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(Securities Code 2593)
July 3, 2025

To Shareholders with Voting Rights:

Daisuke Honjo
President
ITO EN, LTD.
47-10 Honmachi 3-chome, Shibuya-
ku, Tokyo, Japan

**NOTICE OF
THE 60TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

We would like to express our appreciation for your continued support and patronage.

It is our pleasure to inform you of the 60th Annual General Meeting of Shareholders of ITO EN, LTD. (the “Company”). The meeting will be held for the purposes as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (items for which measures for providing information in electronic format are to be taken) in electronic format, and has posted the information on each of the following websites. Please access one of the websites to view the information.

[The Company’s website] <https://www.itoen-global.com/>

[Website for posted informational materials for the General Meeting of Shareholders]
<https://d.sokai.jp/2593/teiji/> (in Japanese)

[Tokyo Stock Exchange (TSE) website (Listed Company Search)]
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

(Access the TSE website by using the internet address shown above, enter “ITO EN” in “Issue name (company name)” or the Company’s securities code “2593” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

If you plan to be absent from the meeting, you may exercise your voting right on the internet, etc. or in writing (by mail). Please read the reference documents for the General Meeting of Shareholders and exercise your voting right in accordance with the “Guidance on Exercising Voting Rights” (in Japanese only), by 5:00 p.m. on Thursday, July 24, 2025, Japan time.

- 1. Date and Time:** Friday, July 25, 2025 at 10:00 a.m. Japan time
- 2. Place:** Hiten, B1F, Grand Prince Hotel Shin Takanawa located at 13-1 Takanawa 3-chome, Minato-ku, Tokyo, Japan
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report and Non-consolidated Financial Statements for the Company's 60th Fiscal Year (May 1, 2024 - April 30, 2025)
 2. Consolidated Financial Statements for the Company's 60th Fiscal Year (May 1, 2024 - April 30, 2025) and results of audits of the Consolidated Financial Statements by the Financial Auditor and Audit and Supervisory Committee
- Proposals to be resolved:**
- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of 9 Directors (excluding Directors who are Audit and Supervisory Committee Members)
- Proposal 3:** Election of 4 Directors who are Audit and Supervisory Committee Members

- * The following information is posted on websites such as the Company's website indicated on page 1 of this notice of convocation as information subject to measures for providing information in electronic format. It is not included in the information provided in electronic format indicated in the material sent to those shareholders who have requested the written version of the material pursuant to applicable laws and regulations and Article 23, paragraph 2 of the Articles of Incorporation of the Company.
1. Notes to non-consolidated financial statements
 2. Notes to consolidated financial statements
- Therefore, the information in the document indicating items subject to measures for providing information in electronic format is a part of documents audited by the Financial Auditor when preparing accounting audit reports and by Audit and Supervisory Committee when preparing audit reports.
- * We will post any revision made to the items subject to measures for providing information in electronic format on the Company's website or other appropriate websites if such a revision has been made.

Requests to Shareholders

- If attending the meeting in person, please submit your voting rights exercise form to the reception desk at the venue.
- Souvenirs will not be distributed to shareholders attending. We request your understanding in this matter.
- If there is a significant change in the operation of the General Meetings of Shareholders, we will post the details on the Company's website.

The Company's website

<https://www.itoen-global.com/>

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company proposes that surplus be appropriated as follows.

1. Matters concerning year-end dividend

Our basic policy regarding earnings distribution is to assure stable distribution of dividends.

Taking into account the Company's business performance for the fiscal year ended April 30, 2025, as well as the future business development, etc., the year-end dividend payment for the fiscal year ended April 30, 2025, is proposed to be made as follows.

For Class-A Preferred Stock, the year-end dividend payment per share for the fiscal year ended April 30, 2025, is to be made as cash in the amount of 125 percent of the amount of cash to be distributed per share of common stock (calculation shall be made to the first decimal place and the first decimal place shall be rounded up) based on the terms of the Class-A Preferred Stock.

(1) Type of dividend assets

Cash

(2) Matters concerning allocation of dividend assets and the total amount thereof

Dividend per share of the Company's common stock: ¥22

Total amount of dividend for common stock: ¥1,854,737,456

Dividend per share of the Company's Class-A Preferred Stock: ¥28

Total amount of dividend for Class-A Preferred Stock: ¥863,880,976

The annual dividend for the fiscal year ended April 30, 2025, including the interim dividend, will amount to ¥44 per share of common stock and ¥56 per share of Class-A Preferred Stock.

(3) Effective date of dividends of surplus

July 28, 2025

2. Matters concerning appropriation of other surplus

The use of retained earnings is proposed as follows for the purpose of making investments for enhancement of corporate value and strengthening the management foundation in preparation for aggressive business development in the future.

(1) Item and amount of surplus to be increased

General reserve: ¥4,000,000,000

(2) Item and amount of surplus to be decreased

Retained earnings brought forward: ¥4,000,000,000

Proposal 2: Election of 9 Directors (excluding Directors who are Audit and Supervisory Committee Members)

The terms of office of all 9 Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter the same shall apply in this proposal) will expire at the conclusion of this General Meeting of Shareholders.

Accordingly, the Company proposes the election of 9 Directors.

With regard to this proposal, the Company's Audit and Supervisory Committee has determined that all candidates for Director are qualified.

The candidates are as follows:

No.		Name	Current positions and responsibilities at the Company
1	Reappointment	Hachiro Honjo	Director and Honorary Chairman of the Board
2	Reappointment	Daisuke Honjo	President and Executive Officer
3	Reappointment	Shusuke Honjo	Executive Vice President, Representative Director and Executive Officer, CDO General Manager of Sales Control Headquarters, General Manager of Group System DX Headquarters, in charge of Marketing Division
4	Reappointment	Yoshihisa Nakano	Director and Senior Managing Executive Officer CSO, General Manager of Production Division In charge of Logistics Division
5	Reappointment	Shigeru Kamiya	Director and Senior Managing Executive Officer In charge of General Planning Division, Group Management Promotion Division, Supply Chain Strategy Department, and in charge of Special Assignments
6	Reappointment	Yosuke Jay Oceanbright Honjo	Director and Executive Officer In charge of U.S. businesses
7	Reappointment	Atsushi Hirata	Director, Senior Managing Executive Officer, CHRO CFO, General Manager of Administration Division, in charge of Internal Control
8	Reappointment Outside Independent	Hideo Takano	Outside Director
9	Reappointment Outside Independent	Keiko Abe	Outside Director

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Class and number of shares of the Company held	Special interests with the Company
1	Hachiro Honjo (August 31, 1940) [Reappointment] Attendance at Board of Directors meetings 10/12	<p>August 1964 Established Japan Family Service Co., Ltd. Director</p> <p>August 1966 Established Frontier Tea Corporation (The company name was changed to ITO EN, LTD. in May 1969) Director</p> <p>May 1969 Managing Director</p> <p>June 1970 Executive Managing Director</p> <p>May 1978 Executive Vice President</p> <p>April 1987 Executive Vice President and Representative Director</p> <p>May 1988 President</p> <p>May 2009 Chairman of the Board and CEO</p> <p>May 2024 Director and Honorary Chairman of the Board (current post)</p>	<p>Common stock 2,446,230</p> <p>Class-A preferred stock 660,700</p>	Not applicable
<p>[Reason for the nomination as a candidate for Director] Mr. Hachiro Honjo has long been responsible for management with his strong leadership as the founder of the Company and has extensive experience and achievement in group management. The Company re-nominates him as a candidate for Director because it has judged that he appropriately strengthens the group governance and conducts supervision of business execution and therefore is a suitable candidate for our aim to continually enhance the Company's corporate value.</p>				
2	Daisuke Honjo (October 7, 1963) [Reappointment] Attendance at Board of Directors meetings 12/12	<p>April 1987 Joined the Company</p> <p>July 1990 Director</p> <p>May 1997 Managing Director</p> <p>May 2000 Executive Managing Director</p> <p>July 2002 Executive Vice President and Representative Director</p> <p>May 2009 President</p> <p>May 2019 President and Executive Officer (current post)</p> <p>[Significant concurrent positions] Director of ITO EN Asia Pacific Holdings Pte. Ltd.</p>	<p>Common stock 1,179,360</p> <p>Class-A preferred stock 216,870</p>	Not applicable
<p>[Reason for the nomination as a candidate for Director] Mr. Daisuke Honjo has continued leading management by leveraging his extensive experience and knowledge. The Company re-nominates him as a candidate for Director because it has judged that he is a suitable candidate for executing business with a view to continually developing the Company and enhancing its corporate value to make it a "Global Tea Company" as a "Health Creation Company."</p>				

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Class and number of shares of the Company held	Special interests with the Company
3	Shusuke Honjo (September 27, 1967) [Reappointment] Attendance at Board of Directors meetings 12/12	<p>April 1994 Joined the Company</p> <p>July 2003 Director</p> <p>May 2005 Managing Director</p> <p>May 2008 Executive Managing Director</p> <p>May 2010 Executive Vice President</p> <p>August 2014 Executive Vice President and Representative Director</p> <p>May 2018 General Manager of Sales Control Headquarters (current post)</p> <p>May 2019 Executive Vice President, Representative Director and Executive Officer (current post)</p> <p>May 2021 CDO (current post)</p> <p>May 2022 In charge of Marketing Division (current post)</p> <p>May 2025 General Manager of Group System DX Headquarters (current post)</p> <p>[Significant concurrent positions] Representative Director of Tully's Coffee Japan Co., Ltd. Director of ITO EN Asia Pacific Holdings Pte. Ltd.</p>	<p>Common stock 449,490</p> <p>Class-A preferred stock 41,480</p>	Not applicable
<p>[Reason for the nomination as a candidate for Director] Mr. Shusuke Honjo has long led the sales division and is making efforts to strengthen relationships with business partners. In addition, he has extensive experience and knowledge of overall management. The Company re-nominates him as a candidate for Director because it has judged that he is a suitable candidate for executing business.</p>				
4	Yoshihisa Nakano (June 27, 1966) [Reappointment] Attendance at Board of Directors meetings 12/12	<p>March 1989 Joined the Company</p> <p>May 2010 General Manager of Personnel and General Affairs Division</p> <p>July 2010 Director</p> <p>May 2014 Managing Director</p> <p>May 2015 General Manager of National Distribution Sales Division</p> <p>May 2019 Director and Senior Managing Executive Officer (current post)</p> <p>General Manager of Production Division (current post)</p> <p>May 2022 In charge of Logistics Division (current post)</p> <p>May 2023 CSO (current post)</p> <p>[Significant concurrent positions] Director of ITO EN Tea Factory, Ltd. Director of ITO EN AUSTRALIA PTY. LIMITED</p>	<p>Common stock 15,600</p> <p>Class-A preferred stock 2,000</p>	Not applicable
<p>[Reason for the nomination as a candidate for Director] Mr. Yoshihisa Nakano has extensive experience and knowledge, having led the sales division and personnel and general affairs division. He currently leads the production division and logistics division. The Company re-nominates him as a candidate for Director based on such achievement.</p>				

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Class and number of shares of the Company held	Special interests with the Company
5	Shigeru Kamiya (September 15, 1959) [Reappointment] Attendance at Board of Directors meetings 12/12	<p>March 1982 Joined the Company</p> <p>May 2012 Executive Officer General Manager of National Retailer Sales Division</p> <p>July 2014 Director</p> <p>May 2016 Managing Director</p> <p>May 2019 In charge of National Distribution Sales Division</p> <p>Director and Senior Managing Executive Officer (current post)</p> <p>May 2021 General Manager of Tokyo and Chiba Area Sales Division</p> <p>May 2022 In charge of National Retailer Sales Division</p> <p>May 2023 In charge of General Planning Division</p> <p>May 2024 In charge of General Planning Division and Special Assignments</p> <p>May 2025 In charge of General Planning Division, Group Management Promotion Division, Supply Chain Strategy Department, and in charge of Special Assignments (current post)</p>	<p>Common stock 13,300</p> <p>Class-A preferred stock 640</p>	Not applicable
<p>[Reason for the nomination as a candidate for Director] Mr. Shigeru Kamiya has primarily led the sales division and actively promoted sales activities through all channels such as convenience stores, national retailers, and area sales, while making efforts to strengthen relationships with business partners. The Company re-nominates him as a candidate for Director based on such achievement.</p>				
6	Yosuke Jay Oceanbright Honjo [Reappointment] (November 29, 1966) Attendance at Board of Directors meetings 12/12	<p>March 1992 Joined the Company</p> <p>May 2001 President & CEO of ITO EN (North America) INC. (current post)</p> <p>July 2002 Director of the Company (current post)</p> <p>February 2015 CEO of Distant Lands Trading Co. (current post)</p> <p>November 2015 CEO/COO of ITO EN (Hawaii) LLC (current post)</p> <p>June 2023 Executive Officer of the Company In charge of U.S. businesses (current post)</p> <p>[Significant concurrent positions] President & CEO of ITO EN (North America) INC. CEO of Distant Lands Trading Co. CEO/COO of ITO EN (Hawaii) LLC CEO of Mason Distributors, Inc.</p>	<p>Common stock 480,350</p> <p>Class-A preferred stock 0</p>	Not applicable
<p>[Reason for the nomination as a candidate for Director] Mr. Yosuke Jay Oceanbright Honjo has led U.S. businesses as CEO and made efforts to enable the Company to promote global business management since the Company entered its U.S. operations. The Company re-nominates him as a candidate for Director based on such achievement.</p>				

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Class and number of shares of the Company held	Special interests with the Company
7	Atsushi Hirata (July 25, 1963) [Reappointment] Attendance at Board of Directors meetings 12/12	<p>May 1988 Joined the Company</p> <p>May 2010 Executive Officer</p> <p>May 2012 General Manager of Administration Division</p> <p>May 2014 Managing Executive Officer General Manager of Personnel and General Affairs Division</p> <p>May 2016 General Manager of Administration Division (current post)</p> <p>May 2019 Senior Managing Executive Officer In charge of Internal Control (current post)</p> <p>July 2020 Director and Senior Managing Executive Officer (current post)</p> <p>May 2022 In charge of compliance</p> <p>May 2023 CHRO (current post)</p> <p>May 2025 CFO (current post)</p> <p>[Significant concurrent positions] Director of ITO EN (North America) INC. Director of ITO EN Asia Pacific Holdings Pte. Ltd.</p>	<p>Common stock 4,165</p> <p>Class-A preferred stock 120</p>	Not applicable
<p>[Reason for the nomination as a candidate for Director] Mr. Atsushi Hirata has primarily led the administration division, and has extensive experience and knowledge in the finance and accounting, personnel and general affairs fields. The Company re-nominates him as a candidate for Director based on such achievement.</p>				
8	Hideo Takano (July 25, 1951) [Reappointment] [Outside] [Independent] Attendance at Board of Directors meetings 12/12	<p>April 1977 Joined The Tokyo Chamber of Commerce and Industry</p> <p>April 2006 General Manager of General Affairs Management Department, The Tokyo Chamber of Commerce and Industry</p> <p>April 2009 Councilor and General Manager of the Secretarial Office, The Tokyo Chamber of Commerce and Industry</p> <p>April 2012 Executive Councilor, The Tokyo Chamber of Commerce and Industry</p> <p>October 2015 President of Japan Retailers Association</p> <p>November 2015 Chairman of the Japanese Folk Arts and Techniques Preservation Association</p> <p>June 2016 Full-time Advisor of The Tokyo Chamber of Commerce and Industry</p> <p>May 2019 Councilor of Japan Retailers Association (current post)</p> <p>July 2020 Outside Director of the Company (current post)</p> <p>[Significant concurrent positions] Councilor of Japan Retailers Association</p>	<p>Common stock 1,000</p> <p>Class-A preferred stock 0</p>	Not applicable
<p>[Reason for the nomination as a candidate for Outside Director and outline of expected role] Mr. Hideo Takano was deeply involved in providing support for the management of various companies for many years, through his career at The Tokyo Chamber of Commerce and Industry. Leveraging his extensive experience and broad insight, he has provided opinions, advice, and proposals that contribute to the enhancement of the ITO EN Group's corporate value, from a standpoint independent of the Board of Directors and the management of the Company. Based on such achievement and extensive experience, the Company re-nominates him as a candidate for Outside Director in the expectation that he will continue to serve as an advisor and highly effective supervisor of the Company's Group management.</p>				

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Class and number of shares of the Company held	Special interests with the Company
9	Keiko Abe (March 8, 1947) [Reappointment] [Outside] [Independent] Attendance at Board of Directors meetings 12/12	<p>June 1994 Associate Professor of Faculty of Agriculture, The University of Tokyo</p> <p>April 1996 Professor of Graduate School of Agricultural and Life Sciences, The University of Tokyo</p> <p>April 2008 Research Advisor of Kanagawa Academy of Science and Technology (currently Kanagawa Institute of Industrial Science and Technology)</p> <p>April 2010 Project Professor of Graduate School of Agricultural and Life Sciences, The University of Tokyo</p> <p>June 2010 Professor Emeritus of The University of Tokyo (current post)</p> <p>June 2019 Outside Director of Taiyo Kagaku Co., Ltd. (current post)</p> <p>July 2022 Outside Director of the Company (current post)</p> <p>[Significant concurrent positions] Professor Emeritus of The University of Tokyo Outside Director of Taiyo Kagaku Co., Ltd.</p>	<p>Common stock 300</p> <p>Class-A preferred stock 0</p>	Not applicable
<p>[Reason for the nomination as a candidate for Outside Director and outline of expected role] Ms. Keiko Abe has extensive experience and expert knowledge as a professor of the Graduate School of Agricultural and Life Sciences, The University of Tokyo and has been actively involved in the field of research on food functionality for many years. She has made statements that contribute to the improvement of corporate value by providing useful opinions and advice on research areas related to medium- to long-term management based on her extensive experience and expertise in food functionality research. Based on her extensive experience and knowledge, the Company re-nominates her as a candidate for Outside Director in the expectation that she will continue to serve as an advisor and highly effective supervisor of the Company's Group management.</p>				

(Notes)

- Each candidate has no special interest in the Company.
- Mr. Hideo Takano and Ms. Keiko Abe are candidates for Outside Director.
- The reason why the Company judged that the candidate for Outside Director who has previously not participated in management of companies other than as Outside Director or outside corporate auditor can appropriately execute his/her duties as an Outside Director
Mr. Hideo Takano engaged in providing support for the management of various companies for many years, through his career at The Tokyo Chamber of Commerce and Industry, and has extensive experience and broad insight. Therefore, the Company has judged that he can appropriately perform his duties as an Outside Director.
Ms. Keiko Abe has engaged in the field of research on food functionality for many years as a university and graduate school professor and has extensive experience and expert knowledge. Therefore, the Company has judged that she can appropriately perform her duties as an Outside Director.
- Mr. Hideo Takano and Ms. Keiko Abe currently serve as Outside Directors of the Company. At the conclusion of this General Meeting of Shareholders, Mr. Hideo Takano will have served for five years and Ms. Keiko Abe for three years.
- In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into contracts with Mr. Hideo Takano and Ms. Keiko Abe to limit their liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability for damages under this contract shall be the minimum amount stipulated by laws and regulations. If the reelection of Mr. Hideo Takano and Ms. Keiko Abe is approved, the Company intends to continue said contracts.
- In accordance with Article 430-3, Paragraph 1 of the Companies Act, the Company has entered into a directors and officers liability insurance policy (D&O insurance policy), in which Directors, Audit & Supervisory Board Members, and Executive Officers of the Company and the ITO EN Group are insureds. The insurance policy covers losses that may result from the directors and officers being liable for their performance of duties. However, there are certain reasons for coverage exclusion, such as in case of actions taken with the knowledge that such actions are in violation of laws and regulations. If the said proposal is approved as proposed, the Company plans to include each of the candidates as an insured in the insurance contract.
The policy period is one year, and the Company plans to renew the policy after a resolution by the Board of Directors before the expiration of the policy.

7. Mr. Hideo Takano and Ms. Keiko Abe meet the requirements for independent officer in accordance with the provisions of the Tokyo Stock Exchange, and therefore the Company has appointed them as independent officers and registered them with the Tokyo Stock Exchange. If elected as proposed, the Company plans for their designation as an independent officer to continue.

Proposal 3: Election of 4 Directors who are Audit and Supervisory Committee Members

The terms of office of all 4 Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this General Meeting of Shareholders.

Therefore, the Company proposes the election of 4 Directors who are Audit and Supervisory Committee Members.

The Audit and Supervisory Committee has given its consent to this proposal.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows.

No.		Name	Current positions and responsibilities at the Company
1	<input type="checkbox"/> Reappointment	Kiyoshi Kondo	Director (Full-time Audit and Supervisory Committee Member)
2	<input type="checkbox"/> Reappointment <input type="checkbox"/> Outside <input type="checkbox"/> Independent	Yuichi Usui	Outside Director (Audit and Supervisory Committee Member)
3	<input type="checkbox"/> Reappointment <input type="checkbox"/> Outside <input type="checkbox"/> Independent	Hitoshi Yokokura	Outside Director (Audit and Supervisory Committee Member)
4	<input type="checkbox"/> Reappointment <input type="checkbox"/> Outside <input type="checkbox"/> Independent	Yoshihiko Okuda	Outside Director (Audit and Supervisory Committee Member)

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Class and number of shares of the Company held	Special interests with the Company
1	Kiyoshi Kondo (February 10, 1962) [Reappointment] Attendance at Board of Directors meetings 12/12	<p>August 1989 Joined the Company</p> <p>May 1999 General Manager of South Tokyo Sales Department</p> <p>May 2002 General Manager of Sales Promotion Department III</p> <p>May 2009 General Manager of Vending Machine Division</p> <p>May 2012 Manager of Internal Auditing Office</p> <p>May 2014 General Manager of Regional Sales Management Division</p> <p>May 2019 General Manager of Sales and Management Division</p> <p>May 2020 Executive Officer</p> <p>May 2022 Advisor</p> <p>July 2023 Director (Full-time Audit and Supervisory Committee Member) (current post)</p>	<p>Common stock 2,900</p> <p>Class-A preferred stock 960</p>	Not applicable
<p>[Reason for the nomination as a candidate for Director]</p> <p>Mr. Kiyoshi Kondo has directed marketing and sales promotion at the Company and overseen company-wide sales as the General Manager of Sales and Management Division. He also has experience directing Internal Auditing Office and thorough knowledge of group management. The Company re-nominates him as a candidate for Director who is an Audit and Supervisory Committee Member based on such achievement and extensive experience.</p>				
2	Yuichi Usui (September 23, 1951) [Reappointment] [Outside] [Independent] Attendance at Board of Directors meetings 12/12	<p>October 1976 Joined Metropolitan Police Department</p> <p>February 1994 Deputy Chief of the 7th Anti-riot Squad, Metropolitan Police Department</p> <p>October 2005 General Manager of the 2nd Personnel Section, Metropolitan Police Department</p> <p>February 2010 General Manager of Regional Department, Metropolitan Police Department</p> <p>April 2011 Joined YAMATO TRANSPORT CO., LTD. as General Manager of Human Resources and Administration</p> <p>April 2012 Executive Officer and General Manager of CSR Promotion, YAMATO TRANSPORT CO., LTD.</p> <p>April 2014 Managing Executive Officer of YAMATO TRANSPORT CO., LTD.</p> <p>April 2015 Director and Managing Executive Officer of YAMATO TRANSPORT CO., LTD.</p> <p>April 2018 Member of the Board, YAMATO TRANSPORT CO., LTD.</p> <p>June 2018 Representative of Usui Firm (current post)</p> <p>July 2018 Outside Director of the Company</p> <p>June 2023 Outside Corporate Auditor of OHSHO FOOD SERVICE CORP. (current post)</p> <p>July 2023 Outside Director (Audit and Supervisory Committee Member) of the Company (current post)</p> <p>[Significant concurrent positions] Representative of Usui Firm Outside Corporate Auditor of OHSHO FOOD SERVICE CORP.</p>	<p>Common stock 1,200</p> <p>Class-A preferred stock 0</p>	Not applicable
<p>[Reason for the nomination as a candidate for Outside Director and outline of expected role]</p> <p>Mr. Yuichi Usui has extensive experience and broad insight based on his years of service as a policeman. In addition, he has directly engaged in corporate management in a logistics company. He views an overall picture of the management of the ITO EN Group and has offered opinions that contribute to the enhancement of the ITO EN Group's corporate value, from a standpoint independent of the Board of Directors and the management of the Company based on his various experience and insight. Based on such achievement and extensive experience, he is nominated as a candidate for Outside Director who is an Audit and Supervisory Committee Member so that he may continue to provide advice regarding risks and conduct highly effective audits and supervision of the Company's management, drawing on his experience as a corporate manager.</p>				

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Class and number of shares of the Company held	Special interests with the Company
3	Hitoshi Yokokura (May 30, 1969) [Reappointment] [Outside] [Independent] Attendance at Board of Directors meetings 12/12	<p>April 1992 Joined Asahi Shinwa & Co. (currently KPMG AZSA LLC)</p> <p>March 1995 Registered as Certified Public Accountant</p> <p>December Resigned from Asahi & Co. (currently KPMG AZSA LLC)</p> <p>2001</p> <p>January 2002 Established Yokokura CPA Office</p> <p>December Registered as Attorney (Tokyo Bar Association)</p> <p>2007</p> <p> Joined Bingham Sakai Mimura Aizawa (currently Anderson Mori & Tomotsune)</p> <p>April 2014 Partner attorney of Waseda Legal Commons, LPC (current post)</p> <p>July 2017 Auditor of Minori Audit Corporation</p> <p>June 2020 Outside Director of Credit Saison Co., Ltd. (current post)</p> <p>July 2021 Outside Audit & Supervisory Board Member of the Company</p> <p>May 2023 Outside Corporate Auditor, Yoshinoya Holdings Co., Ltd. (current post)</p> <p>July 2023 Outside Director (Audit and Supervisory Committee Member) of the Company (current post)</p> <p>[Significant concurrent positions] Partner attorney of Waseda Legal Commons, LPC Outside Director of Credit Saison Co., Ltd. Outside Corporate Auditor, Yoshinoya Holdings Co., Ltd.</p>	<p>Common stock 900</p> <p>Class-A preferred stock 0</p>	<p>Not applicable</p>
<p>[Reason for the nomination as a candidate for Outside Director and outline of expected role] Mr. Hitoshi Yokokura possesses expert insight, extensive knowledge and experience as a certified public accountant and an attorney. As an Outside Director who is an Audit and Supervisory Committee Member, he audits and supervises the performance of duties by Directors and provides advice and recommendations as appropriate. Based on these accomplishments and his wealth of experience, he has been nominated as a candidate for Outside Director who is an Audit and Supervisory Committee Member so that he may continue to provide suggestions from an accounting and legal perspective and conduct highly effective audits and supervision of the Company's management.</p>				

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Class and number of shares of the Company held	Special interests with the Company
4	Yoshihiko Okuda (August 20, 1957) [Reappointment] [Outside] [Independent] Attendance at Board of Directors meetings 10/10 * After his appointment as Director	<p>April 1976 Entered the Fukuoka Regional Taxation Bureau</p> <p>July 2004 Associate Appeals Judge of Fukuoka National Tax Tribunal</p> <p>July 2006 Deputy District Director of Kokura Tax Office</p> <p>July 2009 Professor, Technical Education Department, National Tax College</p> <p>July 2013 District Director of Kanoya Tax Office</p> <p>April 2015 Director (Appeals Judge), Yokohama Branch of Tokyo Regional Tax Tribunal</p> <p>April 2017 Director-General of Takamatsu National Tax Tribunal</p> <p>March 2018 Attached to the Commissioner's Secretariat of National Tax Agency</p> <p>June 2018 Registered as a tax accountant</p> <p>March 2020 Outside Audit & Supervisory Board Member of Milbon Co., Ltd. (current post)</p> <p>March 2020 Director of SKM Business Co., Ltd. (current post)</p> <p>July 2024 Outside Director (Audit and Supervisory Committee Member) of the Company (current post)</p> <p>[Significant concurrent positions] Outside Audit & Supervisory Board Member of Milbon Co., Ltd. Director of SKM Business Co., Ltd.</p>	<p>Common stock 100</p> <p>Class-A preferred stock 0</p>	Not applicable
<p>[Reason for the nomination as a candidate for Outside Director and outline of expected role] Mr. Yoshihiko Okuda possesses expert insight and extensive knowledge and experience as a licensed tax accountant. The Company nominates him as a candidate for Outside Director who is an Audit and Supervisory Committee Member so that he may provide advice and conduct highly effective audits and supervision of our management based on his extensive experience and expertise.</p>				

(Notes)

- Each candidate has no special interest in the Company.
- Messrs. Yuichi Usui, Hitoshi Yokokura, and Yoshihiko Okuda are candidates for Outside Director.
- The reason why the Company judged that the candidate for Outside Director who has previously not participated in management of companies other than as Outside Director or outside corporate auditor can appropriately execute his/her duties as an Outside Director
Mr. Hitoshi Yokokura possesses expert insight and a wide range of knowledge and experience as a certified public accountant and lawyer. Therefore, the Company has judged that he can appropriately perform his duties as an Outside Director.
Mr. Yoshihiko Okuda possesses expert insight and a wide range of knowledge and experience as a tax accountant. Therefore, the Company has judged that he can appropriately perform his duties as an Outside Director.
- Messrs. Yuichi Usui, Hitoshi Yokokura, and Yoshihiko Okuda currently serve as Outside Directors of the Company. At the conclusion of this General Meeting of Shareholders, Mr. Yuichi Usui will have served for seven years, Mr. Hitoshi Yokokura for two years and Mr. Yoshihiko Okuda for one year.
- In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into contracts with Messrs. Kiyoshi Kondo, Yuichi Usui, Hitoshi Yokokura, and Yoshihiko Okuda to limit their liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability for damages under this contract shall be the minimum amount stipulated by laws and regulations. If the reelection of the candidates is approved, the Company intends to continue said contracts.
- In accordance with Article 430-3, Paragraph 1 of the Companies Act, the Company has entered into a directors and officers liability insurance policy (D&O insurance policy), in which Directors, Audit & Supervisory Board Members, and Executive Officers of the Company and the ITO EN Group are insureds. The insurance policy covers losses that may result from the directors and officers being liable for their performance of duties. However, there are certain reasons for coverage exclusion, such as in case of actions taken with the knowledge that such actions are in violation of laws and regulations. If the said proposal is approved as proposed, the Company plans to include each of the candidates as an insured in the insurance contract. The policy period is one year, and the Company plans to renew the policy after a resolution by the Board of Directors before the expiration of the policy.

7. Messrs. Yuichi Usui, Hitoshi Yokokura, and Yoshihiko Okuda meet the requirements for independent officer in accordance with the provisions of the Tokyo Stock Exchange, and therefore the Company has appointed them as independent officers and registered them with the Tokyo Stock Exchange. If reelected as proposed, the Company plans for their designation as an independent officer to continue.

(Reference)

Skills Matrix (if each candidate is elected at this General Meeting of Shareholders)

		Name	Position	Corporate management	Brand strategy Marketing Sales	R&D and agriculture Procurement and manufacturing	Overseas strategy	Finance and accounting	Personnel and labor affairs Human resource development	ESG	Legal affairs Compliance Risk management
Directors	1	Hachiro Honjo	Director and Honorary Chairman of the Board	○			○				
	2	Daisuke Honjo	President and Executive Officer	○	○		○			○	
	3	Shusuke Honjo	Executive Vice President, Representative Director and Executive Officer	○	○		○			○	
	4	Yoshihisa Nakano	Director and Senior Managing Executive Officer	○		○				○	
	5	Shigeru Kamiya	Director and Senior Managing Executive Officer	○	○						
	6	Yosuke Jay Oceanbright Honjo	Director and Executive Officer	○	○		○				
	7	Atsushi Hirata	Director and Senior Managing Executive Officer	○				○	○		○
	8	Hideo Takano	Outside Director	○						○	
	9	Keiko Abe	Outside Director			○				○	
Directors who are Audit and Supervisory Committee Members	1	Kiyoshi Kondo	Director		○						○
	2	Yuichi Usui	Outside Director	○					○	○	
	3	Hitoshi Yokokura	Outside Director					○			○
	4	Yoshihiko Okuda	Outside Director					○		○	

*The above table does not show all the skills possessed by each person.

A maximum of four particularly specialized skills possessed by each person are marked with a circle (○).

(Reference)

<Standards for Determining the Independence of Outside Directors>

Based on the standards for the independence of outside officers specified by Tokyo Stock Exchange Inc., the Company's standards for the independence of independent Outside Directors are as described below.

- Persons who do not fall under below and are deemed unlikely to have conflicts of interest with general shareholders
 - (1) The ITO EN Group's executive persons who have fallen under recently and in the past 10 years
 - (2) Those who have been listed in any of the following (i) to (viii) in the recent and past 5 years
 - (i) A major customer of the ITO EN Group or their executive persons
 - (ii) A major business partner of the ITO EN Group or their executive persons
 - (iii) Consultants, certified public accountants or legal specialists who obtain a large amount of money or other property, other than officers' remuneration, from the ITO EN Group (in cases in which persons obtaining the properties are corporate bodies, associations or other organizations, persons who belong to said organizations)
 - (iv) Employees, partners, or associates of the ITO EN Group's financial auditor, the audit corporation
 - (v) Major shareholders of the ITO EN Group (if such major shareholder is a corporation, its executive person)
 - (vi) Executive persons of corporations in which the ITO EN Group is a major shareholder
 - (vii) Executive persons of the corporation with which the relationship of mutual appointment of officers is made
 - (viii) Persons who have received donations or grants of a certain amount from the ITO EN Group (if the donor or grantee is a corporation, partnership, or other organization, its executive persons)
 - (3) Close relatives (only important person) listed in (1) or (2) above

(Notes)

1. The term "the ITO EN Group" means the Company and its subsidiaries.
2. "Executive persons" means executive directors, executive officers, other officers who execute the business of a juridical person, employees who execute the business of a juridical person, and other persons or employees who are equivalent thereto.
3. A "major customer of the ITO EN Group" is defined as a customer that has received payment from the ITO EN Group in an amount equal to 2% or more of the customer's consolidated sales (consolidated sales revenue) in the most recent fiscal year.
4. A "major business partner of the ITO EN Group" is a person who falls under any of the following categories.
 - Persons who have made payments to the ITO EN Group in an amount equal to or greater than 2% of the ITO EN Group's consolidated net sales in the most recent fiscal year
 - Financial institutions and other major creditors that are essential to the ITO EN Group's financing and on which the ITO EN Group relies to the extent that there is no alternative
5. A "large amount of money or other property" means, in the case of an individual, money or other property income of 10 million yen or more per year in the most recent fiscal year, or in the case of an organization, money or other property income of 2% or more of the total income of the organization in the most recent fiscal year.
6. A "major shareholder" is a shareholder that directly or indirectly holds 10% or more of the total voting rights.
7. "Relationship of mutual appointment of officers" means a relationship in which an executive person of the ITO EN Group is an outside officer of another corporation and the executive person of that other corporation is an Outside Director of the ITO EN Group.
8. A "certain amount" is defined as 10 million yen or more per year.
9. "Close relatives" means a spouse, a relative within the second degree of kinship, or a relative living in the same household.
10. "Important person" means, with respect to an executive person, a director or a department manager, and with respect to (iii) and (iv) above, a certified public accountant, an attorney, or a person who is objectively and reasonably considered to be of equal importance to these persons.

Business Report

(From May 1, 2024 to April 30, 2025)

1. Items regarding current status of corporate group

(1) Business activities and results

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 that 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, consolidated performance for the fiscal year ended April 30, 2025 was as follows. The Group recorded net sales of 472,716 million yen (up 4.1% year on year), operating income of 22,969 million yen (down 8.2% year on year), ordinary income of 22,973 million yen (down 13.9% year on year), and profit attributable to owners of parent of 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 the 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 45,000 million bottles since its launch in 1989 (converted to 500 mL 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 and is designed to align with overseas preferences. To that end, we have minimized the bitterness and astringency 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 ITO EN 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. In its food menu, Tully’s launched its “*Grilled Chicken Setouchi Lemon Pasta with Green Chili Flavor*” featuring lemons from the Setouchi region as part of its “FUN FAN JAPAN!” project menu showcasing the appeal of Japanese ingredients. 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 in 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 Toranomom Hills flagship “& Tea” store, with a total of 818 shops as of April 30, 2025.

As a result, 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) Net sales by segment

Business segment	(Millions of yen)				
	59th term (from May 1, 2023 to April 30, 2024)		60th term (from May 1, 2024 to April 30, 2025)		YoY change % (decrease)
	Net sales	Sales Composition	Net sales	Sales Composition	
Tea Leaves and Beverages Business	405,536	% 89.3	420,328	% 88.9	% 3.6
Restaurant Business	40,350	8.9	43,769	9.3	8.5
Others	8,013	1.8	8,619	1.8	7.6
Total	453,899	100.0	472,716	100.0	4.1

(Note) Intersegment transactions have been eliminated in the above figures for net sales.

(3) Capital investments

Total capital investments in the fiscal year ended April 30, 2025 amounted to 12,400 million yen. The main components thereof were as follows.

Company name	Details of main facilities and equipment
The Company	Vending machines, etc.
Tully's Coffee Japan Co., Ltd.	New store facilities, etc.

(4) Financing

In April 2025, the Company sourced long-term borrowings of 12,000 million yen from financial institutions as funds to repay loans. In order to stably and flexibly secure working capital, the Company has entered into a syndicated commitment line agreement with seven banks with which it has a transactional relationship, for a total amount of 10,000 million yen. In addition, the Company has also entered into an overdraft agreement with four banks with which it has a transactional relationship, for a total amount of 6,500 million yen.

(5) Issues to be addressed

The ITO EN Group will continue to strive to meet the expectations of consumers regarding its social responsibility as a company, through compliance with laws, regulations, and social norms, and by establishing structures that ensure product safety and quality control, with an unwavering commitment to the management principle of “Always Putting the Customer First” in the pursuit of further enhancing corporate and shareholder value. To this end, the Group will pursue the following initiatives.

(i) Brand strategy

1. Product development

Under the five product development concepts of “natural, healthy, safe, well-designed, and delicious,” the Company is actively developing new products and improving existing products through the utilization of the Voice System (proposal system that incorporates customers’ complaints and requests into product development), which is the Company’s proprietary proposal system, through all its employees, and considers the “STILL NOW” (“still now considering” what customers are dissatisfied with). The Company will continue to use the Voice System actively to develop and improve products in a way tailored to customers’ needs.

2. R&D

In its research and development, the ITO EN Group is proceeding with both basic and applied research, with a particular emphasis on “Healthy,” “Safe,” “Delicious,” and “The Environment,” which

contributes to a sustainable society. The products the Company provides undergo various testing for confirmation of their human health benefits, and the latest information is always made publicly available. The ITO EN Group will also emphasize the development of foods for specified health uses (FOSHU), which are permitted to display their health benefits on the label, and products labeled with functional food claims. The ITO EN Group also conducts research on ingredients and physical properties that affect the deliciousness of beverages, and works on new technologies toward the development of superior products. With regard to the environment, we are promoting a “Used Tea Leaves Recycling System” that transforms tea leaves generated in the manufacturing process of beverages such as “*Oi Ocha*” into new upcycled products, in addition to reusing them as fertilizer and feed.

3. Brand strengthening strategy

With the ITO EN brand at its core, the Company is actively promoting several other individual beverage brands such as “*Oi Ocha*” green tea beverage, “*Kenko Mineral Mugicha*” (healthy mineral barley tea), “*TULLY’S COFFEE*,” and “*Ichinichibun no Yasai*” (a day’s worth of vegetables).

With regard to the Company’s flagship product, “*Oi Ocha*,” the Company pursues the utmost excellence in the ingredients and production method that have continued since its launch in 1985, and brings out the authentic taste of green tea that “tastes so natural,” which it provides to customers. Moreover, the Company has been working to enhance container capacities and variations so that customers can enjoy green tea beverages in various drinking situations. Using its technical capabilities as the first company to launch a green tea beverage, the Company will further strengthen its brand by incorporating the characteristics of tea leaves, such as with seasonal products and “*Koicha* (unsweetened bold green tea), *Hojicha* (roasted tea), *Genmaicha* (green tea with roasted rice), and *Matcha*” and launching products that promote the value of beverages.

(ii) Enhancing the marketing base

1. Route sales system

The route sales system is a sales system that enables the provision of products and services directly to customers. By adopting this system, the Company has expanded sales activities with close regional ties as it has been placed in direct contact with customers.

Furthermore, the Company is working to provide efficient and appropriate services to customers by utilizing portable terminals with excellent functionality and portability for use by its route sales representatives.

2. Strengthening customer service

The Company has been fully utilizing its route sales system to bring unparalleled levels of service to its customers, but to build a strong marketing base, the ITO EN Group has been focusing on acquiring new customers while enhancing its existing face-to-face visits. Furthermore, the Company listens to customers’ complaints, and carries out comprehensive proposals, such as the development of products that can satisfy customers and the creation of an attractive sales floor, through its route sales system.

(iii) Across-the-board cost cutting

1. Fables system

Our Beverage Division’s production strategy is based on what is termed a fables (fabrication-less) method which means that the Company does not have its own production. Not only can the Company keep capital investment to a minimum, but it can also respond quickly to changes in the market as they arise.

Furthermore, the Company has adopted a “block-based production system,” which means the Company has divided its domestic business territory into five blocks to keep production facilities as close to markets as possible in order to make logistics operations more efficient.

2. Strengthening purchasing power of raw materials

As a top manufacturer of green tea, the Company handles approximately one quarter of the crude tea leaves harvested in Japan and uses its extremely strong purchasing power to secure a stable supply of high-quality ingredients as a result of relationships built on trust with producers over many years. Over those years, the Company has also accumulated a high level of production expertise, making it the beverage company that can self-produce high-quality ingredients for beverages.

In Japan, the aging of agricultural workers and the lack of young people willing to inherit and carry on work in the agricultural field, are resulting in a reduction in tea-producing land and growers. The Company has been engaged in the Tea-Producing Region Development Project since 1976 with the aim of both solving Japan’s agricultural issues and stably procuring raw materials, primarily for green tea beverages, for which demand is expected to increase going forward. The Company supports tea-producing regions through “cultivation under contract,” where it purchases the entire volume of tea

leaves from tea farmers in each region, and the “new tea plantations business,” which converts dilapidated farmland, etc. into large-scale tea fields and produces tea leaves. In the “new tea plantations business,” the Company assists farmers in five prefectures in the Kyushu region in addition to Shizuoka Prefecture and Saitama Prefecture with the selection of saplings and development of tea plantations, and provides them with cultivation and crude tea processing expertise to enable them to use machines and IT to manage those plantations at low cost. Through this business of cultivating green tea growing areas, we are aiming to stably procure even higher quality plucked tea leaves through the promotion of tea plantation management with a balance between productivity and environmental protection, and working to revitalize the tea industry and local communities by utilizing dilapidated farmland, creating employment and encouraging young people to inherit and take on the work of agriculture.

The environment for raw materials is becoming more challenging by the year. For example, the frequent occurrence of abnormal weather patterns and natural disasters arising from climate change, and changes in production regions and reductions in area under cultivation are issues that have become apparent. Furthermore, the procurement environment is characterized by a diverse range of risks including persistently high energy, fertilizer, and logistics costs, soaring personnel expenses, volatility in markets and exchange rates, geopolitical risks, and changes in the social situation.

Even under these circumstances, for coffee beans we are using partnerships within the ITO EN Group (Tully’s Coffee Japan Co., Ltd., Distant Lands Trading Co., and ITO EN, LTD.) to collaborate with suppliers and production regions around the world to promote stable raw material procurement.

With regard to carrots, which are a primary ingredient of “*Ichinichibun no Yasai*” (a day’s worth of vegetables) and other products, we use our own exclusive carrots carefully selected from among fifty different types, which are outstanding in terms of nutritional value, taste, and production efficiency. We also take a methodical approach to the review of heirloom varieties, and assess them on an ongoing basis.

Furthermore, in terms of procurement of raw material, we promote diversifying our suppliers after giving comprehensive consideration to area of supply, production timing, geopolitical risks, transport routes and other factors. For the main raw materials, we have built stable supply systems by adhering strictly to a policy of multiple suppliers.

(iv) Strengthening overseas operations

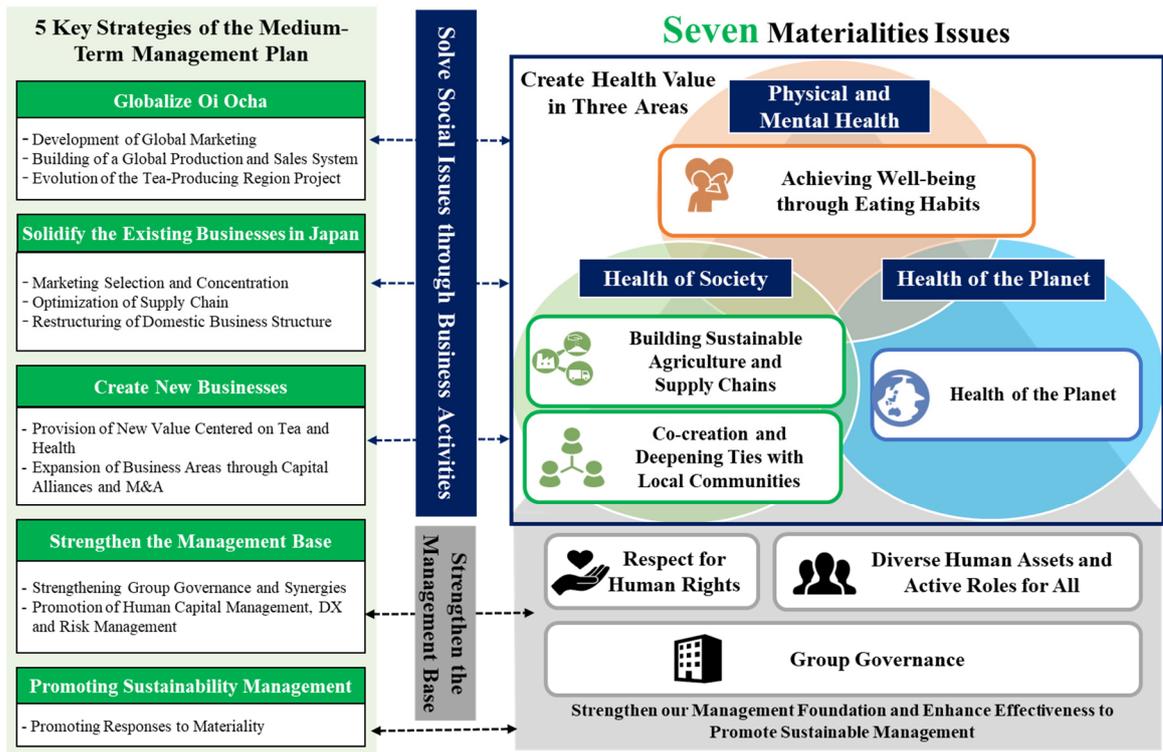
In order for the Company’s consolidated subsidiary ITO EN (North America) INC. to establish and develop a market for green tea in the U.S., the Company is working to establish the “ITO EN” and “*Oi Ocha*” brands, while at the same time spreading Japanese tea throughout the U.S. by conducting sales activities at natural food markets, national chain stores, etc. throughout the U.S. With regard to “*ITO EN MATCHA GREEN TEA*” high-quality tea teabag products and matcha products, which were previously not available in the U.S. market, and the full product lineup of “*Oi Ocha*” spanning from tea teabags to instant, matcha and beverage products like those available in Japan, they have made a significant contribution to the growth of the Japanese tea market in the U.S. The Company will continue to strengthen this business going forward. The Group will also continue to strengthen sales in China, Southeast Asia, Australia, and Europe, where a subsidiary was established in April 2024. In addition, we regard matcha, demand for which has been growing rapidly at a global level over the past few years, as a new business, and in addition to working to strengthen our domestic procurement, production, and processing structures, we are putting in place a worldwide supply network.

(v) Promotion of sustainability management

By promoting and implementing sustainability management in accordance with the management principle of “Always Putting the Customer First,” the ITO EN Group aims to both solve social and environmental issues and enhance corporate value (creation of shared value: CSV).

In FY 2022, we identified seven material issues by conducting assessments based both on “Importance for the ITO EN Group” and “Importance for stakeholders.” However, after taking into account the spreading impact of climate change, disruption to global supply chains, the emergence of human rights problems, heightened interest in well-being, and other rapid changes, we re-identified seven material issues in March 2025, based on the Medium-Term Management Plan (from the fiscal year ended April 30, 2025 to the fiscal year ending April 30, 2029), which sets forth a growth strategy incorporating changes in the business environment and emphasizing a shift in focus to global markets.

The entire ITO EN Group will work on the Medium-Term Management Plan and these material issues in order to promote sustainability management.



1. Seven material issues (identified in March 2025)

	Material issue	Key themes
Solve Social Issues through Business Activities	Achieving Well-being through Eating Habits Through material research, the taste and healthiness of our products, and hospitality, we aim to create and disseminate new eating habits that contribute to the well-being of people and society.	1) Providing drinking opportunities that are tailored to increasingly diverse lifestyles, and contributing to physical and mental abundance
	Building Sustainable Agriculture and Supply Chains Through technological innovation based on creating products from farms and collaboration with suppliers, we will build a sustainable global supply chain and expand the areas in which we provide value.	1) Evolution of the Tea-Producing Region Development Project in collaboration with tea producers 2) Sustainable procurement of raw materials (tea leaves, other) 3) Deepening of supplier engagement and pursuit of safe and secure quality 4) Building of sustainable logistics systems
	Health of the Planet We will work to solve environmental issues such as decarbonization and resource circulation through our business activities, and create shared value with diverse stakeholders.	1) Response to climate change 2) Sustainable containers and packaging 3) Water resources 4) Conservation of natural capital and biodiversity 5) Resource circulation/reduction of waste
	Co-creation and Deepening Ties with Local Communities We help solve the issues of local communities, opening the way to the provision of new value and the creation of business opportunities.	1) Creation of business opportunities aimed at solving the social issues of countries and regions 2) Collaboration with communities and partners through our business activities

	Material issue	Key themes
Strengthen the Management Base	Respect for Human Rights Through global supply chains, we will seek to minimize risks to human rights, and strive to win the trust of stakeholders.	1) Respect for human rights in the value chain
	Diverse Human Assets and Active Roles for All We will build an organization of diverse human assets capable of self-driven personal development that continuously embraces challenges in the pursuit of its vision, developing and enhancing employees so that they can play an active role in the key areas of the business strategy.	1) Development and empowerment of diverse human resources 2) Promotion of health management * During FY 2025 we plan to investigate human resources strategy that will link to management strategy, and revise and formulate key themes and KPIs, which will be disclosed in FY 2026
	Group Governance Against the backdrop of the impact on management of such changes in the external environment as demographics, laws and regulations, conflicts, the importance of sustainability, and information security, we have established a governance system and are working to minimize risks and maximize opportunities for the Group as a whole.	1) Building of a group governance system 2) Strengthening of group risk management 3) Information security/protection of customer privacy 4) Enhanced engagement with stakeholders

2. Process of revising/identifying material issues (identified in March 2025)

<Identification of social issues>

From the perspective of changes in the external environment, the demands and expectations of society, key customer issues and other factors, we identified social issues with reference to standards of international disclosure, ESG evaluation items, SDGs, and other standards.

* Disclosure standards, etc. referred to: GRI Standards, SASB Standards, ESG evaluations (FTSE, MSCI), CDP, SDGs, ISO26000

<Importance evaluation>

The ITO EN Group adopted a double materiality approach which evaluates identified social issues from the perspective of both their importance for stakeholders and their importance for the Group. Material issue candidates were assessed by sending questionnaires to persons both outside (experts, institutional investors, Outside Directors) and inside the Company (Directors, Executive Officers, and General Managers of the Company and of group companies).

<Stakeholder dialogues>

For material issue candidates that passed through the questionnaire survey, etc., management and external experts entered into dialogues with stakeholders to ask their opinion on such matters as key areas of revisions, management issues, and their expectations of the ITO EN Group.

<Identification of material issues>

After going through this process, conducting deliberations on the Board of Directors, and addressing it as a management issue, we identified material issues and key themes to promote in coordination with the key strategies of the Medium-Term Management Plan.

3. Initiatives and topics for main material issues

<Achieving Well-being through Eating Habits>

The ITO EN Group has developed a variety of products that address the changing lifestyles of our customers, and contribute to healthy lifestyle choices. We have continuously engaged in collaborative industry-government-academia research related to the health benefits of green tea and matcha, disseminating the results of that research, and launching evidence-based products, such as foods for specified health uses and foods with function claims.

In FY 2024, we announced the results of clinical trials for mild cognitive impairment (MCI) and subjective cognitive decline (SCD) in elderly individuals as part of collaborative industry-government-academia research on the impact of matcha on cognitive function. The research confirmed that continuous intake of matcha improves social cognitive function (emotion recognition from facial expressions). The research also confirmed that, despite the caffeine content in matcha, there was a tendency toward improved sleep quality. The results of this research were published in the academic journal PLOS ONE on August 30, 2024. As green tea and matcha can be easily added to

daily lifestyles, we are hopeful that as research builds in this area, the knowledge gained from such studies can be used to positive effect in various social initiatives, including dementia prevention programs managed by local governments and other organizations. Another new initiative was the commencement of industry-academia joint research with the Center for iPS Cell Research and Application at Kyoto University. We have launched an industry-academia joint research project aimed at pioneering next-generation food science and industry by developing methods to verify the efficacy and safety of green tea and its components without animal testing (*), using technology from the Center for iPS Cell Research and Application at Kyoto University. We aim to verify whether human iPS cells and organoids can serve as alternatives to animal testing, ultimately working toward the establishment of new research methods that fully replace animal experimentation. In FY 2024, we revised the previous material issue of “Contributions to Dietary Habits and Health” to a material issue that emphasizes initiatives aimed at achieving well-being in a broader sense (mental and physical health/health of society) rather than focusing on physical health alone. Through material research (green tea, matcha, coffee, etc.), the taste and healthiness of our products, and hospitality, we aim to create and disseminate new eating habits that contribute to the well-being of people both in Japan and overseas and society.

(*) The ITO EN Group has a policy of not using animal testing in the development of its products, and is working to adopt more sustainable research methods.

ITO EN Group Animal Testing Policy

<https://www.itoen.co.jp/company/policy/animal/> (in Japanese)

<Building Sustainable Agriculture and Supply Chains>

The Medium-Term Management Plan positions the globalization of the “*Oi Ocha*” brand as a growth strategy. Achieving this will require the construction of a sustainable global supply chain through technological innovation based on creating products from farms and collaboration with suppliers. To this end, we will integrate our two existing material issues of “Contribution to Sustainable Agriculture” and “Contribution to a Sustainable Supply Chain.”

For the Tea-Producing Region Development Project, in which we have been engaged since 1976, we are stably procuring high-quality plucked tea leaves, in addition to engaging in the realization of sustainable farming by converting dilapidated farmland, etc. into tea plantations, and promoting environmentally friendly agriculture.

Overseas export opportunities for ingredients for green tea and matcha are expected to increase due to the recent growth in global awareness of reduced-sugar and sugar-free products and health consciousness. On the other hand, however, there are also demands to comply with each country’s quality standards for pesticide residues, etc. and respond to issues related to climate change and biodiversity. The ITO EN Group recognizes that addressing climate change, natural capital, and biodiversity are material issues. We therefore analyze the impact on the tea business according to recommendation frameworks from the Task Force on Climate-related Financial Disclosures (TCFD) and Taskforce on Nature-related Financial Disclosures (TNFD) and promote initiatives to address risks and create opportunities. For example, controlling proper fertilizer levels through agricultural DX promotion (e.g., introducing agricultural management support tools and our proprietary Pesticide Suitability Assessment System) and working on reduced pesticide use and organic cultivation leads not only to addressing environmental issues like improved biodiversity and soil conditions but also to increased production of domestic tea ingredients that we can export overseas. In addition, our initiatives for the Tea-Producing Region Development Project include maintaining 100% GAP certification (*) as well as conducting tests on sequestering carbon in the soil through the application of biochar among other measures aimed at reducing GHG emissions during tea cultivation.

Furthermore, the strong partnerships we have, not only with tea producers but also with other suppliers such as beverage manufacturing contractors and logistics contractors, are both important assets and the business foundation for the ITO EN Group. We are strengthening our supplier engagement in order that we may balance the sustainable making of profit for both the Company and suppliers on the one hand with the resolution of social and environmental issues on the other, as well as securing thorough quality control and traceability. Concretely speaking, we are working to improve engagement throughout the year through measures such as conducting supplier evaluations, holding quality meetings with manufacturing contractors, raw materials suppliers, and other parties, and conducting environmental quality meetings focused on environmental issues.

Going forward, we will construct a sustainable global supply chain that includes manufacturing contractors and distribution networks overseas and involves Japanese and international suppliers.

(*) The GAP certification system, which is given to agriculture that is committed to food safety and environmental preservation, includes GLOBALG.A.P., which is a global standard, as well as

JGAP and ASIAGAP developed by the Japan GAP Foundation. Maintaining 100% GAP certification refers to farms that have obtained one of these three certifications.

<Health of the Planet>

The Group believes that protecting the global environment common to all humankind and passing it down to the next generation is one of its most important issues as a company that conducts business activities centered on products derived from nature. Under the ITO EN Group's Environmental Policy, we have established medium- to long-term environmental goals and are addressing such environmental issues as climate change, water resources, and resource recycling throughout the value chain for the Group's business activities.

In light of changes to the external environment, in FY 2024, we revised the medium- to long-term environmental goals related to water resources and reducing greenhouse gas (GHG) emissions.

ITO EN Group's Medium- to Long-Term Environmental Goals

Key themes	Indicators	FY 2023 results	FY 2024	FY 2030 targets
Climate change	GHG emissions Scope 1 and 2 (*1)	17.9% reduction	Currently being tallied	50% reduction (*2)
	GHG emissions Scope 3 (*1)	23.3% reduction	Currently being tallied	New target: 30% reduction (*2)
	FY 2050 Scope 1 to 3 carbon neutrality to new target of net zero			
	Company-wide renewable energy introduction rate	20% (*3)	Currently being tallied	75% (*4)
	Percentage of electric vehicles among all vehicles	9.7% (*3)	Currently being tallied	25% (*4)
Water resources	Water usage basic unit (consumption per 1 kiloliter of production)	5.5% increase vs. FY 2018	Currently being tallied	New target: 3.0 m ³ /kL or less (*5)
	Water source recharge rate relative to water withdrawal	—	—	New target: 100% or more (*6)
Containers and packaging	Recycled material usage rate for all PET bottle products	36%	46%	100%

Scope 1: Direct emissions resulting from the use of fuel in the Company's own sales vehicles and factories, etc.

Scope 2: Emissions accompanying the use of power, etc., purchased by the Company

Scope 3: Indirect emissions from the supply chain

(*1) The reporting boundary used for the reported FY 2023 Scope 1 and 2 emissions is the Company and its consolidated subsidiaries. However, certain consolidated subsidiaries (Cafetalera de Tierras Ticas, S.A. and EMPRESAS DE ANTIOQUIA LTDA) are not included in the reporting boundary.

The reporting boundary used for the reported FY 2023 Scope 3 emissions is the Company and its consolidated subsidiaries in Japan.

(*2) Compared to base year FY 2018

(*3) For the Company

(*4) For the Company and its consolidated subsidiaries

(*5) In-house dedicated lines at the Company and partner factories

(*6) Company-owned factories and some partner factories

- Response to climate change

Having declared its support for TCFD recommendations, the ITO EN Group recognizes the risks and opportunities of climate change that would affect business activities across the entire value chain and takes measures to reduce GHG emissions. In Scope 1 and 2, we are working to reduce fuel consumption by optimizing sales routes and promoting eco-friendly driving at all locations, switching over to electric vehicles (hybrid vehicles and electric vehicles, etc.) that emit less GHG, and adopting renewable energy. In Scope 3, which accounts for over 95% of the ITO EN Group's GHG emissions, we are proceeding with measures to reduce GHG emissions, with a focus on the procurement of raw materials and other materials, contracted manufacturing, etc.

With regard to reducing GHG emissions, in November 2024, we submitted a commitment letter to the SBT Initiative (*1) (i.e., the organization that certifies GHG emission reduction targets based on the Paris Agreement known as the Science Based Targets [SBT (*2)]) and announced our intent to obtain SBT certification within two years. We will strive to obtain SBT certification and reduce GHG emissions across the entire Group's supply chain.

(*1) An international initiative that evaluates and certifies the SBTs formulated by companies

(*2) Science-based GHG reduction targets for companies conforming to the standards required by the Paris Agreement

- Water resources

Water resources are the primary ingredient in beverages and are vital to crop growth and manufacturing processes of products. We aim to sustainably utilize water resources and promote initiatives such as the reduction of the volume of water used in production activities. When it comes to producing beverage products, the Company has adopted a fables (fabrication-less) manufacturing method, which means that the Company does not have its own production, instead outsourcing the production of beverage products. We therefore recognize the need to engage the entire value chain, including the outsourcing companies, in our efforts. In beverage production, we are working to reduce water usage at manufacturing contractors, use recycled water, and ensure proper wastewater management.

In addition, we hold annual environmental quality meetings with our suppliers, engaging with them as we monitor progress toward achieving the ITO EN Group's Medium- to Long-Term Environmental Goals and encouraging efforts to reduce environmental impact. We also promote the exchange of quantitative and qualitative information between suppliers and apply learnings in future reduction measures.

With regard to water risks, in addition to evaluating and identifying risks applicable to our plants and partner plants and taking necessary measures every year, we cooperate with partner plants and promote forest protection activities, which will lead to the protection of water resources, which are the intake source around plants.

- Containers and packaging

The ITO EN Group proactively engages in activities for the 3Rs (Recycle, Reduce, Replace & Reuse) + Clean (environmental protection) based on the "ITO EN Group Policy on Containers and Packaging" and the "ITO EN Group Policy on Plastics." Amid such urgent global issues as climate change and marine plastic waste, corporate responses to problems involving plastics have grown increasingly complex. The ITO EN Group will promote further efforts to use resources effectively and reduce the environmental toll throughout the product lifecycle starting with the design stage to help build a circular economy and reduce GHG emissions.

We aim to achieve a 100% recycled material usage rate for all PET bottles by FY 2030 and are promoting horizontal recycling of these PET bottles (bottle-to-bottle). To achieve this goal, we proactively work to promote bottle-to-bottle recycling in partnership with businesses and local governments and raise consumer awareness on proper waste separation. In FY 2024, we expanded bottle-to-bottle recycling agreements with businesses and local governments, and in March 2025, we concluded a PET Bottle Horizontal Recycling Agreement between five parties consisting of Shibuya-ku in Tokyo and four beverage manufacturers, including the Company.

- **Biodiversity**

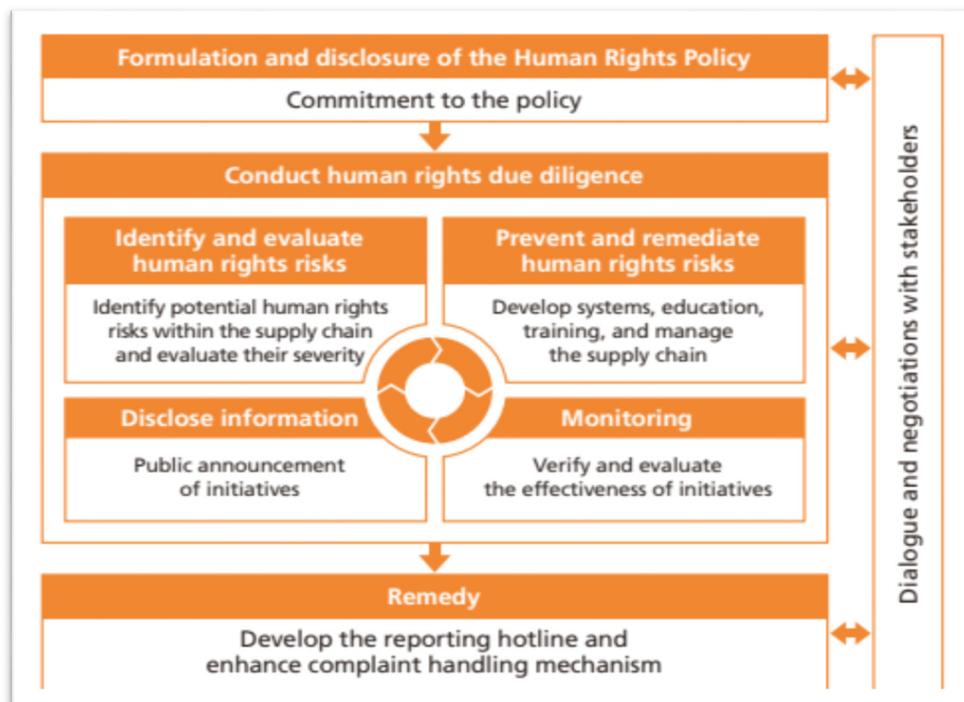
The ITO EN Group carries out business activities that use the abundant blessings of nature and considers biodiversity protection and restoration to be urgent issues similar to climate change. Therefore, in addition to formulating the “ITO EN Group Basic Policy on Biodiversity Protection,” the Group has expressed its support for the TNFD recommendations and promotes initiatives through its business activities.

Climate change is closely interrelated with natural capital and biodiversity issues. In FY 2023, we based ourselves on the TCFD and TNFD recommendations to analyze and understand the dependencies and impacts on natural capital and biodiversity arising from the cultivation of green tea, which is the raw material for the Group’s main products. Furthermore, in FY 2024, considering its importance to the ITO EN Group’s business, we expanded the scope of analysis, which had hitherto been limited to the cultivation of green tea, to cover the entire value chain for green tea and coffee. We analyze the dependencies and impacts on natural capital and biodiversity, as well as the risks and opportunities, in these value chains, evaluating their impact on the ITO EN Group’s business.

We also participate in the Ministry of the Environment’s 30by30 Alliance for Biodiversity.

<Respect for Human Rights>

Respect for human rights is the foundation of the ITO EN Group’s management philosophy of “Always Putting the Customer First” and is the basis of all our business activities. In accordance with the United Nations Guiding Principles on Business and Human Rights, the ITO EN Group has formulated policies, including the “ITO EN Group Human Rights Policy” and the “ITO EN Group Fundamental Supplier Policy,” and promotes respect for the human rights of all people across the value chain. Furthermore, in addition to engaging in conversations with stakeholders based on the “ITO EN Group Human Rights Policy,” the Company has enlisted the cooperation of human rights experts to construct and implement a human rights due diligence system that identifies, evaluates, prevents, remediates, monitors and remedies human rights risks. We disclose the state of progress of our human rights initiatives through our company website, integrated reports, and other venues.



From the perspectives of global supply chain development, fables management, and employee well-being, the importance of addressing human rights risks is increasing. For this reason, and given its significance in the supply chain, we established “Respect for Human Rights” as an independent material issue when we reviewed our material issues in FY 2024. We will endeavor to minimize risks related to global supply chains and employee human rights so that we may earn the trust of our stakeholders.

<Diverse Human Assets and Active Roles for All>

We believe that “people” are the ITO EN Group’s most important asset and the cornerstone supporting the Group’s sustainable growth. Investment in human resources is crucial to achieving growth. The ITO EN Group therefore promotes human capital management that allows all employees to play an active role, performing to the best of their abilities and demonstrating their value.

We are dedicated to fostering the growth of our employees by providing them with opportunities and an environment that allows each person to continue to take on challenges and play an active role, thereby enhancing their motivation for personal growth, enabling them to learn through diverse experiences, and empowering them to think independently about their own careers. We seek to be an organization that continues to challenge itself to achieve its vision by investing in human resources. Going forward, we will continue to champion the material issue of “Diverse Human Assets and Active Roles for All,” promoting the development of diverse human resources and the active participation of all employees, as well as enhancing job satisfaction of all employees, as we strive to become a Global Tea Company as a Health Creation Company.

<Main external evaluations>

The Group’s ESG initiatives have been evaluated, and the Group has been included as a constituent in “FTSE4Good Index Series,” one of the world’s leading ESG indexes, and several of the ESG investment indexes for stocks of Japanese companies that have been adopted by the Government Pension Investment Fund (GPIF), one of the largest pension fund in the world. In addition, in a survey conducted by CDP, an international non-governmental organization (NGO), in the area of “climate change,” the Group received an “A-” rating in FY 2023. In 2024, there was a malfunction in the CDP scoring evaluation system, and as of July 2025, we have not received feedback on the evaluation of the ITO EN Group. Nevertheless, regardless of the score results, we will continue our efforts to achieve and improve upon our environmental goals. The Group also worked to promote health management for the maintenance and improvement of the health of employees and their families, and continued to receive certification under the “2025 Certified Health & Productivity Management Outstanding Organizations Recognition Program (large enterprise category) (White 500),” which is jointly implemented by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.



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(6) Trends in assets and operating results

(i) Assets and operating results of the Group

Item \ Term	57th term (fiscal year ended April 30, 2022)	58th term (fiscal year ended April 30, 2023)	59th term (fiscal year ended April 30, 2024)	60th term (current fiscal year) (fiscal year ended April 30, 2025)
Net sales (Millions of yen)	400,769	431,674	453,899	472,716
Ordinary income (Millions of yen)	19,971	20,341	26,681	22,973
Profit attributable to owners of parent (Millions of yen)	12,928	12,888	15,650	14,156
Earnings per share of common stock (Yen)	103.92	103.82	126.42	117.50
Earnings per share of Class-A preferred stock (Yen)	113.89	113.82	138.26	129.46
Total assets (Millions of yen)	328,359	338,774	353,892	344,598
Net assets (Millions of yen)	163,012	172,128	183,216	175,971
Net assets per share of common stock (Yen)	1,334.88	1,408.55	1,516.16	1,511.77
Net assets per share of Class- A preferred stock (Yen)	1,339.88	1,413.55	1,522.16	1,517.77

(ii) Assets and operating results of the company preparing the Business Report

Item \ Term	57th term (fiscal year ended April 30, 2022)	58th term (fiscal year ended April 30, 2023)	59th term (fiscal year ended April 30, 2024)	60th term (current fiscal year) (fiscal year ended April 30, 2025)
Net sales (Millions of yen)	300,319	315,025	329,069	334,800
Ordinary income (Millions of yen)	17,409	18,864	21,493	16,489
Net income (Millions of yen)	12,360	13,281	13,813	11,667
Earnings per share of common stock (Yen)	99.24	107.07	111.22	96.28
Earnings per share of Class-A preferred stock (Yen)	109.21	117.07	123.06	108.25
Total assets (Millions of yen)	278,776	288,473	293,821	281,142
Net assets (Millions of yen)	156,444	165,038	171,199	161,531
Net assets per share of common stock (Yen)	1,290.96	1,361.57	1,429.28	1,400.36
Net assets per share of Class- A preferred stock (Yen)	1,295.96	1,366.57	1,435.28	1,406.36

(Note) Earnings per share are calculated based on the average number of shares outstanding during the period minus treasury stock, and net assets per share are calculated based on the number of shares outstanding at the end of the period minus treasury stock.

(7) Significant subsidiaries

Company name	Capital stock	Equity investment ratio	Principal lines of business
ITO EN SANGYO, LTD.	300 million yen	100.0%	Tea manufacturing and sales
ITO EN KANSAI CHAGYO, LTD.	10 million yen	100.0%	Tea manufacturing and sales
Tully's Coffee Japan Co., Ltd.	100 million yen	100.0%	Restaurant management and franchise restaurant operation
Chichiyasu Company	100 million yen	100.0%	Processing and sales of milk, and manufacturing and sales of cultured milk, etc.
NEOS Corporation	80 million yen	92.6%	Beverage sales
HOKKAIDO ITO EN, LTD.	80 million yen	100.0%	Beverage and tea sales
ITO EN (North America) INC.	US\$ 170.80 million	100.0%	Beverage and tea sales
Mason Distributors, Inc.	US\$ 0 million	[100.0%]	Supplement manufacturing and sales
Distant Lands Trading Co.	US\$ 83.75 million	[100.0%]	Coffee bean cultivation, procurement, processing, manufacture, roasting, sale, etc.
ITO EN (Hawaii) LLC	US\$ 28.80 million	[100.0%]	Beverage manufacturing and sales
ITO EN AUSTRALIA PTY. LIMITED	A\$ 26.70 million	100.0%	Tea manufacturing and sales
ITO EN Asia Pacific Holdings Pte. Ltd.	US\$ 25.50 million	100.0%	Beverage and tea sales

(Note) Equity investment ratios for the Company in square brackets ([]) indicate indirect holding ratios.

The total number of consolidated subsidiaries is 34, including the above significant subsidiaries.

(8) Principal lines of business

The ITO EN Group's main business is the manufacture, procurement, and sale of green tea and other tea leaf products and tea beverages, vegetable beverages, coffee beverages, and other drink products in Japan and overseas, and its main method of sales is centered on route sales. In addition, the Company also operates a restaurant business.

(9) Major business offices

Offices		Location, etc.
The Company	Head Office	47-10 Honmachi 3-chome, Shibuya-ku, Tokyo, Japan
	Sales offices	27 regions in 164 offices nationwide
	Stores	9 stores nationwide
	Factories	Shizuoka Factory (Makinohara-shi, Shizuoka) Kobe Factory (Kobe-shi, Hyogo) Hamaoka Factory (Omaezaki-shi, Shizuoka) Fukuroi Factory (Fukuroi-shi, Shizuoka) Fukushima Factory (Fukushima-shi, Fukushima) Okinawa Factory (Nago-shi, Okinawa)
	Research Institute	Central Research Institute (Makinohara-shi, Shizuoka)
Subsidiaries	Domestic sales offices	NEOS Corporation: 65 offices nationwide HOKKAIDO ITO EN, LTD.: 9 offices, etc.
	Overseas sales offices	ITO EN (North America) INC. (The United States) Distant Lands Trading Co. (The United States) ITO EN (Hawaii) LLC (The United States) ITO EN Asia Pacific Holdings Pte. Ltd. (Singapore), etc.
	Stores	Tully's Coffee Japan Co., Ltd.: 818 stores nationwide HOKKAIDO ITO EN, LTD.: 1 store, etc.
	Domestic production bases	ITO EN SANGYO, LTD. (Makinohara-shi, Shizuoka, Kobe-shi, Hyogo, and Kumagaya-shi, Saitama) ITO EN KANSAI CHAGYO, LTD. (Kobe-shi, Hyogo) Chichiyasu Company (Hatsukaichi-shi, Hiroshima), etc.
	Overseas production bases	ITO EN AUSTRALIA PTY. LIMITED (Australia) Distant Lands Trading Co. (The United States), etc.

(10) Status of employees (as of April 30, 2025)**(i) Number of employees of the corporate group**

Business segment	Number of employees	Increase/decrease from the previous fiscal year-end
Tea Leaves and Beverages Business	6,773	Decrease by 71
Restaurant Business	930	Increase by 59
Others	213	Decrease by 1
Total	7,916	Decrease by 13

(Note) The above numbers of employees do not include 23 persons seconded to other companies and 12,037 temporary employees (temporary employees, contract employees, and part-time employees). In addition, the numbers include 4 persons seconded from another company.

(ii) Number of employees of the company preparing the Business Report

Number of employees	Increase/decrease from the previous fiscal year-end	Average age	Average years of service
4,965	Decrease by 261	42.4 years old	18.5 years

(Note) The above numbers of employees do not include 350 persons seconded to other companies and 1,075 temporary employees (temporary employees, contract employees, and part-time employees). In addition, the numbers include 35 persons seconded from another company.

2. Status of shares of the Company (as of April 30, 2025)

(1) Total number of authorized shares

Common stock	200,000,000 shares
Class-A preferred stock	200,000,000 shares

(2) Total number of issued shares

Common stock	85,212,380 shares (including 906,132 treasury stock)
Class-A preferred stock	32,246,962 shares (including 1,394,070 treasury stock)

(3) Number of shareholders

Common stock	97,585 (Increase by 9,168 from the previous fiscal year-end)
Class-A preferred stock	88,042 (Increase by 11,571 from the previous fiscal year-end)

(4) Major shareholders

Name of shareholder	Number of shares held			Shareholding ratio
	Common stock	Class-A preferred stock	Total	
	Thousands of shares	Thousands of shares	Thousands of shares	%
Green Core Co., Ltd.	16,781	5,895	22,676	19.69
The Master Trust Bank of Japan, Ltd. (Trust account)	8,790	72	8,863	7.70
Honjo International Scholarship Foundation	5,200	1,560	6,760	5.87
Hachiro Honjo	2,446	660	3,106	2.70
ITO EN Employees' Shareholding Association	2,070	224	2,295	1.99
Toyo Seikan Group Holdings, Ltd.	1,955	126	2,081	1.81
Resona Bank, Limited	1,611	–	1,611	1.40
Daisuke Honjo	1,179	216	1,396	1.21
Custody Bank of Japan, Ltd. (Trust Account)	1,387	–	1,387	1.21
THE NOMURA TRUST AND BANKING CO., LTD. AS THE TRUSTEE OF REPURCHASE AGREEMENT MOTHER FUND	1,246	–	1,246	1.08

(Notes)

1. The Company holds 2,300 thousand treasury stock (906 thousand shares of common stock and 1,394 thousand shares of Class-A preferred stock), but is excluded from the major shareholders listed above.
2. Shareholding ratio is calculated with the exclusion of treasury stock.

(5) Status of shares delivered to officers of the Company as consideration for the execution of duties during the fiscal year ended April 30, 2025

In accordance with the resolution of the 58th Annual General Meeting of Shareholders held on July 26, 2023, the Company has introduced a restricted share-based remuneration plan. In response to this, at the Board of Directors meeting held on July 26, 2024, the Company resolved to dispose of treasury shares as restricted share-based remuneration, and on August 23 of the same year, 18,800 shares of common stock were disposed of to five Directors (excluding Directors who are Audit and Supervisory Committee Members, and Outside Directors).

(6) Other important matters regarding shares

(i) Acquisition of treasury stock

The Company acquired treasury stock as follows based on the resolution of the meeting of the Board of Directors held on May 30, 2024.

Class and number of shares acquired:	Common stock	1,000,000 shares
Total acquisition amount:	3,664 million yen	
Acquisition period:	From June 4, 2024 to June 13, 2024	

The Company acquired treasury stock as follows based on the resolution of the meeting of the Board of Directors held on July 26, 2024.

Class and number of shares acquired:	Class-A Preferred Stock	500,000 shares
Total acquisition amount:	922 million yen	
Acquisition period:	July 29, 2024	

The Company acquired treasury stock as follows based on the resolution of the meeting of the Board of Directors held on November 28, 2024.

Class and number of shares acquired:	Common stock	3,000,000 shares
Total acquisition amount:	10,296 million yen	
Acquisition period:	From December 3, 2024 to February 20, 2025	

(ii) Cancellation of treasury stock

The Company cancelled treasury stock as follows based on the resolution of the meeting of the Board of Directors held on May 30, 2024.

Class and number of shares cancelled:	Common stock	1,000,000 shares
Total cancellation amount:	3,742 million yen	
Total number of issued shares after cancellation	88,212,380 shares	
Cancellation date:	July 31, 2024	

The Company cancelled treasury stock as follows based on the resolution of the meeting of the Board of Directors held on July 26, 2024.

Class and number of shares cancelled:	Class-A Preferred Stock	2,000,000 shares
Total cancellation amount:	3,953 million yen	
Total number of issued shares after cancellation	32,246,962 shares	
Cancellation date:	July 31, 2024	

The Company cancelled treasury stock as follows based on the resolution of the meeting of the Board of Directors held on November 28, 2024.

Class and number of shares cancelled:	Common stock	3,000,000 shares
Total cancellation amount:	10,511 million yen	
Total number of issued shares after cancellation	85,212,380 shares	
Cancellation date:	April 15, 2025	

3. Matters regarding share acquisition rights, etc. of the Company

(1) Status of share acquisition rights, etc. held by officers of the Company delivered as consideration for their execution of duties as of the final day of the fiscal year ended April 30, 2025

Name	Second series of share acquisition rights of ITO EN, LTD.
Number of holders Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)	2
Date of resolution on issuance	July 28, 2004
Exercise period for share acquisition rights	From September 1, 2004 to August 31, 2034
Number of share acquisition rights	860
Class of shares underlying share acquisition rights	Common stock of the Company
Number of shares underlying share acquisition rights	223,600 shares
Issuance price of share acquisition rights	Gratis
Amount to be paid in upon exercise of share acquisition rights	1 yen

Name	14th series of share acquisition rights of ITO EN, LTD.	15th series of share acquisition rights of ITO EN, LTD.
Number of holders Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)	2	4
Date of resolution on issuance	October 25, 2019	October 26, 2022
Exercise period for share acquisition rights	From September 1, 2020 to August 31, 2025	From September 1, 2023 to August 31, 2028
Number of share acquisition rights	67	91
Class of shares underlying share acquisition rights	Common stock of the Company	Common stock of the Company
Number of shares underlying share acquisition rights	6,700 shares	9,100 shares
Issuance price of share acquisition rights	Gratis	Gratis
Amount to be paid in upon exercise of share acquisition rights	1 yen	1 yen

(2) Status of share acquisition rights delivered to employees, etc. as consideration for the execution of duties during the fiscal year ended April 30, 2025

Not applicable.

4. Matters regarding company officers (As of April 30, 2025)

(1) Directors

Position	Name	Responsibilities in the Company and significant concurrent positions outside the Company
Director and Honorary Chairman of the Board	Hachiro Honjo	–
President and Executive Officer	Daisuke Honjo	Director of ITO EN Asia Pacific Holdings Pte. Ltd.
Executive Vice President, Representative Director and Executive Officer	Shusuke Honjo	CDO In charge of Marketing Division General Manager of Sales Control Headquarters Director of ITO EN Asia Pacific Holdings Pte. Ltd. Representative Director of Tully's Coffee Japan Co., Ltd. Representative Director of Chichiyasu Company (scheduled to retire in July 2025) Director of HOKKAIDO ITO EN, LTD. (scheduled to retire in July 2025)
Director and Senior Managing Executive Officer	Yoshihisa Nakano	CSO In charge of Logistics Division General Manager of Production Division Director of ITO EN AUSTRALIA PTY. LIMITED Director of ITO EN SANGYO, LTD.
Director and Senior Managing Executive Officer	Shigeru Kamiya	In charge of General Planning Division and Special Assignments
Director and Executive Officer	Yosuke Jay Oceanbright Honjo	In charge of U.S. businesses President & CEO of ITO EN (North America) INC. CEO of Distant Lands Trading Co. CEO/COO of ITO EN (Hawaii) LLC CEO of Mason Distributors, Inc.
Director and Senior Managing Executive Officer	Atsushi Hirata	CHRO In charge of Compliance and Internal Control General Manager of Administration Division Director of ITO EN (North America) INC. Director of ITO EN Asia Pacific Holdings Pte. Ltd. Director of HOKKAIDO ITO EN, LTD. (scheduled to retire in July 2025)
Director	Hideo Takano	Councilor of Japan Retailers Association
Director	Keiko Abe	Professor Emeritus of The University of Tokyo Outside Director of Taiyo Kagaku Co., Ltd.
Director (Full-Time Audit and Supervisory Committee Member)	Kiyoshi Kondo	–
Director (Audit and Supervisory Committee Member)	Yuichi Usui	Representative of Usui Firm Outside Corporate Auditor of OHSO FOOD SERVICE CORP.
Director (Audit and Supervisory Committee Member)	Hitoshi Yokokura	Partner attorney of Waseda Legal Commons, LPC Outside Director of Credit Saison Co., Ltd. Outside Corporate Auditor, Yoshinoya Holdings Co., Ltd.
Director (Audit and Supervisory Committee Member)	Yoshihiko Okuda	Outside Audit & Supervisory Board Member of Milbon Co., Ltd. Director of SKM Business Co., Ltd.

(Notes)

1. Directors Hideo Takano and Keiko Abe are Outside Directors as defined in Article 2, Item 15 of the Companies Act.
2. Directors (Audit and Supervisory Committee Members) Yuichi Usui, Hitoshi Yokokura, and Yoshihiko Okuda are Outside Directors as defined in Article 2, Item 15 of the Companies Act.
3. There are no special relationships that are required to be disclosed between firms where outside officers hold significant concurrent positions and the Company.

4. The Company has registered Directors Hideo Takano, Keiko Abe, and Directors (Audit and Supervisory Committee Members) Yuichi Usui, Hitoshi Yokokura, and Yoshihiko Okuda as independent officers with the Tokyo Stock Exchange.
5. Director (Audit and Supervisory Committee Member) Hitoshi Yokokura possesses considerable knowledge regarding finance, accounting and legal affairs as a Certified Public Accountant and an attorney.
6. Director (Audit and Supervisory Committee Member) Yoshihiko Okuda possesses considerable knowledge regarding finance and accounting as a licensed tax accountant.
7. Summary of the details of a directors and officers liability insurance policy
In accordance with Article 430-3, Paragraph 1 of the Companies Act, the Company has entered into a directors and officers liability insurance policy (D&O insurance policy), in which Directors, Audit & Supervisory Board Members, and Executive Officers of the Company and the ITO EN Group are insureds. The insurance policy covers losses that may result from the directors and officers being liable for their performance of duties. However, there are certain reasons for coverage exclusion, such as in case of actions taken with the knowledge that such actions are in violation of laws and regulations.
Insured persons who are Directors of the Company (excluding Outside Directors) partially pay their own insurance premiums. For other insured persons, the Company bears the full amount of insurance premiums. The policy period is one year, and the Company plans to renew the policy after a resolution by the Board of Directors before the expiration of the policy.
8. The Company has entered into contracts with Directors Hideo Takano and Keiko Abe, and Directors (Audit and Supervisory Committee Members) Kiyoshi Kondo, Yuichi Usui, Hitoshi Yokokura, and Yoshihiko Okuda to limit their liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability for damages under this contract shall be the amount stipulated by laws and regulations.
9. The Company has a Full-Time Audit and Supervisory Committee Member for the purpose of collecting information and enhancing the effectiveness of audits, including continuous and effective attendance at important meetings other than Board of Directors meetings.
10. Changes in Directors from the fiscal year ended April 30, 2025
Position and responsibilities in the Company and significant concurrent positions outside the Company for Directors as of May 1, 2025 are as follows.

Position	Name	Responsibilities in the Company and significant concurrent positions outside the Company
Executive Vice President, Representative Director and Executive Officer	Shusuke Honjo	CDO In charge of Marketing Division General Manager of Sales Control Headquarters, General Manager of Group System DX Headquarters Director of ITO EN Asia Pacific Holdings Pte. Ltd. Representative Director of Tully's Coffee Japan Co., Ltd. Representative Director of Chichiyasu Company (scheduled to retire in July 2025) Director of HOKKAIDO ITO EN, LTD. (scheduled to retire in July 2025)
Director Senior Managing Executive Officer	Shigeru Kamiya	In charge of General Planning Division, Group Management Promotion Division, Supply Chain Strategy Department, and in charge of Special Assignments
Director Senior Managing Executive Officer	Yoshihisa Nakano	CSO In charge of Logistics Division General Manager of Production Division Director of ITO EN AUSTRALIA PTY. LIMITED Director of ITO EN Tea Factory, Ltd.
Director Senior Managing Executive Officer	Atsushi Hirata	CHRO, CFO In charge of Internal Control General Manager of Administration Division Director of ITO EN (North America) INC. Director of ITO EN Asia Pacific Holdings Pte. Ltd. Director of HOKKAIDO ITO EN, LTD. (scheduled to retire in July 2025)

(2) Remuneration, etc. for Directors

Category	Total amount of remuneration (Millions of yen)	Total amount of remuneration by type (Millions of yen)			Number of eligible officers (persons)
		Fixed remuneration	Variable remuneration		
			Performance-linked remuneration	Share-based remuneration	
Directors (excluding Audit and Supervisory Committee Members and Outside Directors)	453	393	–	59	8
Directors (Audit and Supervisory Committee Members) (excluding Outside Directors)	14	14	–	–	1
Outside Directors (excluding Outside Audit and Supervisory Committee Members)	23	23	–	–	2
Outside Directors (Audit and Supervisory Committee Members)	32	32	–	–	3

(Notes)

- As of the end of the fiscal year ended April 30, 2025, there were nine Directors and four Directors (Audit and Supervisory Committee Members).
- The information above includes one Director who retired at the conclusion of the 59th Annual General Meeting of Shareholders held on July 26, 2024.
- The total amount of the remuneration for Directors (excluding Audit and Supervisory Committee Members and Outside Directors) does not include employee salary paid to Directors serving concurrently as employees.
- The business results related to the performance-linked remuneration are as shown in “1. Items regarding current status of corporate group, (6) Trends in assets and operating results.”
- Matters regarding resolutions of the General Meeting of Shareholders on remuneration, etc. of Directors
In addition, the maximum amount of monetary remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) is 1,200 million yen per year (including 100 million yen for Outside Directors) based on the resolution of the 58th Annual General Meeting of Shareholders held on July 26, 2023. The number of Directors (excluding Directors who are Audit and Supervisory Committee Members) as of the conclusion of this General Meeting of Shareholders is ten (10) (including two (2) Outside Directors). The maximum amount of remuneration and the maximum number of shares for restricted share-based remuneration separate to monetary remuneration are 200 million yen per year (not including the employee’s salary for Directors who concurrently serve as employees) and 48,000 shares of common stock, respectively, in accordance with the resolution of the 58th Annual General Meeting of Shareholders held on July 26, 2023. The number of Directors (excluding Directors who are Audit and Supervisory Committee Members) as of the conclusion of this General Meeting of Shareholders is ten (10) (including two (2) Outside Directors), and the number of eligible Directors is seven (7). The maximum amount of monetary remuneration for Audit and Supervisory Committee Members is 72 million yen per year based on the resolution of the 58th Annual General Meeting of Shareholders held on July 26, 2023. The number of Directors who are Audit and Supervisory Committee Members as of the conclusion of the relevant General Meeting of Shareholders is four (4) (including three (3) Outside Directors).
- The amount of the above-stated share-based remuneration is 59 million yen in an amount expended during the fiscal year under review in relation to shares with transfer restrictions granted as share-based remuneration to six (6) Directors (excluding Audit and Supervisory Committee Members and Outside Directors).
- Retirement benefits for officers were discontinued in July 2002.

(3) Policy for determining the remuneration for Directors

Remuneration for Directors is deliberated by the Nomination & Remuneration Committee, a majority of which is composed of Independent Outside Directors, in order to ensure objectivity and transparency in compliance with the Company’s basic views on corporate governance and its basic policy on remuneration. The Board of Directors determines the remuneration for Directors respecting the report of the Nomination & Remuneration Committee.

Remuneration for Directors shall be determined separately between Directors who are Audit and Supervisory Committee Members and those who are not by a resolution of the General Meeting of Shareholders within the range of remuneration limit resolved at the General Meeting of Shareholders.

The Nomination & Remuneration Committee deliberates on the remuneration of individual Directors in accordance with the Company’s basic policy and the evaluation of the remuneration based on the remuneration standards, and the Board of Directors makes decisions respecting the report of the Nomination & Remuneration Committee.

(a) Basic policy

1. Remuneration shall be in compliance with the management principle of the ITO EN Group, “Always Putting the Customer First,” and will contribute to sustained corporate growth and development and the enhancement of corporate value.
2. Remuneration shall be determined in proportion to the significance of Directors’ roles and responsibilities and their contribution to the Company’s business performance.
3. Remuneration shall be closely linked to the share price of the Company’s stock, so that Directors share value with the Company’s shareholders and the remuneration serves as an incentive for management.
4. Remuneration shall be determined based on objective and fair deliberations and with references to external data.

(b) Composition of the remuneration

- Remuneration for Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) shall comprises fixed remuneration and variable remuneration, with fixed remuneration comprising approximately 65% and variable remuneration approximately 35% (approximately 20% of performance-linked remuneration and approximately 15% of share-based remuneration).
- Remuneration for Outside Directors and Directors who are Audit and Supervisory Committee Members shall be fixed remuneration only.

Composition

← Fixed remuneration	→	← Variable remuneration	→
Base remuneration <u>(Monetary remuneration)</u> (65% ±10%)	Performance-linked remuneration <u>(Monetary remuneration)</u> (20% ±5%)	Share-based remuneration <u>(Restricted stock compensation)</u> (15% ±5%)	

(i) Fixed remuneration

Fixed remuneration shall be the basic reward paid in cash according to positions and roles, which shall be paid, in principle, monthly.

(ii) Variable remuneration

Performance-linked remuneration is monetary remuneration determined based on performance assessment for the applicable period, which, in principle, paid monthly.

Share-based remuneration is paid for the purpose of promoting interest and further encouraging motivation and morale in raising the share price and improving business performance by increasing the link between remuneration and the share price of the Company’s stock and placing Directors in a position to share the value of impact of share price fluctuations with shareholders. Directors concurrently serving as Executive Officers shall be given common stock of the Company as restricted stock once a year depending on their positions and roles during the applicable period.

i) Determination of variable remuneration

The Company determines performance-linked remuneration through comprehensive performance evaluation in which, in order to link the business performance and remuneration, the Company designates some of the Company's business performance indicators as measures for Directors' individual performance, sets the standard ratio of consolidated performance to non-consolidated performance for each position, considers each Director's responsibilities, and awards points to each Director with respect to each business performance indicator.

ii) The Company's business performance indicators used as Directors' performance measures

The Company's primary business performance indicators used as performance measures for Directors are "net sales (growth)," "operating income (profitability)," "cash flows from operating activities (stability)," "earnings per share (profitability)," "return on equity (efficiency)," "dividend on equity ratio (shareholder return)," and "results of ESG evaluation by an external organization."

(4) Major activities of outside officers during the fiscal year

Item	Name	Attendance at Board of Directors meetings	Attendance at Audit and Supervisory Committee meetings	Summary of duties performed by outside officers regarding the expected roles
Director	Hideo Takano	12/12	–	Mr. Hideo Takano views an overall picture of the management of the Group and has offered opinions, advice and proposals that contribute to the enhancement of the Group's corporate value, from a standpoint independent of the Board of Directors and the management of the Company. In particular, he has substantially fulfilled the role expected of him by providing highly effective supervision of the management of the Company, offering opinions by leveraging his years of experience and broad insight gained as he has been deeply engaged in providing support for the management of various companies.
Director	Keiko Abe	12/12	–	Ms. Keiko Abe views an overall picture of the management of the Group and has offered opinions, advice and proposals that contribute to the enhancement of the Group's corporate value, from a standpoint independent of the Board of Directors and the management of the Company. In particular, she has usefully fulfilled her role in the research field, which influenced the medium- to long-term management, by offering opinions, leveraging her extensive experience and expert knowledge in the research of food functionality. She has also contributed to the fair and transparent management of the Nomination & Remuneration Committee as a member of the committee.
Director (Audit and Supervisory Committee Member)	Yuichi Usui	12/12	13/13	Mr. Yuichi Usui views an overall picture of the management of the Group and has offered opinions, advice and proposals that contribute to the enhancement of the Group's corporate value, from a standpoint independent of the Board of Directors and the management of the Company. In particular, he has substantially fulfilled the role expected of him by advising on risks and providing highly effective audits and supervision of the management of the Company by leveraging his years of experience and broad insight as a policeman, as well as his experience as a corporate manager. He has also contributed to the fair and transparent management of the Nomination & Remuneration Committee as a member of the committee.
Director (Audit and Supervisory Committee Member)	Hitoshi Yokokura	12/12	13/13	Mr. Hitoshi Yokokura views an overall picture of the management of the Group and has offered opinions, advice and proposals that contribute to the enhancement of the Group's corporate value, from a standpoint independent of the Board of Directors and the management of the Company. In particular, he has substantially fulfilled the role expected of him by providing highly effective audits and supervision of the management of the Company by leveraging his expertise and broad knowledge and experience as a certified public accountant and an attorney. He has also contributed to the fair and transparent management of the Nomination & Remuneration Committee as a member of the committee.

Item	Name	Attendance at Board of Directors meetings	Attendance at Audit and Supervisory Committee meetings	Summary of duties performed by outside officers regarding the expected roles
Director (Audit and Supervisory Committee Member)	Yoshihiko Okuda	10/10	10/10	Mr. Yoshihiko Okuda views an overall picture of the management of the Group and has offered opinions, advice and proposals that contribute to the enhancement of the Group's corporate value, from a standpoint independent of the Board of Directors and the management of the Company. In particular, he has substantially fulfilled the role expected of him by providing highly effective audits and supervision of the management of the Company by leveraging his expertise and broad knowledge and experience as a licensed tax accountant.

(Notes) The attendance of Audit and Supervisory Committee Member Yoshihiko Okuda, who was appointed to his position on July 26, 2024, is shown for meetings of the Board of Directors and meetings of the Audit and Supervisory Committee held after his appointment.

5. Accounting Auditor

(1) Name KPMG AZSA LLC

(2) Amount of remuneration

Item	Amount paid
Amount of remuneration for Accounting Auditor for the fiscal year	85 million yen
Total of money and other economic benefits that the Company and subsidiaries should pay to Accounting Auditor	117 million yen

(Notes)

1. Under the audit agreement between the Company and the Accounting Auditor, remuneration, etc. for audits pursuant to the Companies Act and remuneration, etc. for audits pursuant to the Financial Instruments and Exchange Act are not explicitly distinguished, and otherwise cannot practically be separated. Consequently, the amount of remuneration for the Accounting Auditor for the fiscal year reflects the total remuneration for these types of audit.
2. The Audit and Supervisory Committee judged the amount of remuneration, etc. for the Accounting Auditor to be appropriate and consented as provided for in Article 399, Paragraph 1 of the Companies Act after fully examining details explained by the Accounting Auditor such as the number of days and allocation of personnel in the financial audit plans for the current fiscal year, the verification and evaluation of the results of the audit in the previous fiscal year, the appropriateness of the execution of audits by the Accounting Auditor, and the grounds for calculated estimates forming the basis for the remuneration.
3. Of the Company's significant subsidiaries, overseas subsidiaries are audited by audit corporations (including entities overseas with qualifications equivalent to those of a Japanese audit corporation) other than the Company's Accounting Auditor.

(3) Details of non-audit operations

Not applicable.

(4) Policy for determining of the dismissal or non-reappointment of Accounting Auditor

The Audit and Supervisory Committee shall dismiss the Accounting Auditor, based on the consent of all Audit and Supervisory Committee Members, in the event the Accounting Auditor is deemed to fall under any of the cases set forth in each item of Article 340, Paragraph 1 of the Companies Act. In this case, an Audit and Supervisory Committee Member appointed by the Audit and Supervisory Committee shall report on the decision of dismissal and its reasons at the first General Meeting of Shareholders convened after the dismissal.

In addition, the Audit and Supervisory Committee shall determine the content of proposals to be submitted to the General Meeting of Shareholders with regard to dismissal or non-reappointment of the Accounting Auditor in cases when it is judged necessary after comprehensively considering the status of the execution of duties by the Accounting Auditor and other factors.

6. Systems to ensure the adequacy of operations and the operational status of these systems

The Company has developed the following systems to ensure the adequacy of operations pursuant to the provisions of the Companies Act and the Regulation for Enforcement of the Companies Act.

Furthermore, pursuant to provisions concerning the “evaluation of the system for ensuring the appropriateness of documents and other information related to financial accounting” in the Financial Instruments and Exchange Act, the Company has created development and operational systems to ensure that internal control systems are operated appropriately, including at Group companies, in order to ensure that internal control reports are submitted with securities reports, and receive audit certification from the Accounting Auditor.

(1) Basic views on corporate governance

Based on the group management principle of “Always Putting the Customers First,” the Company is committed to fulfilling our corporate social responsibility in order to achieve sustainable growth and increase corporate value, proactively in cooperation with the government, local communities, consumers, shareholders, retailers, suppliers, sales partners, financial institutions, employees, and other stakeholders, and will make it a fundamental approach.

The management principle above is the basic concept of the Group’s corporate ethics and the unchanging truth that supports our corporate governance. Every officer and employee of the Group is actively promoting concerted efforts to achieve a sustainable society and strives to repay the trust of all stakeholders.

Based on this principle, as a “Health Creation Company,” the Group aims to achieve its long-term vision of becoming a “Global Tea Company.” The Group will also work to further strengthen corporate governance, leading to sustainable growth and medium- to long-term enhancement of corporate value through our contributions to the health of customers around the world.

As a company with an Audit and Supervisory Committee, in order to conduct appropriate corporate governance, Audit and Supervisory Committee Members implement audits by checking with the representative directors, the directors in charge, the executive officers, and the employees of ITO EN Group companies about their respective business conditions, decision-making processes, and other matters in accordance with the Rules regarding Audits by the Audit and Supervisory Committee.

Audit and Supervisory Committee Members attend each meeting of the Board of Directors, offering objective and fair advice on the status of audits for overall corporate affairs and each item of business, and audit business execution by the Directors in accordance with the audit policy stipulated by the Audit and Supervisory Committee.

(2) Systems to ensure that the Group’s Directors and employees execute duties in compliance with laws and regulations and the Articles of Incorporation

- (i) The Board of Directors has passed a resolution of the “ITO EN Group Code of Conduct” pertaining to the compliance system, and the Company has made the Code of Conduct a basic policy for the Group’s Directors and employees to take action in compliance with laws and regulations, the Articles of Incorporation and corporate ethics.
- (ii) The Company has established a Compliance Committee, which is chaired by a Director appointed by the President, and an administrative office for the Committee in the Compliance Section of the Legal Department to enhance the effectiveness of the compliance system of the ITO EN Group based on the ITO EN Group Code of Conduct.
- (iii) The Company has set contact points inside and outside the company as a means for employees, etc. to be able to directly provide information on acts that run counter to laws and regulations and compliance.

(3) Systems to store and manage information on the execution of duties by Directors

- (i) During the storage period of information on the execution of duties by Directors that is provided for by laws and regulations and internal regulations, the Company records and stores the information in documents or electromagnetic media in a searchable state and maintains a state to allow the Directors to inspect the information.
- (ii) Unless otherwise provided for by laws and regulations, the storage period of documents above shall be dependent on the type of each document specified by the Documents Handling Regulations.

(4) Regulations concerning the Group’s management of risk of loss and other systems

- (i) In order to develop the Group’s risk management system, the Company has established Risk Management Regulations and a Risk Management Committee chaired by the President.

- (ii) The Risk Management Committee monitors the status of the Group's risk information and responses, and reports to the Board of Directors on the identification and evaluation of material risks and responses, etc. such as avoidance, reduction, etc. of such risks.
- (iii) The Company has established committees, etc., for each risk area, such as compliance, sustainability, quality, and disaster prevention, and has a system in place to coordinate with the Risk Management Committee.
- (iv) The Company has developed a system to minimize damages when an unforeseen situation occurs by establishing a task force headed by the President to prevent the expansion of damages by taking prompt measures.

(5) Systems to ensure the efficient execution of duties by Directors

- (i) With the Board of Directors and the Executive Board as the basis of these systems, the Company holds meetings of these boards once a month, in principle, and on a temporary basis, as needed.
- (ii) Within the Company, each department in charge executes operations based on decisions of the Board of Directors according to the division of duties and the Authority Regulations, and the Directors in charge check the execution of operations as needed.

(6) Systems to ensure the adequacy of operations in the Group

- (i) The Company has established the "ITO EN Group Code of Conduct" to ensure the compliance system in the Group companies and prepared a whistleblowing desk inside and outside the company for the employees, etc. to provide information on acts, such as a violation of any law and regulation by a Group company or the Company, directly to the Company.
- (ii) For the business management of the Group companies, the Company has established management systems and management standards in the Affiliates Management Regulations, and they are reported and examined at a conference, etc. that is held regularly. Important matters are determined by resolution of the Board of Directors of the Company.
- (iii) The Internal Auditing Department conducts audits on the internal control system of the Company and the Group companies and reports the audit results to the President, the Board of Directors and the Audit and Supervisory Committee.

(7) Matters concerning employees to assist the duties of the Audit and Supervisory Committee, matters concerning the independence of such employees from Directors who are not Audit and Supervisory Committee Members, and matters concerning the assurance of the effectiveness of instructions given to such employees by the Audit and Supervisory Committee

- (i) The Company assigns the necessary Audit and Supervisory Committee staff to the Internal Auditing Department to assist the Audit and Supervisory Committee in its duties.
- (ii) Audit and Supervisory Committee staff assist the Audit and Supervisory Committee in its duties under the direction and orders of the Audit and Supervisory Committee, and are not subject to the direction and orders of Directors (excluding Directors who are Audit and Supervisory Committee Members) or others.
- (iii) The Company ensures independence from Directors (excluding Directors who are Audit and Supervisory Committee Members) by obtaining the consent of the Audit and Supervisory Committee for the appointment, evaluation, transfer, etc. of Audit and Supervisory Committee staff.

(8) Systems for the Group's Directors and employees to report to the Audit and Supervisory Committee and other systems to report to the Audit and Supervisory Committee

- (i) The Group's Directors and employees appropriately report important issues that could have a major impact on the execution of operations and the management to the Audit and Supervisory Committee.
- (ii) The Audit and Supervisory Committee may ask the Group's Directors and employees for a report, as needed.
- (iii) The Company prohibits treating the Group's Directors and employees who make a report to the Audit and Supervisory Committee disadvantageously as a result.

(9) Systems to ensure that audits by the Audit and Supervisory Committee are conducted effectively

- (i) The Audit and Supervisory Committee exchanges information and opinions with the President, the Internal Auditing Department and the Accounting Auditor to enhance their audit work.
- (ii) When the Audit and Supervisory Committee recognizes that there is a problem in the development and operation of the Company's internal control, it may express opinions at a meeting of the Board of Directors and ask for the implementation and reporting of improvement measures.

- (iii) The Company will secure a system for the violation of laws and regulations and other compliance problems in the Group to be reported appropriately to the Audit and Supervisory Committee.
- (iv) When the Audit and Supervisory Committee requests the advance payment of expenses necessary for the execution of its duties, the Company appropriately processes the expenses or payables.
- (v) In order to ensure audit independence and maintain an effective and efficient audit system, in the event of a conflict between the instructions of the President and the instructions of the Audit and Supervisory Committee in directing auditing functions, the latter takes precedence.

(10) Overview of operational status

The Company made the “ITO EN Group Code of Conduct” as its operational guidelines for day-to-day operations. The Company also distributed copies of its handbook to officers and employees and made efforts to increase awareness of it, while at the same time conducting education related to compliance as appropriate.

The Compliance Committee, which is led by a Director appointed by the President, met four times, while the Internal Control Promotion Committee met four times. At these meetings, the committees confirmed and discussed issues related to compliance systems and internal controls at the Company and measures to respond to these issues, in a cross-sectional manner.

In terms of information security, the Company formulated and put into effect the Basic Regulations on Information Security, to ensure that electronic information assets are appropriately stored and managed.

For quality risks, the Product Risk Control Committee met three times to deliberate risks related to products manufactured and sold by the Company and measures for addressing those risks.

The Board of Directors met 12 times and the Executive Board met 11 times in the fiscal year ended April 30, 2025. At these meetings, important matters related to the execution of operations were discussed and determined, and the execution of duties at ITO EN Group companies was supervised. All Audit and Supervisory Committee Members attend meetings of the Board of Directors. The Full-Time Audit and Supervisory Committee Member also attends meetings of the Executive Board.

The Internal Auditing Department audited the Company and ITO EN Group companies, and gave directions for improvement as necessary, after reporting the results of the audit to the President and the Audit and Supervisory Committee as necessary.

7. Basic policies related to control of the Company

At the time of submission of this Business Report, the Company has not introduced any takeover countermeasures. This is because it cannot be guaranteed that takeover countermeasures would function effectively, and there is a risk that the introduction of such measures would cause the share price to fall and conversely increase the risk of takeover. The Company believes that it is important to form close relationships with all stakeholders, increase business performance, ensure that stakeholders form a deep understanding of the Company, and always increase corporate value.

8. Policy on decisions on dividends and other appropriation of surplus

As for the dividends of surplus, the Company has established a basic policy of paying dividends twice a year, namely interim dividends and year-end dividends, with the aim of providing stable profit distribution to shareholders while taking into consideration the need to retain internal reserves for the growth of corporate value.

As part of agile capital policies to respond flexibly to changes in the corporate environment, the Company appropriately purchases treasury stock, while adequately considering its financial position, trends in the share price, and other factors.

In addition, with respect to the purpose of internal reserves, the Company intends to actively return retained earnings to shareholders through future business development, by utilizing internal reserves for investments to enhance corporate value, etc., and endeavoring to improve corporate value, i.e., the value of shareholders’ investment.

As written in Proposal 1 for the Annual General Meeting of Shareholders to be held on July 25, 2025, the year-end dividend for the fiscal year ended April 30, 2025 is proposed to be 22 yen per share of common stock and 28 yen per share of Class-A Preferred Stock. When combined with the interim dividend, the annual dividend for the fiscal year ended April 30, 2025 will amount to 44 yen per share of common stock and 56 yen per share of Class-A Preferred Stock.

(Note) Monetary amounts and numbers of shares less than the units used for display purposes have been rounded down in this Business Report.

Non-consolidated Balance Sheet

(As of April 30, 2025)

(Millions of yen)

Assets		Liabilities	
Account	Amount	Account	Amount
Current assets	173,229	Current liabilities	67,934
Cash and deposits	63,445	Accounts payable - trade	26,325
Notes receivable - trade	55	Short-term loans payable	9,100
Accounts receivable - trade	56,968	Lease obligations	863
Merchandise and finished goods	29,830	Accounts payable - other	1,095
Raw materials and supplies	7,400	Accrued expenses	25,072
Prepaid expenses	3,439	Income taxes payable	1,483
Short-term loans receivable from subsidiaries and associates	1,904	Unearned revenue	15
Accounts receivable - other	8,773	Provision for bonuses	3,104
Other	1,425	Other	874
Allowance for doubtful accounts	(13)	Non-current liabilities	51,676
Non-current assets	107,912	Bonds payable	10,000
Property, plant and equipment	47,374	Long-term loans payable	32,150
Buildings	12,554	Lease obligations	1,480
Structures	327	Provision for retirement benefits	6,169
Machinery and equipment	2,149	Deferred tax liabilities for land revaluation	740
Vehicles	10	Other	1,135
Tools, furniture and fixtures	13,232		
Land	15,596	Total liabilities	119,610
Leased assets	3,068		
Construction in progress	434	Net assets	
Intangible assets	4,261	Shareholders' equity	165,558
Leasehold interests in land	80	Capital stock	19,912
Trademark right	625	Capital surplus	5,000
Software	3,213	Legal capital surplus	5,000
Telephone subscription right	89	Other capital surplus	-
Other	253	Retained earnings	146,577
Investments and other assets	56,276	Legal retained earnings	1,320
Investment securities	4,758	Other retained earnings	145,256
Shares of subsidiaries and associates	38,154	Reserve for tax purpose reduction entry of non-current assets	515
Investments in capital	9	General reserve	131,616
Investments in capital of subsidiaries and associates	1,051	Retained earnings brought forward	13,125
Long-term loans receivable from subsidiaries and associates	1,000	Treasury shares	(5,930)
Distressed receivables	28		(4,109)
Long-term prepaid expenses	1,046	Valuation and translation adjustments	
Deferred tax assets	3,546	Valuation difference on available-for-sale securities	1,965
Leasehold and guarantee deposits	1,771	Revaluation reserve for land	(6,074)
Business insurance premiums	2,471	Share acquisition rights	82
Other	2,537		
Allowance for doubtful accounts	(99)	Total net assets	161,531
Total assets	281,142	Total liabilities and net assets	281,142

(Note) Amounts of less than one million yen are rounded down.

Non-consolidated Statement of Income

(From May 1, 2024 to April 30, 2025)

(Millions of yen)

Account	Amount	
Net sales		334,800
Cost of sales		220,322
Gross profit		114,477
Selling, general and administrative expenses		99,575
Operating income		14,902
Non-operating income		
Interest and dividend income	1,927	
Royalty income	281	
Other	549	2,757
Non-operating expenses		
Interest expenses	109	
Interest on bonds	57	
Foreign exchange losses	609	
Rent expenses	72	
Depreciation on rental buildings	109	
Loss on cancellation of leases	144	
Other	67	1,171
Ordinary income		16,489
Extraordinary income		
Gain on sales of non-current assets	0	
Gain on sales of investment securities	21	24
Other	2	
Extraordinary losses		
Loss on abandonment of non-current assets	265	
Loss on valuation of investment securities	3	
Other	0	269
Income before income taxes		16,243
Income taxes - current	4,073	
Income taxes - deferred	503	4,576
Net income		11,667

(Note) Amounts of less than one million yen are rounded down.

Non-consolidated Statement of Changes in Shareholders' Equity

(From May 1, 2024 to April 30, 2025)

(Millions of yen)

	Shareholders' equity								
	Capital stock	Capital surplus			Legal retained earnings	Retained earnings			Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		Other retained earnings			
						Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward	
Balance as of May 1, 2024	19,912	5,000	15,201	20,201	1,320	523	124,616	18,393	144,853
Changes of items during period									
Dividends of surplus								(5,483)	(5,483)
General reserve							7,000	(7,000)	-
Reversal of reserve for tax purpose reduction entry of non-current assets						(7)		7	-
Net income								11,667	11,667
Purchase of treasury shares									
Cancellation of treasury shares			(18,207)	(18,207)					
Disposal of treasury shares			(18)	(18)					
Transfer of loss on disposal of treasury shares			4,459	4,459				(4,459)	(4,459)
Decrease by corporate division - split-off type			(1,435)	(1,435)					
Net changes of items other than shareholders' equity									
Total changes of items during period	-	-	(15,201)	(15,201)	-	(7)	7,000	(5,268)	1,723
Balance as of April 30, 2025	19,912	5,000	-	5,000	1,320	515	131,616	13,125	146,577

	Shareholders' equity		Valuation and translation adjustments			Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Valuation and translation adjustments		
Balance as of May 1, 2024	(9,480)	175,486	1,661	(6,053)	(4,392)	104	171,199
Changes of items during period							
Dividends of surplus		(5,483)					(5,483)
General reserve		-					-
Reversal of reserve for tax purpose reduction entry of non-current assets		-					-
Net income		11,667					11,667
Purchase of treasury shares	(14,887)	(14,887)					(14,887)
Cancellation of treasury shares	18,207	-					-
Disposal of treasury shares	229	211					211
Transfer of loss on disposal of treasury shares		-					-
Decrease by corporate division - split-off type		(1,435)					(1,435)
Net changes of items other than shareholders' equity			304	(21)	283	(22)	260
Total changes of items during period	3,550	(9,927)	304	(21)	283	(22)	(9,667)
Balance as of April 30, 2025	(5,930)	165,558	1,965	(6,074)	(4,109)	82	161,531

(Note) Amounts of less than one million yen are rounded down.

Consolidated Balance Sheet

(As of April 30, 2025)

(Millions of yen)

Assets		Liabilities	
Account	Amount	Account	Amount
Current assets	231,995	Current liabilities	108,120
Cash and deposits	89,908	Accounts payable - trade	35,292
Notes receivable - trade	65	Short-term loans payable	24,177
Accounts receivable - trade	66,839	Lease obligations	1,448
Merchandise and finished goods	46,255	Accrued expenses	32,418
Raw materials and supplies	13,014	Income taxes payable	2,749
Accounts receivable - other	11,038	Provision for bonuses	4,292
Other	5,295	Other	7,741
Allowance for doubtful accounts	(423)	Non-current liabilities	60,505
Non-current assets	112,603	Bonds payable	10,000
Property, plant and equipment	77,356	Long-term loans payable	35,001
Buildings and structures	25,764	Lease obligations	2,445
Machinery, equipment and vehicles	6,347	Net defined benefit liability	6,824
Tools, furniture and fixtures	15,694	Deferred tax liabilities for land revaluation	740
Land	23,223	Other	5,493
Leased assets	4,522		
Construction in progress	1,305	Total liabilities	168,626
Other	498	Net assets	
Intangible assets	6,521	Shareholders' equity	172,137
Goodwill	762	Capital stock	19,912
Software	3,637	Capital surplus	4,788
Other	2,122	Retained earnings	153,367
Investments and other assets	28,724	Treasury shares	(5,930)
Investment securities	4,939	Accumulated other comprehensive income	2,141
Deferred tax assets	5,913	Valuation difference on available-for-sale securities	2,059
Other	17,997	Revaluation reserve for land	(6,074)
Allowance for doubtful accounts	(125)	Foreign currency translation adjustment	5,400
		Remeasurements of defined benefit plans	755
		Share acquisition rights	82
		Non-controlling interests	1,610
		Total net assets	175,971
Total assets	344,598	Total liabilities and net assets	344,598

(Note) Amounts of less than one million yen are rounded down.

Consolidated Statement of Income

(From May 1, 2024 to April 30, 2025)

(Millions of yen)

Account	Amount	
Net sales		472,716
Cost of sales		293,078
Gross profit		179,638
Selling, general and administrative expenses		156,668
Operating income		22,969
Non-operating income		
Interest income	609	
Dividend income	92	
Share of profit of entities accounted for using equity method	132	
Gain on prepaid card	147	
Other	506	1,488
Non-operating expenses		
Interest expenses	511	
Foreign exchange losses	573	
Loss on cancellation of leases	156	
Other	244	1,485
Ordinary income		22,973
Extraordinary income		
Gain on sales of non-current assets	17	
Gain on donation of non-current assets	4	
Gain on sales of investment securities	31	
Other	2	56
Extraordinary losses		
Loss on abandonment of non-current assets	298	
Impairment loss	489	
Loss on valuation of investment securities	9	
Loss on sale of investment securities	0	
Other	1	799
Income before income taxes		22,231
Income taxes - current	6,648	
Income taxes - deferred	1,081	7,729
Net income		14,501
Profit attributable to non-controlling interests		345
Profit attributable to owners of parent		14,156

(Note) Amounts of less than one million yen are rounded down.

Consolidated Statement of Changes in Shareholders' Equity

(From May 1, 2024 to April 30, 2025)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of May 1, 2024	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 as of April 30, 2025	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 as of May 1, 2024	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 as of April 30, 2025	2,059	(6,074)	5,400	755	2,141	82	1,610	175,971

(Note) Amounts of less than one million yen are rounded down.

Independent Auditor's Report (Translation)

June 18, 2025

ITO EN, LTD.

To the Board of Directors

KPMG AZSA LLC
Tokyo Office

Hiroto Yamane
Certified Public Accountant
Designated Engagement Partner

Yukihiro Kase
Certified Public Accountant
Designated Engagement Partner

Audit Opinion

We have audited the non-consolidated financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in shareholders' equity, the related notes and the accompanying supplemental schedules (collectively, "non-consolidated financial statements, etc.") of ITO EN, LTD. (the "Company") for the Company's 60th Fiscal Year (May 1, 2024 - April 30, 2025) in accordance with Article 436, Paragraph 2, Item 1 of the Companies Act.

In our opinion, the non-consolidated financial statements, etc. referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the non-consolidated financial statements, etc. were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, Etc. section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements, etc. in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Disclosures

Other disclosures consist of the Business Report and the accompanying supplemental schedules. Management is responsible for the preparation and disclosure of the other disclosures. It is also the responsibility of the Audit and Supervisory Committee to monitor Directors' performance of their duties in the development and operation of the reporting process for other disclosures.

Our opinion regarding the non-consolidated financial statements, etc. does not cover other disclosures, and we express no opinion on other disclosures.

Our responsibility in the audit of the non-consolidated financial statements, etc. is to read other disclosures carefully and, in the course of reading, to consider whether there are material differences between other disclosures and the non-consolidated financial statements, etc., or knowledge obtained in the audit, and to pay attention to whether there are any indications of material errors in other disclosures other than such material differences.

If, based on the work performed, we determine that there are material errors in other disclosures, we are required to report those facts.

Regarding other disclosures, there are no required reporting items by us.

Responsibilities of Management and the Audit and Supervisory Committee for the Non-consolidated Financial Statements, Etc.

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements, etc. in accordance with accounting principles generally accepted in Japan, including the design, implementation and maintenance of such internal control as management determines is necessary to enable the preparation and fair presentation of non-consolidated financial statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, etc., management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements, etc. with the assumption of the Company's ability to continue as a going concern, and disclosing matters related to going concern as applicable in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for overseeing the Directors' performance of their duties including the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements, Etc.

Our responsibilities are to obtain reasonable assurance about whether the non-consolidated financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the non-consolidated financial statements, etc. based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements, etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. The procedures selected to be applied depend on the auditor's judgment. In addition, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, in making those risk assessments, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit of the non-consolidated financial statements, etc. is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the non-consolidated financial statements, etc. and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the non-consolidated financial statements, etc. or, if such notes are inadequate, to express a qualified opinion with exceptions on the non-consolidated financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation of the non-consolidated financial statements, etc. and the notes thereto are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the non-consolidated financial statements, etc., including the related notes thereto, and whether the non-consolidated financial statements, etc. represent the underlying transactions and accounting events in a manner that achieves fair presentation.

We communicate with the Audit and Supervisory Committee regarding the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures taken to eliminate obstruction factors, or safeguards in order to reduce obstruction factors to an acceptable level.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and the designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Independent Auditor’s Report (Translation)

June 18, 2025

ITO EN, LTD.

To the Board of Directors

KPMG AZSA LLC
Tokyo Office

Hiroto Yamane
Certified Public Accountant
Designated Engagement Partner

Yukihiro Kase
Certified Public Accountant
Designated Engagement Partner

Audit Opinion

We have audited the consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in shareholders’ equity and the related notes of ITO EN, LTD. (the “Company”) and its consolidated subsidiaries (collectively referred to as the “Group”) for the fiscal year from May 1, 2024 to April 30, 2025 in accordance with Article 444, Paragraph 4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the consolidated financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Disclosures

Other disclosures consist of the Business Report and the accompanying supplemental schedules. Management is responsible for the preparation and disclosure of the other disclosures. It is also the responsibility of the Audit and Supervisory Committee to monitor Directors’ performance of their duties in the development and operation of the reporting process for other disclosures.

Our opinion regarding the consolidated financial statements does not cover other disclosures, and we express no opinion on other disclosures.

Our responsibility in the audit of the consolidated financial statements is to read other disclosures carefully and, in the course of reading, to consider whether there are material differences between other disclosures and the consolidated financial statements or knowledge obtained in the audit, and to pay attention to whether there are any indications of material errors in other disclosures other than such material differences.

If, based on the work performed, we determine that there are material errors in other disclosures, we are required to report those facts.

Regarding other disclosures, there are no required reporting items by us.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, including the design, implementation and maintenance of such internal control as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of the Group's ability to continue as a going concern, and disclosing matters related to going concern as applicable in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for overseeing the Directors' performance of their duties including the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. The procedures selected to be applied depend on the auditor's judgment. In addition, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, in making those risk assessments, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the consolidated financial statements or, if such notes are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and the notes thereto are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements represent the underlying transactions and accounting events in a manner that achieves fair presentation.
- Plan and perform audit of the consolidated financial statements to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to provide a basis for our opinion on the consolidated financial statements. We are responsible for the direction, supervision and inspection of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures taken to eliminate obstruction factors, or safeguards in order to reduce obstruction factors to an acceptable level.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and the designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Audit Report

The Audit and Supervisory Committee has audited the execution of Directors' duties during the 60th fiscal year from May 1, 2024 to April 30, 2025. The methods and results are reported as follows.

1. Audit methods and results

The Audit and Supervisory Committee regularly received reports from Directors, executive officers, employees, and others on the details of the resolutions of the Board of Directors concerning the matters set forth in Article 399-13, Paragraph 1, Items 1(b) and (c) of the Companies Act and the status of establishment and operation of systems (internal control systems) established in accordance with such resolutions, and requested explanations and expressed opinions as necessary, and conducted audits using the following methods.

- i) The Audit and Supervisory Committee has established the basic audit policy of establishing a good corporate governance system for the Company and the Group, and contributing to sound and sustainable growth and enhancement of societal trust. In accordance with the Audit and Supervisory Committee Audit Standards established by the Audit and Supervisory Committee, as well as following the audit policy, audit plan and allocation of duties established by the Audit and Supervisory Committee for the current period, and in coordination with the Company's Internal Auditing Department, each Audit and Supervisory Committee Member attended Board of Directors meetings and other important meetings, in addition to receiving reports related to performance of duties from Directors, executive officers and employees and requesting explanations as necessary, reviewing important approved documents, and examining the status of operations and status of assets at the Head Office and other principal business locations. With regard to subsidiaries, Audit and Supervisory Committee Members conducted visits to the subsidiaries based on the audit plan and communicated and exchanged information with the Directors, Audit & Supervisory Board Members, etc. of the subsidiaries and received business reports as necessary.
- ii) With regard to the basic policy as set forth in Article 118, Item 3(a) of the Regulation for Enforcement of the Companies Act and included in the Business Report, the contents were considered after taking into account the state of discussions at the Board of Directors and elsewhere. Furthermore, with regard to internal controls over financial reporting, Audit and Supervisory Committee Members received reports from Directors, etc. and the Accounting Auditor on the evaluations of the internal controls and on the status of audits, and requested explanations as necessary.
- iii) In addition to monitoring and verifying whether the Accounting Auditor maintained its independence and conducted appropriate audits, Audit and Supervisory Committee Members received reports from the Accounting Auditor on the status of the execution of its duties, including audit plans, interim review results, and year-end audit results, and requested explanations as necessary. In addition, Audit and Supervisory Committee Members attended the on-site inspection of major branch offices conducted by the Accounting Auditor and confirmed the status of execution of duties by the Accounting Auditor. In addition, each Audit and Supervisory Committee Member was notified by the Accounting Auditor that it had established a "system for ensuring that duties are performed properly" (as set forth in each item of Article 131 of the Regulation on Corporate Accounting) in accordance with the "product quality management standards regarding audits" (Business Accounting Council), etc., and requested explanations as necessary.

In accordance with the procedures mentioned above, we have reviewed the Business Report and accompanying supplemental schedules, the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in shareholders' equity, and notes to the non-consolidated financial statements) and accompanying supplemental schedules, as well as the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in shareholders' equity and notes to the consolidated financial statements), for the fiscal year ended April 30, 2025.

2. Results of audit

(1) Results of audit of business report

- i) We acknowledge that the Business Report and accompanying supplemental schedules fairly present the status of the Company in conformity with the related laws and regulations and the Articles of Incorporation.
- ii) With respect to Directors' performance of their duties, we acknowledge that no instance of misconduct or material fact constituting a violation of any law and regulation nor the Articles of Incorporation was found.
- iii) We acknowledge that the Board of Directors' resolutions with respect to internal control systems are appropriate. We do not find any matters to be additionally mentioned with respect to the contents of the Business Report and Directors' performance of their duties in relation to the internal control systems including internal controls over financial reporting.
- iv) We acknowledge that the basic policies related to control of the Company included in the Business Report are appropriate.

(2) Results of audit of financial statements and the accompanying supplementary schedules

We acknowledge that the methods and results of audit performed by the Accounting Auditor, KPMG AZSA LLC, are appropriate.

(3) Results of audit of consolidated financial statements

We acknowledge that the methods and results of audit performed by the Accounting Auditor, KPMG AZSA LLC, are appropriate.

June 25, 2025

Audit and Supervisory Committee
ITO EN, LTD.
Kiyoshi Kondo (Seal)
Audit and Supervisory Committee Member
Yuichi Usui (Seal)
Audit and Supervisory Committee Member
Hitoshi Yokokura (Seal)
Audit and Supervisory Committee Member
Yoshihiko Okuda (Seal)
Audit and Supervisory Committee Member

Notes: Audit and Supervisory Committee Members Yuichi Usui, Hitoshi Yokokura, and Yoshihiko Okuda are Outside Directors as defined in Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.