

## Consolidated Financial Results

Under Japanese Standards for the Second Quarter of the fiscal year ending April 30, 2023 (Unaudited)

Scheduled filing date of quarterly securities report: December 12, 2022

Scheduled date of commencement of dividend payment: January 13, 2023

Supplementary documents for quarterly results prepared: Yes

Quarterly results presentation held (for institutional investors and analysts): Yes

(Figures are rounded down to million yen.)

### 1. Consolidated Performance for the Second Quarter of the Fiscal Year Ending April 30, 2023 (May 1, 2022 - October 31, 2022)

(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	
10/31/2022	227,262	8.9%	11,335	4.4%	12,548	11.0%	7,923	2.2%
10/31/2021	208,716	–	10,856	26.1%	11,303	35.9%	7,752	68.7%

Note 1: Comprehensive income 10/31/2022: 10,519 million yen (21.6%) 10/31/2021: 8,653 million yen (82.5%)

	Earnings per share	Earnings per share (diluted)
	Yen	Yen
10/31/2022	64.14	64.01
10/31/2021	62.57	62.43

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

Note 3: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the first quarter of the fiscal year ended April 30, 2022, and each figure for the first six months of the fiscal year ended April 30, 2022, is the figure after applying the accounting standard and relevant ASBJ regulations. Because this will have a significant impact on net sales, the year on year percentage change in net sales is not shown.

If net sales are calculated using the same standards as those for the first six months of the fiscal year ended April 30, 2021, net sales increased by 1.9%.

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	
10/31/2022	338,351	170,754	50.1%
4/30/2022	328,359	163,012	49.2%

Reference: Shareholders' equity 10/31/2022: 169,355 million yen 4/30/2022: 161,640 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
4/30/2022	–	20.00	–	20.00	40.00
4/30/2023	–	20.00	–	–	–
4/30/2023 (Forecast)	–	–	–	20.00	40.00

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, 2023 (May 1, 2022 - April 30, 2023)

(% 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
4/30/2023	418,000 4.3%	20,000 6.4%	19,500 (2.4)%	12,000 (7.2)%	96.28

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) Changes in important subsidiaries during the period

(Changes in specific subsidiaries accompanied by a change in the scope of consolidation): None

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

Note: Application of simplified accounting and specific for preparing the quarterly consolidated financial statements.

(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 “(4) Notes to Quarterly Consolidated Financial Statements, (Changes in Accounting Policies)” of “2. Quarterly Consolidated Financial Statements and Main Notes” on page 9 of the attached material.

(4) Number of issued shares (common stock)

i. Number of issued shares (including treasury stock)      10/31/2022 89,212,380 shares      4/30/2022 89,212,380 shares

ii. Number of treasury stock      10/31/2022 978,685 shares      4/30/2022 1,004,852 shares

iii. Average number of shares outstanding during the period      10/31/2022 88,220,661 shares      10/31/2021 88,204,456 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.

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

\* 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. Therefore, our company does not guarantee the achievement of forecasts and other forward-looking statements. Because of variable factors, actual results may differ from the forecast figures. For the basis of presumption of the forecasted operation results and the notes on its use, refer to “Explanations Regarding Forecasts for Consolidated Results and Future Outlook” on page 3.

## Reference

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

	Earnings per share	Earnings per share (diluted)
	Yen	Yen
10/31/2022	69.14	69.01
10/31/2021	67.57	67.43

### (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
4/30/2022	–	25.00	–	25.00	50.00
4/30/2023	–	25.00			
4/30/2023 (Forecast)			–	25.00	50.00

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
4/30/2023	106.20

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)	10/31/2022 34,246,962 shares	4/30/2022 34,246,962 shares
ii. Number of treasury stock	10/31/2022 1,488,120 shares	4/30/2022 1,487,570 shares
iii. Average number of shares outstanding during the period	10/31/2022 32,759,180 shares	10/31/2021 33,050,060 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 six months of the fiscal year ending April 30, 2023 (May 1, 2022 - October 31, 2022), the Japanese economy remained in a tough situation due to the impact of protraction of the Russia-Ukraine conflict, increased risk of an economic downturn due to global fiscal tightening and a sharply depreciating yen, and soaring costs of raw materials and energy; despite expectations for a recovery in business conditions due to various policies enacted as the country moves to a new phase of life with the novel coronavirus disease (COVID-19).

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 six months of the fiscal year ending April 30, 2023 was as follows.

Net sales	227,262 million yen, up 8.9%
Operating income	11,335 million yen, up 4.4%
Ordinary income	12,548 million yen, up 11.0%
Profit attributable to owners of parent	7,923 million yen, up 2.2%

Performance by each of the business segments was as follows.

### <Tea Leaves and Beverages Business>

Since the launch of “*Oi Ocha*” in 1989, the Company has been engaging in various initiatives in hopes that a greater number of customers will become familiar with its delicious teas and come to enjoy them in even more settings.

In August 2022, cumulative sales of the world’s best-selling green tea beverage brand, “*Oi Ocha*,” surpassed 40 billion bottles (converted to 500 ml PET bottle equivalent). The reason that “*Oi Ocha*” has been enjoyed for many years since the brand was launched is the product development based on technologies and experience accumulated from a desire to offer people delicious tea “anytime, anywhere,” as represented by the Tea-Producing Region Development Project, which is working to create tea from tea plantations. Furthermore, we will continue working on the challenge of increasing the value of tea, adding new initiatives such as AI-assisted image analysis technology in the production of raw materials for green tea with a view to full-scale implementation as well as clinical testing of its health benefits.

In coordination with “*Japanese Tea Day*,” we held the “*Japanese Tea Day Oi Ocha Grand Tea Ceremony*” on October 1, 2022. On the day, we introduced the appeal of tea through the five concepts of “healthy,” “delicious,” “fun,” “eco-friendly,” and “cultural,” using an online connection between *TOKYO SKYTREE TOWN*®, which held various tea experience events, *Kitano Tenmangu Shrine*, the head temple of the *Tenmangu Shrine* in Japan, where *Hideyoshi Toyotomi* held the “*Kitano O-Chanoyu*,” which is the origin of “*Japanese Tea Day*,” and tea plantations and tea-related locations and stores nationwide. The “*Cheers with Tea Challenge*,” which was held on the day as an online event, was recognized by Guinness World Records™ as the “most users in a tea video hangout,” verified by Guinness World Records™.

In addition, the Company serves as a “Health Creation Company” in developing various products in seeking to act as an enterprise that supports enriched lifestyles of each and every person while contributing to health of its customers.

In September 2022, from the *TULLY’S & TEA* brand, we launched “*TULLY’S & TEA Matcha Latte made from delicious matcha*,” “*TULLY’S & TEA Hojicha Latte made from delicious hojicha (roasted green tea)*,” and “*TULLY’S & TEA Milk Tea made from delicious black tea leaves*” as beverage products with an emphasis on the deliciousness of tea. These products provide a distinctive experience of the deliciousness of tea that is unique to the “tea-company ITO EN.” We also added products that can be consumed hot to our lineup so that they can be enjoyed in cold seasons. These products are designed to recreate shop quality and offer a relaxing tea time at home or at work when people want to enjoy a refreshing break.

In October 2022, we launched “*Oi Ocha Catechin Green Tea*,” the first green tea beverage of food for specified health uses for the “*Oi Ocha*” brand. The new product is rich in tea catechins that have dual effects of reducing blood cholesterol levels and suppressing fat absorption to help prevent body fat accumulation. At the same time, it has a delicious taste that is not overly astringent that is easy to keep drinking.

Also in October, we launched powdered stick type “*Eiyoukyouka-gata Mainichi-Ippai-no Aojiru*” (fortified nutrition type one glass of barley grass green juice a day) (50 servings) from the “*Mainichi-Ippai-no (a bottle a day) Aojiru*” series, which has won approval for its delicious taste that enables continued daily consumption, even by people who dislike *aojiru*. This is a large volume-type sugar-free powdered *aojiru* product offering 11 type of vitamins, calcium, iron, and other nutrients in a single serving.

As a result of these activities, the Tea Leaves and Beverages Business recorded net sales of 207,195 million yen, up 8.3% year on year, and operating income of 10,293 million yen, down 4.1% year on year.

### <Restaurant Business>

At Tully's Coffee Japan Co., Ltd., strong performing items included "Hokkori OIMO Latte" and "&TEA OIMO Tea Shake," a seasonal drink made using sweet potato, which is known as a typical autumn ingredient. Furthermore, to mark its 25th founding anniversary, new products were selected by a vote from customers and fellows from among the drinks proposed by fellows in the Signature Drinks Division of the "Tully's Coffee Barista Contest," where contestants compete with one another on barista skills, tasting, and hospitality. The different drinks were launched in eight areas nationwide, where they have been well received. In addition, the total number of coffee shops as of October 31, 2022, is 760.

As a result of these activities, the Restaurant Business recorded net sales of 16,962 million yen, up 21.1% year on year, and operating income of 1,334 million yen, up 1,055.3% year on year.

### <Others>

The Others recorded net sales of 3,104 million yen, down 9.0% year on year, and operating income of 34 million yen, down 89.3% year on year.

## (2) Explanations Regarding Consolidated Financial Position

### (i) Assets, liabilities and net assets

The following is a consolidated financial position for the second quarter of the fiscal year ending April 30, 2023.

Total assets as of October 31, 2022 stood at 338,351 million yen, increased by 9,991 million yen from the end of the previous fiscal year. This mainly reflected in total assets mainly reflected an increase of 3,954 million yen in "Cash and deposits," an increase of 3,480 million yen in "Accounts receivable - trade," an increase of 2,144 million yen in "Merchandise and finished goods," an increase of 1,940 million yen in "Raw materials and supplies" and a decrease of 1,121 million yen in "Leased assets."

Liabilities as of October 31, 2022 stood at 167,597 million yen, increased by 2,250 million yen from the end of the previous fiscal year. This mainly reflected an increase of 1,523 million yen in "Long-term loans payable."

Net assets as of October 31, 2022 stood at 170,754 million yen, increased by 7,741 million yen from the end of the previous fiscal year. This mainly reflected an increase of 7,923 million yen in "Retained earnings" due to "Profit attributable to owners of parent," and a decrease of 2,583 million yen in "Retained earnings" due to "Dividends of surplus."

### (ii) Cash flows

Net cash inflows from operating activities were 10,772 million yen (compared with 11,762 million yen inflow in the same period of the previous fiscal year). The major factors affecting this were increases due to income before income taxes of 12,178 million yen and depreciation of 5,185 million yen, and decreases due to increase in notes and accounts receivable - trade of 2,357 million yen and income taxes paid of 4,516 million yen.

Net cash outflows from investing activities were 4,058 million yen (compared with 4,385 million yen outflow in the same period of the previous fiscal year). The major factor affecting this was purchase of property, plant and equipment and intangible assets of 3,427 million yen.

Net cash outflows from financing activities were 4,842 million yen (compared with 5,383 million yen outflow in the same period of the previous fiscal year). The major factors affecting this were repayments of finance lease obligations of 1,175 million yen and cash dividends paid of 2,581 million yen.

As a result, cash and cash equivalents at the end of the second quarter of the fiscal year ending April 30, 2023 amounted to 97,694 million yen, increased by 3,222 million yen from the end of previous fiscal year.

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

As for the consolidated business outlook for the fiscal year ending April 30, 2023, no changes have been made to the forecasts that were announced on June 1, 2022.

## 2. Quarterly Consolidated Financial Statements and Main Notes

### (1) Quarterly Consolidated Balance Sheet

As of April 30, 2022 and October 31, 2022

(Millions of yen)

	As of April 30, 2022	As of October 31, 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	96,571	100,525
Notes receivable - trade	241	83
Accounts receivable - trade	57,774	61,255
Merchandise and finished goods	41,664	43,808
Raw materials and supplies	12,653	14,593
Other	14,555	12,872
Allowance for doubtful accounts	(182)	(205)
<b>Total current assets</b>	<b>223,278</b>	<b>232,934</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	21,204	21,211
Land	22,837	23,344
Leased assets, net	8,268	7,146
Other, net	22,179	23,055
<b>Total property, plant and equipment</b>	<b>74,490</b>	<b>74,757</b>
<b>Intangible assets</b>		
Goodwill	3,594	3,078
Other	4,655	5,405
<b>Total intangible assets</b>	<b>8,249</b>	<b>8,484</b>
<b>Investments and other assets</b>		
Other	22,450	22,286
Allowance for doubtful accounts	(109)	(110)
<b>Total investments and other assets</b>	<b>22,340</b>	<b>22,175</b>
<b>Total non-current assets</b>	<b>105,081</b>	<b>105,417</b>
<b>Total assets</b>	<b>328,359</b>	<b>338,351</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	30,365	30,439
Short-term loans payable	2,897	2,532
Lease obligations	2,371	2,370
Accrued expenses	26,948	27,599
Income taxes payable	4,948	4,520
Provision for bonuses	3,613	3,850
Other	5,652	5,501
<b>Total current liabilities</b>	<b>76,796</b>	<b>76,813</b>
<b>Non-current liabilities</b>		
Bonds payable	10,000	10,000
Long-term loans payable	58,917	60,441
Lease obligations	4,199	4,542
Net defined benefit liability	10,877	11,109
Other	4,555	4,689
<b>Total non-current liabilities</b>	<b>88,549</b>	<b>90,783</b>
<b>Total liabilities</b>	<b>165,346</b>	<b>167,597</b>



## Quarterly Consolidated Balance Sheet – Continued

(Millions of yen)

	As of April 30, 2022	As of October 31, 2022
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	19,912	19,912
Capital surplus	18,662	18,584
Retained earnings	131,105	136,446
Treasury shares	(7,016)	(6,917)
<b>Total shareholders' equity</b>	<b>162,664</b>	<b>168,025</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,202	1,331
Revaluation reserve for land	(6,053)	(6,053)
Foreign currency translation adjustment	3,738	5,951
Remeasurements of defined benefit plans	88	99
<b>Total accumulated other comprehensive income</b>	<b>(1,023)</b>	<b>1,329</b>
<b>Share acquisition rights</b>	<b>117</b>	<b>95</b>
<b>Non-controlling interests</b>	<b>1,254</b>	<b>1,303</b>
<b>Total net assets</b>	<b>163,012</b>	<b>170,754</b>
<b>Total liabilities and net assets</b>	<b>328,359</b>	<b>338,351</b>

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

From May 1 to October 31, 2021 and 2022

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

(Millions of yen)

	Six months ended October 31, 2021	Six months ended October 31, 2022
<b>Net sales</b>	<b>208,716</b>	<b>227,262</b>
Cost of sales	126,247	142,051
<b>Gross profit</b>	<b>82,469</b>	<b>85,211</b>
Selling, general and administrative expenses	71,612	73,875
<b>Operating income</b>	<b>10,856</b>	<b>11,335</b>
<b>Non-operating income</b>		
Interest income	42	79
Dividend income	45	57
Share of profit of entities accounted for using equity method	109	65
Foreign exchange gains	262	842
Other	360	543
<b>Total non-operating income</b>	<b>819</b>	<b>1,589</b>
<b>Non-operating expenses</b>		
Interest expenses	237	263
Other	135	113
<b>Total non-operating expenses</b>	<b>373</b>	<b>376</b>
<b>Ordinary income</b>	<b>11,303</b>	<b>12,548</b>
<b>Extraordinary income</b>		
Gain on sales of non-current assets	9	2
Gain on donation of non-current assets	13	0
Subsidy income	1,153	–
<b>Total extraordinary income</b>	<b>1,175</b>	<b>3</b>
<b>Extraordinary losses</b>		
Loss on sales of non-current assets	68	0
Loss on abandonment of non-current assets	76	128
Loss on valuation of investment securities	11	0
Impairment loss	129	244
Loss on disaster	0	–
Loss on COVID-19 impact	55	–
Other	10	–
<b>Total extraordinary losses</b>	<b>351</b>	<b>373</b>
<b>Income before income taxes</b>	<b>12,127</b>	<b>12,178</b>
<b>Income taxes</b>	<b>4,192</b>	<b>4,077</b>
<b>Net income</b>	<b>7,934</b>	<b>8,101</b>
<b>Profit attributable to non-controlling interests</b>	<b>182</b>	<b>177</b>
<b>Profit attributable to owners of parent</b>	<b>7,752</b>	<b>7,923</b>

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

(Millions of yen)

	Six months ended October 31, 2021	Six months ended October 31, 2022
<b>Net income</b>	<b>7,934</b>	<b>8,101</b>
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(51)	171
Foreign currency translation adjustment	784	2,233
Remeasurements of defined benefit plans, net of tax	(22)	11
Share of other comprehensive income of entities accounted for using equity method	8	2
<b>Total other comprehensive income</b>	<b>718</b>	<b>2,418</b>
<b>Comprehensive income</b>	<b>8,653</b>	<b>10,519</b>
Comprehensive income attributable to owners of parent	8,444	10,276
Comprehensive income attributable to non-controlling interests	208	243

### (3) Quarterly Consolidated Statements of Cash Flows

For the six months ended October 31, 2021 and 2022 (May 1, 2021 - October 31, 2021 and May 1, 2022 - October 31, 2022)

(Millions of yen)

	Six months ended October 31, 2021	Six months ended October 31, 2022
<b>Cash flows from operating activities</b>		
Income before income taxes	12,127	12,178
Depreciation	5,724	5,185
Impairment loss	129	244
Amortization of goodwill	529	537
Increase (decrease) in provision for bonuses	(129)	236
Increase (decrease) in net defined benefit liability	147	244
Subsidy income	(1,153)	–
Loss on disaster	0	–
Interest and dividend income	(87)	(136)
Interest expenses	237	263
Foreign exchange losses (gains)	(175)	(519)
Loss on abandonment of non-current assets	76	128
Decrease (increase) in notes and accounts receivable - trade	(2,013)	(2,357)
Decrease (increase) in inventories	(1,885)	(1,916)
Decrease (increase) in other current assets	3,270	1,715
Increase (decrease) in notes and accounts payable - trade	(4,867)	(407)
Increase (decrease) in accrued consumption taxes	268	125
Increase (decrease) in other current liabilities	1,260	(283)
Other, net	200	174
<b>Subtotal</b>	<b>13,659</b>	<b>15,413</b>
Interest and dividend income received	55	139
Interest expenses paid	(235)	(263)
Income taxes paid	(2,870)	(4,516)
Subsidies received	1,153	–
<b>Net cash provided by (used in) operating activities</b>	<b>11,762</b>	<b>10,772</b>
<b>Cash flows from investing activities</b>		
Net decrease (increase) in time deposits	(169)	(596)
Purchase of property, plant and equipment and intangible assets	(4,178)	(3,427)
Purchase of investment securities	(1)	(110)
Proceeds from sales of investment securities	1	1
Purchase of shares of subsidiaries and associates	(18)	–
Decrease (increase) in other investments	(18)	75
<b>Net cash provided by (used in) investing activities</b>	<b>(4,385)</b>	<b>(4,058)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(400)	(365)
Repayments of long-term loans payable	(705)	(707)
Purchase of treasury shares	(4)	(1)
Proceeds from disposal of treasury shares	0	0
Repayments of finance lease obligations	(1,488)	(1,175)
Cash dividends paid	(2,586)	(2,581)
Dividends paid to non-controlling interests	(189)	(4)
Other payments	(9)	(8)
<b>Net cash provided by (used in) financing activities</b>	<b>(5,383)</b>	<b>(4,842)</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>309</b>	<b>1,351</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2,303</b>	<b>3,222</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>107,763</b>	<b>94,471</b>
<b>Cash and cash equivalents at end of period</b>	<b>110,067</b>	<b>97,694</b>

**(4) 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)**

Not applicable

**(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 second quarter under review is reasonably estimated, and the tax expenses are calculated by multiplying net income before income taxes by this estimated effective tax rate.

**(Changes in Accounting Policies)**

(Application of ASU 2016-02, "Leases (Topic 842)")

Overseas subsidiaries subject to application of the U.S. GAAP have applied the Accounting Standards Update (ASU) 2016-02, "Leases (Topic 842)," effective from the beginning of the first quarter of the fiscal year ending April 30, 2023.

As a result, lessees are to recognize all leases as assets and liabilities on their consolidated balance sheets, in principle. As an accepted transitional measure for when applying this accounting standard, the Group adopted a method of recognizing cumulative effects of the application of this accounting standard on the date of its initial application.

As a result, in the quarterly consolidated balance sheet for the second quarter of the fiscal year ending April 30, 2023, "other" under property, plant and equipment has increased by 1,247 million yen, "lease obligations" under current liabilities has increased by 241 million yen, and "lease obligations" under non-current liabilities has increased by 1,023 million yen.

Application of the standard has a negligible impact on profit and loss for the first six months of the fiscal year ending April 30, 2023.

**(Segment Information, etc.)**

## Segment Information

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

For the first six months of the fiscal year ended April 30, 2022 (May 1, 2021 – October 31, 2021)

(Millions of yen)

	Reporting Segment				Adjustment	Total
	Tea Leaves /Beverages Business	Restaurant Business	Others	Total		
Net sales:						
(1) Outside	191,293	14,011	3,411	208,716	–	208,716
(2) Intersegment	192	6	1,391	1,589	(1,589)	–
Total net sales	191,486	14,017	4,802	210,306	(1,589)	208,716
Segment profits	10,728	115	322	11,166	(309)	10,856

Notes: i. The segment profits adjustment includes (494) million yen in amortization of goodwill and 184 million yen in intersegment transactions.

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

For the first six months of the fiscal year ending April 30, 2023 (May 1, 2022 – October 31, 2022)

(Millions of yen)

	Reporting Segment				Adjustment	Total
	Tea Leaves /Beverages Business	Restaurant Business	Others	Total		
Net sales:						
(1) Outside	207,195	16,962	3,104	227,262	–	227,262
(2) Intersegment	253	1	1,409	1,664	(1,664)	–
Total net sales	207,448	16,963	4,513	228,926	(1,664)	227,262
Segment profits	10,293	1,334	34	11,663	(327)	11,335

Notes: i. The segment profits adjustment includes (494) million yen in amortization of goodwill and 167 million yen in intersegment transactions.

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