

**NEWS RELEASE**

**Notice on Establishment of a Subsidiary by Company Split  
(Simplified Incorporation-type Company Split)**

ITO EN, LTD. (“the Company”), hereby announces that it has resolved at its Board of Directors meeting held today to transfer its sales business in Hokkaido (sales of tea leaves, beverages, and food products, and related businesses) to HOKKAIDO ITO EN, LTD., a new company to be established (hereinafter, the "New Company"), through an incorporation-type company split (hereinafter, the “Company Split”), with May 1, 2024 as effective date (planned).

As the Company Split is a simplified incorporation-type company split involving only the Company, some disclosure items and contents are omitted from this announcement.

Note

1. Purpose of the Company Split  
The purpose of this corporate separation is to strengthen our competitiveness and optimize our sales structure in Hokkaido.  
The newly established company will conduct sales and sales promotion activities for our products in Hokkaido, one large, independent market, with the aim of increasing sales productivity and becoming more community-based than before. Through these activities, we hope to contribute to the economic development of Hokkaido. We will continue to propose new value propositions for the future and promote the execution of agile and flexible business strategies for further development and expansion in the future.
2. Summary of the Reorganization
  - (1) Schedule of the Company Split  
Board of Directors resolution on the Company Split plan: December 22, 2023  
Planned date of the Company Split (effective date): May 1, 2024 (planned)  
\*As the Company Split meets the requirements for a simplified incorporation-type company split in accordance with the provisions of Article 805 of the Companies Act of Japan, the Company does not require approval at its General Meeting of Shareholders.
  - (2) Method of the Company Split  
The Company Split is a simplified company split in which the Company is the splitting company and the company to be newly established is the New company, and the newly established company will be a wholly owned subsidiary of the Company.
  - (3) Allocation of shares upon the Company Split  
The New Company will issue 15,000 shares of common stock upon the Company Split, and all the shares will be allocated to the Company.
  - (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) Increase or decrease in capital due to the Company Split

There will be no increase or decrease in capital due to the Company Split.

(6) Rights and obligations to be assumed by the New Company

The New Company will assume the assets, liabilities, contractual, and other rights and obligations related to the business, as defined in the Incorporation-type Company Split Plan.

(7) Prospects for fulfilling financial obligations

The Company has determined that there will be no issue in fulfilling the financial obligations born by the New Company upon the company split.

3. Outline of Parties involved in the Company Split

	Splitting company (As of October 31, 2023)	New company
(1) Company name	ITO EN, LTD.	HOKKAIDO ITO EN, LTD.
(2) Location of head office	47-10, Honmachi 3-chome, Shibuya-ku, Tokyo	5-5-18, Kikusui Sanjo 5-chome, Shiroishi-ku, Sapporo, Hokkaido
(3) Title and name of representative	President Daisuke Honjo	President Hiroyuki Morikawa
(4) Business	Manufacture and sale of tea leaves, beverages and food products, and related businesses	Sale of tea leaves, beverages and food products in Hokkaido and related businesses
(5) Capital	19,912 million yen	80 million yen
(6) Date of establishment	August 22, 1966	May 1, 2024 (Planned)
(7) Number of shares issued	123,459,342 shares	15,000 shares
(8) Accounting period	April	April
(9) Major shareholders and shareholding ratio	Green Core Co., Ltd. 19.41% The Master Trust Bank of Japan, Ltd. (Trust account) 10.75% Honjo International Scholarship Foundation 5.58% 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 ending April 30, 2023 (consolidated)	
Net assets	172,128 million yen
Total assets	338,774 million yen
Book value per share	
(Common Stock)	1,408.55yen
(Class-A Preferred Stock)	1,413.55yen
Net sales	431,674 million yen
Operating income	19,588 million yen
Ordinary income	20,341 million yen
Profit attributable to owners of parent	12,888 million yen

Earnings per share	
(Common Stock)	103.82 yen
(Class-A Preferred Stock)	113.82 yen

#### 4. Overview of the Business to be Split

##### (1) Business to be split

Sales of tea leaves, beverages and food products in Hokkaido and related businesses

##### (2) Operating results of the Business to be split

Netsales 7,850 million yen (Fiscal year ending April 30, 2023)

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

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	504 million yen	Current liabilities	13 million yen
Noncurrent assets	259 million yen	Noncurrent liabilities	0 million yen
Total	763 million yen	Total	13 million yen

Note: The actual amount of the assets and liabilities to be split may vary from the amounts stated above after reflecting any increase or decrease of the assets and liabilities occurring prior to the effective date of the Company Split.

#### 5. Status of the Company after the Company Split

The company name, location, title and name of representative, businesses, capital, and accounting period of the Company will not change after the Company Split.

#### 6. Financial Outlook

The impact of this corporate split on our consolidated business results is negligible.