

Financial Results for the First Quarter Fiscal Year Ending April 30, 2014

Supplementary Materials

September 2013
ITO EN, LTD.

1. 1Q Results of Operations
2. 1Q Category Results (Non-consolidated)
3. New Products Information



1. 1Q Results of Operations

(¥ million)

		First Quarter Total (May–July)				
		For the Year Ended April 30, 2013		For the Year Ending April 30, 2014		
			Sales Composition		Sales Composition	YOY % Change
Consolidated	Net Sales	106,236	100.0%	119,193	100.0%	12.2%
	Gross Profit	49,224	46.3%	55,809	46.8%	13.4%
	Selling, General and Administrative Expenses	44,074	41.5%	50,240	42.2%	14.0%
	Operating Income	5,149	4.8%	5,568	4.7%	8.1%
	Ordinary Income	4,890	4.6%	5,426	4.6%	11.0%
	Extraordinary Expenses and Income	△ 151	–	△ 21	–	–
	Net Income	2,447	2.3%	2,987	2.5%	22.1%

Non-Consolidated	Net Sales	96,388	100.0%	101,315	100.0%	5.1%
	Gross Profit	43,350	45.0%	45,387	44.8%	4.7%
	Operating Income	4,101	4.3%	4,045	4.0%	–1.3%
	Ordinary Income	4,509	4.7%	4,518	4.5%	0.2%

		Annual Total (May–April)				
		For the Year Ended April 30, 2013		For the Year Ending April 30, 2014 Est.		
			Sales Composition		Sales Composition	YOY % Change
Consolidated	Net Sales	403,957	100.0%	440,000	100.0%	8.9%
	Gross Profit	192,088	47.6%	209,562	47.6%	9.1%
	Selling, General and Administrative Expenses	171,837	42.5%	186,562	42.4%	8.6%
	Operating Income	20,250	5.0%	23,000	5.2%	13.6%
	Ordinary Income	19,914	4.9%	21,500	4.9%	8.0%
	Extraordinary Expenses and Income	△ 430	–	△ 500	–	–
	Net Income	11,244	2.8%	12,300	2.8%	9.4%

Non-Consolidated	Net Sales	351,807	100.0%	368,880	100.0%	4.9%
	Gross Profit	161,990	46.0%	169,704	46.0%	4.8%
	Operating Income	16,834	4.8%	18,350	5.0%	9.0%
	Ordinary Income	17,138	4.9%	17,850	4.8%	4.2%

(Reference)

EPS (Consolidated)	Common Stock	¥19.83
	Preferred Stock	※1 ¥19.83
Cash Dividends per Share	Common Stock	–
	Preferred Stock	–

	¥24.34	22.7%
※1	¥24.34	22.7%
	–	–
	–	–

	¥88.64	¥97.23	9.7%
	¥98.64	¥107.23	8.7%
	¥38.00	¥38.00	0.0%
	¥48.00	¥48.00	0.0%

※1 For the above information per share of Preferred Stock, as there were no dividend payments within the first quarter of the current fiscal year, there are the same amount as those of information per share of common stock.

2. 1Q Category Results (Non-consolidated)

(¥ million)

		First Quarter Total (May-July)									
		For the Year Ended April 30, 2011	For the Year Ended April 30, 2012			For the Year Ended April 30, 2013			For the Year Ending April 30, 2014		
			YOY % Change	Sales Composition	YOY % Change	Sales Composition	YOY % Change	Sales Composition	YOY % Change	Sales Composition	
Net Sales		91,633	93,796	2.4%	100.0%	96,388	2.8%	100.0%	101,315	5.1%	100.0%
	Tea Leaves	7,665	7,343	-4.2%	7.8%	6,986	-4.9%	7.2%	7,418	6.2%	7.3%
	Drinks	82,912	85,411	3.0%	91.0%	88,600	3.7%	91.8%	93,129	5.1%	91.8%
	Others	1,055	1,041	-1.3%	1.1%	801	-23.1%	0.8%	767	-4.2%	0.8%
Breakdown of Drinks	Japanese Tea /Healthy Tea	45,832	47,777	4.2%	50.8%	45,850	-4.0%	47.5%	49,833	8.7%	49.1%
	Chinese Tea	4,842	4,135	-14.6%	4.4%	4,956	19.8%	5.1%	4,620	-6.8%	4.6%
	Vegetable	10,348	11,194	8.2%	11.9%	13,775	23.1%	14.3%	14,082	2.2%	13.9%
	Fruit	4,369	4,415	1.0%	4.7%	3,958	-10.4%	4.1%	4,143	4.7%	4.1%
	Coffee	5,784	6,052	4.6%	6.5%	6,825	12.8%	7.1%	7,608	11.5%	7.5%
	Black Tea	3,677	4,310	17.2%	4.6%	4,193	-2.7%	4.4%	2,960	-29.4%	2.9%
	Functional	1,671	1,853	10.9%	2.0%	1,831	-1.2%	1.9%	2,119	15.7%	2.1%
	Mineral Water	3,654	2,628	-28.1%	2.8%	2,470	-6.0%	2.6%	2,838	14.9%	2.8%
	Carbonated	1,738	1,890	8.7%	2.0%	3,025	60.1%	3.1%	3,494	15.5%	3.4%
	Others	992	1,153	16.3%	1.2%	1,713	48.5%	1.7%	1,429	-16.5%	1.4%

3. New Products Information

Sep 16

Premium Tea Bags series

Strengthen *Premium Tea Bags* line which is favorable sales in growing tea bag market
Highly selected raw materials for each product
A triangle nylon bag brews taste & aroma well



Sep 2

Oi Ocha Zokkon (A Tea Master's Cherish Blend)

"Green Tea, loved deeply by expert of green tea masters"
"The flavorful & fine aromatic green tea"



PET500ml ¥140 (tax excluded) 70g ¥760 (tax excluded)

Launch both leaf and drink products on the same day

Use 100% of first-picking of new leaves from our contract cultivation plantations for drink products

Sep 9

[Comprehensive Deliciousness] HOT Oi Ocha series

No.1 Brand in Heatable PET bottles
Enhance sales of *Oi Ocha* series



PET345ml
¥130 (tax excluded)

Advanced quality of tea leaves, roasting, and brewing for products in heatable PET bottle

Small and easy to hold

Friendly rounded bottle

Sep 23

TEAS' TEA Flavory Unsweetened New Earl Grey



PET500ml
¥140 (tax excluded)

First unsweetened black tea under *TEAS' TEA* brands

Fresh aroma of earl grey with orange peel

Sep 9

TEAS' TEA Tea Bags ① Green & Red Apple Tea ② Orange & Earl Grey

NEW! Reduced caffeine by 50%



8 tea bags
¥250 (tax excluded)

Advisory Note about the Materials

The current plans, forecasts, strategy, etc. outlined in these materials have not yet been realized and are based upon ITO EN management's best judgement given current obtainable information. Therefore, given only this forecasted information, please refrain from interpreting these materials as grounds for general conclusion. Please acknowledge that, depending on various important factors, actual operating results can be quite different from what has been projected. The following are some principal factors that affect actual operating results: 1) Weather, especially summer temperatures; 2) Product mishaps or accidents, such as products being found containing foreign substances or impurities; 3) The economic conditions, particularly shifting consumer trends, surrounding ITO EN's operating environment; 4) In the midst an intensely competitive market characterized by things such as easily changing consumer tastes and preferences, the ability of ITO EN to continue the planning and development of products and services that meet customers' expectations. However, it should be noted that factors influencing operating results are not limited to these alone. 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.