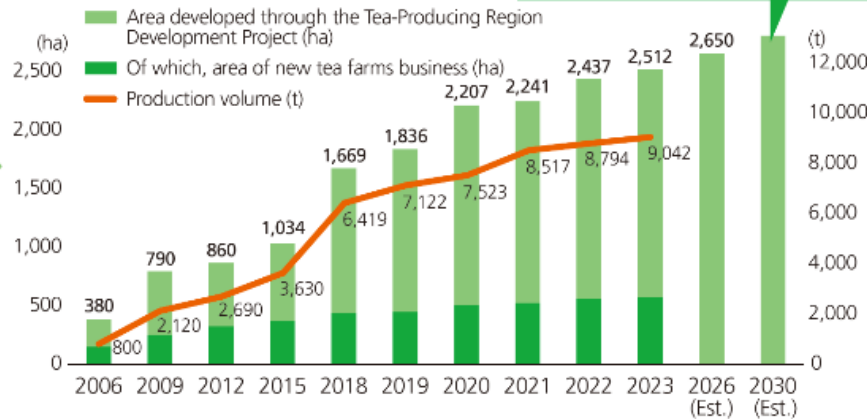
1976: Approx. 100,000 tons
2023: 75,200 tons

Domestic tea cultivation area
Down approx. 40% in 47 years

1976: Approx. 60,000 ha
2023: 36,000 ha

Production and cultivation area of crude tea, Source: Ministry of Agriculture, Forestry and Fisheries

Trends in the area developed through the Tea-Producing Region Development Project and our production volume



Source: ITO EN's Tea-Producing Region Development Project (May to April each year)

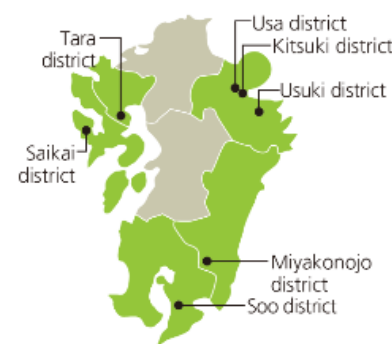
KPI (indicators) 2,800ha
 • Organic production: 500 tons by 2030
 • Maintain 100% GAP certification

New tea farms business districts

(Expanded to nine districts in seven prefectures as of FY4/2024)

Five prefectures in Kyushu

(Oita, Miyazaki, Kagoshima, Saga and Nagasaki)



Shizuoka



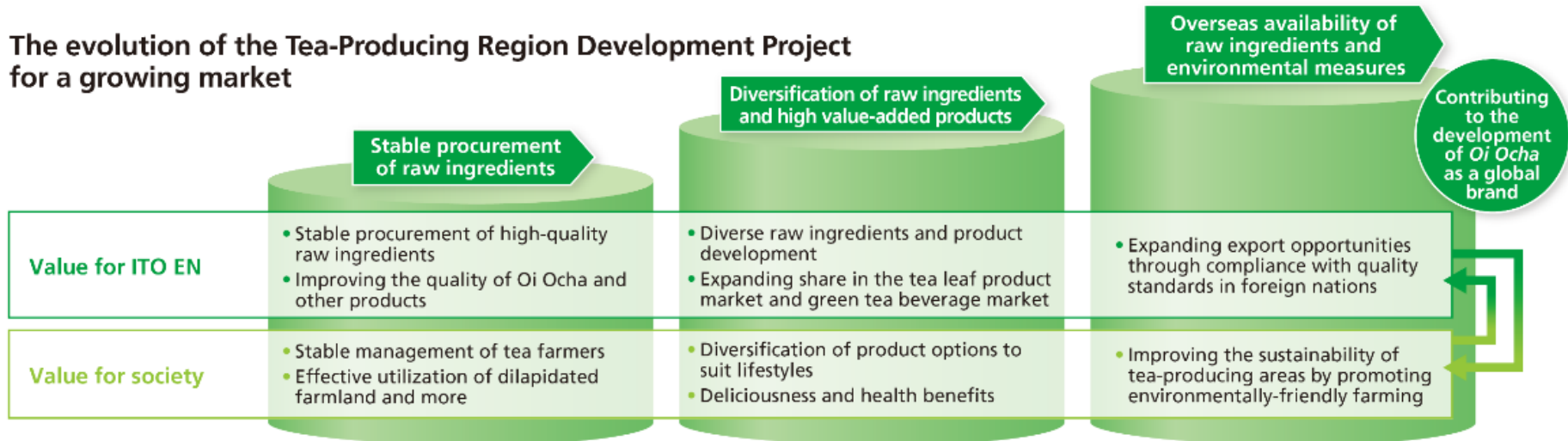
Saitama

(expansion started in April 2022)



Total of the Tea-Producing Region Development Project in FY4/2024: 2,512 ha
(Of which, new tea farms: 500 ha or more)

The evolution of the Tea-Producing Region Development Project for a growing market



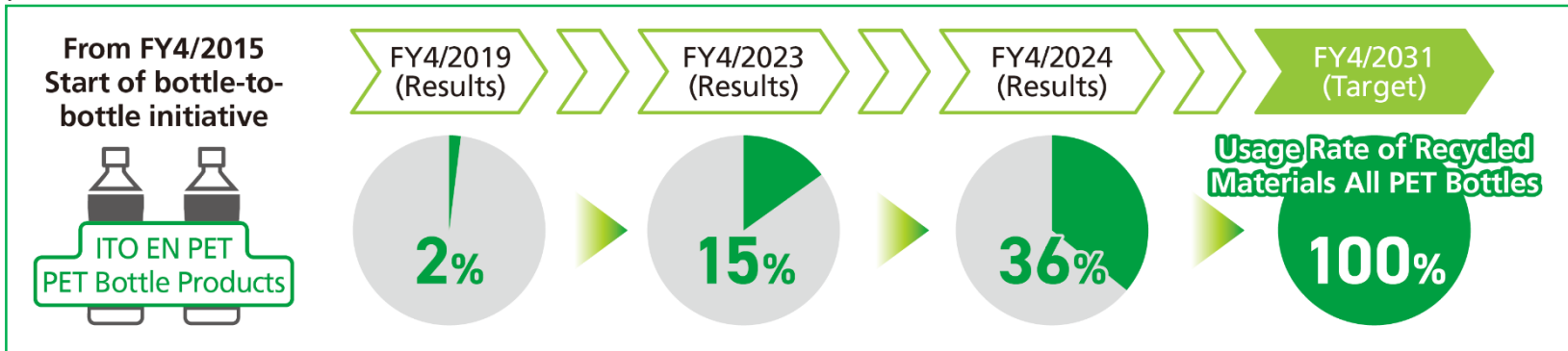
Contributing to the development of Oi Ocha as a global brand

Appendix : Environmental Initiatives through Oi Ocha

We reduce environmental impact and recycle resources at every stage of our beverage products, including "Oi Ocha" from field to production, distribution, sales, and consumption.



◀ Recycle (Bottle to Bottle) ▶



Drink Sales Volume by Category

(Unit: ten thousand case)

	1Q (May to Jul)			2Q (Aug to Oct)		
	Sales Composition	YoY % Change		Sales Composition	YoY % Change	
Drinks	6,068	100%	- 0 %	6,259	100%	+ 3 %
Tea total	4,325	71%	- 1 %	4,414	71%	+ 1 %
Japanese Tea	3,917	65%	- 1 %	3,972	63%	+ 1 %
Green Tea	2,575	42%	- 1 %	2,633	42%	+ 1 %
Barley Tea	1,342	22%	- 0 %	1,339	21%	+ 0 %
Chinese Tea	253	4%	+ 5 %	277	4%	+ 8 %
Other Tea	154	3%	- 7 %	164	3%	+ 10 %
Vegetable	627	10%	- 4 %	636	10%	- 2 %
Coffee	474	8%	+ 5 %	524	8%	+ 20 %
Mineral Water	193	3%	+ 10 %	234	4%	+ 32 %
Carbonated	165	3%	- 9 %	172	3%	- 3 %
Fruit	150	2%	+ 7 %	142	2%	+ 8 %
Others	132	2%	- 2 %	133	2%	- 8 %

Sales Composition by Packaging (Non-Consolidated)

FY 2024 First half (May to October 2024)

(Unit: ten thousand cases)

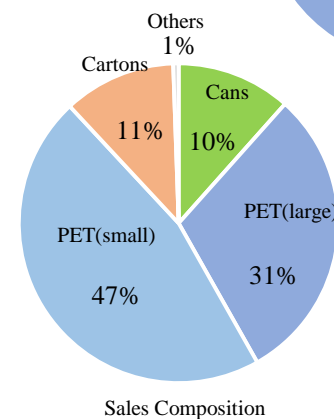
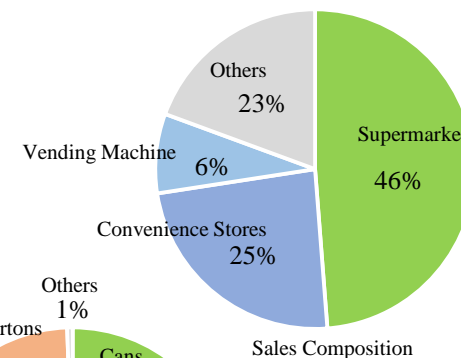
	1Q (May to Jul)		2Q (Aug to Oct)		FY2024 2Q		
	YOY % Change		YOY % Change		Composition ratio YOY	YOY % Change	
Drink Total	6,068	- 0 %	6,259	+ 3 %	12,327	-	+ 1 %
Cans	610	- 2 %	628	+ 1 %	1,239	- 0 pt	- 0 %
PET (large)	1,848	- 1 %	1,971	+ 1 %	3,819	- 0 pt	+ 0 %
PET (small)	2,898	+ 0 %	2,939	+ 5 %	5,838	+ 0 pt	+ 3 %
Cartons	673	- 1 %	683	+ 2 %	1,357	- 0 pt	+ 1 %
Others	37	+ 9 %	35	- 0 %	73	+ 0 pt	+ 5 %

Sales Composition by Channels (Non-Consolidated)

FY2024 (May to October 2024)

Volume Base

	Composition ratio YoY	YOY % Change
Supermarket	- 3 pt	- 5 %
Convenience Store	+ 1 pt	+ 4 %
Vending Machine	- 1 pt	- 11 %
Others	+ 3 pt	+ 18 %



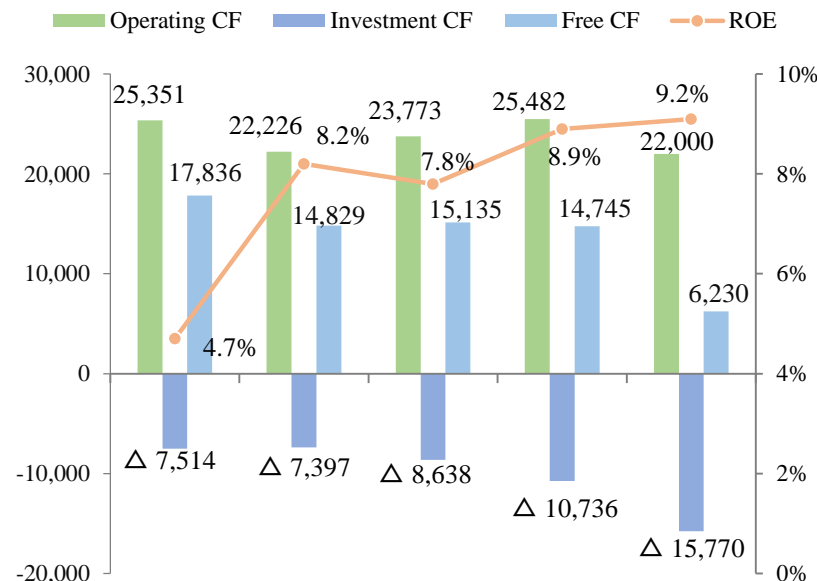
Appendix : Related Materials

Consolidated Balance Sheet (YoY Comparison)

	(¥million)		
	End of Oct. 2023	End of Oct. 2024	Change
Current assets	247,527	243,901	-3,626
Cash and deposits	114,136	101,672	-12,463
Accounts receivable-trade and inventories	120,065	127,485	7,420
Property, plant and equipment	73,479	75,629	2,150
Land	23,229	23,076	-152
Leased assets	5,398	4,457	-941
Other	44,851	48,095	3,244
Intangible fixed assets	8,060	6,687	-1,372
Goodwill	1,997	994	-1,003
Investments and other assets	24,647	29,089	4,442
Total assets	353,714	355,307	1,593
Current liabilities	93,982	112,880	18,898
Accounts payable	31,881	32,620	738
Corporate bonds	10,000	-	-10,000
Short-term loans payable	1,737	29,335	27,597
Lease obligations	1,885	1,546	-338
Income taxes payable	6,092	5,294	-798
Non-current liabilities	76,798	57,548	-19,250
Corporate bonds	-	10,000	10,000
Long-term loans payable	59,467	31,826	-27,461
Lease obligations	3,063	2,325	-738
Total liabilities	170,781	170,429	-351
Net assets	182,932	184,878	1,945

Consolidated Cash Flows

(¥million)



(¥million)	'21/4	'22/4	'23/4	'24/4	'25/4 Est.
Capital Investments	7,199	7,511	7,259	10,256	14,307
Depreciation/Amortization	7,255	7,246	7,582	7,017	7,300
Leased Assets Depr.	5,171	4,035	2,771	1,577	1,578
Lease obligations (Repayment)	-3,691	-2,732	-2,278	-1,989	-1,380

Rating	A+
Bond shelf registration (straight bonds)	40 billion

Equity ratio	10/2023	51.3%
	10/2024	51.6%



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.