

Consolidated Financial Results

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

Scheduled date of commencement of dividend payment: –

Supplementary documents for results prepared: Yes

Results presentation held: None

(Figures are rounded down to million yen.)

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

(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	
1/31/2025	360,893	4.2%	17,808	-18.2%	18,255	-20.6%	11,367	-20.2%
1/31/2024	346,251	5.4%	21,758	37.1%	22,981	39.1%	14,243	39.8%

Note 1: Comprehensive income 1/31/2025: 11,878 million yen (-26.5%) 1/31/2024: 16,152 million yen (51.4%)

	Earnings per share	Earnings per share (diluted)
	Yen	Yen
1/31/2025	94.76	94.57
1/31/2024	116.09	115.85

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	
1/31/2025	331,023	175,831	52.6%
4/30/2024	353,892	183,216	51.3%

Reference: Shareholders' equity 1/31/2025: 174,121 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 quarterly consolidated financial statements: Yes

Note: For further details, please refer to the section of “(3) Notes to Quarterly Consolidated Financial Statements, (Application of Special Accounting Methods in Preparation for Quarterly Consolidated Financial Statements)” of “2. Quarterly Consolidated Financial Statements and Main Notes” on page 8 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 “(3) Notes to Quarterly Consolidated Financial Statements, (Changes in Accounting Policies)” of “2. Quarterly Consolidated Financial Statements and Main Notes” on page 8 of the attached material.

(4) Number of issued shares (common stock)

i. Number of issued shares (including treasury stock) 1/31/2025 88,212,380 shares 4/30/2024 89,212,380 shares

ii. Number of treasury stock 1/31/2025 3,528,832 shares 4/30/2024 939,878 shares

iii. Average number of shares outstanding during the period 1/31/2025 87,028,372 shares 1/31/2024 88,256,457 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.

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None

* 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
1/31/2025	100.74	100.54
1/31/2024	122.10	121.86

(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)	1/31/2025	32,246,962 shares	4/30/2024	34,246,962 shares
ii. Number of treasury stock	1/31/2025	1,393,350 shares	4/30/2024	2,943,655 shares
iii. Average number of shares outstanding during the period	1/31/2025	30,981,338 shares	1/31/2024	32,736,618 shares

Contents of Attachments

1. Qualitative Information Regarding Consolidated Financial Results for This Quarter	2
(1) Explanations Regarding Consolidated Results of Operations	2
(2) Explanations Regarding Consolidated Financial Position	3
(3) Explanations Regarding Forecasts for Consolidated Results and Future Outlook	3
2. Quarterly Consolidated Financial Statements and Main Notes	4
(1) Quarterly Consolidated Balance Sheet	4
(2) Quarterly Consolidated Statement of Income and Comprehensive Income	6
Quarterly Consolidated Statement of Income [Third quarter period]	6
Quarterly Consolidated Statement of Comprehensive Income [Third quarter period]	7
(3) Notes to Quarterly Consolidated Financial Statements	8
(Note Regarding the Company's Position as a Going Concern)	8
(Note Regarding Significant Changes in the Amount of Shareholders' Equity)	8
(Application of Special Accounting Methods in Preparation for Quarterly Consolidated Financial Statements)	8
(Changes in Accounting Policies)	8
(Notes to Quarterly Consolidated Statement of Cash Flows)	8
(Notes on Segment Information, etc.)	9

1. Qualitative Information Regarding Consolidated Financial Results for This Quarter

(1) Explanations Regarding Consolidated Results of Operations

During the first nine months of the fiscal year ending April 30, 2025 (May 1, 2024 - January 31, 2025), the Japanese economy saw a 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 impact of the prolonged international situation and the economic impacts of consistently high raw material costs and energy prices and foreign exchange fluctuations.

Under these business conditions, in keeping with the management principle of “Always Putting the Customer First,” the ITO EN Group treated everyone involved with the Group as a customer, carefully listening to their opinions and requests, and vigorously engaged in business activities in a concerted effort while aiming to consider the customer’s viewpoint at all times.

As a result, the business performance for the first nine months of the fiscal year ending April 30, 2025 was as follows.

Net sales	360,893 million yen, up 4.2%
Operating income	17,808 million yen, down 18.2%
Ordinary income	18,255 million yen, down 20.6%
Profit attributable to owners of parent	11,367 million yen, down 20.2%

Performance by each of the business segments was as follows.

<Tea Leaves and Beverages Business>

In the Tea Leaves and Beverages Business, net sales for the first nine months of the fiscal year ending April 30, 2025 remained strong, especially for “*Oi Ocha*” brand products.

Since the launch of the “*Oi Ocha*” brand in 1989, it has won strong support from a large number of consumers, with cumulative sales surpassing 45 billion bottles (converted to 500 ml PET bottle equivalent), and the Company is working to increase the value of the brand even further.

In January 2025, we launched limited springtime cherry blossom yell packaging for “*Oi Ocha Japanese Green Tea*,” “*Oi Ocha Roasted Green Tea*,” and “*Oi Ocha Green Tea with Roasted Rice*,” and “*Sarasaratokeru Oi Ocha Japanese Green Tea with Matcha*” (smooth melting *Oi Ocha* instant Japanese green tea with matcha) to send a yell of support to the people who matter to us. The Company has been offering seasonal limited cherry blossom packaging for its “*Oi Ocha*” series in time for the arrival of spring each year since 2015. When displayed in stores throughout Japan, “*Oi Ocha*” cherry blossom packaging creates a springtime atmosphere that has made it popular with customers.

To coincide with the start of sales of these series, we are also conducting the “*Oi Ocha ‘Future Cherry Blossoms in My Town Project 2025*,” in which part of the sales revenues from “*Oi Ocha*” cherry blossom yell packaging products is donated to activities to plant and protect cherry trees. Through these products, we are working to create towns that will bring joy to people 50 and 100 years in the future by spreading beautiful cherry trees throughout Japan. The Company will continue striving to strengthen the brand through the sale of products with seasonal limited packaging featuring cherry blossom designs and by conducting the “*Oi Ocha ‘Future Cherry Blossoms in My Town Project*,” as we continue to supply “*Oi Ocha*,” which is loved by Japanese people as the most familiar version of Japanese green tea.

In addition, in December 2024, we launched “*Nippon Yell Melon & Milk*,” as a limited winter offering, which we developed jointly with the National Federation of Agricultural Cooperative Associations (JA ZEN-NOH) as part of JA ZEN-NOH’s “Nippon Yell Project” and “Domestic Milk Support Project” initiatives to support Japanese agriculture. With the arrival of winter, when domestic milk consumption declines, the Company participated again this year in the “Domestic Milk Support Project” for helping to resolve issues faced by Japanese dairy farmers, and will strive to contribute to expanding demand for domestic milk. The Company will serve as a bridge that connects Japanese agriculture and consumers and contribute to increasing awareness and consumption of domestic agricultural and livestock products through the sale of these jointly developed products.

As a result of these activities, the Tea Leaves and Beverages Business recorded net sales of 321,399 million yen, up 3.6% year on year, and operating income of 14,513 million yen, down 25.0% year on year.

<Restaurant Business>

At Tully’s Coffee Japan Co., Ltd., we launched “*Mascarpone Tiramisu Latte*” and “*&TEA Strawberry Mille-feuille Royal Milk Tea*,” as seasonal limited products for brightening up the holiday season, inspired by desserts, and their colorful appearance and rich flavors have enjoyed an extremely positive reception. For coffee beans, we launched “*Costa Rica La Minita Wetmill Sweet Washed*,” jointly developed at the Hacienda La Minita farm owned by Group company Distant Lands Trading Co., to offer a Costa Rican style coffee only available at Tully’s. As products for the end of year and new year season, we launched “*Kuromitsu Okoi Matcha Latte—Kyoto-fu San Uji Matcha Shiyo—*,” (brown sugar syrup dark matcha latte with Kyoto Uji matcha) and “*Kyoto-fu San Uji Matcha Scone*” (Kyoto Uji matcha scone). The products sold briskly with support from customers for the rich taste of the ingredients and the Japanese flavors suited to new year.

Steady progress was made in new store openings including the opening of “Fukuoka Airport International Terminal Store” inside the airport, where the impacts of inbound tourism from overseas are expected, in December, as well as openings including the “&TEA” and “-SELECT-” formats. The total number of shops as of January 31, 2025 is 809.

As a result of these activities, the Restaurant Business recorded net sales of 32,963 million yen, up 9.6% year on year, and operating income of 3,036 million yen, up 14.6% year on year.

<Others>

The Others recorded net sales of 6,529 million yen, up 10.8% year on year, and operating income of 575 million yen, up 131.3% year on year.

(2) Explanations Regarding Consolidated Financial Position

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

Total assets as of January 31, 2025 stood at 331,023 million yen, decreased by 22,868 million yen from the end of the previous fiscal year. These changes in total assets mainly reflected a decrease of 27,026 million yen in “Cash and deposits,” a decrease of 2,585 million yen in “Accounts receivable - trade,” an increase of 4,471 million yen in “Other” under “Current assets,” and an increase of 2,359 million yen in “Buildings and structures.”

Liabilities as of January 31, 2025 stood at 155,191 million yen, decreased by 15,484 million yen from the end of the previous fiscal year. These changes in liabilities mainly reflected a decrease of 6,895 million yen in “Accounts payable - trade,” a decrease of 2,561 million yen in “Income taxes payable,” a decrease of 2,312 million yen in “Provision for bonuses,” and a decrease of 1,241 million yen in “Other” under “Current liabilities.”

Net assets as of January 31, 2025 stood at 175,831 million yen, decreased by 7,384 million yen from the end of the previous fiscal year. This mainly reflected an increase of 11,367 million yen in “Retained earnings” due to “Profit attributable to owners of parent,” a decrease of 5,483 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 13,619 million yen in “Treasury shares” due to “Purchase of treasury shares.”

(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. Quarterly Consolidated Financial Statements and Main Notes

(1) Quarterly Consolidated Balance Sheet

As of April 30, 2024 and January 31, 2025

(Millions of yen)

	As of April 30, 2024	As of January 31, 2025
Assets		
Current assets		
Cash and deposits	109,313	82,287
Notes receivable - trade	78	71
Accounts receivable - trade	62,352	59,767
Merchandise and finished goods	43,603	43,086
Raw materials and supplies	13,752	14,496
Other	14,868	19,339
Allowance for doubtful accounts	(219)	(346)
Total current assets	243,749	218,703
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	22,868	25,228
Land	23,154	23,324
Leased assets, net	4,815	4,284
Other, net	23,197	23,797
Total property, plant and equipment	74,036	76,634
Intangible assets		
Goodwill	1,456	868
Other	5,654	5,799
Total intangible assets	7,110	6,667
Investments and other assets		
Other	29,122	29,132
Allowance for doubtful accounts	(127)	(115)
Total investments and other assets	28,995	29,017
Total non-current assets	110,142	112,319
Total assets	353,892	331,023
Liabilities		
Current liabilities		
Accounts payable - trade	31,616	24,721
Short-term loans payable	14,442	29,707
Lease obligations	1,682	1,488
Accrued expenses	31,667	30,859
Income taxes payable	4,972	2,411
Provision for bonuses	4,606	2,293
Other	7,677	6,436
Total current liabilities	96,665	97,917
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	47,306	31,590
Lease obligations	2,572	2,233
Net defined benefit liability	7,511	7,412
Other	6,620	6,037
Total non-current liabilities	74,010	57,274
Total liabilities	170,675	155,191

Quarterly Consolidated Balance Sheet – Continued

(Millions of yen)

	As of April 30, 2024	As of January 31, 2025
Net assets		
Shareholders' equity		
Capital stock	19,912	19,912
Capital surplus	18,554	10,840
Retained earnings	149,154	155,039
Treasury shares	(9,480)	(15,174)
Total shareholders' equity	178,141	170,617
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,849	1,980
Revaluation reserve for land	(6,053)	(6,053)
Foreign currency translation adjustment	7,046	7,085
Remeasurements of defined benefit plans	499	490
Total accumulated other comprehensive income	3,342	3,504
Share acquisition rights	104	82
Non-controlling interests	1,627	1,628
Total net assets	183,216	175,831
Total liabilities and net assets	353,892	331,023

(2) Quarterly Consolidated Statement of Income and Comprehensive Income

From May 1 to January 31, 2024 and 2025

Quarterly Consolidated Statement of Income [Third quarter period]

(Millions of yen)

	Nine months ended January 31, 2024	Nine months ended January 31, 2025
Net sales	346,251	360,893
Cost of sales	211,332	224,733
Gross profit	134,919	136,159
Selling, general and administrative expenses	113,160	118,350
Operating income	21,758	17,808
Non-operating income		
Interest income	321	461
Dividend income	87	91
Share of profit of entities accounted for using equity method	123	106
Foreign exchange gains	733	–
Other	485	469
Total non-operating income	1,751	1,128
Non-operating expenses		
Interest expenses	355	385
Foreign exchange losses	–	11
Loss on cancellation of leases	43	133
Other	129	151
Total non-operating expenses	528	681
Ordinary income	22,981	18,255
Extraordinary income		
Gain on sales of non-current assets	6	2
Gain on donation of non-current assets	3	4
Gain on sales of investment securities	86	21
Total extraordinary income	96	28
Extraordinary losses		
Loss on sales of non-current assets	0	–
Loss on abandonment of non-current assets	155	211
Loss on valuation of investment securities	–	9
Impairment loss	707	189
Loss on revision of retirement benefit plan	80	–
Other	0	–
Total extraordinary losses	943	410
Income before income taxes	22,133	17,874
Income taxes	7,608	6,219
Net income	14,525	11,655
Profit attributable to non-controlling interests	282	287
Profit attributable to owners of parent	14,243	11,367

Quarterly Consolidated Statement of Comprehensive Income [Third quarter period]

(Millions of yen)

	Nine months ended January 31, 2024	Nine months ended January 31, 2025
Net income	14,525	11,655
Other comprehensive income		
Valuation difference on available-for-sale securities	237	200
Foreign currency translation adjustment	1,624	93
Remeasurements of defined benefit plans, net of tax	(122)	(8)
Share of other comprehensive income of entities accounted for using equity method	(112)	(61)
Total other comprehensive income	1,627	223
Comprehensive income	16,152	11,878
Comprehensive income attributable to owners of parent	15,842	11,529
Comprehensive income attributable to non-controlling interests	310	349

(3) Notes to Quarterly 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 of the Company (purchase value of 3,664 million yen) 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.

The Company also purchased 500,000 shares of Class-A Preferred Stock of the Company (purchase value of 922 million yen) on July 29, 2024 based on a resolution at the meeting of the Board of Directors held on July 26, 2024.

In addition, the Company resolved at a meeting of the Board of Directors held on November 28, 2024 to purchase 3,000,000 shares of the common stock of the Company for a maximum purchase value of 12.0 billion yen from December 3, 2024 to March 31, 2025. By the end of the third quarter under review, the Company had purchased 2,622,700 shares of common stock of the Company (purchase value of 9,029 million yen).

As a result of the purchase of treasury shares, including the increase due to the purchase of shares less than one share unit, treasury shares increased by 13,619 million yen in the first nine 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 of the Company and 2,000,000 shares of Class-A Preferred Stock of the Company on July 31, 2024. As a result, capital surplus and treasury shares each decreased by 7,696 million yen in the first nine months of the fiscal year ending April 30, 2025.

(Application of Special Accounting Methods in Preparation for Quarterly 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 third quarter under review 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 quarter 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 quarterly 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 quarter 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 quarterly consolidated financial statements for the same period of 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 quarterly consolidated financial statements for the same period of the previous fiscal year and on the consolidated financial statements for the previous fiscal year.

(Notes to Quarterly Consolidated Statement of Cash Flows)

A quarterly consolidated statement of cash flows for the first nine months of the fiscal year ending April 30, 2025 (May 1, 2024 - January 31, 2025) has not been prepared. Depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill for the nine months ended January 31, 2024 and 2025 were as follows.

	(Millions of yen)	
	Nine months ended January 31, 2024	Nine months ended January 31, 2025
Depreciation	6,364	6,440
Amortization of goodwill	809	587

(Notes on Segment Information, etc.)

Segment Information

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

For the first nine months of the fiscal year ended April 30, 2024 (May 1, 2023 – January 31, 2024)

(Millions of yen)

	Reporting Segment				Adjustment	Total
	Tea Leaves /Beverages Business	Restaurant Business	Others	Total		
Net sales:						
(1) Outside	310,282	30,076	5,893	346,251	–	346,251
(2) Intersegment	505	1	1,851	2,358	(2,358)	–
Total net sales	310,788	30,077	7,744	348,610	(2,358)	346,251
Segment profits	19,347	2,648	248	22,244	(486)	21,758

Notes: i. The segment profits adjustment includes (741) million yen in amortization of goodwill and 255 million yen in intersegment transactions.

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

For the first nine months of the fiscal year ending April 30, 2025 (May 1, 2024 – January 31, 2025)

(Millions of yen)

	Reporting Segment				Adjustment	Total
	Tea Leaves /Beverages Business	Restaurant Business	Others	Total		
Net sales:						
(1) Outside	321,399	32,963	6,529	360,893	–	360,893
(2) Intersegment	872	4	1,928	2,804	(2,804)	–
Total net sales	322,271	32,967	8,458	363,698	(2,804)	360,893
Segment profits	14,513	3,036	575	18,125	(316)	17,808

Notes: i. The segment profits adjustment includes (579) million yen in amortization of goodwill and 263 million yen in intersegment transactions.

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