

June 2, 2025

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, 2025 (Unaudited)

Scheduled date of general shareholder's meeting: July 25, 2025

Scheduled date of commencement of dividend payment: July 28, 2025

Scheduled filing date of securities report: July 23, 2025

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

(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	
4/30/2025	472,716	4.1%	22,969	(8.2)%	22,973	(13.9)%	14,156	(9.5)%
4/30/2024	453,899	5.1%	25,023	27.7%	26,681	31.2%	15,650	21.4%

Note 1: Comprehensive income 4/30/2025: 13,293 million yen (30.8%) 4/30/2024: 19,212 million yen 33.1%

	Earnings per share	Earnings per share (diluted)	Return on Equity	Ordinary income / Total assets	Operating income / Net sales
	Yen	Yen			
4/30/2025	117.50	117.26	8.0%	6.6%	4.9%
4/30/2024	126.42	126.16	8.9%	7.7%	5.5%

Reference: Equity in earnings (losses) of affiliated companies 4/30/2025: 132 million yen 4/30/2024: 170 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
4/30/2025	344,598	175,971	50.6%	1,511.77
4/30/2024	353,892	183,216	51.3%	1,516.16

Reference: Shareholders' equity 4/30/2025: 174,279 million yen 4/30/2024: 181,483 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
4/30/2025	18,038	(13,333)	(23,236)	85,565
4/30/2024	25,482	(10,737)	(12,213)	105,397

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		
4/30/2024	—	21.00	—	21.00	42.00	3,707	33.2%	2.9%
4/30/2025	—	22.00	—	22.00	44.00	3,775	37.4%	2.9%
4/30/2026 (Forecast)	—	24.00	—	24.00	48.00		35.4%	

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, 2026 (May 1, 2025 - April 30, 2026)

(% 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
4/30/2026	490,000 3.7%	25,500 11.0%	25,700 11.9%	16,000 13.0%	135.72

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

(2) 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 “(5) Notes to Consolidated Financial Statements, (Changes in Accounting Policies)” 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) 4/30/2025 85,212,380 shares 4/30/2024 89,212,380 shares

ii. Number of treasury stock 4/30/2025 906,132 shares 4/30/2024 939,878 shares

iii. Average number of shares outstanding during the period 4/30/2025 86,378,866 shares 4/30/2024 88,260,137 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, 2025 (May 1, 2024 - April 30, 2025)

(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	
4/30/2025	334,800	1.7%	14,902	(20.8)%	16,489	(23.3)%	11,667	(15.5)%
4/30/2024	329,069	4.5%	18,819	12.1%	21,493	13.9%	13,813	4.0%

	Earnings per share	Earnings per share (diluted)
	Yen	Yen
4/30/2025	96.28	96.09
4/30/2024	111.22	110.99

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
4/30/2025	281,142	161,531	57.4%	1,400.36
4/30/2024	293,821	171,199	58.2%	1,429.28

Reference: Equity 4/30/2025: 161,449 million yen 4/30/2024: 171,094 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, 2026 (May 1, 2025 - April 30, 2026)

(% 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
4/30/2026	342,400	2.3%	17,000	14.1%	19,350	17.3%	13,500	15.7%	114.01

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 3 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
4/30/2025	129.46	129.22	1,517.77
4/30/2024	138.26	138.00	1,522.16

(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		
4/30/2024	–	27.00	–	27.00	54.00	1,730	39.1%	3.7%
4/30/2025	–	28.00	–	28.00	56.00	1,727	43.3%	3.7%
4/30/2026 (Forecast)	–	30.00	–	30.00	60.00		40.6%	

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

	Earnings per share (Consolidated)	Earnings per share (Non-Consolidated)
	Yen	Yen
4/30/2026	147.72	126.01

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

i. Number of issued shares (including treasury stock)	4/30/2025	32,246,962 shares	4/30/2024	34,246,962 shares
ii. Number of treasury stock	4/30/2025	1,394,070 shares	4/30/2024	2,943,655 shares
iii. Average number of shares outstanding during the period	4/30/2025	30,950,121 shares	4/30/2024	32,487,715 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
4/30/2025	108.25	108.05	1,406.36
4/30/2024	123.06	122.83	1,435.28

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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, 2025 (May 1, 2024 – April 30, 2025), the Japanese economy saw a gradual recovery due to factors such as improvement in the employment and income environment and an increase in inbound demand from overseas tourism. However, certain conditions continue to present an uncertain outlook, such as the impact of policy developments in the United States, prolonged conflict in Eastern Europe and the Middle East, consistently high raw material costs and energy prices, and foreign exchange fluctuations.

Under these business conditions, in keeping with its “Always Putting the Customer First” management principle of valuing each and every customer forms the basis of management, the ITO EN Group treats everyone involved with the Group as a customer, carefully listening to their opinions and requests, and vigorously taking a concerted approach to engaging in business activities while aiming to consider the customer’s viewpoint at all times.

As a result, performance for the fiscal year ended April 30, 2025 was as follows:

Net sales	472,716 million yen,	up 4.1% year on year
Operating income	22,969 million yen,	down 8.2% year on year
Ordinary income	22,973 million yen,	down 13.9% year on year
Profit attributable to owners of parent	14,156 million yen,	down 9.5% year on year

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 fiscal year ended April 30, 2025 remained strong, especially for “*Oi Ocha*” brand products. On the earnings front, meanwhile, profits decreased due to effects of increases in raw material and other costs, higher rebates and other such expenditures associated with intensifying competition, and upfront investment in advertising expenses.

The Company’s core “*Oi Ocha*” brand is now sold in over 40 countries and regions, with cumulative sales exceeding 45 billion bottles since its launch in 1989 (converted to 500ml PET bottle equivalent; as of December 31, 2024). In March 2025, we launched the “*Oi Ocha PURE*” series under that brand enlisting the slogan “discard conventional wisdom about tea.” This series constitutes a new product line that inherits the tradition of tea while spreading Japanese tea culture worldwide. The series has been developed based on market trends in the United States and Asia in seeking to align with overseas preferences. To that end, we have minimized the bitterness and astringency of typical of Japanese green tea, and based the products on a pleasant flavor profile that offers a clean aftertaste and refreshing aroma. It has been well received with shipments exceeding 10 million bottles within the first week of its release.

Going forward, we will further promote the global branding of “*Oi Ocha*” in seeking to achieve the Global Tea Company long-term vision of the Group.

As a result of these activities, the Tea Leaves and Beverages Business recorded net sales of 420,328 million yen, up 3.6% year on year, and operating income of 19,025 million yen, down 13.9% year on year.

<Restaurant Business>

Tully’s Coffee Japan Co., Ltd. has launched the “*Soy Milk & Acai Banana SWIRKLE*®” frozen drink containing currently popular acai berries as a limited-edition seasonal spring beverage. This flavor pairing of sweet and tart frozen acai with banana chunks has been very well received. As part of its “FUN FAN JAPAN!” project menu showcasing the appeal of Japanese ingredients, Tully’s launched its “*Grilled Chicken Setouchi Lemon Pasta*” featuring lemons from the Setouchi region. The menu item’s hearty ingredients and refreshing flavor evocative of spring have been well received, resulting in strong sales. Additionally, Tully’s persistently communicates its corporate role in society in part by recycling paper cups and used coffee grounds while otherwise actively promoting initiatives that address environmental concerns. Tully’s has been making steady progress opening new stores, which it is setting up in high-profile locations. This has included opening the Tully’s Coffee Prime Five Grand Green Osaka concept store embodying Tully’s “Five Bests” policy, and opening the Tully’s Coffee & Tea, Toranomon Hills flagship “& Tea” store, with a total of 818 shops as of April 30, 2025.

As a result of these activities, the Restaurant Business recorded net sales of 43,769 million yen, up 8.5% year on year, and operating income of 3,518 million yen, up 8.7% year on year.

<Others>

The Others recorded net sales of 8,619 million yen, up 7.6% year on year, and operating income of 766 million yen, up 112.8% year on 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, 2025.

(Assets)

Total assets at the end of the fiscal year ended April 30, 2025 stood at 344,598 million yen, decreased by 9,293 million yen from the end of the previous fiscal year. These changes in total assets mainly reflected a decrease of 19,405 million yen in “Cash and deposits,” an increase of 4,486 million yen in “Accounts receivable - trade,” an increase of 2,651 million yen in “Merchandise and finished goods,” an increase of 1,327 million yen in “Accounts receivable - other,” an increase of 2,895 million yen in “Buildings and structures,” an increase of 1,229 million yen in “Tools, furniture and fixtures,” and a decrease of 1,498 million yen in “Deferred tax assets.”

(Liabilities)

Liabilities at the end of the fiscal year ended April 30, 2025 stood at 168,626 million yen, decreased by 2,049 million yen from the end of the previous fiscal year. These changes in liabilities mainly reflected an increase of 3,676 million yen in “Accounts payable - trade,” an increase of 9,734 million yen in “Short-term loans payable,” a decrease of 2,222 million yen in “Income taxes payable,” and a decrease of 12,304 million yen in “Long-term loans payable.”

(Net assets)

Net assets at the end of the fiscal year ended April 30, 2025 stood at 175,971 million yen, decreased by 7,244 million yen from the end of the previous fiscal year. This mainly reflected an increase of 14,156 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,” an increase of 14,887 million yen in “Treasury shares” due to “Purchase of treasury shares,” and decreases of 18,207 million yen in “Capital surplus” and 18,207 million yen in “Treasury shares” due to “Cancellation of treasury shares.”

As a result, the shareholders’ equity ratio was 50.6% compared with 51.3% 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, 2025 amounted to 85,565 million yen, decreased by 19,832 million yen from the end of the previous fiscal year.

Cash flows during the fiscal year ended April 30, 2025 and their causes are as follows.

(Cash flows from operating activities)

Net cash inflows from operating activities were 18,038 million yen (compared with 25,482 million yen inflow in the previous fiscal year). The major factors affecting this were income before income taxes of 22,231 million yen, depreciation of 8,745 million yen and income taxes paid of 8,627 million yen.

(Cash flows from investing activities)

Net cash outflows from investing activities were 13,333 million yen (compared with 10,737 million yen outflow in the previous fiscal year). The major factor affecting this was purchase of property, plant and equipment and intangible assets of 12,286 million yen.

(Cash flows from financing activities)

Net cash outflows from financing activities were 23,236 million yen (compared with 12,213 million yen outflow in the previous fiscal year). The major factors affecting this were proceeds from long-term loans payable of 12,000 million yen, repayments of long-term loans payable of 13,522 million yen, purchase of treasury shares of 14,887 million yen and cash dividends paid of 5,474 million yen.

(4) Future Outlook

Although the business environment surrounding the Group is expected to remain uncertain due to factors such as U.S. policy trends, geopolitical risks in Eastern Europe and the Middle East, and the impacts of rising prices and foreign exchange fluctuations, the Group will continue to propose products that meet consumer needs and further strengthen its brand through active communication with customers, while continuing corporate efforts to reduce costs and pursue greater efficiency.

The forecast for the fiscal year ending April 30, 2026 is as follows.

Net sales	490,000 million yen,	up 3.7% year on year
Operating income	25,500 million yen,	up 11.0% year on year
Ordinary income	25,700 million yen,	up 11.9% year on year
Profit attributable to owners of parent	16,000 million yen,	up 13.0% 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, 2024 and April 30, 2025

(Millions of yen)

	As of April 30, 2024	As of April 30, 2025
Assets		
Current assets		
Cash and deposits	109,313	89,908
Notes receivable - trade	78	65
Accounts receivable - trade	62,352	66,839
Merchandise and finished goods	43,603	46,255
Raw materials and supplies	13,752	13,014
Accounts receivable - other	9,711	11,038
Other	5,157	5,295
Allowance for doubtful accounts	(219)	(423)
Total current assets	243,749	231,995
Non-current assets		
Property, plant and equipment		
Buildings and structures	55,663	59,661
Accumulated depreciation	(32,794)	(33,897)
Buildings and structures, net	22,868	25,764
Machinery, equipment and vehicles	30,719	31,682
Accumulated depreciation	(24,674)	(25,335)
Machinery, equipment and vehicles, net	6,044	6,347
Tools, furniture and fixtures	38,667	41,218
Accumulated depreciation	(24,202)	(25,523)
Tools, furniture and fixtures, net	14,465	15,694
Land	23,154	23,223
Leased assets	17,094	14,729
Accumulated depreciation	(12,279)	(10,206)
Leased assets, net	4,815	4,522
Construction in progress	2,046	1,305
Other	641	498
Total property, plant and equipment	74,036	77,356
Intangible assets		
Goodwill	1,456	762
Software	3,250	3,637
Other	2,403	2,122
Total intangible assets	7,110	6,521
Investments and other assets		
Investment securities	4,581	4,939
Deferred tax assets	7,411	5,913
Other	17,130	17,997
Allowance for doubtful accounts	(127)	(125)
Total investments and other assets	28,995	28,724
Total non-current assets	110,142	112,603
Total assets	353,892	344,598

Consolidated Balance Sheet – Continued

(Millions of yen)

	As of April 30, 2024	As of April 30, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	31,616	35,292
Short-term loans payable	14,442	24,177
Lease obligations	1,682	1,448
Accrued expenses	31,667	32,418
Income taxes payable	4,972	2,749
Provision for bonuses	4,606	4,292
Other	7,677	7,741
Total current liabilities	96,665	108,120
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	47,306	35,001
Lease obligations	2,572	2,445
Net defined benefit liability	7,511	6,824
Deferred tax liabilities for land revaluation	719	740
Other	5,901	5,493
Total non-current liabilities	74,010	60,505
Total liabilities	170,675	168,626
Net assets		
Shareholders' equity		
Capital stock	19,912	19,912
Capital surplus	18,554	4,788
Retained earnings	149,154	153,367
Treasury shares	(9,480)	(5,930)
Total shareholders' equity	178,141	172,137
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,849	2,059
Revaluation reserve for land	(6,053)	(6,074)
Foreign currency translation adjustment	7,046	5,400
Remeasurements of defined benefit plans	499	755
Total accumulated other comprehensive income	3,342	2,141
Share acquisition rights	104	82
Non-controlling interests	1,627	1,610
Total net assets	183,216	175,971
Total liabilities and net assets	353,892	344,598

(2) Consolidated Statement of Income and Comprehensive Income

For the fiscal year ended April 30, 2024 and 2025 (May 1, 2023 - April 30, 2024 and May 1, 2024 - April 30, 2025)

Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended April 30, 2024	Fiscal year ended April 30, 2025
Net sales	453,899	472,716
Cost of sales	*1 276,832	*1 293,078
Gross profit	177,067	179,638
Selling, general and administrative expenses	*2, *3 152,044	*2, *3 156,668
Operating income	25,023	22,969
Non-operating income		
Interest income	451	609
Dividend income	89	92
Share of profit of entities accounted for using equity method	170	132
Gain on prepaid card	175	147
Foreign exchange gains	1,088	—
Other	488	506
Total non-operating income	2,478	1,488
Non-operating expenses		
Interest expenses	481	511
Foreign exchange losses	—	573
Loss on cancellation of leases	64	156
Other	275	244
Total non-operating expenses	820	1,485
Ordinary income	26,681	22,973
Extraordinary income		
Gain on sales of non-current assets	*4 10	*4 17
Gain on donation of non-current assets	3	4
Gain on sales of investment securities	158	31
Other	—	2
Total extraordinary income	172	56
Extraordinary losses		
Loss on sales of non-current assets	*5 6	*5 —
Loss on abandonment of non-current assets	*6 252	*6 298
Impairment loss	*7 1,815	*7 489
Loss on valuation of investment securities	172	9
Loss on sale of investment securities	—	0
Loss on revision of retirement benefit plan	80	—
Other	—	1
Total extraordinary losses	2,328	799
Income before income taxes	24,525	22,231
Income taxes - current	8,506	6,648
Income taxes - deferred	33	1,081
Total income taxes	8,539	7,729
Net income	15,985	14,501
Profit attributable to non-controlling interests	335	345
Profit attributable to owners of parent	15,650	14,156

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended April 30, 2024	Fiscal year ended April 30, 2025
Net income	15,985	14,501
Other comprehensive income		
Valuation difference on available-for-sale securities	286	295
Revaluation reserve for land	—	(21)
Foreign currency translation adjustment	2,981	(1,672)
Remeasurements of defined benefit plans, net of tax	71	257
Share of other comprehensive income of entities accounted for using equity method	(113)	(68)
Total other comprehensive income	3,227	(1,208)
Comprehensive income	19,212	13,293
Comprehensive income attributable to owners of parent	18,790	12,955
Comprehensive income attributable to non- controlling interests	422	337

(3) Consolidated Statement of Changes in Shareholders' Equity

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
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
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

For the fiscal year ended April 30, 2025 (May 1, 2024 - April 30, 2025)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	19,912	18,554	149,154	(9,480)	178,141
Changes of items during period					
Dividends of surplus			(5,483)		(5,483)
Profit attributable to owners of parent			14,156		14,156
Purchase of treasury shares				(14,887)	(14,887)
Disposal of treasury shares		(18)		229	211
Cancellation of treasury shares		(18,207)		18,207	—
Transfer of loss on disposal of treasury shares		4,459	(4,459)		—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(13,766)	4,212	3,550	(6,003)
Balance at end of current period	19,912	4,788	153,367	(5,930)	172,137

	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	1,849	(6,053)	7,046	499	3,342	104	1,627	183,216
Changes of items during period								
Dividends of surplus								(5,483)
Profit attributable to owners of parent								14,156
Purchase of treasury shares								(14,887)
Disposal of treasury shares								211
Cancellation of treasury shares								—
Transfer of loss on disposal of treasury shares								—
Net changes of items other than shareholders' equity	210	(21)	(1,646)	256	(1,200)	(22)	(17)	(1,241)
Total changes of items during period	210	(21)	(1,646)	256	(1,200)	(22)	(17)	(7,244)
Balance at end of current period	2,059	(6,074)	5,400	755	2,141	82	1,610	175,971

(4) Consolidated Statement of Cash Flows

For the fiscal year ended April 30, 2024 and 2025 (May 1, 2023 - April 30, 2024 and May 1, 2024 - April 30, 2025)

(Millions of yen)

	Fiscal year ended April 30, 2024	Fiscal year ended April 30, 2025
Cash flows from operating activities		
Income before income taxes	24,525	22,231
Depreciation	8,595	8,745
Impairment loss	1,815	489
Amortization of goodwill	1,080	693
Increase (decrease) in allowance for doubtful accounts	(81)	237
Increase (decrease) in provision for bonuses	310	(313)
Increase (decrease) in net defined benefit liability	(3,273)	(320)
Interest and dividend income	(541)	(702)
Interest expenses	481	511
Foreign exchange losses (gains)	(719)	437
Decrease (increase) in notes and accounts receivable - trade	(1,230)	(5,104)
Decrease (increase) in inventories	2,474	(3,327)
Decrease (increase) in other current assets	(2,261)	(1,099)
Decrease (increase) in other non-current assets	(3,572)	(21)
Loss on revision of retirement benefit plan	80	—
Increase (decrease) in notes and accounts payable - trade	1,186	4,091
Increase (decrease) in accrued consumption taxes	(77)	(911)
Increase (decrease) in other current liabilities	2,660	1,276
Increase (decrease) in other non-current liabilities	1,478	(705)
Other, net	358	332
Subtotal	33,290	26,540
Interest and dividend income received	576	649
Interest expenses paid	(485)	(522)
Income taxes paid	(7,898)	(8,627)
Net cash provided by (used in) operating activities	25,482	18,038
Cash flows from investing activities		
Net decrease (increase) in time deposits	(382)	(485)
Purchase of property, plant and equipment and intangible assets	(9,913)	(12,286)
Purchase of investment securities	(510)	(0)
Proceeds from sales of investment securities	272	144
Purchase of shares of subsidiaries and associates	(680)	(697)
Decrease (increase) in other investments	476	(9)
Net cash provided by (used in) investing activities	(10,737)	(13,333)

Consolidated Statement of Cash Flows – Continued

(Millions of yen)

	Fiscal year ended April 30, 2024	Fiscal year ended April 30, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(510)	600
Proceeds from long-term loans payable	–	12,000
Repayments of long-term loans payable	(1,313)	(13,522)
Proceeds from issuance of bonds	9,952	–
Redemption of bonds	(10,000)	–
Purchase of treasury shares	(2,813)	(14,887)
Proceeds from disposal of treasury shares	0	0
Repayments of finance lease obligations	(1,989)	(1,594)
Cash dividends paid	(5,315)	(5,474)
Dividends paid to non-controlling interests	(212)	(347)
Other, net	(11)	(11)
Net cash provided by (used in) financing activities	(12,213)	(23,236)
Effect of exchange rate change on cash and cash equivalents	1,967	(1,300)
Net increase (decrease) in cash and cash equivalents	4,498	(19,832)
Cash and cash equivalents at beginning of period	100,899	105,397
Cash and cash equivalents at end of period	105,397	85,565

(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 34 companies

During the fiscal year ended April 30, 2025, the Company newly established HOKKAIDO ITO EN, LTD. and ITO EN VIETNAM CO., LTD. and included these two companies in the scope of consolidation.

- (2) Non-consolidated subsidiaries 4 companies

2. Application of equity method

- (1) Equity - method applied to non-consolidated subsidiaries 4 companies

During the fiscal year ended April 30, 2025, the Company acquired shares of THE MATCHA TOKYO Co., Ltd. and as a result, included the company in the scope of the equity method.

- (2) Equity - method applied to affiliated 2 companies

- (3) Equity - method unapplied to affiliated 6 companies

(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 fiscal year ended 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 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 fiscal year ended April 30, 2025. This change in accounting policies has been applied retrospectively, and the new accounting policy is reflected in the consolidated financial statements for the previous fiscal year. This change in accounting policies has no impact on the consolidated financial statements for the previous fiscal year.

(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, 2024	Fiscal year ended April 30, 2025
Cost of sales	(276)	50

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

	Million yen	
	Fiscal year ended April 30, 2024	Fiscal year ended April 30, 2025
Vending machine selling commission	16,346	15,481
Advertising	11,454	12,784
Transportation	14,168	14,503
Salaries and wages to employees	48,971	50,420
Provision for bonuses	4,061	3,678
Retirement benefit expenses	1,194	1,294
Research and development expenses	2,139	2,391
Depreciation	6,156	6,396
Allowance for doubtful accounts	(72)	251

- *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, 2024	Fiscal year ended April 30, 2025
General and administrative expenses	2,139	2,391

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

	Million yen	
	Fiscal year ended April 30, 2024	Fiscal year ended April 30, 2025
Buildings and structures	0	13
Machinery, equipment and vehicles	6	4
Tools, furniture and fixtures	3	0
Total	10	17

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

	Million yen	
	Fiscal year ended April 30, 2024	Fiscal year ended April 30, 2025
Land	6	—
Total	6	—

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

	Million yen	
	Fiscal year ended April 30, 2024	Fiscal year ended April 30, 2025
Buildings and structures	37	38
Machinery, equipment and vehicles	12	0
Tools, furniture and fixtures	124	162
Software	0	0
Others	78	96
Total	252	298

- *7. Impairment loss

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

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 (Tully's Coffee Japan Co., Ltd.)	Buildings and structures, 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.)	Others	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 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.

For the fiscal year ended April 30, 2025 (May 1, 2024 - April 30, 2025)

Location	Use	Type of assets	Impairment loss (million yen)
Kakegawa-shi, Shizuoka, etc.	Store (Tully's Coffee Japan Co., Ltd.)	Buildings and structures, etc.	454
Koto-ku, Tokyo, etc.	Merchandise outlet, etc. (ITO EN FOOD SERVICE CO., LTD.)	Buildings and structures, etc.	35

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 454 million yen (buildings and structures 372 million yen, tools, furniture and fixtures 79 million yen, and other investments and other assets 1 million yen), was recorded as of the end of the fiscal year ended April 30, 2025. 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 FOOD SERVICE CO., LTD., asset grouping is conducted with each merchandise outlet, etc. as the basic unit of measurement, as these are the smallest units of cash flow generation. Out of the merchandise outlets, etc. 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 35 million yen (buildings and structures 28 million yen, tools, and furniture and fixtures 6 million yen), was recorded as of the end of the fiscal year ended April 30, 2025. The recoverable amount was determined through measurement of the value in use, which is calculated as zero.

(Notes on 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, 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

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.

For the fiscal year ended April 30, 2025 (May 1, 2024 - April 30, 2025)

(Millions of yen)

	Reporting Segment				Adjustment	Total
	Tea Leaves /Beverages Business	Restaurant Business	Others	Total		
Net sales:						
(1) Outside	420,328	43,769	8,619	472,716	–	472,716
(2) Intersegment	1,222	15	2,495	3,733	(3,733)	–
Total net sales	421,550	43,784	11,115	476,450	(3,733)	472,716
Segment profits	19,025	3,518	766	23,309	(339)	22,969
Segment assets	313,307	21,960	8,825	344,093	505	344,598
Others:						
Depreciation	7,537	1,082	125	8,745	–	8,745
Amortization of goodwill	–	–	7	7	685	693
Investments in entities accounted for using equity method	3,285	–	–	3,285	–	3,285
Increase in property, plant and equipment and intangible assets	12,531	2,826	171	15,530	–	15,530

- Notes: i. The segment profits adjustment of (339) million yen includes (685) million yen in amortization of goodwill and 345 million yen in intersegment transactions.
- ii. The segment assets adjustment of 505 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.

(Notes to Per Share Data)

For the fiscal year ended April 30, 2024 and 2025 (May 1, 2023 - April 30, 2024 and May 1, 2024 - April 30, 2025)

	Yen	
	Fiscal year ended April 30, 2024	Fiscal year ended April 30, 2025
Common Stock		
Net assets per share	1,516.16	1,511.77
Earnings per share	126.42	117.50
Earnings per share (diluted)	126.16	117.26
Class-A Preferred Stock		
Net assets per share	1,522.16	1,517.77
Earnings per share	138.26	129.46
Earnings per share (diluted)	138.00	129.22

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

	Fiscal year ended April 30, 2024	Fiscal year ended April 30, 2025
Earnings per share		
Profit attributable to owners of parent (Million yen)	15,650	14,156
Profit attributable to owners of parent pertaining to common stock (Million yen)	11,158	10,149
Profit attributable to owners of parent pertaining to Class-A Preferred Stock (Million yen)	4,491	4,006
Weighted average number of shares of common stock (Thousands of shares)	88,260	86,378
Weighted average number of shares of Class-A Preferred Stock (Thousands of shares)	32,487	30,950
Earnings per share (diluted)		
Adjustments to profit attributable to owners of parent (Million yen)	—	—
Increase in common stock (Thousands of shares)	252	241
[of which stock acquisition rights (Thousands of shares)]	[252]	[241]
Profit attributable to owners of parent pertaining to common stock (Million yen)	11,166	10,156
Profit attributable to owners of parent pertaining to Class-A Preferred Stock (Million yen)	4,483	3,999
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)

Not applicable