

Financial Results

Presentation for FY2021 3Q

(Fiscal Year Ending April 30, 2022)

March 2022 ITO EN, LTD.



Financial Results for FY2021 3Q

3Q (May 2021 to January 2022)

	FY2020 Results*	*Previous Standard	FY2021 Results	Sales Composition	YoY % Change
		Sales Composition			
Net Sales	338,641	100.0%	303,626	100.0%	*
Gross Profit	161,138	47.6%	120,317	39.6%	*
Sales Commission	56,828	16.8%	182	0.1%	*
Advertising	7,943	2.3%	7,854	2.6%	-1.1%
Freight	10,573	3.1%	10,377	3.4%	-1.8%
Depreciation and Amortization	7,689	2.3%	6,944	2.3%	-9.7%
Selling, General and Administrative Expenses	150,701	44.5%	106,206	35.0%	-29.5%
Operating Income	10,436	3.1%	14,111	4.6%	35.2%
Ordinary Income	10,240	3.0%	14,656	4.8%	43.1%
Extraordinary Losses and Income	-309	-	1,620	-	-
Net Income	5,754	1.7%	10,338	3.4%	79.7%

	FY2020 Results*	*Previous Standard	FY2021 Results	Sales Composition	YoY % Change
		Sales Composition			
Net Sales	268,458	100.0%	228,213	100.0%	*
Gross Profit	127,014	47.3%	85,789	37.6%	*
Operating Income	9,688	3.6%	11,263	4.9%	16.3%
Ordinary Income	10,936	4.1%	12,366	5.4%	13.1%

(Unit: million yen, thousand dollars / *Previous Standard)

Upper: Net Sales Bottom: Operating Income		FY2020 Results*	FY2021 Results	YoY % Change
Performances of Subsidiaries	Domestic Subsidiaries	69,111	68,458	*
		88	2,094	2270.6%
	Tully's Coffee Japan Co., Ltd.	19,454	22,652	*
		- 1,106	822	-
	Chichiyasu Company	10,517	8,912	*
		573	587	2.4%
	Overseas Subsidiaries	26,098	30,735	17.8%
		1,392	1,187	-14.7%
	US Business	21,970	26,671	21.4%
		487	368	-24.5%
		\$ 207,977	\$ 238,673	14.8%
		\$ 4,619	\$ 3,296	-28.6%
	Other Overseas Subsidiaries	4,127	4,063	-1.5%
	904	819	-9.5%	
Elimination of Internal Transactions	- 25,026	- 23,780	-	
	- 732	- 434	-	
Exchange rate (US\$) (3Q average rate)		105.64	111.75	

*The revenue recognition standard has been applied since fiscal year 2021. A year-on-year change is not indicated for items that will be significantly impacted by this application.

Financial Results for FY2021 3Q

(Reference) Year-on-year comparison based on Previous Standard

3Q (May 2021 to January 2022)

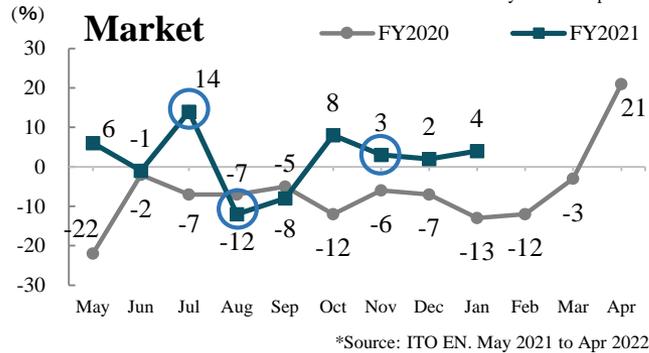
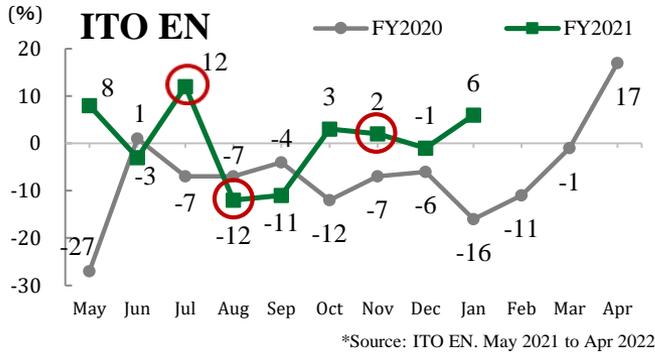
	FY2020 Results*	*Previous Standard		FY2021 Results*	*Previous Standard	
		Sales Composition			Sales Composition	YoY % Change
Consolidated	Net Sales	338,641	100.0%	349,727	100.0%	3.3%
	Gross Profit	161,138	47.6%	166,469	47.6%	3.3%
	Sales Commission	56,828	16.8%	59,068	16.9%	3.9%
	Advertising	7,943	2.3%	7,854	2.2%	-1.1%
	Freight	10,573	3.1%	10,377	3.0%	-1.8%
	Depreciation and Amortization	7,689	2.3%	6,944	2.0%	-9.7%
	Selling, General and Administrative Expenses	150,701	44.5%	152,401	43.6%	1.1%
	Operating Income	10,436	3.1%	14,068	4.0%	34.8%
	Ordinary Income	10,240	3.0%	14,613	4.2%	42.7%
	Extraordinary Losses and Income	-309	-	1,620	-	-
	Net Income	5,754	1.7%	10,310	2.9%	79.2%

	FY2020 Results*	*Previous Standard		FY2021 Results*	*Previous Standard	
		Sales Composition			Sales Composition	YoY % Change
Non-Consolidated	Net Sales	268,458	100.0%	272,451	100.0%	1.5%
	Gross Profit	127,014	47.3%	130,078	47.7%	2.4%
	Operating Income	9,688	3.6%	11,263	4.1%	16.3%
	Ordinary Income	10,936	4.1%	12,366	4.5%	13.1%

(Unit: million yen, thousand dollars / *Previous Standard)

Upper: Net Sales Bottom: Operating Income		FY2020 Results*	FY2021 Results*	YoY % Change
Performances of Subsidiaries	Domestic Subsidiaries	69,111	71,014	2.8%
		88	2,051	2222.1%
	Tully's Coffee Japan Co., Ltd.	19,454	22,609	16.2%
		- 1,106	780	-
	Chichiyasu Company	10,517	10,109	-3.9%
		573	587	2.4%
	Overseas Subsidiaries	26,098	30,735	17.8%
		1,392	1,187	-14.7%
	US Business	21,970	26,671	21.4%
		487	368	-24.5%
		\$ 207,977	\$ 238,673	14.8%
		\$ 4,619	\$ 3,296	-28.6%
Other Overseas Subsidiaries	4,127	4,063	-1.5%	
	904	819	-9.5%	
Elimination of Internal Transactions	- 25,026	- 24,474	-	
	- 732	- 434	-	
Exchange rate (US\$) (3Q average rate)		105.64	111.75	

Monthly Sales Volume Trends



News Related to Soft Drink Market

- 2021 Jul **Early end of the rainy season in Japan.**
- Aug **The exceptionally long rainy season brought a record amount of rainfall.**
- Sep State of emergency was extended. Weather conditions were bad.
- Nov **Demand outside households increased after the state of emergency was lifted.**
- Dec Crowds increased during year-end and New Year holidays.
- 2022 Jan Stricter COVID-19 measures were implemented in more areas due to the spread of Omicron.

Source: ITO EN

ITO EN (non-consolidated) for FY2021 3Q(May 2021 to Jan 2022)

(Unit: million yen)

	Results	YoY % Change
Net Sales	272,451	+ 2 %
Tea Leaves	26,759	+ 1 %
Drinks	243,265	+ 1 %
Others	2,426	+ 30 %

*Previous standard

Sales composition



Tea Leaves 10%
Drinks 89%
Others 1%

(Unit: ten thousand case)

Drinks sales volume by category	FY 2020 Results	Sales Composition	YoY % Change	FY 2021 Results	Sales Composition	YoY % Change
Drinks	16,568	100 %	- 9 %	16,496	100 %	- 0 %
Tea total	11,507	69 %	- 9 %	11,535	70 %	+ 0 %
Japanese Tea/Healthy Tea	10,436	63 %	- 8 %	10,736	65 %	+ 3 %
Chinese Tea	909	5 %	- 15 %	681	4 %	- 25 %
Black Tea	162	1 %	- 49 %	117	1 %	- 27 %
Vegetable	2,487	15 %	- 1 %	2,226	13 %	- 11 %
Coffee	1,113	7 %	- 9 %	1,232	7 %	+ 11 %
Mineral Water	495	3 %	- 20 %	506	3 %	+ 2 %
Carbonated	297	2 %	- 16 %	312	2 %	+ 5 %
Others	666	4 %	- 20 %	682	4 %	+ 2 %

Ratio of sugar-free beverages: **75 % or more**

Main impact on sales *3Q (Nov 2021 to Jan 2022)

ITO EN (non-consolidated)

(Nov 2021 to Jan 2022)

+3.7%

Reference: Nov 2020 to Jan 2021

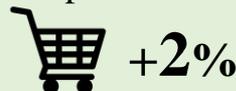
-9.1%

* Previous standard (YoY %)

The number of COVID-19 patients decreased significantly and consumer confidence was recovering.

- Crowds increased in reaction to decline that occurred in the previous year due to restraints on homecoming visits during the year-end and New Year holidays. Sales were on a rising trend in all businesses compared to the previous year.

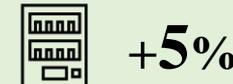
Supermarket



Convenience Store



Vending Machine



* Previous standard (YoY %)

Tully's Coffee Japan

(Nov 2021 to Jan 2022)

+15%

Reference: Nov 2020 to Jan 2021

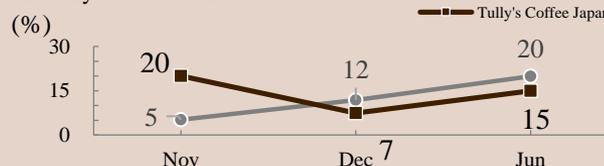
-21%

* Previous standard (YoY %)

The cafe market was on a recovery trend overall, partly due to increased crowds.

- Sales of the Happy Bag were strong partly due to the popularity of spending relaxing, cafe-style time at home.
- Many types of products featuring collaboration with Harry Potter showed strong sales.

Monthly Sales Volume Trends



At the end of the month	November	December	January
Ratio of shops that suspended operations (Last year)	0% (1%)	0% (7%)	0% (1%)
Ratio of shops that shortened business hours (Last year)	17% (17%)	17% (16%)	52% (60%)

* Previous standard (YoY %) *Cafe market : :Japan Foodservice Association

US Business : ITO EN (North America) INC.

(Nov 2021 to Jan 2022)

+22%

Reference: Nov 2020 to Jan 2021

-2%

- Sales were strong, but there is concern over pressure on profitability due to the confusion in ocean freight and domestic logistic situations.

Becoming a more familiar Japanese tea brand: Oi Ocha brand

Growth as a more familiar and popular beverage through ongoing efforts for the application of the world's first and industry's first technologies

Oi Ocha

2022

Total cumulative sales of Oi Ocha reached **37** billion bottles

(as of Jan 31, 2022, 525 ml PET plastic bottle equivalent)



A crude tea-quality estimation technology was developed by leveraging an AI-based image analysis

A crude tea-quality estimation technology through an AI-based image analysis was developed by leveraging the deliciousness visualization technology of Makuta Amenity Co., Ltd. The technology will start to be applied on a trial basis in the spring of 2022 at some areas covered by the tea-producing region development project that the Company has been promoting. As a leading tea company that handles approximately 25% of domestically produced crude tea, ITO EN will contribute to the promotion of sustainable agriculture.



Commercialization of Japanese tea latte featuring high-level quality offered by cafes

TULLY'S COFFEE “Hojicha latte” “Matcha latte”

Released two types of Japanese tea-based latte with the TULLY'S COFFEE brand which is known for deliciousness that people can taste at TULLY'S COFFEE specialty coffeeshops. As a tea specialist, ITO EN will work to promote the appeal of Japanese tea-based latte and contribute to further growth of the latte beverage market.



Left: TULLY'S COFFEE Hojicha (Roasted Green Tea) latte / Launched on Jan 17
Right: TULLY'S COFFEE Matcha latte / Launched on Mar 28

Selection as a highest rating Supplier Engagement Leader for the first time in the CDP* Supplier Engagement Rating

ITO EN has been selected as a Supplier Engagement Leader in the rating program of CDC, an international, environmental NPO. The Company considers that the selection reflects favorable evaluations on technology development that it engages jointly with suppliers, reductions in the weight of containers and packages, etc.

Going forward, ITO EN will continue to contribute to developing products with safety, offering peace of mind and addressing a range of environmental and social issues under its management principle of Always Putting the Customer First.

* An international non-profit organization whose main activities are, according to requests from institutional investors, companies and organization that have a great deal of interest in environmental issues, requesting companies and governments to disclose information on their efforts to tackle environmental issues, such as the prevention of climate change, protection of water resources and preservation of forests, and encourage them to implement such measures.



Appendix : Related materials

ITO EN (non-consolidated) Results by Category

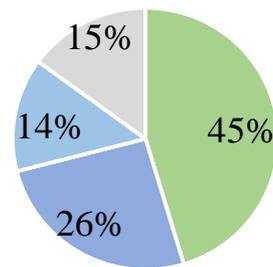
(Unit: million yen)

3Q (May 2021 to January 2022)	FY 2020 Results			FY 2021 Results		
		Sales Composition	YoY % Change		Sales Composition	YoY % Change
Net Sales	268,458	100.0%	-9.2%	272,451	100.0%	1.5%
Tea Leaves	26,532	9.9%	3.4%	26,759	9.8%	0.9%
Drinks	240,060	89.4%	-10.3%	243,265	89.3%	1.3%
Others	1,866	0.7%	-25.6%	2,426	0.9%	30.0%

(Unit: thousand case)

3Q (May 2021 to January 2022)	FY 2020 Results			FY 2021 Results		
		Sales Composition	YoY % Change		Sales Composition	YoY % Change
Drinks	165,687	100.0%	-9.2%	164,960	100.0%	-0.4%
Tea total	115,079	69.5%	-9.4%	115,356	69.9%	0.2%
Japanese Tea/Healthy Tea	104,361	63.0%	-7.7%	107,366	65.1%	2.9%
Chinese Tea	9,093	5.5%	-15.5%	6,811	4.1%	-25.1%
Black Tea	1,625	1.0%	-49.0%	1,178	0.7%	-27.5%
Vegetable	24,876	15.0%	-1.3%	22,260	13.5%	-10.5%
Coffee	11,139	6.7%	-9.0%	12,323	7.5%	10.6%
Mineral Water	4,952	3.0%	-20.4%	5,069	3.1%	2.4%
Carbonated	2,976	1.8%	-15.8%	3,122	1.9%	4.9%
Fruit	2,993	1.8%	-20.4%	3,229	2.0%	7.9%
Others	3,669	2.2%	-19.2%	3,599	2.2%	-1.9%

ITO EN (non-consolidated) Results by Channels



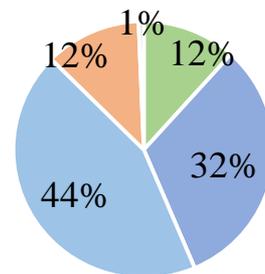
Sales composition

FY 2021 3Q (May 2021 to January 2022)

	Composition ratio YoY	YOY % Change
Supermarket	- 1 pt	+ 0 %
Convenience Store	- 1 pt	- 1 %
Vending Machine	+ 0 pt	+ 2 %
Others	+ 1 pt	+ 9 %

Unit: Price base

ITO EN (non-consolidated) Results by Packaging



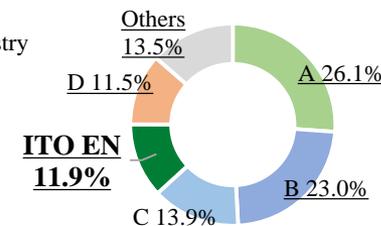
Sales composition

FY 2021 3Q (May 2021 to January 2022)

		Composition ratio YOY	YOY % Change
Drink Total	16,496	-	- 0 %
Cans	1,922	+ 0 pt	+ 3 %
PET(large)	5,272	- 0 pt	- 2 %
PET(small)	7,230	+ 1 pt	+ 1 %
Cartons	1,965	- 0 pt	- 4 %
Others	105	- 0 pt	- 16 %

Unit: ten thousand cases

Reference : Market share of beverage industry



*2021 year / Quantity base

*Previous Standard *Percentages are rounded to the first decimal place, so the total may not necessarily equal 100.

Appendix : Forecasts for FY 2021

Year-on-year comparison based on Previous Standard

Full year (May 2021 to April 2022)

	FY2020 Results*	*Previous Standard		FY2021 Forecast*	*Previous Standard	
		Sales Composition			Sales Composition	YoY % Change
Consolidated	Net Sales	446,281	100.0%	464,400	100.0%	4.1%
	Gross Profit	215,003	48.2%	223,600	48.1%	4.0%
	Sales Commission	74,313	16.7%	76,626	16.5%	3.1%
	Advertising	9,808	2.2%	10,579	2.3%	7.9%
	Freight	13,833	3.1%	13,601	2.9%	-1.7%
	Depreciation and Amortization	10,207	2.3%	9,214	2.0%	-9.7%
	Selling, General and Administrative Expenses	198,327	44.4%	203,600	43.8%	2.7%
	Operating Income	16,675	3.7%	20,000	4.3%	19.9%
	Ordinary Income	17,029	3.8%	19,800	4.3%	16.3%
	Extraordinary Losses and Income	-3,634	-	-300	-	-
	Net Income	7,011	1.6%	12,800	2.8%	82.5%

	FY2020 Results*	*Previous Standard		FY2021 Forecast*	*Previous Standard	
		Sales Composition			Sales Composition	YoY % Change
Non-Consolidated	Net Sales	352,732	100.0%	362,300	100.0%	2.7%
	Gross Profit	169,621	48.1%	174,000	48.0%	2.6%
	Operating Income	15,759	4.5%	17,000	4.7%	7.9%
	Ordinary Income	17,565	5.0%	17,600	4.9%	0.2%

(Unit: million yen, thousand dollars / *Previous Standard)

	Upper: Net Sales Bottom: Operating Income	FY2020 Results*	FY2021 Forecast*	YoY % Change
	13	2,501	-	
Tully's Coffee Japan Co., Ltd.	26,215	31,500	20.2%	
	- 1,374	1,000	-	
Chichiyasu Company	13,897	13,610	-2.1%	
	702	680	-3.2%	
Overseas Subsidiaries	35,355	37,484	6.0%	
	1,864	1,895	1.7%	
US Business	30,068	32,045	6.6%	
	717	734	2.4%	
	\$ 283,135	\$ 296,716	4.8%	
	\$ 6,758	\$ 6,799	0.6%	
Other Overseas Subsidiaries	5,286	5,439	2.9%	
	1,146	1,161	1.2%	
Elimination of Internal Transactions	- 33,538	- 34,302	-	
	- 962	- 1,396	-	
	Exchange rate (US\$) (average during a year)	106.20	108.00	

Appendix : Forecasts for FY 2021

Difference in impact from Previous Standard

Full year (May 2021 to April 2022)

	FY2021 Forecast*	*Previous Standard	FY2021 Forecast	Sales Composition		Impact Amount
		Sales Composition		Sales Composition		
Consolidated	Net Sales	464,400	100.0%	403,100	100.0%	-61,300
	Gross Profit	223,600	48.1%	162,300	40.3%	-61,300
	Sales Commission	76,626	16.5%	269	0.1%	-76,357
	Advertising	10,579	2.3%	10,579	2.6%	-
	Freight	13,601	2.9%	13,601	3.4%	-
	Depreciation and Amortization	9,214	2.0%	9,214	2.3%	-
	Selling, General and Administrative Expenses	203,600	43.8%	142,300	35.3%	-61,300
	Operating Income	20,000	4.3%	20,000	5.0%	-
	Ordinary Income	19,800	4.3%	19,800	4.9%	-
	Extraordinary Losses and Income	-300	-	-300	-	-
	Net Income	12,800	2.8%	12,800	3.2%	-

	FY2021 Forecast*	*Previous Standard	FY2021 Forecast	Sales Composition		Impact Amount
		Sales Composition		Sales Composition		
Non-Consolidated	Net Sales	362,300	100.0%	304,300	100.0%	-58,000
	Gross Profit	174,000	48.0%	116,000	38.1%	-58,000
	Operating Income	17,000	4.7%	17,000	5.6%	-
	Ordinary Income	17,600	4.9%	17,600	5.8%	-

(Unit: million yen, thousand dollars / *Previous Standard)

	Upper: Net Sales Bottom: Operating Income	FY2021 Forecast*	FY2021 Forecast	Impact Amount
Performances of Subsidiaries	Domestic Subsidiaries	98,918	95,582	-3,336
	Tully's Coffee Japan Co., Ltd.	2,501	2,501	-
		31,500	31,500	-
		1,000	1,000	-
	Chichiyasu Company	13,610	11,931	-1,679
		680	680	-
	Overseas Subsidiaries	37,643	37,643	-
		2,285	2,285	-
	US Business	32,204	32,204	-
		1,124	1,124	-
		\$ 298,192	\$ 298,192	-
		\$ 10,470	\$ 10,470	-
	Other Overseas Subsidiaries	5,439	5,439	-
		1,161	1,161	-
Elimination of Internal Transactions	- 34,261	- 34,225	36	
	- 1,786	- 1,786	-	

Exchange rate (US\$)
(average during a year) 106.20 108.00



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.