

# Third Quarter Financial Results for the Fiscal Year Ending April 30, 2015

## Supplementary Materials

March 2015  
ITO EN, LTD.

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



# 1. 3Q Results of Operations

Although the market environment was severe and the 3Q results went down from the previous year, promoting profit improvement for the full year.

(¥ million)

		Third Quarter Total (May–January)				
		For the Year Ended April 30, 2014		For the Year Ending April 30, 2015		
			Sales Composition		Sales Composition	YOY % Change
Consolidated	Net Sales	333,910	100.0%	328,296	100.0%	-1.7%
	Gross Profit	160,143	48.0%	156,481	47.7%	-2.3%
	Selling, General and Administrative Expenses	144,812	43.4%	148,796	45.3%	2.8%
	Operating Income	15,331	4.6%	7,685	2.3%	-49.9%
	Ordinary Income	14,953	4.5%	7,711	2.3%	-48.4%
	Extraordinary Expenses and Income	59	-	△ 79	-	-
	Net Income	8,703	2.6%	3,980	1.2%	-54.3%

Non-Consolidated	Net Sales	278,943	100.0%	270,424	100.0%	-3.1%
	Gross Profit	128,361	46.0%	124,089	45.9%	-3.3%
	Operating Income	10,790	3.9%	3,660	1.4%	-66.1%
	Ordinary Income	11,138	4.0%	4,344	1.6%	-61.0%

		Annual Total (May–April)				
		For the Year Ended April 30, 2014		For the Year Ending April 30, 2015 Est.		
			Sales Composition		Sales Composition	YOY % Change
	Net Sales	437,755	100.0%	437,000	100.0%	-0.2%
	Gross Profit	211,804	48.4%	210,615	48.2%	-0.6%
	Selling, General and Administrative Expenses	190,703	43.6%	198,615	45.4%	4.1%
	Operating Income	21,100	4.8%	12,000	2.7%	-43.1%
	Ordinary Income	20,518	4.7%	11,600	2.7%	-43.5%
	Extraordinary Expenses and Income	115	-	△ 725	-	-
	Net Income	12,096	2.8%	6,200	1.4%	-48.7%

	Net Sales	363,461	100.0%	360,000	100.0%	-1.0%
	Gross Profit	169,194	46.6%	166,887	46.4%	-1.4%
	Operating Income	16,060	4.4%	6,800	1.9%	-57.7%
	Ordinary Income	16,225	4.5%	7,000	1.9%	-56.9%

(Reference)

EPS (Consolidated)	Common Stock		¥69.52		
	Preferred Stock		¥74.52		
Cash Dividends per Share	Common Stock	※1	¥19.00		
	Preferred Stock		¥24.00		

		¥31.03		-55.4%
		¥36.03		-51.7%
	※1	¥20.00		5.3%
		¥25.00		4.2%

	¥95.77			
	¥105.77			
	¥39.00			
	¥49.00			

	¥47.72			
	¥57.72			
	¥40.00			
	¥50.00			

				-50.2%
				-45.4%
				2.6%
				2.0%

※1 Dividends of the second quarter end.

## 2. 3Q Category Results (Non-consolidated)

However the Japanese tea and Healthy tea slightly decreased, the *"TULLY'S COFFEE"* brand was continuously favorable in Coffee beverage.

(¥ million)

	Third Quarter Total (May–January)										
	For the Year Ended April 30, 2012	For the Year Ended April 30, 2013			For the Year Ended April 30, 2014			For the Year Ending April 30, 2015			
			Sales Composition	YOY % Change		Sales Composition	YOY % Change		Sales Compositio	YOY % Change	
Net Sales	254,746	271,160	100.0%	6.4%	278,943	100.0%	2.9%	270,424	100.0%	-3.1%	
Tea Leaves	21,289	20,971	7.7%	-1.5%	22,121	7.9%	5.5%	22,353	8.3%	1.0%	
Drinks	230,332	247,858	91.4%	7.6%	254,523	91.1%	2.7%	245,651	90.8%	-3.5%	
Others	3,124	2,330	0.9%	-25.4%	2,298	0.8%	-1.4%	2,419	0.9%	5.3%	
Breakdown of Drinks	Japanese Tea /Healthy Tea	125,909	126,800	46.8%	0.7%	134,307	48.0%	5.9%	133,134	49.2%	-0.9%
	Chinese Tea	11,815	13,371	4.9%	13.2%	12,850	4.6%	-3.9%	12,029	4.4%	-6.4%
	Vegetable	30,849	38,123	14.1%	23.6%	37,952	13.6%	-0.4%	33,653	12.4%	-11.3%
	Fruit	10,567	10,675	3.9%	1.0%	10,309	3.7%	-3.4%	10,680	3.9%	3.6%
	Coffee	17,089	20,853	7.7%	22.0%	23,265	8.3%	11.6%	25,207	9.3%	8.3%
	Black Tea	12,862	12,728	4.7%	-1.0%	9,686	3.5%	-23.9%	8,462	3.1%	-12.6%
	Functional	5,020	4,990	1.8%	-0.6%	5,264	1.9%	5.5%	4,421	1.6%	-16.0%
	Mineral Water	6,731	6,985	2.6%	3.8%	7,152	2.6%	2.4%	6,316	2.3%	-11.7%
	Carbonated	4,842	7,686	2.8%	58.7%	9,024	3.2%	17.4%	8,356	3.1%	-7.4%
	Others	4,643	5,642	2.1%	21.5%	4,711	1.7%	-16.5%	3,389	1.3%	-28.1%

# 3. Products Information

Developing an overall marketing primarily *"Oi Ocha"* related to a promotion of the "30th anniversary of its launch of RTD green tea."

## Oi Ocha



525ml ¥140 (all tax excluded)

*"Oi Ocha"* total sales volume exceeded **25 billion bottles** in total!  
(Converted to 500ml bottle as of Dec. 2014)

No.1 brand in RTD Tea ※  
*"Oi Ocha Koicha"* (dark)

**Up 15% YOY volume**  
May 2014 to Jan 2015 total



No.1 shares in HOT (heatable) PET bottle ※1

*"Oi Ocha"* HOT PET bottle  
**Up 4% YOY volume**  
May 2014 to Jan 2015 total



345ml ¥130

※1 RTD HOT tea share

## Green Tea Leaves

No.1 share in Green Tea Leaves ※

Easy-to-use green tea products  
**Up 6% YOY sales**  
May 2014 to Jan 2015 total



40g ¥500



20 tea bags ¥362

## Healthy Mineral Mugicha (healthy barley tea)



600ml ¥140

No.1 brand in RTD Barley Tea ※

*"Kenko Mineral Mugicha"* (healthy barley tea)  
**Up 24% YOY volume**  
May 2014 to Jan 2015 total

The winter season is also favorable. Developed to be a basic item through a year.

Re-lunched on Apr. 27



390ml ¥133

## TULLY'S COFFEE

No.1 brand in canned bottle coffee

*"TULLY'S COFFEE"*  
**Up 36% YOY volume**  
May 2014 to Jan 2015 total

Estimate **over 10 million cases** → to become a major brand



200ml ¥100

## Jujitsu Yasai (vegetable galore)

A pioneer of vegetable and fruit mixed beverage

*"Jujitsu Yasai"* (vegetable galore)  
**Up 15% YOY volume**  
May 2014 to Jan 2015 total

Up double digits under vegetable beverage in a struggle.

※Source: ITO EN, Jan to Dec 2013

## 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 judgment 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 operation 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.