ITO EN
We Love Nature

January 27, 2026

NEWS RELEASE

Notice of Recognition of Impairment Loss and Revisions to Earnings Forecasts (Consolidated and Non-Consolidated)

ITO EN, LTD. (hereinafter the "Company") hereby announces that, in the third quarter of the fiscal year ending April 2026, the Company recognized an impairment loss on fixed assets in the Company's vending machine business and has revised the full-year earnings forecast for the fiscal year ending April 30, 2026, which was released on June 2, 2025, as outlined below.

1. Recognition of Impairment Loss

The Company has historically grouped assets primarily by area for the application of impairment accounting, and grouped rental properties using each individual property as the basic unit. However, in connection with transferring the "Vending Machine Business" to NEOS Co., Ltd., a wholly owned subsidiary, the Company has decided to segregate the previously unified business into the "Vending Machine Business" and "Other Businesses," and to group assets by area for each.

Within the "Vending Machine Business," has been recognised as facing a significantly deteriorating operating environment, with sales volumes declining while costs such as raw materials, logistics and labour continue to rise, indicating signs of impairment. Accordingly, the Company conducted the recognition and measurement of impairment losses. As a result, in the third quarter of the fiscal year ending April 30, 2026, the Company will reduce the carrying amount of the assets of the relevant business to their recoverable amount and will recognize an impairment loss of 11,827 million yen. In addition, combined with the recognition of impairment loss by NEOS Co., Ltd., the consolidated will reduced the carrying amount of the assets of the relevant business to their recoverable amount and will recognize an impairment loss of 13,594 million yen.

2. Revisions to consolidated financial results forecasts for the fiscal year ending April 30, 2026.

(From May 1, 2025, through April 30, 2026)

(Unit: million yen)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Earnings per share (yen) (Common Stock)
Previous forecasts (A)	490,000	25,500	25,700	16,000	135.72
Revised forecasts (B)	495,000	20,000	21,000	1,000	5.46
Difference (B-A)	5,000	△5,500	△4,700	△15,000	
Change (%)	1.0	△21.6	△18.3	△93.8	
(Reference) Previous year (ended April 30, 2025)	472,716	22,969	22,973	14,156	117.50

* Differences in earnings per share of Class-A Preferred Stock

Previous forecasts 147.72 yen

Revised forecasts 17.48 yen

(Reference) Previous year (ended April 30, 2025) 129.46 yen

3. Reasons for Revisions to consolidated financial results forecasts

In the beverage industry, various costs, including raw materials, continue to rise, while consumers remain highly cost-conscious, resulting in a challenging operating environment. Within the Company Group, procurement prices for key raw materials—particularly green tea ingredients—have exceeded initial assumptions. Although the Company has made various efforts, such as utilizing inventories and improving productivity through operational efficiencies, it has been difficult to fully absorb these increases, and the Company implemented price revisions for certain beverage products and leaf products effective October 2025. However, although the price revisions had a positive effect, increases in rebates and other incentives due to intensified competition, upfront investments in advertising and promotion, and the recognition of the impairment loss described above are expected to cause results for the fiscal year ending April 30, 2026 to fall below the forecast announced on June 2, 2025.

4. Revisions to nonconsolidated financial results forecasts for the fiscal year ending April 30, 2026.

(From May 1, 2025, through April 30, 2026)

(Unit: million yen)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Earnings per share (yen) (Common Stock)
Previous forecasts (A)	342,400	17,000	19,350	13,500	114.01
Revised forecasts (B)	343,000	11,000	14,000	400	0.25
Difference (B-A)	600	△6,000	△5,350	△13,100	
Change (%)	0.2	△35.3	△27.6	△97.0	
(Reference) Previous year (ended April 30, 2025)	334,800	14,902	16,489	11,667	96.28

* Differences in earnings per share of Class-A Preferred Stock

Previous forecasts 126.01 yen

Revised forecasts 12.27 yen

(Reference) Previous year (ended April 30, 2025) 108.25 yen

5. Reasons for Revisions to consolidated financial results forecasts

As stated in "3. Reasons for Revisions to consolidated financial results forecasts".

(Note) The above earnings forecast has been prepared based on information available at this time, and actual results may differ due to various factors in the future.