We Love Nature

August 27, 2026

NEWS RELEASE

Notice of Company Split with Consolidated Subsidiary (Simplified Absorption-type Split)

ITO EN, LTD. (“the Company”), hereby announces that it has resolved at its Board of Directors meeting held today to transfer a part of the manufacturing business (hereinafter, the "Business") to ITOENTEAFACTORY CO.,LTD. (hereinafter, the " ITOENTEAFACTORY "), a subsidiary of the Company., through the Company Split (simplified absorption-type split), with May 1, 2027 as effective date (planned).

As the Company Split is a simplified absorption-type company split of a wholly owned subsidiary of the Company, some disclosure items and contents are omitted from this announcement.

Note

1. Purpose of the Company Split

The Group has been working to strengthen its management base while promptly responding to social and environmental changes and needs and promptly developing its business.

As part of this initiative, the Company will transfer the Business to ITOENTEAFACTORY, which operates businesses related to the manufacture of tea products, through this corporate split. The aim is to consolidate manufacturing functions, streamline operational efficiency, and clarify roles and responsibilities, while also establishing a management system that allows for the continuous monitoring of the benefits resulting from the integration.

2. Summary of the Reorganization

(1) Schedule of the Company Split

Board of Directors resolution on the Company Split plan: August 27, 2026

Date of Contract: March , 2027 (planned)

Planned date of the Company Split (effective date): May 1, 2027 (planned)

*As the company split is a simplified company split as stipulated in Article 784, Paragraph 2 of the Companies Act for our company, the splitting company, and a summary company split as stipulated in Article 796, Paragraph 1 of the Companies Act for ITOENTEAFACTORY, the successor company, both companies will carry out this company split without obtaining approval at a general meeting of shareholders

(2) Method of the Company Split

An absorption-type demerger in which the Company will be the demerged company and ITOENTEAFACTORY will be the successor company.

(3) Allocation of shares upon the Company Split

Since the Company Split is between the Company and its wholly owned subsidiary, no shares or other consideration will be allocated upon the Company Split.

(4) Treatment of stock acquisition rights or bonds with stock acquisition rights upon the Company Split

There will be no change in the handling of issued stock acquisition rights due to the Company Split. The Company has not issued any bonds with stock acquisition rights.

(5) Capital to be Increased or Decreased as a Result of the Company Split

There will be no increase or decrease in the Company's capital as a result of this company split.

(6) Rights and Obligations to be Succeeded to by the Succeeding Company

ITOENTEAFACTORY will succeed to the assets, liabilities, contracts and other rights and obligations owned by ITO EN with respect to the business in question, as specified in the absorption-type demerger agreement.

(7) Prospects for fulfilling financial obligations

The Company has determined that there is no problem with the prospects for fulfillment of obligations to be incurred by the Company and ITOENTEAFACTORY after the effective date of the Company Split.

3. Outline of Parties involved in the Company Split

		Splitting company (As of April 30, 2026)	Successor company (As of April 30, 2026)
(1)	Company name	ITO EN, LTD.	ITOENTEAFACTORY CO.,LTD.
(2)	Location of head office	47-10, Honmachi 3-chome, Shibuya-ku, Tokyo	3272-1, Sakabe, Makinohara-shi, Shizuoka
(3)	Title and name of representative	President Daisuke Honjo	President Tamotsu Kunieda
(4)	Business	Manufacture and sale of tea leaves, beverages and food products, and related businesses	Manufacturing of tea products (tea bags, loose-leaf tea); roasting of raw materials for barley tea
(5)	Capital	19,912 million yen	300 million yen
(6)	Date of establishment	August 22, 1966	May 11, 1981
(7)	Number of stocks issued	(Common Stock) 85,212,380 stocks (Class-A Preferred Stock) 32,246,962 stocks	600,000 stocks
(8)	Accounting period	April	April
(9)	Major shareholders and shareholding ratio	Green Core Co., Ltd. 19.67% The Master Trust Bank of Japan, Ltd. (Trust account) 6.06% Honjo International Scholarship Foundation 5.86% Other	ITO EN, LTD. 100.00%

(Note) Shareholding ratio is calculated excluding treasury stock.

(10) Consolidated Financial Position and Operating Results of the Splitting Company for the Latest Fiscal Year

	Fiscal year ended April 30, 2026 (consolidated)	Fiscal year ended April 30, 2026 (non-consolidated)
Net assets	177,951 million yen	9,662 million yen
Total assets	342,667 million yen	12,169 million yen
Book value per share (Common Stock) (Class-A Preferred Stock)	 1,527.27 yen 1,533.27 yen	 16,104.33 yen —
Net sales	497,877 million yen	14,736 million yen

Operating income	21,684 million yen	533 million yen
Ordinary income	23,267 million yen	558 million yen
Profit attributable to owners of parent	3,466 million yen	381 million yen
Earnings per share (Common Stock) (Class-A Preferred Stock)	 26.87 yen 38.88 yen	 635.51 yen —

4. Overview of the Business to be Split

(1) Business to be split

Businesses related to manufacturing, production management, and leaf logistics

(2) Operating results of the Business to be split

Net Sales, Relevant Items: None

(Note) The business to be split is the Company's manufacturing division, and it does not generate revenue from external customers.

(3) Items and book value of assets and liabilities to be split

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	153 million yen	Current liabilities	— million yen
Noncurrent assets	12,049 million yen	Noncurrent liabilities	— million yen
Total	12,203 million yen	Total	— million yen

Note: The above figures are calculated based on the balance sheet as at April 30, 2026. Therefore, the actual amounts of assets and liabilities to be split will be determined after adding or subtracting any increase or decrease up to the effective date of the company split to the above amounts.

5. Status of the Company after the Company Split

There will be no changes to the names, locations, titles and names of representatives, business activities, capital, or fiscal year-end of the Company as a result of this company split.

6. Financial Outlook

Since this is a company split between the Company and its wholly owned subsidiary, the impact of this corporate split on our consolidated business results is negligible.