

Consolidated Financial Results

Under Japanese Standards for the Second Quarter of the fiscal year ending April 30, 2025 (Unaudited)

Scheduled filing date of semi-annual securities report: December 12, 2024

Scheduled date of commencement of dividend payment: January 15, 2025

Supplementary documents for results prepared: Yes

Results presentation held (for institutional investors and analysts): Yes

(Figures are rounded down to million yen.)

1. Consolidated Performance for the Second Quarter of the Fiscal Year Ending April 30, 2025 (May 1, 2024 - October 31, 2024)

(1) Consolidated Results of Operations – cumulative

(% 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	
10/31/2024	252,321	4.0%	14,389	-15.6%	14,617	-19.2%	9,191	-18.0%
10/31/2023	242,527	6.7%	17,046	50.4%	18,089	44.2%	11,209	41.5%

Note 1: Comprehensive income 10/31/2024: 9,110 million yen (-31.9%) 10/31/2023: 13,382 million yen (27.2%)

	Earnings per share		Earnings per share (diluted)	
	Yen		Yen	
10/31/2024	75.97		75.81	
10/31/2023	91.01		90.82	

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
	Million yen	Million yen	
10/31/2024	355,307	184,878	51.6%
4/30/2024	353,892	183,216	51.3%

Reference: Shareholders' equity 10/31/2024: 183,317 million yen 4/30/2024: 181,483 million yen

2. Dividends

	Dividend per share				
	First quarter end	Second quarter end	Third quarter end	Year end	Full year
	Yen	Yen	Yen	Yen	Yen
4/30/2024	–	21.00	–	21.00	42.00
4/30/2025	–	22.00	–	–	–
4/30/2025 (Forecast)	–	–	–	22.00	44.00

Note 1: Revision to the most recently disclosed dividend forecast: None

Note 2: 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 1: Revision to the most recently forecasted consolidated results: None

Note 2: 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) Significant changes in the scope of consolidation during the period: None

(2) Application of special accounting methods in preparation for semi-annual consolidated financial statements: Yes

Note: For further details, please refer to the section of “(4) Notes to Semi-annual Consolidated Financial Statements, (Application of Special Accounting Methods in Preparation for Semi-annual Consolidated Financial Statements)” of “2. Semi-annual Consolidated Financial Statements and Main Notes” on page 9 of the attached material.

(3) Changes in accounting policies, changes in accounting estimates, and restatements

i. Changes in accounting policies associated with revisions to accounting standards: Yes

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

iii. Changes in accounting estimates: None

iv. Restatements: None

Note: For further details, please refer to the section of “(4) Notes to Semi-annual Consolidated Financial Statements, (Changes in Accounting Policies)” of “2. Semi-annual Consolidated Financial Statements and Main Notes” on page 9 of the attached material.

(4) Number of issued shares (common stock)

i. Number of issued shares (including treasury stock) 10/31/2024 88,212,380 shares 4/30/2024 89,212,380 shares

ii. Number of treasury stock 10/31/2024 906,095 shares 4/30/2024 939,878 shares

iii. Average number of shares outstanding during the period 10/31/2024 87,509,909 shares 10/31/2023 88,249,451 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.

* Semi-annual financial results reports are exempt from review 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. Because of variable factors, actual results may differ from the forecast figures.

Reference

(1) Per share information of Class-A Preferred Stock – cumulative

	Earnings per share	Earnings per share (diluted)
	Yen	Yen
10/31/2024	81.93	81.78
10/31/2023	97.02	96.83

(2) Dividends – Class-A Preferred Stock

	Dividend per share				
	First quarter end	Second quarter end	Third quarter end	Year end	Full year
	Yen	Yen	Yen	Yen	Yen
4/30/2024	–	27.00	–	27.00	54.00
4/30/2025	–	28.00			
4/30/2025 (Forecast)			–	28.00	56.00

Note: Revision to the most recently disclosed dividend forecast: None

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

	Earnings per share (Consolidated)
	Yen
4/30/2025	152.70

Note: Revision to the most recently forecasted consolidated results: None

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

- | | | |
|---|------------------------------|------------------------------|
| i. Number of issued shares (including treasury stock) | 10/31/2024 32,246,962 shares | 4/30/2024 34,246,962 shares |
| ii. Number of treasury stock | 10/31/2024 1,392,810 shares | 4/30/2024 2,943,655 shares |
| iii. Average number of shares outstanding during the period | 10/31/2024 31,045,057 shares | 10/31/2023 32,757,260 shares |

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1. Qualitative Information Regarding Consolidated Financial Results for This Period

(1) Explanations Regarding Consolidated Results of Operations

During the first six months of the fiscal year ending April 30, 2025 (May 1, 2024 - October 31, 2024), the Japanese economy was expected to continue its gradual recovery due to factors such as 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 the economic impacts of consistently high energy prices and raw material costs and foreign exchange fluctuations against the backdrop of rising geopolitical risks accompanying the prolongation of the situation in Ukraine and the problem in the Middle East.

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, the business performance for the first six months of the fiscal year ending April 30, 2025 was as follows.

Net sales	252,321 million yen, up 4.0%
Operating income	14,389 million yen, down 15.6%
Ordinary income	14,617 million yen, down 19.2%
Profit attributable to owners of parent	9,191 million yen, down 18.0%

Performance by each of the business segments was as follows.

<Tea Leaves and Beverages Business>

In the Tea Leaves and Beverages Business, record heat levels had an effect as the business recorded strong sales, especially for “*Oi Ocha*” brand products.

“*Oi Ocha*” is now sold in over 40 countries and regions. As Europe is tightening regulations concerning beverages sold in plastic containers, we have developed new materials for “*Oi Ocha*” beverage packaging that are in line with global quality standards, and in May 2024, we launched “*Oi Ocha Unsweetened Green Tea*” (330 ml paper carton with tethered cap) which is compliant with European plastic packaging regulations. We have also developed “*Oi Ocha Unsweetened Matcha Green Tea*” (330 ml paper carton with tethered cap) using the same quality design as a new product in our lineup of “*Oi Ocha*” products that are in line with global quality standards, and this was launched in the European area in September. Using the materials developed in line with global quality standards, we are expanding local production in Europe, where environmental regulations are strict, and we will also optimize the supply chains of our overseas business and further promote “*Oi Ocha*” as a global brand.

September also saw the launch of “*Oi Ocha Bold Green Tea PREMIUM STRONG*,” which has a bolder flavor than “*Oi Ocha Bold Green Tea*” and contains 1.27 times as many gallate catechins. A key characteristic of this product is its lavish use of a blend of tea leaves from the first picking, specially formulated to draw out the rich, astringent flavor, to produce a drink with a clear, golden color and a bitter but rich flavor with a clean, sharp edge. It is also a food with function claims as it contains 340 mg (per 940 ml) of gallate catechins, which promote reducing body fat in people with a high BMI, as a functional substance.

In February 2024, the “*Oi Ocha*” brand marked its 35th launch anniversary, and going forward, we will continue to propose ways for people to enjoy tea in accordance with changes in the times and to disseminate the value offered by the brand to the world. Also, we will further strengthen the coordination of marketing efforts rooted in each country and region with the aim of becoming a Global Tea Company that connects to the cultures of tea around the world and broadly shares taste and value as a tea specialist.

As a result of these activities, the Tea Leaves and Beverages Business recorded net sales of 226,247 million yen, up 3.3% year on year, and operating income of 12,208 million yen, down 20.8% year on year.

<Restaurant Business>

Tully’s Coffee Japan Co., Ltd. (“Tully’s”) launched “*Vanilla Affogato Shake*” as an ideal drink for summer containing the espresso it has specialized in since its founding. The combination of the rich espresso flavor and milky shake was well-received and made it popular among consumers. It also launched “*OIMO Latte*” and “*&TEA OIMO Tea Shake*,” which can be enjoyed as a cooling drink during the prolonged summer heat, as seasonal limited drinks celebrating autumn. Both of these performed well. Also, as a joint initiative with the Company, it launched “*Kilimanjaro KIBO Tarime Sweet Washed*,” which uses Kilimanjaro coffee beans grown in collaboration with producers in Tanzania’s Tarime region. This initiative has produced a highly original and delicious coffee and demonstrated the synergies between Tully’s and the Company. Tully’s is making steady progress in new store openings, including TULLY’S COFFEE GRAND GREEN OSAKA store, the first store opened in collaboration with Yurindo, Inc. in September, with the total number of shops as of October 31, 2024, is 800.

As a result of these activities, the Restaurant Business recorded net sales of 21,616 million yen, up 10.1% year on year, and operating income of 2,064 million yen, up 15.1% year on year.

<Others>

The Others recorded net sales of 4,457 million yen, up 15.1% year on year, and operating income of 393 million yen, up 135.8% year on year.

(2) Explanations Regarding Consolidated Financial Position

(i) Assets, liabilities and net assets

The following is a consolidated financial position at the end of the second quarter of the fiscal year ending April 30, 2025.

Total assets as of October 31, 2024 stood at 355,307 million yen, increased by 1,415 million yen from the end of the previous fiscal year. These changes in total assets mainly reflected a decrease of 7,641 million yen in “Cash and deposits,” an increase of 6,692 million yen in “Accounts receivable - trade,” an increase of 1,173 million yen in “Raw materials and supplies,” and an increase of 2,200 million yen in “Buildings and structures.”

Liabilities as of October 31, 2024 stood at 170,429 million yen, decreased by 246 million yen from the end of the previous fiscal year. These changes in liabilities mainly reflected an increase of 1,003 million yen in “Accounts payable - trade,” an increase of 1,460 million yen in “Accrued expenses,” and a decrease of 1,326 million yen in “Other” under “Current liabilities.”

Net assets as of October 31, 2024 stood at 184,878 million yen, increased by 1,661 million yen from the end of the previous fiscal year. This mainly reflected an increase of 9,191 million yen in “Retained earnings” due to “Profit attributable to owners of parent,” a decrease of 2,698 million yen in “Retained earnings” due to “Dividends of surplus,” decreases of 7,696 million yen in “Capital surplus” and 7,696 million yen in “Treasury shares” due to “Cancellation of treasury shares,” and an increase of 4,588 million yen in “Treasury shares” due to “Purchase of treasury shares.”

(ii) Cash flows

Net cash inflows from operating activities were 7,509 million yen (compared with 18,889 million yen inflow in the same period of the previous fiscal year). The major factors affecting this were increases due to income before income taxes of 14,306 million yen, depreciation of 4,248 million yen, and an increase in notes and accounts payable - trade of 1,069 million yen, and decreases due to an increase in notes and accounts receivable - trade of 6,831 million yen, income taxes paid of 4,566 million yen and an increase in inventories of 1,285 million yen.

Net cash outflows from investing activities were 5,945 million yen (compared with 5,053 million yen outflow in the same period of the previous fiscal year). The major factor affecting this was purchase of property, plant and equipment and intangible assets of 6,370 million yen.

Net cash outflows from financing activities were 8,654 million yen (compared with 5,352 million yen outflow in the same period of the previous fiscal year). The major factors affecting this were purchase of treasury shares of 4,588 million yen and cash dividends paid of 2,694 million yen.

As a result, cash and cash equivalents at the end of the second quarter of the fiscal year ending April 30, 2025 amounted to 98,235 million yen, decreased by 7,162 million yen from the end of previous fiscal year.

(3) Explanations Regarding Forecasts for Consolidated Results and Future Outlook

As for the consolidated business outlook for the fiscal year ending April 30, 2025, no changes have been made to the forecasts that were announced on June 3, 2024.

2. Semi-annual Consolidated Financial Statements and Main Notes

(1) Semi-annual Consolidated Balance Sheet

As of April 30, 2024 and October 31, 2024

(Millions of yen)

	As of April 30, 2024	As of October 31, 2024
Assets		
Current assets		
Cash and deposits	109,313	101,672
Notes receivable - trade	78	95
Accounts receivable - trade	62,352	69,045
Merchandise and finished goods	43,603	43,419
Raw materials and supplies	13,752	14,925
Other	14,868	15,040
Allowance for doubtful accounts	(219)	(297)
Total current assets	243,749	243,901
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	22,868	25,069
Land	23,154	23,076
Leased assets, net	4,815	4,457
Other, net	23,197	23,026
Total property, plant and equipment	74,036	75,629
Intangible assets		
Goodwill	1,456	994
Other	5,654	5,693
Total intangible assets	7,110	6,687
Investments and other assets		
Other	29,122	29,204
Allowance for doubtful accounts	(127)	(115)
Total investments and other assets	28,995	29,089
Total non-current assets	110,142	111,406
Total assets	353,892	355,307
Liabilities		
Current liabilities		
Accounts payable - trade	31,616	32,620
Short-term loans payable	14,442	29,335
Lease obligations	1,682	1,546
Accrued expenses	31,667	33,128
Income taxes payable	4,972	5,294
Provision for bonuses	4,606	4,604
Other	7,677	6,351
Total current liabilities	96,665	112,880
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	47,306	31,826
Lease obligations	2,572	2,325
Net defined benefit liability	7,511	7,437
Other	6,620	5,959
Total non-current liabilities	74,010	57,548
Total liabilities	170,675	170,429

Semi-annual Consolidated Balance Sheet – Continued

(Millions of yen)

	As of April 30, 2024	As of October 31, 2024
Net assets		
Shareholders' equity		
Capital stock	19,912	19,912
Capital surplus	18,554	10,840
Retained earnings	149,154	155,647
Treasury shares	(9,480)	(6,144)
Total shareholders' equity	178,141	180,256
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,849	1,838
Revaluation reserve for land	(6,053)	(6,053)
Foreign currency translation adjustment	7,046	6,784
Remeasurements of defined benefit plans	499	491
Total accumulated other comprehensive income	3,342	3,061
Share acquisition rights	104	82
Non-controlling interests	1,627	1,478
Total net assets	183,216	184,878
Total liabilities and net assets	353,892	355,307

(2) Semi-annual Consolidated Statement of Income and Comprehensive Income

From May 1 to October 31, 2023 and 2024

Semi-annual Consolidated Statement of Income

(Millions of yen)

	Six months ended October 31, 2023	Six months ended October 31, 2024
Net sales	242,527	252,321
Cost of sales	148,156	157,475
Gross profit	94,371	94,845
Selling, general and administrative expenses	77,325	80,456
Operating income	17,046	14,389
Non-operating income		
Interest income	200	307
Dividend income	51	54
Share of profit of entities accounted for using equity method	115	93
Foreign exchange gains	713	–
Other	316	291
Total non-operating income	1,397	747
Non-operating expenses		
Interest expenses	236	254
Foreign exchange losses	–	47
Loss on cancellation of leases	26	111
Other	90	104
Total non-operating expenses	354	518
Ordinary income	18,089	14,617
Extraordinary income		
Gain on sales of non-current assets	1	2
Gain on donation of non-current assets	16	4
Gain on sales of investment securities	15	–
Total extraordinary income	34	7
Extraordinary losses		
Loss on abandonment of non-current assets	98	119
Loss on valuation of investment securities	–	9
Impairment loss	639	189
Loss on revision of retirement benefit plan	80	–
Total extraordinary losses	818	318
Income before income taxes	17,304	14,306
Income taxes	5,884	4,900
Net income	11,420	9,405
Profit attributable to non-controlling interests	210	214
Profit attributable to owners of parent	11,209	9,191

Semi-annual Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six months ended October 31, 2023	Six months ended October 31, 2024
Net income	11,420	9,405
Other comprehensive income		
Valuation difference on available-for-sale securities	216	30
Foreign currency translation adjustment	1,953	(301)
Remeasurements of defined benefit plans, net of tax	(119)	(7)
Share of other comprehensive income of entities accounted for using equity method	(87)	(16)
Total other comprehensive income	1,962	(295)
Comprehensive income	13,382	9,110
Comprehensive income attributable to owners of parent	13,111	8,910
Comprehensive income attributable to non-controlling interests	271	200

(3) Semi-annual Consolidated Statement of Cash Flows

For the six months ended October 31, 2023 and 2024 (May 1, 2023 - October 31, 2023 and May 1, 2024 - October 31, 2024)

(Millions of yen)

	Six months ended October 31, 2023	Six months ended October 31, 2024
Cash flows from operating activities		
Income before income taxes	17,304	14,306
Depreciation	4,199	4,248
Impairment loss	639	189
Amortization of goodwill	539	461
Increase (decrease) in provision for bonuses	517	(1)
Increase (decrease) in net defined benefit liability	(3,031)	(107)
Interest and dividend income	(252)	(361)
Interest expenses	236	254
Foreign exchange losses (gains)	(475)	3
Loss on abandonment of non-current assets	98	119
Loss (gain) on sales of investment securities	(15)	–
Loss on revision of retirement benefit plan	80	–
Decrease (increase) in notes and accounts receivable - trade	(3,071)	(6,831)
Decrease (increase) in inventories	3,085	(1,285)
Decrease (increase) in other current assets	(883)	127
Increase (decrease) in notes and accounts payable - trade	1,597	1,069
Increase (decrease) in accrued consumption taxes	79	(707)
Increase (decrease) in other current liabilities	1,092	1,177
Increase (decrease) in other non-current liabilities	1,401	(770)
Other, net	(88)	149
Subtotal	23,053	12,043
Interest and dividend income received	239	297
Interest expenses paid	(237)	(265)
Income taxes paid	(4,166)	(4,566)
Net cash provided by (used in) operating activities	18,889	7,509
Cash flows from investing activities		
Net decrease (increase) in time deposits	(79)	423
Purchase of property, plant and equipment and intangible assets	(5,287)	(6,370)
Purchase of investment securities	(0)	(0)
Proceeds from sales of investment securities	28	21
Decrease (increase) in other investments	285	(18)
Net cash provided by (used in) investing activities	(5,053)	(5,945)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(810)	300
Repayments of long-term loans payable	(707)	(511)
Purchase of treasury shares	(2)	(4,588)
Proceeds from disposal of treasury shares	0	0
Repayments of finance lease obligations	(1,031)	(804)
Cash dividends paid	(2,580)	(2,694)
Dividends paid to non-controlling interests	(212)	(347)
Other payments	(9)	(8)
Net cash provided by (used in) financing activities	(5,352)	(8,654)
Effect of exchange rate change on cash and cash equivalents	1,215	(71)
Net increase (decrease) in cash and cash equivalents	9,697	(7,162)
Cash and cash equivalents at beginning of period	100,899	105,397
Cash and cash equivalents at end of period	110,596	98,235

(4) Notes to Semi-annual Consolidated Financial Statements
(Note Regarding the Company's Position as a Going Concern)

Not applicable

(Note Regarding Significant Changes in the Amount of Shareholders' Equity)

(Purchase of treasury shares)

The Company purchased 1,000,000 shares of common stock during the period from June 4, 2024 to June 13, 2024 based on a resolution at the meeting of the Board of Directors held on May 30, 2024. In addition, the Company purchased 500,000 shares of Class-A Preferred Stock on July 29, 2024 based on a resolution at the meeting of the Board of Directors held on July 26, 2024. As a result, including the increase due to the purchase of shares less than one share unit, treasury shares increased by 4,588 million yen in the first six months of the fiscal year ending April 30, 2025.

(Cancellation of treasury shares)

Based on the resolutions at the meetings of the Board of Directors held on May 30, 2024 and July 26, 2024, the Company cancelled 1,000,000 shares of common stock and 2,000,000 shares of Class-A Preferred Stock on July 31, 2024. As a result, capital surplus and treasury shares each decreased by 7,696 million yen in the first six months of the fiscal year ending April 30, 2025.

(Application of Special Accounting Methods in Preparation for Semi-annual Consolidated Financial Statements)

(Calculation of income taxes)

The effective tax rate after the application of deferred tax accounting to the income before income taxes for the fiscal year including the first six months of the fiscal year ending April 30, 2025 is reasonably estimated, and the tax expenses are calculated by multiplying income before income taxes by this estimated effective tax rate.

(Changes in Accounting Policies)

(Application of "Accounting Standard for Current Income Taxes," Etc.)

The Company has applied the "Accounting Standard for Current Income Taxes" (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the "Revised Accounting Standard of 2022") and other relevant ASBJ regulations from the beginning of the first six months of the fiscal year ending April 30, 2025.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of paragraph 65-2 (2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; the "Revised Guidance of 2022"). This change in accounting policies has no impact on the semi-annual consolidated financial statements.

In addition, regarding the revisions related to revised treatment in the consolidated financial statements of the deferral for tax purposes of gains or losses arising from the sale of shares of subsidiaries, etc. between consolidated companies, the Company has applied the Revised Guidance of 2022 from the beginning of the first six months of the fiscal year ending April 30, 2025. This change in accounting policies has been applied retrospectively, and the new accounting policy is reflected in the semi-annual consolidated financial statements for the previous fiscal year and in the consolidated financial statements for the previous fiscal year. This change in accounting policies has no impact on the semi-annual consolidated financial statements for the previous fiscal year and on the consolidated financial statements for the previous fiscal year.

(Notes on Segment Information, etc.)

Segment Information

Information regarding amounts of sales and profits or losses by reporting segment

For the first six months of the fiscal year ended April 30, 2024 (May 1, 2023 - October 31, 2023)

(Millions of yen)

	Reporting Segment				Adjustment	Total
	Tea Leaves /Beverages Business	Restaurant Business	Others	Total		
Net sales:						
(1) Outside	219,024	19,629	3,874	242,527	–	242,527
(2) Intersegment	279	0	1,301	1,581	(1,581)	–
Total net sales	219,303	19,630	5,175	244,109	(1,581)	242,527
Segment profits	15,406	1,794	166	17,367	(321)	17,046

Notes: i. The segment profits adjustment includes (494) million yen in amortization of goodwill and 173 million yen in intersegment transactions.

ii. Segment profits are adjusted to the operating income figure on the Semi-annual Consolidated Statement of Income.

For the first six months of the fiscal year ending April 30, 2025 (May 1, 2024 - October 31, 2024)

(Millions of yen)

	Reporting Segment				Adjustment	Total
	Tea Leaves /Beverages Business	Restaurant Business	Others	Total		
Net sales:						
(1) Outside	226,247	21,616	4,457	252,321	–	252,321
(2) Intersegment	511	3	1,346	1,861	(1,861)	–
Total net sales	226,759	21,620	5,803	254,183	(1,861)	252,321
Segment profits	12,208	2,064	393	14,666	(277)	14,389

Notes: i. The segment profits adjustment includes (454) million yen in amortization of goodwill and 176 million yen in intersegment transactions.

ii. Segment profits are adjusted to the operating income figure on the Semi-annual Consolidated Statement of Income.

(Notes to Subsequent Events)

(Repurchase and Cancel of Treasury Shares)

The Company resolved at a meeting of the Board of Directors held on November 28, 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 improve capital efficiency.

2. Details of repurchasing shares

- | | |
|--|--|
| (1) Class of shares to be repurchased | Common Stock |
| (2) Total number of shares to be repurchased | 3,000,000 (upper limit)
(3.44% of total issued shares outstanding, excluding treasury stock) |
| (3) Total value of shares to be repurchased | 12 billion yen (upper limit) |
| (4) Period of repurchase | From December 3, 2024 to March 31, 2025 |
| (5) Method of repurchase | Market purchases on the Tokyo Stock Exchange |
| | i. Purchase in the market through a trust bank |
| | ii. Purchases through the Tokyo Stock Exchange Trading Network Off-Auction Own Share Repurchase Trading System (ToSTNeT-3) |

3. Details of cancelling the Treasury Stock

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|--|---|
| (1) Class of shares to be cancelled | Common Stock |
| (2) Number of shares to be cancelled | Common Stock 3,000,000
(3.40% of total issued shares outstanding prior to cancellation including treasury stock) |
| (3) Total number of issued shares after cancellation | Common Stock 85,212,380 |
| (4) Scheduled date of cancellation of shares | April 15, 2025 |