

June 3, 2024

ITO EN, LTD. Securities numbers : 2593 (Common Stock)

: 25935 (Class-A Preferred Stock)

(URL <https://www.itoen.co.jp>)

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Representative: Daisuke Honjo (President)

Consolidated Financial Results

For Immediate Release

Under Japanese standards for the fiscal year ended April 30, 2024 (Unaudited)

Scheduled date of general shareholder's meeting: July 26, 2024

Scheduled date of commencement of dividend payment: July 29, 2024

Scheduled filing date of securities report: July 29, 2024

Supplementary documents for financial results: Yes

Results presentation (for institutional investors and analysts): Yes

(Figures are rounded down to million yen.)

1. Consolidated Performance for the Fiscal Year Ended April 30, 2024 (May 1, 2023 - April 30, 2024)

(1) Consolidated Results of Operations

(% 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 | |
| 4/30/2024 | 453,899 | 5.1% | 25,023 | 27.7% | 26,681 | 31.2% | 15,650 | 21.4% |
| 4/30/2023 | 431,674 | 7.7% | 19,588 | 4.2% | 20,341 | 1.9% | 12,888 | -0.3% |

Note 1: Comprehensive income 4/30/2024: 19,212 million yen (33.1%) 4/30/2023: 14,439 million yen (-10.9%)

| | Earnings per share | Earnings per share (diluted) | Return on Equity | Ordinary income / Total assets | Operating income / Net sales |
|-----------|--------------------|------------------------------|------------------|--------------------------------|------------------------------|
| | Yen | Yen | | | |
| 4/30/2024 | 126.42 | 126.16 | 8.9% | 7.7% | 5.5% |
| 4/30/2023 | 103.82 | 103.60 | 7.8% | 6.1% | 4.5% |

Reference: Equity in earnings (losses) of affiliated companies 4/30/2024: 170 million yen 4/30/2023: 138 million yen

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

(2) Consolidated Financial Position

| | Total assets | Net assets | Shareholders' equity ratio | Net assets per share |
|-----------|--------------|-------------|----------------------------|----------------------|
| | Million yen | Million yen | | Yen |
| 4/30/2024 | 353,892 | 183,216 | 51.3% | 1,516.16 |
| 4/30/2023 | 338,774 | 172,128 | 50.4% | 1,408.55 |

Reference: Shareholders' equity 4/30/2024: 181,483 million yen 4/30/2023: 170,589 million yen

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

(3) Consolidated Cash Flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|-----------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| | Million yen | Million yen | Million yen | Million yen |
| 4/30/2024 | 25,482 | (10,737) | (12,213) | 105,397 |
| 4/30/2023 | 23,773 | (8,638) | (9,130) | 100,899 |

2. Dividends

| | Dividend per share | | | | | Total dividend paid | Dividend payout ratio (consolidated) | Dividend on net assets (consolidated) |
|----------------------|--------------------|--------------------|-------------------|----------|-----------|---------------------|--------------------------------------|---------------------------------------|
| | First quarter end | Second quarter end | Third quarter end | Year end | Full year | | | |
| | Yen | Yen | Yen | Yen | Yen | Million yen | | |
| 4/30/2023 | – | 20.00 | – | 20.00 | 40.00 | 3,529 | 38.5% | 2.9% |
| 4/30/2024 | – | 21.00 | – | 21.00 | 42.00 | 3,707 | 33.2% | 2.9% |
| 4/30/2025 (Forecast) | – | 22.00 | – | 22.00 | 44.00 | | 31.3% | |

Note: 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, 2025 (May 1, 2024 - April 30, 2025)

(% 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 |
| 4/30/2025 | 466,600 2.8% | 26,500 5.9% | 26,700 0.1% | 17,200 9.9% | 140.70 |

Note: 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) Changes in accounting policies, changes in accounting estimates, and restatements

i. Changes in accounting policies associated with revisions to accounting standards: None

ii. Changes in accounting policies other than i. above: None

iii. Changes in accounting estimates: Yes

iv. Restatements: None

Note: For further details, please refer to the section of “(5) Notes to Consolidated Financial Statements, (Changes in Accounting Estimates)” of “3. Consolidated Financial Statements and Main Notes” on page 14 of the attached material.

(3) Number of issued shares (common stock)

i. Number of issued shares (including treasury stock) 4/30/2024 89,212,380 shares 4/30/2023 89,212,380 shares

ii. Number of treasury stock 4/30/2024 939,878 shares 4/30/2023 976,571 shares

iii. Average number of shares outstanding during the period 4/30/2024 88,260,137 shares 4/30/2023 88,227,628 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.

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Performance for Fiscal Year Ended April 30, 2024 (May 1, 2023 - April 30, 2024)

(1) Non-Consolidated Results of Operations (% indicates year-on-year changes)

| | Net sales | | Operating income | | Ordinary income | | Net income | |
|-----------|-------------|------|------------------|-------|-----------------|-------|-------------|------|
| | Million yen | | Million yen | | Million yen | | Million yen | |
| 4/30/2024 | 329,069 | 4.5% | 18,819 | 12.1% | 21,493 | 13.9% | 13,813 | 4.0% |
| 4/30/2023 | 315,025 | 4.9% | 16,785 | 7.0% | 18,864 | 8.4% | 13,281 | 7.4% |

| | Earnings per share | Earnings per share (diluted) |
|-----------|--------------------|------------------------------|
| | Yen | Yen |
| 4/30/2024 | 111.22 | 110.99 |
| 4/30/2023 | 107.07 | 106.84 |

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

(2) Non-Consolidated Financial Position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|-----------|--------------|-------------|--------------|----------------------|
| | Million yen | Million yen | | Yen |
| 4/30/2024 | 293,821 | 171,199 | 58.2% | 1,429.28 |
| 4/30/2023 | 288,473 | 165,038 | 57.2% | 1,361.57 |

Reference: Equity 4/30/2024: 171,094 million yen 4/30/2023: 164,904 million yen

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

2. Forecasted Non-Consolidated Results for the Fiscal Year Ending April 30, 2025 (May 1, 2024 - April 30, 2025)

(% indicates year on year changes)

| | Net sales | Operating income | Ordinary income | Net income | Earnings per share |
|-----------|--------------|------------------|-----------------|-------------|--------------------|
| | Million yen | Million yen | Million yen | Million yen | Yen |
| 4/30/2025 | 336,470 2.2% | 19,600 4.1% | 21,650 0.7% | 15,000 8.6% | 122.30 |

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

* Financial results reports are exempt from audit 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, the 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 “1. Overview of the Consolidated Results of Operations, etc., (4) Future Outlook” on page 4 of the attached material.

Reference

(1) Per share information of Class-A Preferred Stock in consolidated results of operations

| | Earnings per share | Earnings per share (diluted) | Net assets per share |
|-----------|--------------------|---------------------------------|----------------------|
| | Yen | Yen | Yen |
| 4/30/2024 | 138.26 | 138.00 | 1,522.16 |
| 4/30/2023 | 113.82 | 113.60 | 1,413.55 |

(2) Dividends – Class-A Preferred Stock

| | Dividend per share | | | | | Total dividend paid | Dividend payout ratio (consolidated) | Dividend on net assets (consolidated) |
|-------------------------|--------------------|--------------------|-------------------|----------|-----------|---------------------|--------------------------------------|---------------------------------------|
| | First quarter end | Second quarter end | Third quarter end | Year end | Full year | | | |
| | Yen | Yen | Yen | Yen | Yen | Million yen | | |
| 4/30/2023 | – | 25.00 | – | 25.00 | 50.00 | 1,637 | 43.9% | 3.6% |
| 4/30/2024 | – | 27.00 | – | 27.00 | 54.00 | 1,730 | 39.1% | 3.7% |
| 4/30/2025 (Forecast) | – | 28.00 | – | 28.00 | 56.00 | | 36.7% | |

(3) Per share information of Class-A Preferred Stock in forecasted consolidated results

| | Earnings per share (Consolidated) | Earnings per share (Non-Consolidated) |
|-----------|--------------------------------------|--|
| | Yen | Yen |
| 4/30/2025 | 152.70 | 134.30 |

(4) Number of issued shares – Class-A Preferred Stock

| | | | | |
|---|-----------|-------------------|-----------|-------------------|
| i. Number of issued shares (including treasury stock) | 4/30/2024 | 34,246,962 shares | 4/30/2023 | 34,246,962 shares |
| ii. Number of treasury stock | 4/30/2024 | 2,943,655 shares | 4/30/2023 | 1,489,535 shares |
| iii. Average number of shares outstanding during the period | 4/30/2024 | 32,487,715 shares | 4/30/2023 | 32,758,726 shares |

(5) Per share information of Class-A Preferred Stock in non-consolidated results of operations

| | Earnings per share | Net income per share (diluted) | Net assets per share |
|-----------|--------------------|-----------------------------------|----------------------|
| | Yen | Yen | Yen |
| 4/30/2024 | 123.06 | 122.83 | 1,435.28 |
| 4/30/2023 | 117.07 | 116.84 | 1,366.57 |

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1. Overview of the Consolidated Results of Operations, etc.

(1) Overview of the Consolidated Results of Operations in the Current Fiscal Year

During the fiscal year ended April 30, 2024 (May 1, 2023 – April 30, 2024), the Japanese economy exhibited signs of a gradual recovery due to factors such as the recovery of foot traffic with the reclassification of the novel coronavirus disease (COVID-19) to Class 5, the recovery in personal consumption due to the improvement in the employment and income environment, and the increase in inbound demand from overseas tourism. However, certain conditions continue to present an uncertain outlook, such as concerns regarding the economic impact of high energy prices and raw material costs in conjunction with foreign exchange fluctuations.

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, performance for the fiscal year ended April 30, 2024 was as follows.

| | | |
|---|----------------------|-----------------------|
| Net sales | 453,899 million yen, | up 5.1% year on year |
| Operating income | 25,023 million yen, | up 27.7% year on year |
| Ordinary income | 26,681 million yen, | up 31.2% year on year |
| Profit attributable to owners of parent | 15,650 million yen, | up 21.4% year on year |

Performance by each of the business segments was as follows.

<Tea Leaves and Beverages Business>

We launched “*Ice Cold Brew Tea Bag Zeitaku na Oi Ocha*,” a new series in the “*Oi Ocha*” brand, which brings out the overwhelming umami (richness) of high-quality teas in an easy-to-enjoy cold brew tea bag. Catering to “the desire for any easy way to drink delicious green tea,” the product provides a superior taste to everyday green tea. The Company aims to further enhance the value of Japanese tea while spreading the Japanese culture of tea, by continuing to propose ways to enjoy diverse varieties of tea in line with ever-changing modern lifestyles.

We worked to further enhance brand value in the Company’s core “*Oi Ocha*” brand, which celebrated its 35th anniversary in February 2024, through activities such as product development based on technologies and experience accumulated from a desire to offer people delicious tea “anytime, anywhere,” and initiatives such as the “*Japanese Tea Day Oi Ocha Grand Tea Ceremony*” and the “*Making Japan Beautiful Through Tea*” campaign.”

In May, we sold “*Oi Ocha Shincha (new tea)*” leaf products and beverages for enjoyment of the once-a-year seasonal taste. We also launched “*Oi Ocha Maroyaka*,” which was developed with youth using key phrases “fresh aroma and mild tea flavor” and “values of youth,” responding quickly to the diversifying needs of the times and proposing a brand that can be shared by men and women of all ages to continue providing “*Oi Ocha*,” which is loved as the most familiar Japanese tea.

“*Kenko Mineral Mugicha*” (healthy mineral barley tea), a long-standing favorite among customers, received global No.1 status from Guinness World Records™, which recognized it as “the top-selling RTD barley tea brand (latest annual sales volume),” marking the 35th anniversary of the launch of barley tea beverages in 1988. The barley tea beverage market continues to expand every year, and “*Kenko Mineral Mugicha*” has been a leading presence in the market, enjoying year-round support from a wide range of ages, from infants to the elderly. Looking ahead, the Company aims to win wide-ranging support for “*Kenko Mineral Mugicha*” as a beverage brand that can be enjoyed by anyone, anywhere, at any time, with the concept of a “tasty hydration and mineral” under the brand vision, “Supporting customers’ efforts to achieve good health.”

In addition, the Company participates in the “*Nippon Yell Project*,” an initiative to support production areas through collaboration by the National Federation of Agricultural Cooperative Associations (JA ZEN-NOH), manufacturers such as the Company, and sales channels, based on the concept of “sending a ‘yell of support’ to food sourced from production areas nationwide and also to Japan,” to assist with the sustained development of the agricultural sector. Since joining the project in June 2021, we have jointly developed products using distinctive agricultural products from around Japan and sold numerous products such as the revamped “*Nippon Yell Miyazakiken-san Hyuuganatsu*.” Looking ahead, the Company will continue to serve as a bridge that connects Japanese agriculture and consumers and contribute to increasing awareness and consumption of domestic agricultural and livestock products through its sales of products jointly developed with JA ZEN-NOH.

The Company will continue to reduce costs through even greater corporate efforts based on “Always Putting the Customer First,” and work towards the development and supply of products with value and quality that satisfy customers.

As a result of these activities, the Tea Leaves and Beverages Business recorded net sales of 405,536 million yen, up 4.0% year on year, and operating income of 22,103 million yen, up 24.0% year on year.

<Restaurant Business>

As limited-edition seasonal spring beverages, Tully's Coffee Japan Co., Ltd. launched its "Cacao & Almond Milk Latte" and "Peach & Apricot Royal Almond Milk Tea," the first use of almond milk by Tully's, and delivering new coffee and tea experiences. Furthermore, in the season of new beginnings in April, we sold the fresh-flavored "Strawberry Yogurt SWIRKLE®" and "Matcha Tiramisu Shake" that can bring a dessert-like enjoyment, which were well received. In addition, in the sales of goods category, the collaborative items produced with the tenugui towel brand "KAMAWANU" and the fashion brand "Manhattan Portage" attracted much attention and sold well. Steady progress was made with newly opened stores including the expansion of the "&TEA" format to 30 stores nationwide, and the opening of the first store with a drive-through facility in the Kanto region "Forest Mall Shinmaebashi shop," with the total number of shops as of April 30, 2024 standing at 791.

As a result of these activities, the Restaurant Business recorded net sales of 40,350 million yen, up 13.7% year on year, and operating income of 3,236 million yen, up 33.2% year on year.

<Others>

The Others recorded net sales of 8,013 million yen, up 30.3% year on year, and operating income of 360 million yen, compared with operating loss of 20 million yen in the same period of the previous fiscal year.

(2) Overview of the Financial Position in the Current Fiscal Year

The following is the consolidated financial position at the end of the fiscal year ended April 30, 2024.

(Assets)

Total assets at the end of the fiscal year ended April 30, 2024 stood at 353,892 million yen, increased by 15,117 million yen from the end of the previous fiscal year. These changes in total assets mainly reflected an increase of 5,132 million yen in "Cash and deposits," an increase of 2,232 million yen in "Accounts receivable - trade," an increase of 1,774 million yen in "Buildings and structures," an increase of 1,393 million yen in "Software," an increase of 1,133 million yen in "Construction in progress," a decrease of 1,259 million yen in "Leased assets," a decrease of 1,163 million yen in "Merchandise and finished goods," and a decrease of 1,071 million yen in "Goodwill."

(Liabilities)

Liabilities at the end of the fiscal year ended April 30, 2024 stood at 170,675 million yen, increased by 4,029 million yen from the end of the previous fiscal year. These changes in liabilities mainly reflected an increase of 10,000 million yen in "Bonds payable," an increase of 2,148 million yen in "Accrued expenses," an increase of 1,658 million yen in "Accounts payable - trade," a decrease of 10,000 million yen in "Current portion of bonds payable," and a decrease of 1,543 million yen in "Lease obligations."

(Net assets)

Net assets at the end of the fiscal year ended April 30, 2024 stood at 183,216 million yen, increased by 11,087 million yen from the end of the previous fiscal year. This mainly reflected an increase of 15,650 million yen in "Retained earnings" due to "Profit attributable to owners of parent," a decrease of 5,323 million yen in "Retained earnings" due to "Dividends of surplus," and an increase of 2,813 million yen in "Treasury shares" (decrease in net assets) due to "Purchase of treasury shares."

As a result, the shareholders' equity ratio was 51.3% compared with 50.4% at the end of the previous fiscal year.

(3) Overview of the Cash Flows in the Current Fiscal Year

Cash and cash equivalents at the end of the fiscal year ended April 30, 2024 amounted to 105,397 million yen, increased by 4,498 million yen from the end of the previous fiscal year.

Cash flows during the fiscal year ended April 30, 2024 and their causes are as follows.

(Cash flows from operating activities)

Net cash inflows from operating activities were 25,482 million yen (compared with 23,773 million yen inflow in the previous fiscal year). The major factors affecting this were income before income taxes of 24,525 million yen, depreciation of 8,595 million yen, impairment loss of 1,815 million yen and income taxes paid of 7,898 million yen.

(Cash flows from investing activities)

Net cash outflows from investing activities were 10,737 million yen (compared with 8,638 million yen outflow in the previous fiscal year). The major factor affecting this was purchase of property, plant and equipment and intangible assets of 9,913 million yen.

(Cash flows from financing activities)

Net cash outflows from financing activities were 12,213 million yen (compared with 9,130 million yen outflow in the previous fiscal year). The major factors affecting this were redemption of bonds of 10,000 million yen, proceeds from issuance of bonds of 9,952 million yen, purchase of treasury shares of 2,813 million yen, repayments of finance lease obligations of 1,989 million yen, repayments of long-term loans payable of 1,313 million yen and cash dividends paid of 5,315 million yen.

(4) Future Outlook

Although certain conditions to present an uncertain outlook, such as concerns regarding the economic impact of high energy prices and raw material costs in conjunction with foreign exchange fluctuations, we will continue to propose products that meet consumer needs and further strengthen our brand through active communication with customers, while continuing our corporate efforts to reduce costs and pursue greater efficiency.

The forecast for the fiscal year ending April 30, 2025 is as follows.

| | | |
|---|----------------------|----------------------|
| Net sales | 466,600 million yen, | up 2.8% year on year |
| Operating income | 26,500 million yen, | up 5.9% year on year |
| Ordinary income | 26,700 million yen, | up 0.1% year on year |
| Profit attributable to owners of parent | 17,200 million yen, | up 9.9% year on year |

The above forecasts are based on information available at the time this report was prepared, and actual results may differ from the forecasts due to various factors in the future.

2. Basic Policies Concerning Selection of Accounting Standards

Taking into consideration reliable year-on-year and company-to-company comparisons in the consolidated financial statements, the ITO EN Group's policy for the time being is to prepare its consolidated financial statements according to Japanese accounting standards.

As for the application of international accounting standards, the ITO EN Group plans to appropriately respond after considering the circumstances in Japan and overseas.

3. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheet

As of April 30, 2023 and April 30, 2024

(Millions of yen)

| | As of April 30, 2023 | As of April 30, 2024 |
|--|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 104,181 | 109,313 |
| Notes receivable - trade | 75 | 78 |
| Accounts receivable - trade | 60,120 | 62,352 |
| Merchandise and finished goods | 44,767 | 43,603 |
| Raw materials and supplies | 12,880 | 13,752 |
| Accounts receivable - other | 9,256 | 9,711 |
| Other | 3,394 | 5,157 |
| Allowance for doubtful accounts | (281) | (219) |
| Total current assets | 234,393 | 243,749 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 52,324 | 55,663 |
| Accumulated depreciation | (31,230) | (32,794) |
| Buildings and structures, net | 21,093 | 22,868 |
| Machinery, equipment and vehicles | 28,591 | 30,719 |
| Accumulated depreciation | (22,896) | (24,674) |
| Machinery, equipment and vehicles, net | 5,694 | 6,044 |
| Tools, furniture and fixtures | 36,788 | 38,667 |
| Accumulated depreciation | (22,606) | (24,202) |
| Tools, furniture and fixtures, net | 14,181 | 14,465 |
| Land | 22,979 | 23,154 |
| Leased assets | 18,312 | 17,094 |
| Accumulated depreciation | (12,237) | (12,279) |
| Leased assets, net | 6,075 | 4,815 |
| Construction in progress | 912 | 2,046 |
| Other | 1,067 | 641 |
| Total property, plant and equipment | 72,005 | 74,036 |
| Intangible assets | | |
| Goodwill | 2,528 | 1,456 |
| Software | 1,857 | 3,250 |
| Other | 3,884 | 2,403 |
| Total intangible assets | 8,270 | 7,110 |
| Investments and other assets | | |
| Investment securities | 3,990 | 4,581 |
| Deferred tax assets | 7,362 | 7,411 |
| Other | 12,862 | 17,130 |
| Allowance for doubtful accounts | (110) | (127) |
| Total investments and other assets | 24,105 | 28,995 |
| Total non-current assets | 104,381 | 110,142 |
| Total assets | 338,774 | 353,892 |

Consolidated Balance Sheet – Continued

(Millions of yen)

| | As of April 30, 2023 | As of April 30, 2024 |
|---|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 29,958 | 31,616 |
| Current portion of bonds payable | 10,000 | – |
| Short-term loans payable | 2,743 | 14,442 |
| Lease obligations | 2,135 | 1,682 |
| Accrued expenses | 29,519 | 31,667 |
| Income taxes payable | 4,367 | 4,972 |
| Provision for bonuses | 4,296 | 4,606 |
| Other | 6,206 | 7,677 |
| Total current liabilities | 89,226 | 96,665 |
| Non-current liabilities | | |
| Bonds payable | – | 10,000 |
| Long-term loans payable | 58,210 | 47,306 |
| Lease obligations | 3,662 | 2,572 |
| Net defined benefit liability | 10,810 | 7,511 |
| Deferred tax liabilities for land revaluation | 719 | 719 |
| Other | 4,017 | 5,901 |
| Total non-current liabilities | 77,419 | 74,010 |
| Total liabilities | 166,646 | 170,675 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 19,912 | 19,912 |
| Capital surplus | 18,558 | 18,554 |
| Retained earnings | 138,827 | 149,154 |
| Treasury shares | (6,911) | (9,480) |
| Total shareholders' equity | 170,386 | 178,141 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,693 | 1,849 |
| Revaluation reserve for land | (6,053) | (6,053) |
| Foreign currency translation adjustment | 4,132 | 7,046 |
| Remeasurements of defined benefit plans | 429 | 499 |
| Total accumulated other comprehensive income | 202 | 3,342 |
| Share acquisition rights | 134 | 104 |
| Non-controlling interests | 1,404 | 1,627 |
| Total net assets | 172,128 | 183,216 |
| Total liabilities and net assets | 338,774 | 353,892 |

(2) Consolidated Statement of Income and Comprehensive Income

For the fiscal year ended April 30, 2023 and 2024 (May 1, 2022 - April 30, 2023 and May 1, 2023 - April 30, 2024)

Consolidated Statement of Income

(Millions of yen)

| | Fiscal year ended April 30, 2023 | | Fiscal year ended April 30, 2024 | |
|---|-------------------------------------|----------------|-------------------------------------|----------------|
| Net sales | | 431,674 | | 453,899 |
| Cost of sales | *1 | 266,089 | *1 | 276,832 |
| Gross profit | | 165,585 | | 177,067 |
| Selling, general and administrative expenses | *2, *3 | 145,996 | *2, *3 | 152,044 |
| Operating income | | 19,588 | | 25,023 |
| Non-operating income | | | | |
| Interest income | | 226 | | 451 |
| Dividend income | | 91 | | 89 |
| Share of profit of entities accounted for using equity method | | 138 | | 170 |
| Gain on prepaid card | | 185 | | 175 |
| Foreign exchange gains | | 271 | | 1,088 |
| Subsidy income | | 280 | | 13 |
| Other | | 381 | | 488 |
| Total non-operating income | | 1,577 | | 2,478 |
| Non-operating expenses | | | | |
| Interest expenses | | 544 | | 481 |
| Other | | 278 | | 339 |
| Total non-operating expenses | | 823 | | 820 |
| Ordinary income | | 20,341 | | 26,681 |
| Extraordinary income | | | | |
| Gain on sales of non-current assets | *4 | 3 | *4 | 10 |
| Gain on donation of non-current assets | | 3 | | 3 |
| Gain on sales of investment securities | | — | | 158 |
| Total extraordinary income | | 6 | | 172 |
| Extraordinary losses | | | | |
| Loss on sales of non-current assets | *5 | 0 | *5 | 6 |
| Loss on abandonment of non-current assets | *6 | 240 | *6 | 252 |
| Impairment loss | *7 | 402 | *7 | 1,815 |
| Loss on valuation of investment securities | | 17 | | 172 |
| Loss on revision of retirement benefit plan | | — | | 80 |
| Other | | 2 | | — |
| Total extraordinary losses | | 664 | | 2,328 |
| Income before income taxes | | 19,684 | | 24,525 |
| Income taxes - current | | 7,810 | | 8,506 |
| Income taxes - deferred | | (1,325) | | 33 |
| Total income taxes | | 6,484 | | 8,539 |
| Net income | | 13,199 | | 15,985 |
| Profit attributable to non-controlling interests | | 310 | | 335 |
| Profit attributable to owners of parent | | 12,888 | | 15,650 |

Consolidated Statement of Comprehensive Income

(Millions of yen)

| | Fiscal year ended April 30, 2023 | Fiscal year ended April 30, 2024 |
|--|-------------------------------------|-------------------------------------|
| Net income | 13,199 | 15,985 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 451 | 286 |
| Foreign currency translation adjustment | 385 | 2,981 |
| Remeasurements of defined benefit plans, net of tax | 340 | 71 |
| Share of other comprehensive income of entities accounted for using equity method | 61 | (113) |
| Total other comprehensive income | 1,239 | 3,227 |
| Comprehensive income | 14,439 | 19,212 |
| Comprehensive income attributable to owners of parent | 14,114 | 18,790 |
| Comprehensive income attributable to non- controlling interests | 324 | 422 |

(3) Consolidated Statement of Changes in Shareholders' Equity

For the fiscal year ended April 30, 2023 (May 1, 2022 - April 30, 2023)

(Millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Capital stock | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of current period | 19,912 | 18,662 | 131,105 | (7,016) | 162,664 |
| Changes of items during period | | | | | |
| Dividends of surplus | | | (5,166) | | (5,166) |
| Profit attributable to owners of parent | | | 12,888 | | 12,888 |
| Capital increase of consolidated subsidiaries | | (28) | | | (28) |
| Purchase of treasury shares | | | | (4) | (4) |
| Disposal of treasury shares | | (75) | | 109 | 33 |
| Net changes of items other than shareholders' equity | | | | | |
| Total changes of items during period | – | (103) | 7,721 | 104 | 7,722 |
| Balance at end of current period | 19,912 | 18,558 | 138,827 | (6,911) | 170,386 |

| | Accumulated other comprehensive income | | | | | Share acquisition rights | Non-controlling interests | Total net assets |
|--|---|------------------------------|---|---|--|--------------------------|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Revaluation reserve for land | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | | |
| Balance at beginning of current period | 1,202 | (6,053) | 3,738 | 88 | (1,023) | 117 | 1,254 | 163,012 |
| Changes of items during period | | | | | | | | |
| Dividends of surplus | | | | | | | | (5,166) |
| Profit attributable to owners of parent | | | | | | | | 12,888 |
| Capital increase of consolidated subsidiaries | | | | | | | | (28) |
| Purchase of treasury shares | | | | | | | | (4) |
| Disposal of treasury shares | | | | | | | | 33 |
| Net changes of items other than shareholders' equity | 491 | – | 393 | 340 | 1,226 | 17 | 149 | 1,393 |
| Total changes of items during period | 491 | – | 393 | 340 | 1,226 | 17 | 149 | 9,115 |
| Balance at end of current period | 1,693 | (6,053) | 4,132 | 429 | 202 | 134 | 1,404 | 172,128 |

For the fiscal year ended April 30, 2024 (May 1, 2023 - April 30, 2024)

(Millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Capital stock | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of current period | 19,912 | 18,558 | 138,827 | (6,911) | 170,386 |
| Changes of items during period | | | | | |
| Dividends of surplus | | | (5,323) | | (5,323) |
| Profit attributable to owners of parent | | | 15,650 | | 15,650 |
| Capital increase of consolidated subsidiaries | | | | | - |
| Purchase of treasury shares | | | | (2,813) | (2,813) |
| Disposal of treasury shares | | (3) | | 244 | 240 |
| Net changes of items other than shareholders' equity | | | | | |
| Total changes of items during period | - | (3) | 10,327 | (2,569) | 7,754 |
| Balance at end of current period | 19,912 | 18,554 | 149,154 | (9,480) | 178,141 |

| | Accumulated other comprehensive income | | | | | Share acquisition rights | Non-controlling interests | Total net assets |
|--|---|------------------------------|---|---|--|--------------------------|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Revaluation reserve for land | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | | |
| Balance at beginning of current period | 1,693 | (6,053) | 4,132 | 429 | 202 | 134 | 1,404 | 172,128 |
| Changes of items during period | | | | | | | | |
| Dividends of surplus | | | | | | | | (5,323) |
| Profit attributable to owners of parent | | | | | | | | 15,650 |
| Capital increase of consolidated subsidiaries | | | | | | | | - |
| Purchase of treasury shares | | | | | | | | (2,813) |
| Disposal of treasury shares | | | | | | | | 240 |
| Net changes of items other than shareholders' equity | 155 | - | 2,914 | 69 | 3,140 | (29) | 222 | 3,333 |
| Total changes of items during period | 155 | - | 2,914 | 69 | 3,140 | (29) | 222 | 11,087 |
| Balance at end of current period | 1,849 | (6,053) | 7,046 | 499 | 3,342 | 104 | 1,627 | 183,216 |

(4) Consolidated Statement of Cash Flows

For the fiscal year ended April 30, 2023 and 2024 (May 1, 2022 - April 30, 2023 and May 1, 2023 - April 30, 2024)

(Millions of yen)

| | Fiscal year ended April 30, 2023 | Fiscal year ended April 30, 2024 |
|---|-------------------------------------|-------------------------------------|
| Cash flows from operating activities | | |
| Income before income taxes | 19,684 | 24,525 |
| Depreciation | 10,353 | 8,595 |
| Impairment loss | 402 | 1,815 |
| Amortization of goodwill | 1,074 | 1,080 |
| Increase (decrease) in allowance for doubtful accounts | 94 | (81) |
| Increase (decrease) in provision for bonuses | 682 | 310 |
| Increase (decrease) in net defined benefit liability | 422 | (3,273) |
| Subsidy income | (280) | (13) |
| Interest and dividend income | (318) | (541) |
| Interest expenses | 544 | 481 |
| Foreign exchange losses (gains) | (81) | (719) |
| Decrease (increase) in notes and accounts receivable - trade | (1,906) | (1,230) |
| Decrease (increase) in inventories | (2,741) | 2,474 |
| Decrease (increase) in other current assets | 1,897 | (2,261) |
| Decrease (increase) in other non-current assets | 48 | (3,572) |
| Loss on revision of retirement benefit plan | - | 80 |
| Increase (decrease) in notes and accounts payable - trade | (555) | 1,186 |
| Increase (decrease) in accrued consumption taxes | 126 | (77) |
| Increase (decrease) in other current liabilities | 2,446 | 2,660 |
| Increase (decrease) in other non-current liabilities | 36 | 1,478 |
| Other, net | 195 | 358 |
| Subtotal | 32,126 | 33,276 |
| Interest and dividend income received | 333 | 576 |
| Interest expenses paid | (544) | (485) |
| Income taxes paid | (8,421) | (7,898) |
| Subsidies received | 280 | 13 |
| Net cash provided by (used in) operating activities | 23,773 | 25,482 |
| Cash flows from investing activities | | |
| Net decrease (increase) in time deposits | (1,185) | (382) |
| Purchase of property, plant and equipment and intangible assets | (6,987) | (9,913) |
| Purchase of investment securities | (111) | (510) |
| Proceeds from sales of investment securities | 1 | 272 |
| Purchase of shares of subsidiaries and associates | (399) | (680) |
| Decrease (increase) in other investments | 43 | 476 |
| Net cash provided by (used in) investing activities | (8,638) | (10,737) |

Consolidated Statement of Cash Flows – Continued

(Millions of yen)

| | Fiscal year ended April 30, 2023 | Fiscal year ended April 30, 2024 |
|---|-------------------------------------|-------------------------------------|
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term loans payable | (55) | (510) |
| Repayments of long-term loans payable | (1,412) | (1,313) |
| Proceeds from issuance of bonds | – | 9,952 |
| Redemption of bonds | – | (10,000) |
| Purchase of treasury shares | (4) | (2,813) |
| Proceeds from disposal of treasury shares | 0 | 0 |
| Repayments of finance lease obligations | (2,278) | (1,989) |
| Cash dividends paid | (5,161) | (5,315) |
| Dividends paid to non-controlling interests | (207) | (212) |
| Other, net | (11) | (11) |
| Net cash provided by (used in) financing activities | (9,130) | (12,213) |
| Effect of exchange rate change on cash and cash equivalents | 421 | 1,967 |
| Net increase (decrease) in cash and cash equivalents | 6,427 | 4,498 |
| Cash and cash equivalents at beginning of period | 94,471 | 100,899 |
| Cash and cash equivalents at end of period | 100,899 | 105,397 |

(5) Notes to Consolidated Financial Statements
(Note Regarding the Company's Position as a Going Concern)

Not applicable

(Basis of Presentation of Consolidated Financial Statements)

1. Consolidation scope

| | |
|-----------------------------------|--------------|
| (1) Consolidated subsidiaries | 32 companies |
| (2) Non-consolidated subsidiaries | 3 companies |

2. Application of equity method

| | |
|--|-------------|
| (1) Equity - method applied to non-consolidated subsidiaries | 3 companies |
| (2) Equity - method applied to affiliated | 2 companies |
| (3) Equity - method unapplied to affiliated | 7 companies |

(Changes in Accounting Estimates)

Among the Group's leased assets and tools, furniture and fixtures, vending machines were previously depreciated over an 8-year useful life. However, during the fiscal year ended April 30, 2024, the useful life was revised to 10 years, and has been changed prospectively.

The Group had been conducting performance improvements and periodic maintenance and so forth for vending machines. As a result, in the fiscal year ended April 30, 2024, a discrepancy emerged between the previous useful life and the projected economic useful life. Accordingly, it was deemed that allocating the cost over a 10-year period more appropriately reflected the actual status of the Group.

As a result, in comparison to the period before the application of this change, for the fiscal year ended April 30, 2024, operating income, ordinary income and income before income taxes have increased by 1,386 million yen each.

The impact on segment information is stated in "(Segment Information, etc.)."

(Notes to Consolidated Statement of Income)

*1. Ending finished goods inventory represents the amount after write-down of the book value in accordance with the declining in profitability of assets and the following loss on valuation of inventories is included in cost of sales.

| | Million yen | |
|---------------|----------------------------------|----------------------------------|
| | Fiscal year ended April 30, 2023 | Fiscal year ended April 30, 2024 |
| Cost of sales | 790 | (276) |

*2. Main items of selling, general and administrative expenses are as follows.

| | Million yen | |
|--|----------------------------------|----------------------------------|
| | Fiscal year ended April 30, 2023 | Fiscal year ended April 30, 2024 |
| Vending machine selling commission | 16,292 | 16,346 |
| Advertising | 10,048 | 11,454 |
| Lease payment | 1,247 | 1,307 |
| Transportation | 14,386 | 14,168 |
| Salaries and wages to employees | 44,972 | 48,971 |
| Provision for bonuses | 3,823 | 4,061 |
| Retirement and severance benefit costs for employees | 1,801 | 1,194 |
| Depreciation | 7,921 | 6,156 |
| Allowance for doubtful accounts | 104 | (72) |
| Research and development expenses | 2,133 | 2,139 |

*3. The total amount of research and development expenses included in general and administrative expenses and manufacturing costs for the period under review is as follows.

| | Million yen | |
|-------------------------------------|----------------------------------|----------------------------------|
| | Fiscal year ended April 30, 2023 | Fiscal year ended April 30, 2024 |
| General and administrative expenses | 2,133 | 2,139 |

*4. Breakdown of gain on sales of non-current assets is as follows.

| | Million yen | |
|-----------------------------------|----------------------------------|----------------------------------|
| | Fiscal year ended April 30, 2023 | Fiscal year ended April 30, 2024 |
| Buildings and structures | – | 0 |
| Machinery, equipment and vehicles | 3 | 6 |
| Tools, furniture and fixtures | 0 | 3 |
| Total | 3 | 10 |

*5. Breakdown of loss on sales of non-current assets is as follows.

| | Million yen | |
|-----------------------------------|----------------------------------|----------------------------------|
| | Fiscal year ended April 30, 2023 | Fiscal year ended April 30, 2024 |
| Machinery, equipment and vehicles | 0 | – |
| Land | – | 6 |
| Total | 0 | 6 |

*6. Breakdown of loss on abandonment of non-current assets is as follows.

| | Million yen | |
|-----------------------------------|----------------------------------|----------------------------------|
| | Fiscal year ended April 30, 2023 | Fiscal year ended April 30, 2024 |
| Buildings and structures | 6 | 37 |
| Machinery, equipment and vehicles | 5 | 12 |
| Tools, furniture and fixtures | 127 | 124 |
| Software | 10 | 0 |
| Other | 90 | 78 |
| Total | 240 | 252 |

*7. Impairment loss

The ITO EN Group recognized impairment losses on the assets group listed below.

For the fiscal year ended April 30, 2023 (May 1, 2022 - April 30, 2023)

| Location | Use | Type of assets | Impairment loss (million yen) |
|------------------------|---|-----------------|-------------------------------|
| Minato-ku, Tokyo, etc. | Store, etc. (Tully's Coffee Japan Co., Ltd.) | Buildings, etc. | 331 |
| Victoria, Australia | Business assets (ITO EN AUSTRALIA PTY. LIMITED) | Buildings, etc. | 71 |

In the case of the consolidated subsidiary Tully's Coffee Japan Co., Ltd., asset grouping is conducted with each shop as the basic unit of measurement, as these are the smallest units of cash flow generation. Out of the stores stated in the above, for those

incurred or expected to incur continuous deficits in cash flows arising from operating activities, the book values of their assets were reduced to recoverable amounts and an impairment loss in extraordinary losses, amounting to 331 million yen (buildings and structures 300 million yen, tools, furniture and fixtures 28 million yen, other intangible assets 0 million yen, and other investments and other assets 2 million yen), was recorded as of the end of the fiscal year ended April 30, 2023. The recoverable amount was determined through measurement of the value in use, which is calculated as zero.

In the case of the consolidated subsidiary ITO EN AUSTRALIA PTY. LIMITED, asset grouping is conducted with each business as the basic unit of measurement, as these are the smallest units of cash flow generation. Out of the asset groups stated in the above, for those incurred continuous deficits in cash flows arising from operating activities, their book values were reduced to recoverable amounts and an impairment loss in extraordinary losses, amounting to 71 million yen (buildings and structures 41 million yen, machinery, equipment and vehicles 27 million yen, tools, furniture and fixtures 0 million yen, and land 2 million yen), was recorded as of the end of the fiscal year ended April 30, 2023. The recoverable amount was calculated using the value in use based on the future business plan. The discount rate applied to calculate the value in use was 12.20%.

For the fiscal year ended April 30, 2024 (May 1, 2023 - April 30, 2024)

| Location | Use | Type of assets | Impairment loss (million yen) |
|---|---|---|-------------------------------|
| Washington State, the United States, etc. | Business assets (Distant Lands Trading Co.) | Machinery, equipment and vehicles, etc. | 1,468 |
| Yokohama-shi, Kanagawa, etc. | Store, etc. (Tully's Coffee Japan Co., Ltd.) | Buildings, etc. | 221 |
| Victoria, Australia | Business assets (ITO EN AUSTRALIA PTY. LIMITED) | Machinery, equipment and vehicles, etc. | 61 |
| New York State, the United States | Business assets (ITO EN (North America) INC.) | Other | 64 |

In the case of the consolidated subsidiary Distant Lands Trading Co., asset grouping is conducted with each business office as the basic unit of measurement, as these are the smallest units of cash flow generation. Shared assets of the business in the United States, such as customer-related assets, are grouped in larger units that include asset groups with shared assets that contribute to future cash flow generation. Out of the asset groups stated in the above, for those that incurred continuous deficits in cash flows arising from operating activities, their book values were reduced to recoverable amounts and an impairment loss in extraordinary losses, amounting to 1,468 million yen (machinery, equipment and vehicles 502 million yen, buildings and structures 225 million yen, other property, plant and equipment 308 million yen, and other intangible assets 431 million yen), was recorded as of the end of the fiscal year ended April 30, 2024. The recoverable amount was determined through measurement of the net realizable value or the value in use. The net realizable value has been calculated by taking into account factors such as the land, current condition of the building, location scale, and examples of sales transactions nearby; and the value in use has been calculated as zero.

In the case of the consolidated subsidiary Tully's Coffee Japan Co., Ltd., asset grouping is conducted with each shop as the basic unit of measurement, as these are the smallest units of cash flow generation. Out of the stores stated in the above, for those incurred or expected to incur continuous deficits in cash flows arising from operating activities, the book values of their assets were reduced to recoverable amounts and an impairment loss in extraordinary losses, amounting to 221 million yen (buildings and structures 186 million yen, tools, furniture and fixtures 34 million yen, other intangible assets 0 million yen, and other investments and other assets 0 million yen), was recorded as of the end of the fiscal year ended April 30, 2024. The recoverable amount was determined through measurement of the value in use, which is calculated as zero.

In the case of the consolidated subsidiary ITO EN AUSTRALIA PTY. LIMITED, asset grouping is conducted with each business as the basic unit of measurement, as these are the smallest units of cash flow generation. Out of the asset groups stated in the above, for those incurred continuous deficits in cash flows arising from operating activities, their book values were reduced to recoverable amounts and an impairment loss in extraordinary losses, amounting to 61 million yen (machinery, equipment and vehicles 34 million yen, buildings and structures 27 million yen, and tools, furniture and fixtures 0 million yen), was recorded as of the end of the fiscal year ended April 30, 2024. The recoverable amount was calculated using the value in use based on the future business plan. The recoverable amount was determined through measurement of the value in use, which is calculated as zero.

In the case of the consolidated subsidiary ITO EN (North America) INC., asset grouping is conducted with each business as the basic unit of measurement, as these are the smallest units of cash flow generation. Out of the asset groups stated in the above, for those incurred continuous deficits in cash flows arising from operating activities, their book values were reduced to recoverable amounts and an impairment loss in extraordinary losses, amounting to 64 million yen (machinery, equipment and vehicles 0 million yen and other property, plant and equipment 63 million yen), was recorded as of the end of the fiscal year

ended April 30, 2024. The recoverable amount was determined through measurement of the value in use, which is calculated as zero.

(Segment Information, etc.)

Segment Information

1. Outline of reporting segments

The ITO EN Group reporting segments shall be part of our organizational units whose financial information is individually available, and shall be subject to regular review by its Board of Directors for the purpose of deciding the allocation of its managerial resources and evaluating its business performance.

The ITO EN Group is engaged in the manufacture, purchase and sales of products of tea leaves/beverages in both domestic and overseas markets as its mainstay business and also is engaged in the restaurant business. As such, our reporting segments consist of “Tea Leaves and Beverages Business,” “Restaurant Business,” and “Others.”

2. Basis for calculating sales, profit or loss, assets, liabilities, and other items by reporting segment

Accounting treatment for reporting segments is the same as basis of preparation for the consolidated financial statements.

Profit of reporting segments is based on operating income.

Intersegment sales and transfers are based on prevailing market price.

3. Information regarding amounts of sales, profit or loss, assets, liabilities, and other items by reporting segment

For the fiscal year ended April 30, 2023 (May 1, 2022 - April 30, 2023)

(Millions of yen)

| | Reporting Segment | | | | Adjustment | Total |
|--|--------------------------------------|------------------------|--------|---------|------------|---------|
| | Tea Leaves /Beverages Business | Restaurant Business | Others | Total | | |
| Net sales: | | | | | | |
| (1) Outside | 390,033 | 35,492 | 6,148 | 431,674 | – | 431,674 |
| (2) Intersegment | 560 | 2 | 2,607 | 3,170 | (3,170) | – |
| Total net sales | 390,594 | 35,495 | 8,755 | 434,844 | (3,170) | 431,674 |
| Segment profits (losses) | 17,827 | 2,429 | (20) | 20,235 | (647) | 19,588 |
| Segment assets | 310,652 | 18,284 | 7,687 | 336,625 | 2,149 | 338,774 |
| Others: | | | | | | |
| Depreciation | 9,475 | 703 | 174 | 10,353 | – | 10,353 |
| Amortization of goodwill | – | – | 85 | 85 | 989 | 1,074 |
| Investments in entities accounted for using equity method | 1,867 | – | – | 1,867 | – | 1,867 |
| Increase in property, plant and equipment and intangible assets | 7,607 | 1,548 | 196 | 9,352 | – | 9,352 |

Notes: i. The segment profits (losses) adjustment of (647) million yen includes (989) million yen in amortization of goodwill and 341 million yen in intersegment transactions.

ii. The segment assets adjustment of 2,149 million yen is unamortized balance of goodwill, and etc.

iii. Segment profits (losses) are adjusted to the operating income figure on the Consolidated Statement of Income.

For the fiscal year ended April 30, 2024 (May 1, 2023 - April 30, 2024)

(Millions of yen)

| | Reporting Segment | | | | Adjustment | Total |
|---|--------------------------------|---------------------|--------|---------|------------|---------|
| | Tea Leaves /Beverages Business | Restaurant Business | Others | Total | | |
| Net sales: | | | | | | |
| (1) Outside | 405,536 | 40,350 | 8,013 | 453,899 | – | 453,899 |
| (2) Intersegment | 722 | 1 | 2,409 | 3,134 | (3,134) | – |
| Total net sales | 406,258 | 40,352 | 10,422 | 457,034 | (3,134) | 453,899 |
| Segment profits | 22,103 | 3,236 | 360 | 25,699 | (675) | 25,023 |
| Segment assets | 323,016 | 20,466 | 9,217 | 352,701 | 1,190 | 353,892 |
| Others: | | | | | | |
| Depreciation | 7,525 | 885 | 184 | 8,595 | – | 8,595 |
| Amortization of goodwill | – | – | 91 | 91 | 989 | 1,080 |
| Investments in entities accounted for using equity method | 1,865 | – | – | 1,865 | – | 1,865 |
| Increase in property, plant and equipment and intangible assets | 8,754 | 2,313 | 106 | 11,174 | – | 11,174 |

- Notes: i. The segment profits adjustment of (675) million yen includes (989) million yen in amortization of goodwill and 313 million yen in intersegment transactions.
ii. The segment assets adjustment of 1,190 million yen is unamortized balance of goodwill, and etc.
iii. Segment profits are adjusted to the operating income figure on the Consolidated Statement of Income.

4. Information regarding changes, etc. to reporting segments

As stated in “(Changes in Accounting Estimates),” among the Group’s leased assets and tools, furniture and fixtures, the useful life of vending machines was revised from 8 years to 10 years, and has been changed prospectively.

As a result of this change, in comparison to the previous method, segment profit for the Tea Leaves and Beverages Business in the fiscal year ended April 30, 2024 has increased by 1,386 million yen.

(Notes to Per Share Data)

For the fiscal year ended April 30, 2023 and 2024 (May 1, 2022 - April 30, 2023 and May 1, 2023 - April 30, 2024)

| | Yen | |
|--------------------------------|-------------------------------------|-------------------------------------|
| | Fiscal year ended April 30, 2023 | Fiscal year ended April 30, 2024 |
| Common Stock | | |
| Net assets per share | 1,408.55 | 1,516.16 |
| Earnings per share | 103.82 | 126.42 |
| Earnings per share (diluted) | 103.60 | 126.16 |
| Class-A Preferred Stock | | |
| Net assets per share | 1,413.55 | 1,522.16 |
| Earnings per share | 113.82 | 138.26 |
| Earnings per share (diluted) | 113.60 | 138.00 |

Note: The basis for calculating earnings per share and earnings per share (diluted) is as follows:

| | Fiscal year ended April 30, 2023 | Fiscal year ended April 30, 2024 |
|--|-------------------------------------|-------------------------------------|
| Earnings per share | | |
| Profit attributable to owners of parent (Million yen) | 12,888 | 15,650 |
| Profit attributable to owners of parent pertaining to common stock (Million yen) | 9,159 | 11,158 |
| Profit attributable to owners of parent pertaining to Class-A Preferred Stock (Million yen) | 3,728 | 4,491 |
| Weighted average number of shares of common stock (Thousands of shares) | 88,227 | 88,260 |
| Weighted average number of shares of Class-A Preferred Stock (Thousands of shares) | 32,758 | 32,487 |
| Earnings per share (diluted) | | |
| Adjustments to profit attributable to owners of parent (Million yen) | - | - |
| Increase in common stock (Thousands of shares) | 258 | 252 |
| [of which stock acquisition rights (Thousands of shares)] | [258] | [252] |
| Profit attributable to owners of parent pertaining to common stock (Million yen) | 9,167 | 11,166 |
| Profit attributable to owners of parent pertaining to Class-A Preferred Stock (Million yen) | 3,721 | 4,483 |
| Summary of potentially dilutive shares not included in the calculation of earnings per share (diluted) due to their anti-dilutive effect | - | - |

(Notes to Subsequent Events)**(Purchase and Cancel of Treasury Shares)**

The Company resolved at a meeting of the Board of Directors held on May 30, 2024, to repurchase Company's shares pursuant to Article 459, paragraph (1) of the Companies Act of Japan (the "Companies Act") and Article 48 of the Company's Articles of Incorporation, and to cancel the Treasury Stock pursuant to Article 178 of the Companies Act.

1. Reason for repurchasing and cancelling shares

To enhance shareholder returns and to enable the Company to implement agile capital policy.

2. Details of repurchasing shares

- | | |
|--|---|
| (1) Class of shares to be repurchased | Common Stock |
| (2) Total number of shares to be repurchased | 1,000,000 (upper limit) (1.13% of total issued shares outstanding, excluding treasury stock) |
| (3) Total value of shares to be repurchased | 4 billion yen (upper limit) |
| (4) Period of repurchase | From June 4, 2024 to June 28, 2024 |
| (5) Method of repurchase | Purchase in the market through a trust bank |

3. Details of cancelling the Treasury Stock

- | | |
|--|---|
| (1) Class of shares to be cancelled | Common Stock and Class-A Preferred Stock |
| (2) Number of shares to be cancelled | Common Stock 1,000,000 (1.12% of total issued shares outstanding prior to cancellation including treasury stock) Class-A Preferred Stock 1,500,000 (4.38% of total issued shares outstanding prior to cancellation including treasury stock) |
| (3) Total number of issued shares after cancellation | Common Stock 88,212,380 Class-A Preferred Stock 32,746,962 |
| (4) Scheduled date of cancellation of shares | July 31, 2024 |