

Supplementary Materials

for the Fiscal Year Ending April 30, 2019

September 2018 ITO EN, LTD.



1. 1Q Results of Operations

(¥ million)

		First Quarter Total (May–July)				
		FYE Apr. 30, 2018	Sales Composition	FYE Apr. 30, 2019	Sales Composition	YOY % Change
Consolidated	Net Sales	136,451	100.0%	139,568	100.0%	2.3%
	Gross Profit	63,232	46.3%	64,963	46.5%	2.7%
	Selling, General and Administrative Expenses	56,909	41.7%	58,895	42.2%	3.5%
	Operating Income	6,323	4.6%	6,068	4.3%	-4.0%
	Ordinary Income	6,141	4.5%	6,381	4.6%	3.9%
	Extraordinary Losses and Income	-15	-	-832	-	-
	Net Income	3,692	2.7%	3,431	2.5%	-7.1%

(Note) Extraordinary Loss included disposal of inventories : -672 million yen

		Annual Total (May–April)				
		FYE Apr. 30, 2018	Sales Composition	FYE Apr. 30, 2019 Est.	Sales Composition	YOY % Change
Consolidated	Net Sales	494,793	100.0%	507,800	100.0%	2.6%
	Gross Profit	233,983	47.3%	239,600	47.2%	2.4%
	Selling, General and Administrative Expenses	211,939	42.8%	216,600	42.7%	2.2%
	Operating Income	22,043	4.5%	23,000	4.5%	4.3%
	Ordinary Income	21,441	4.3%	22,500	4.4%	4.9%
	Extraordinary Losses and Income	-450	-	-1,080	-	-
	Net Income	12,553	2.5%	14,000	2.8%	11.5%

		First Quarter Total (May–July)				
		FYE Apr. 30, 2018	Sales Composition	FYE Apr. 30, 2019	Sales Composition	YOY % Change
Non-Consolidated	Net Sales	107,243	100.0%	110,719	100.0%	3.2%
	Gross Profit	49,356	46.0%	50,874	45.9%	3.1%
	Operating Income	4,113	3.8%	4,036	3.6%	-1.9%
	Ordinary Income	5,418	5.1%	5,460	4.9%	0.8%

		Annual Total (May–April)				
		FYE Apr. 30, 2018	Sales Composition	FYE Apr. 30, 2019 Est.	Sales Composition	YOY % Change
Non-Consolidated	Net Sales	383,212	100.0%	394,300	100.0%	2.9%
	Gross Profit	179,707	46.9%	183,116	46.4%	1.9%
	Operating Income	15,394	4.0%	16,500	4.2%	7.2%
	Ordinary Income	17,142	4.5%	18,180	4.6%	6.1%

Exchange rate (US\$)

¥111.8

¥110.4

(1Q average rate)

¥110.6

¥108.0

(average during a year)

2. 1Q Category Results (Non-consolidated)

(¥ million)

	First Quarter Total (May-July)									
	FYE Apr. 30, 2017			FYE Apr. 30, 2018			FYE Apr. 30, 2019			
	Sales Composition	YOY % Change		Sales Composition	YOY % Change		Sales Composition	YOY % Change		
Net Sales	102,600	100.0%	0.7%	107,243	100.0%	4.5%	110,719	100.0%	3.2%	
Tea Leaves	7,987	7.8%	2.6%	8,573	8.0%	7.3%	8,715	7.9%	1.7%	
Drinks	93,853	91.5%	0.7%	97,818	91.2%	4.2%	101,111	91.3%	3.4%	
Others	759	0.7%	-13.9%	851	0.8%	12.1%	892	0.8%	4.8%	
Breakdown of Drinks	Japanese Tea /Healthy Tea	52,707	51.4%	2.2%	54,925	51.2%	4.2%	58,351	52.7%	6.2%
	Chinese Tea	4,777	4.6%	-6.3%	5,261	4.9%	10.1%	4,597	4.2%	-12.6%
	Vegetable	11,762	11.5%	-1.5%	12,916	12.1%	9.8%	12,499	11.3%	-3.2%
	Fruit	3,104	3.0%	-13.7%	3,268	3.1%	5.3%	2,894	2.6%	-11.4%
	Coffee	10,958	10.7%	5.4%	10,627	9.9%	-3.0%	10,877	9.8%	2.4%
	Black Tea	886	0.9%	-53.8%	969	0.9%	9.3%	1,580	1.4%	63.1%
	Functional	2,235	2.2%	12.3%	2,281	2.1%	2.1%	2,451	2.2%	7.4%
	Mineral Water	3,687	3.6%	36.8%	3,114	2.9%	-15.6%	3,135	2.8%	0.7%
	Carbonated	3,094	3.0%	-5.5%	3,887	3.6%	25.6%	4,048	3.7%	4.1%
	Others	637	0.6%	-15.6%	565	0.5%	-11.3%	675	0.6%	19.3%

3. Products Information/Topics

Aug 20~”*Momiji* (autumn color of maple leaves) “package



Sep 3~Commencement of sale of hot beverages (Microwave-safe bottle)



Matcha=ITO EN: Strengthen sales of matcha, available in high-quality leaves and beverages

Sep 17~Matcha including Uji-matcha from Kyoto



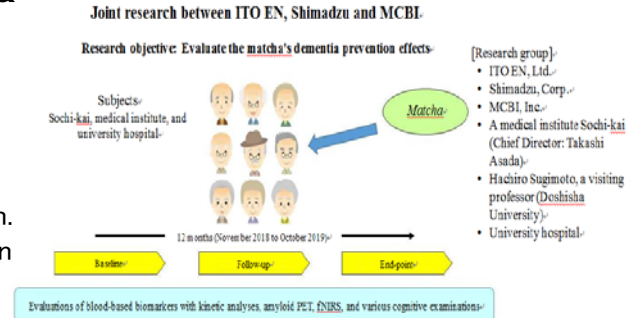
Sep 17~*Oishii Series*
Free of flavoring agent, artificial sweetener and emulsifier



Clinical Trial to Evaluate the Dementia Prevention Effects of Matcha

ITO EN, Shimadzu Corporation and MCBI Inc., a start-up company originated from University of Tsukuba, have announced that these three parties have reached an agreement to jointly conduct a clinical trial to assess matcha's inhibitory effects on the decline of cognitive function targeting subjects with mild cognitive impairment (MCI), the pre-dementia stage, with a point of view to contribute to the prevention of dementia, which has become a social problem worldwide, by determining whether consumption of matcha exerts inhibitory effects on decline of cognitive function. The first human research in the world that analyzes the correlation between matcha (powdered green tea) and amyloid β levels in the brain.

Jun.21



ITO EN won the Logistics Environment Special Award at the 19th Logistics Environment Awards sponsored by Japan Association for Logistics and Transport, for its modal shift(*) efforts

Jun.29

Most of our long-distance truckload transportation from our production base in Shizuoka to the Kyushu area has shifted to marine transportation. This led to an additional 102-ton annual reduction in CO2 emissions in comparison with ground transportation. Marine transportation involves unattended operation and also helps to save manpower, which earned ITO EN strong recognition.

*Modal shift means shifting a means of transportation from vehicles (trucks) to freight railway or seaborne shipping for purposes such as reducing CO2 emissions and streamlining logistics.

Oi Ocha Shin-Ryoku sells a million cardboard boxes (24 million bottles) within three months of launch!

Aug.10

Oi Ocha Shin-Ryoku, launched on May 1, has sold a million cardboard boxes (24 million bottles) by July, nearly three months after its launch. Remarkably, women in their 20s to 40s account for a larger share of consumers of *Oi Ocha Shin-Ryoku* than they do for other Green Tea beverages(*), and the new product item is still selling at a healthy clip.

*According to ITO EN's survey





We Love Nature

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.