Always Putting the Customer First

Our basic management principle is to honor each and every customer.

Our customers:

Consumers ***Shareholders & Investors*** ***All entities through which ITO EN sells its products*** ***Suppliers*** ***Financial institutions***

1 Results of Operations
2 Management
3 Brand Performance - Green Tea
4 Brand Performance - Others
5 Energetic Employees
6 Mid and Long-Term Planning
7 Management Target For April 30, 2007
Reference

1. RESULTS OF OPERATIONS

		Yearly Totals			Remarks	Yearly Totals	
		For the Year Ended Apr. 30, 2001	For the Year Ended Apr. 30, 2002		**<Projection for April 30, 2002>** **- Planned at the time of going public (May 1992) -** Aim to reach this goal: ■ Net Sales: ¥ 200 Billion	For the Year Ending Apr. 30, 2003 (Est.)	
		¥ Millions	¥ Millions	YOY % Change		¥ Millions	YOY % Change
Non-Consolidated	Net Sales	190,242	201,911	6.1%		215,000	6.5%
	Gross Profit	92,950	99,801	7.4%		105,588	5.8%
	Sale Commission	19,606	22,491	14.7%		23,745	5.6%
	Advertising Exp.	6,624	6,593	-0.5%		6,749	2.4%
	Transpotation Cost	7,465	7,919	6.1%		8,507	7.4%
	Depr. and Amort.	1,021	1,115	9.2%		1,095	-1.9%
	Operating Income	15,185	15,439	1.7%		16,000	3.6%
	Ordinary Income	14,598	14,733	0.9%		15,318	4.0%
	Extraordinary Expenses and Income	-185	-1,621	–		-50	–
	Net Income	7,852	7,328	-6.7%		8,300	13.3%
	Capital Expenditure	1,655	666			632	
	Cash Dividends per Share	¥ 40	¥ 40			¥ 40	
	E P S	¥ 172.18	¥ 160.70			¥ 181.99	
Consolidated	Net Sales	192,709	204,730	6.2%		219,000	7.0%
	Operating Income	15,666	15,148	-3.3%		15,900	5.0%
	Ordinary Income	15,068	14,417	-4.3%		15,180	5.3%
	Net Income	8,017	6,753	-15.8%		7,900	17.0%
	E P S	¥ 175.79	¥ 148.08			¥ 173.22	

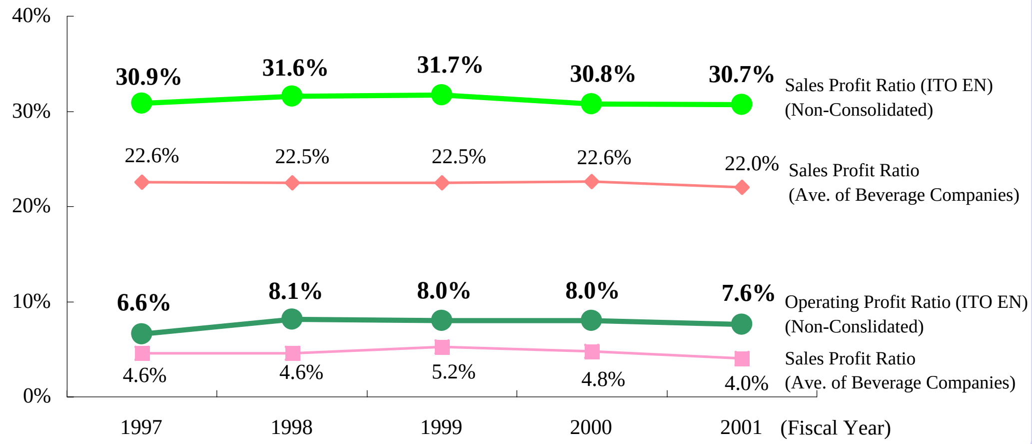
2. MANAGEMENT

Management Policy
(May 1, 2002~Apr. 30, 2003)

- **Expanding *Oi Ocha's* Leading Market Share**
- **Doubling the Number of New Customers**
- **Total Cost Reduction**
- **Implementing Company Stock Buybacks**
- **Reforming Reward Plans for Directors**
  (Terminate Additional Buildup of Retirement Benefits from this August)

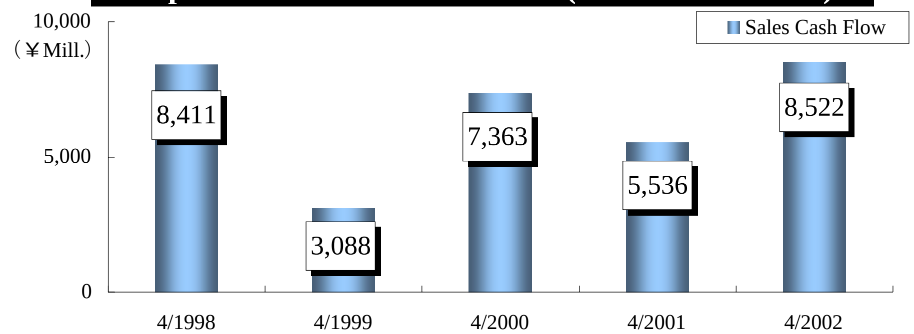
Introduction of Stock Options

Sales Profit Ratio / Operating Profit Ratio



Source: ITO EN, LTD.
Note: Sales Profit = Gross Profit - (Sales Promotion Expenses + Advertising Exp. + Transportation Cost)

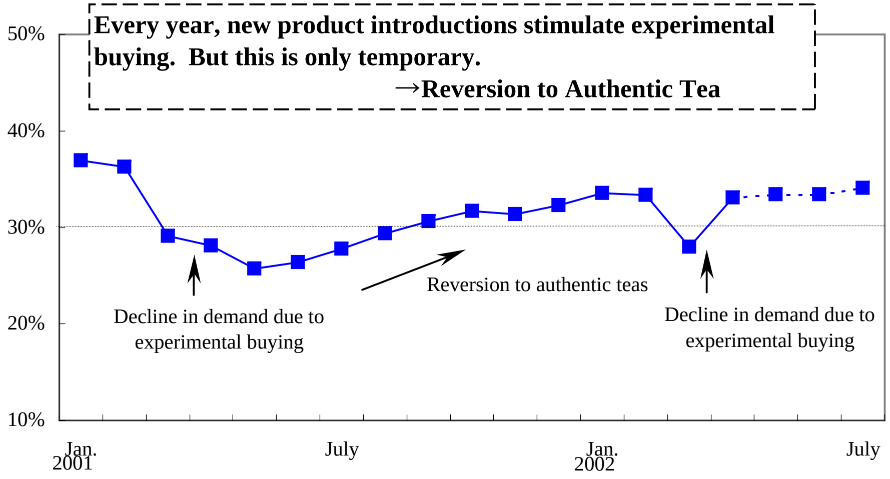
Sales Cash Flow / Capital Expenditure / Depreciation and Amortization (Non-Consolidated)



Capital Expenditure	1,678	1,167	2,514	1,655	666
Depr. and Amort.	890	954	928	1,021	1,115

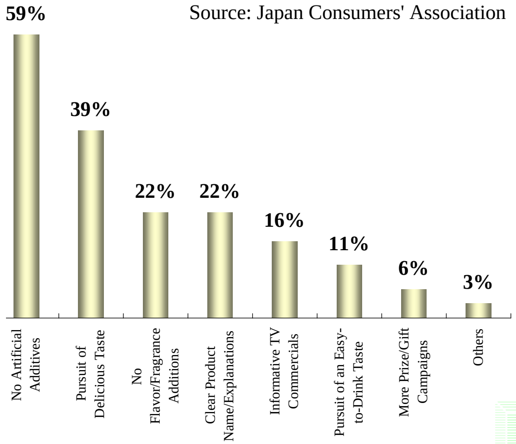
3. BRAND PERFORMANCE - GREEN TEA

Trends in *Oi Ocha's* Market Share per Month



Sources: ITO EN, LTD.
Note: This share is based on the top 10 green tea brands.

Whats's Expected of Beverage Companies Concerning Green Tea



Target for Apr. 30, 2003

Authentic Green Tea *"Oi Ocha"*

Meeting Consumer Requests
"Simply Natural. No Artificial Aromas. No Artificial Flavors"

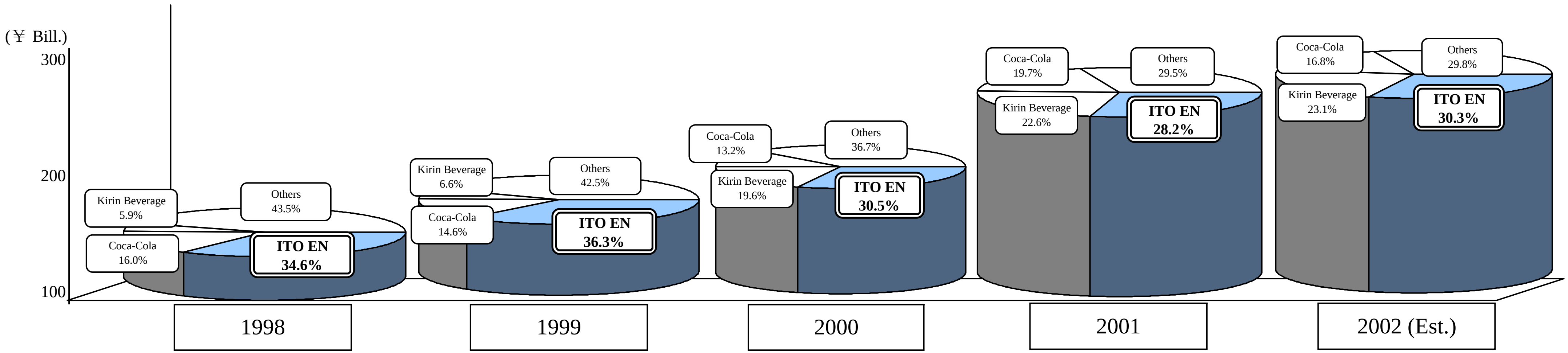
New Package Design
Aggressive Sales Campaigning

⇩

Target: 50 Million Cases

(Jan.-Apr. 2002 Total ,YOY % Change of Volume Base: 17.5%)

Market Size	**¥ 146.1 Bill.**	**¥ 161.9 Bill.**	**¥ 217.1 Bill.**	**¥ 268.5 Bill.**	**¥ 280.7 Bill.**
Ready-to-Drink Ratio	**5.7%**	**6.6%**	**9.6%**	**12.5%**	**13.2%**



Source: ITO EN, LTD. Year: Jan.-Dec.

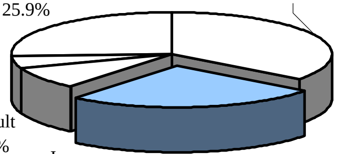
4. BRAND PERFORMACE - OTHERS

			Year Ended April 30, 2001	Year Ended April 30, 2002	YOY % Change	Year Ending April 30, 2003 (Est.)	YOY % Change
Oi Ocha		Sales (¥ Billions)	68.9	77.8	13.0%	82.7	6.3%
		Volume (Thousands of Cases)	38,431	43,993	14.5%	46,300	5.2%
Jujitsu Yasai (Including *Midori no Yasai* Green Vegetable)		Sales (¥ Billions)	26.0	25.3	-2.8%	26.7	5.7%
		Volume (Thousands of Cases)	11,072	11,087	0.1%	11,867	7.0%
Jasmine Tea *Hana Hana Ryoku-Cha*		Sales (¥ Billions)	4.3	4.4	1.6%	4.7	5.8%
		Volume (Thousands of Cases)	2,312	2,372	2.6%	2,503	5.5%
Kin no Oolong Tea		Sales (¥ Billions)	7.2	5.9	-19.0%	5.7	-2.7%
		Volume (Thousands of Cases)	3,783	3,226	-14.7%	3,164	-1.9%
Tennen Mineral Barley Tea (Tea Leaves + Drinks)		Sales (¥ Billions)	11.1	11.6	4.6%	12.7	9.9%
		Volume (Thousands of Cases)	5,886	6,154	4.5%	6,739	9.5%

Vegetable Drinks

Vegetable Beverage Market Share (Tomato and Tomato-based Vegetable Juice Excluded) (2001)

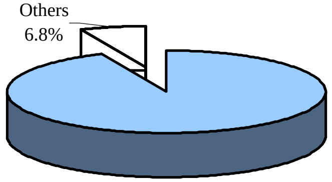
¥ 98.0 Billion



Jasmine Tea

Jasmine Tea Beverage Market Share (2001)

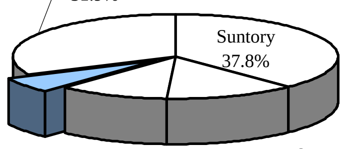
¥ 5.0 Billion



Oolong Tea

Oolong Tea Beverage Market Share (2001)

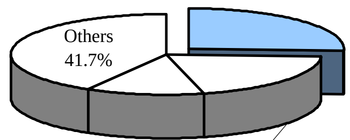
¥ 207.0 Billion



Barley Tea

Barley Tea Beverage Market Share (2001)

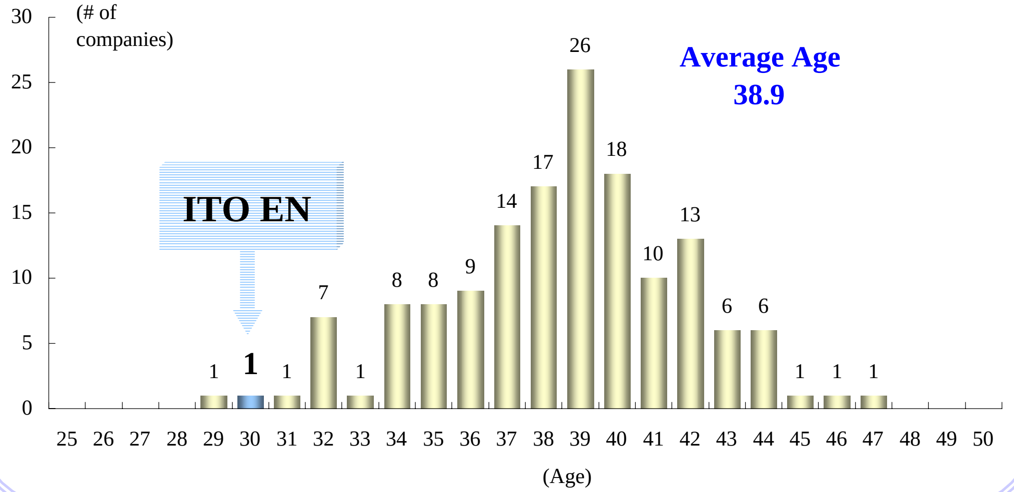
¥ 36.9 Billion



Source: ITO EN, LTD. Year: Jan.-Dec. (Period may differ depending on fiscal year of the company).

5. ENERGETIC EMPLOYEES

Average Age of Food Companies' Employees (Among Stock Market Listed Companies)



Tea Taster Achievement System

Start

June, 1994

Purpose

To encourage the consumption of tea while spreading tea culture and an accurate knowledge of tea products both inside and outside the company.

Qualifying Achievers

《2nd》 112 《3rd》 635 (As of Apr. 30, 2002)

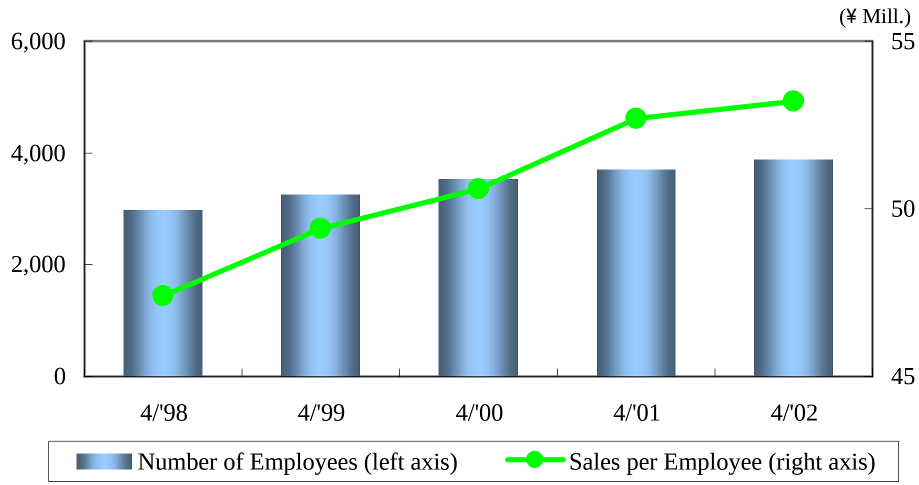
Tasting, Writing, Interview

<Achiever Ratio>【2nd】7.0%【3rd】39.8%

Similar Systems in Japan

- Tea instructor authorized by Japan Tea Association
  - ･Start: 1991
  - ･Number of achievers: 762 (10 year running)
- Tea instructor authorized by Japan Tea Industory Central Committee
  - ･Start: 1999
  - ･Number of achievers: 774 (3 year running)

Number of Employees and Sales per Employee



"VOICE" System

Corporate-Wide Proposal System by Employees & Customers

STILL NOW

What are consumers **STILL** not satisfied with **NOW?**

↓

"VOICE" … Number of Suggestions (As of Apr. 30, 2002)

3,277

↓

Product Development

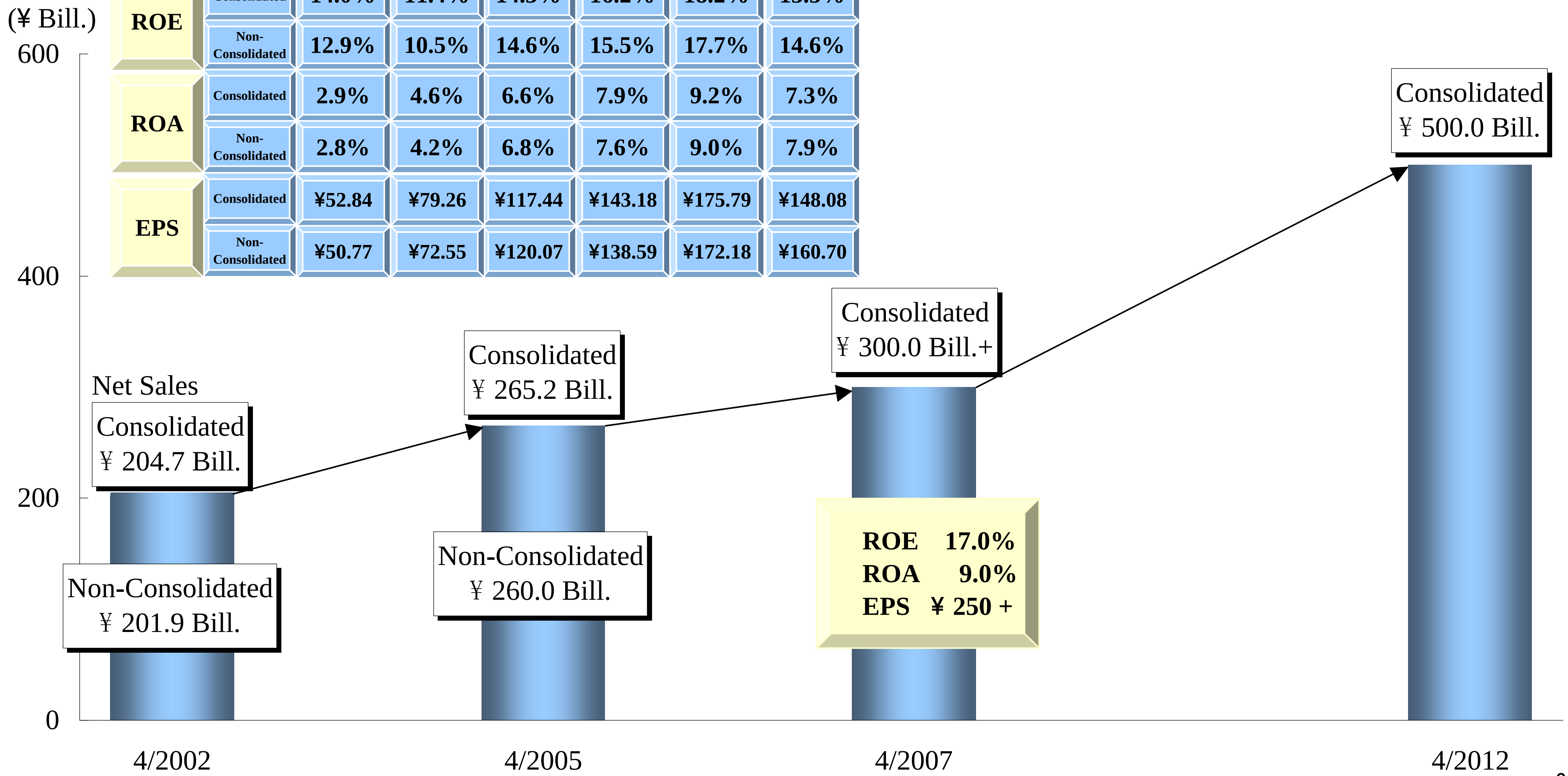
6. MID AND LONG-TERM PLANNING

Management Policy = Always Putting the Customer First

Produce "Natural･Healthy･Safe･Well-Designed･Delicious" Products

Growing Brands and Pioneering New Markets

		4/'93 (Initial public offering)	4/'98	4/'99	4/'00	4/'01	4/'02
ROE	Consolidated	14.0%	11.4%	14.3%	16.2%	18.2%	13.5%
	Non-Consolidated	12.9%	10.5%	14.6%	15.5%	17.7%	14.6%
ROA	Consolidated	2.9%	4.6%	6.6%	7.9%	9.2%	7.3%
	Non-Consolidated	2.8%	4.2%	6.8%	7.6%	9.0%	7.9%
EPS	Consolidated	¥52.84	¥79.26	¥117.44	¥143.18	¥175.79	¥148.08
	Non-Consolidated	¥50.77	¥72.55	¥120.07	¥138.59	¥172.18	¥160.70



7. MANAGEMENT TARGET FOR APRIL 30, 2007

1. Strengthening Core Brands

- Continued Expansion of Main Products
  - ■ Further Expansion of *Oi Ocha's* Leading Market Share
  - ■ Further Expansion of *Jujitsu Yasai's* Market Share
- New Brand Creation
- Raw Material Procurement Power
- R & D Power

  (Number of Patents: 189 as of Apr. 30, 2002)

2. Strengthening the Sales Foundation

- Increasing the Number of Customers
- Increasing the Number of Vending Machines
- Sales Branch Expansion

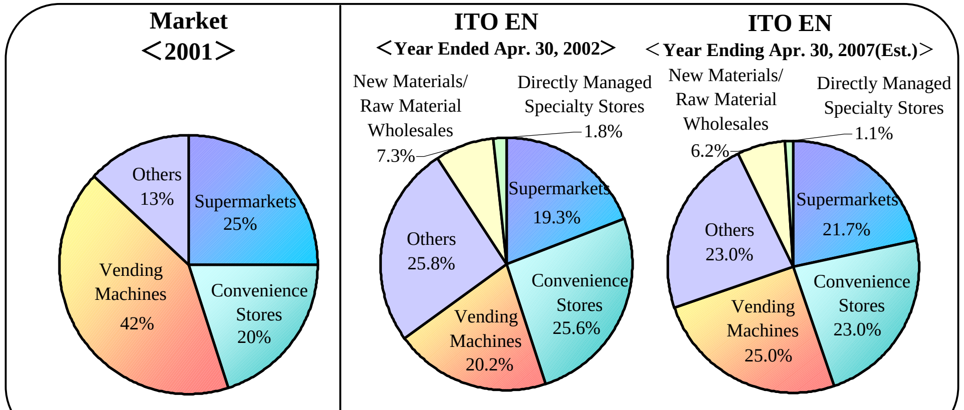
3. Total Cost Reduction

- Efficient Raw Material Procurement
- Decrease Expenses
- Efficient Production

4. Overseas Business Development

- Focus on Overseas Subsidiaries Achieving Profitability

	Apr. 30, 2002	Apr. 30, 2007
Net Sales (Consolidated)	¥204.7 Bill.	¥300.0 Bill. +
Sales Branches (Domestic)	178	230
Number of Vending Machines (Domestic)	78,917	155,000
Total Number of Customers (Domestic)	144,372	270,000

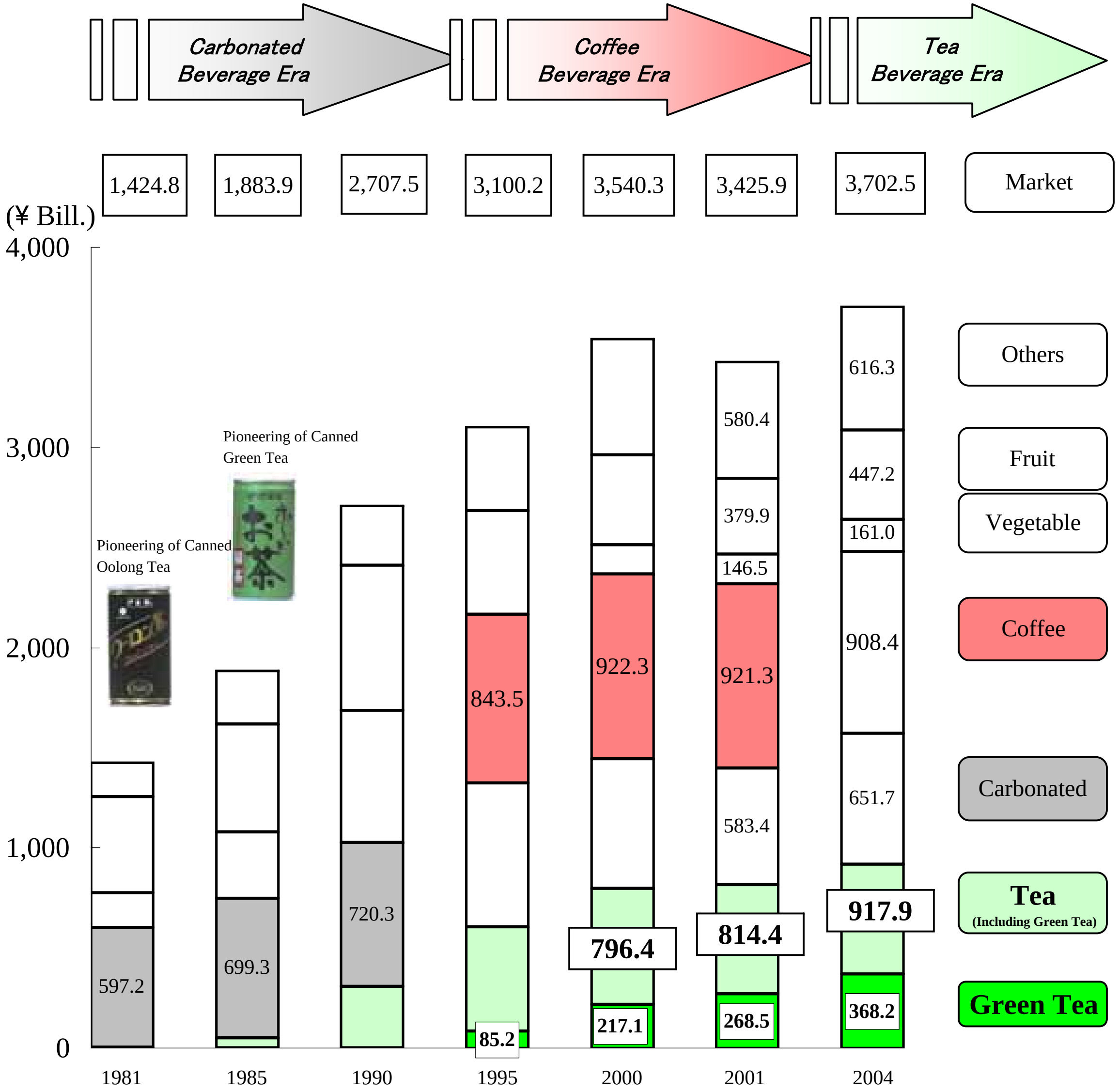


Source: ITO EN, LTD., Year: Market (Jan.-Dec.)

＜REFERENCE＞

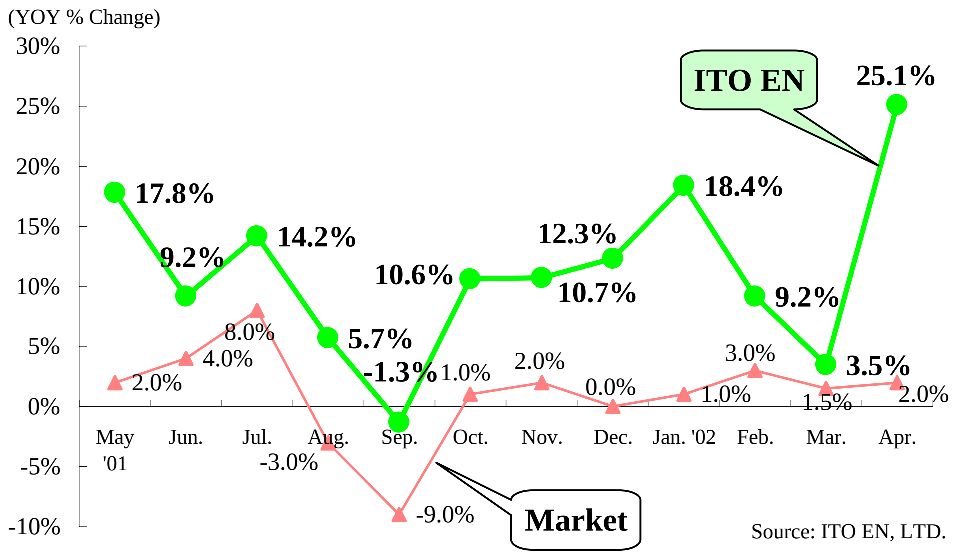
REFERENCE - 1. Japan's Non-Alcoholic Beverage Market

Market Trends



Source: ITO EN, LTD.
Year: Market (Jan.-Dec.), ITO EN (May-April)

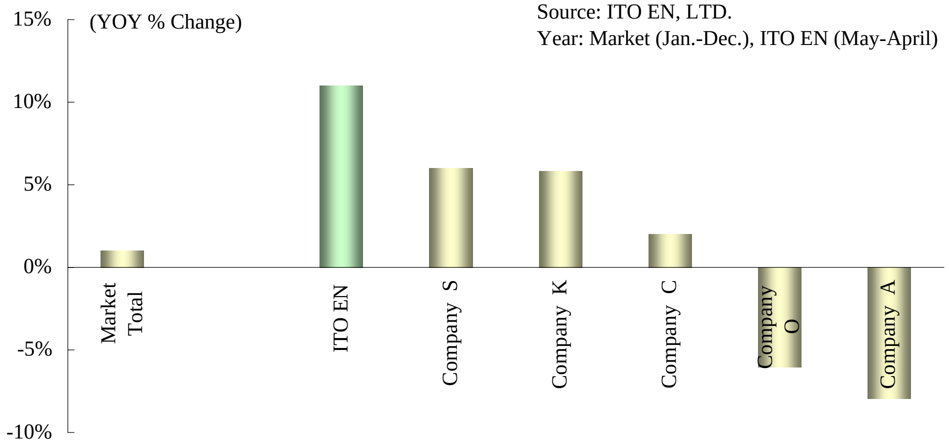
Monthly Sales
<YOY % Change: Volume Base>



Source: ITO EN, LTD.

Yearly Sales in 2001
<YOY % Change: Volume Base>

Source: ITO EN, LTD.
Year: Market (Jan.-Dec.), ITO EN (May-April)

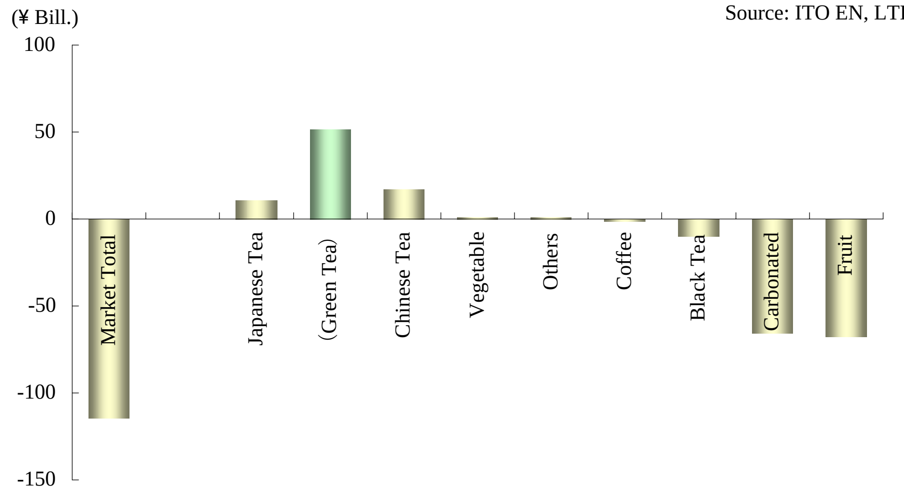


REFERENCE - 2. Category Results and Forecasts (Non-Consolidated)

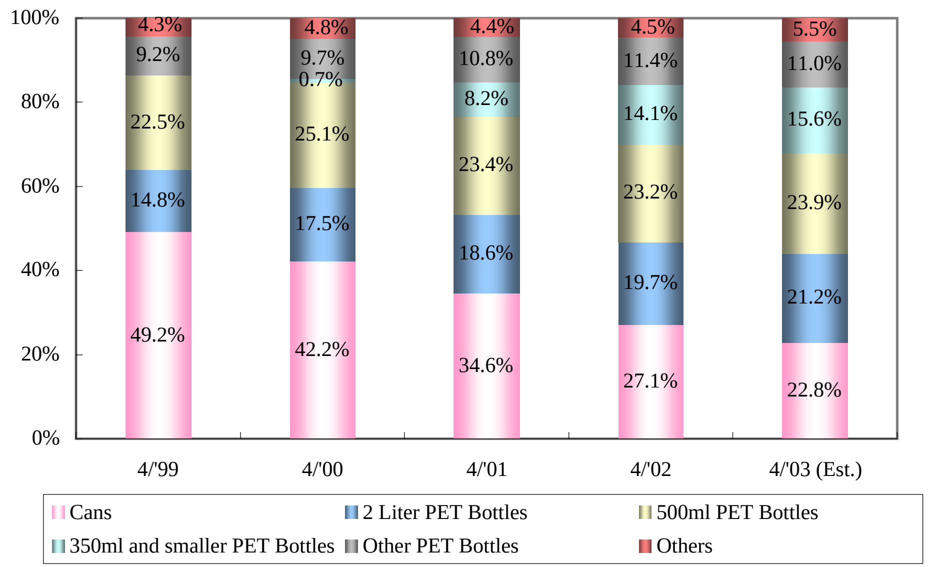
		Yearly Totals				
		For the Year Ended Apr. 30, 2001	For the Year Ended Apr. 30, 2002		For the Year Ending Apr. 30, 2003 (Est.)	
		¥ Millions	¥ Millions	YOY % Change	¥ Millions	YOY % Change
Net Sales		190,242	201,911	6.1%	215,000	6.5%
Breakdown	Tea Leaves	28,035	27,630	-1.4%	28,308	2.5%
	Drinks	159,073	171,418	7.8%	185,278	8.1%
	Others	3,134	2,862	-8.7%	1,413	-50.6%
Drinks	Japanese Tea	78,107	87,222	11.7%	94,621	8.5%
	Chinese Tea	17,257	17,578	1.9%	19,283	9.7%
	Vegetable	28,099	27,470	-2.2%	28,779	4.8%
	Fruit	9,005	9,703	7.7%	9,831	1.3%
	Coffee	13,316	15,020	12.8%	17,265	14.9%
	Black Tea	4,335	5,615	29.5%	5,590	-0.4%
	Carbonated	2,427	2,280	-6.1%	2,246	-1.5%
	Others	6,523	6,526	0.0%	7,661	17.4%
Containers	Total Volume (Thousands of cases)	83,814	93,000	11.0%	101,167	8.8%
	Cans (Thousands of cases)	28,990	25,163	-13.2%	23,059	-8.4%
	PET Bottles (Thousands of cases)	51,093	63,579	24.4%	72,511	14.0%
	Others (Thousands of cases)	3,729	4,257	14.2%	5,597	31.5%

Non Alcoholic Beverage Market Sales by Category (2000~2001 YOY Change)

Source: ITO EN, LTD.



Sales Composition by Container (Volume Base)

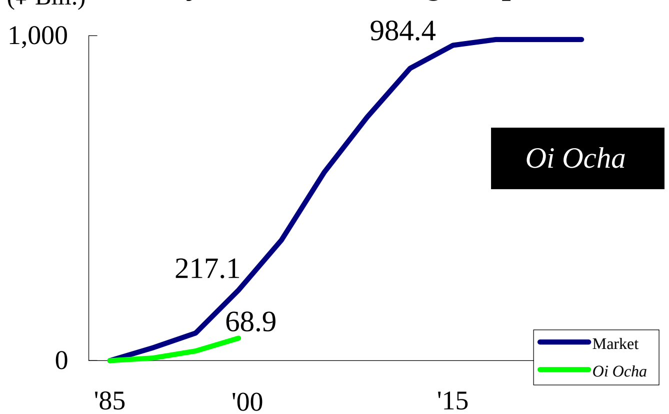


REFERENCE - 3. Growth of Core Products → Product Life Cycles

ITO EN Creates New Markets.

Green Tea Beverage Market

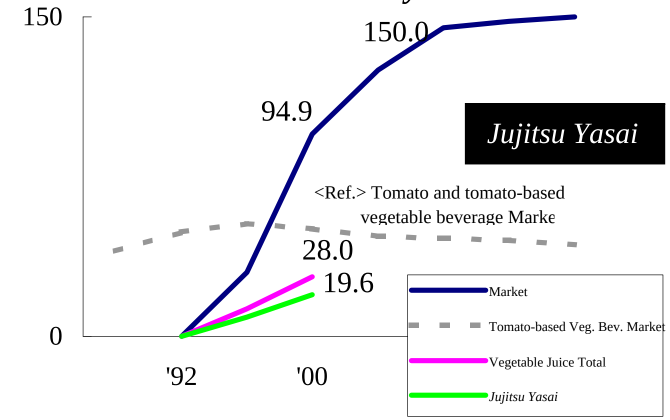
- Ready-to-Drink Beverage Expansion -



Vegetable Beverage Market

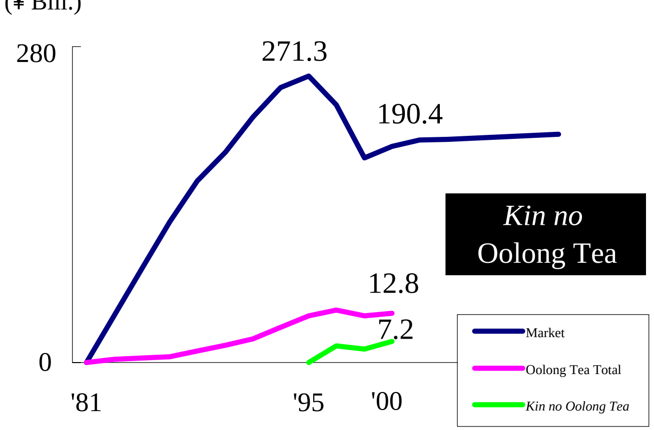
(tomato and tomato-based vegetable juices excluded)

- Vegetable Consumption Encouragement and more Heavy-Users -



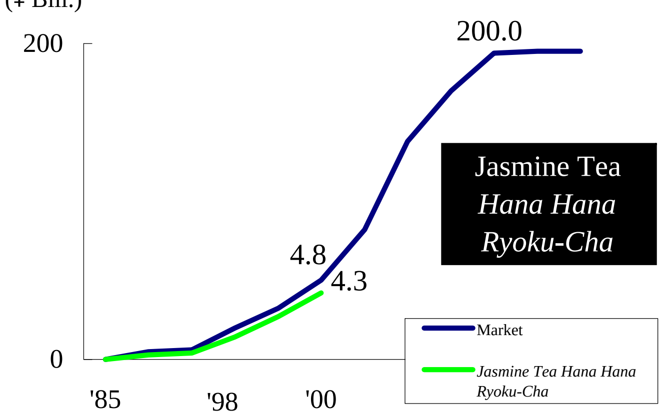
Oolong Tea Beverage Market

- Coming back to the Real Thing -



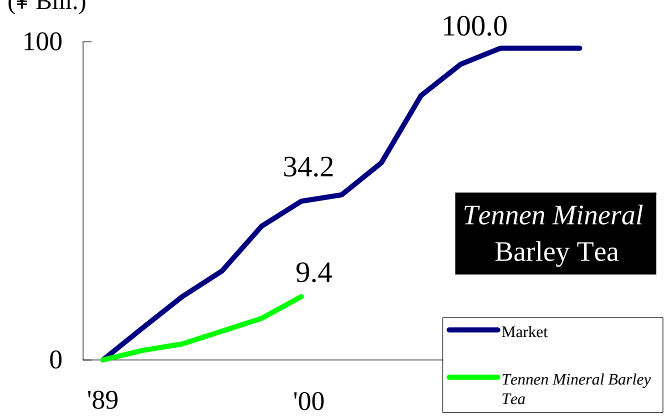
Jasmine Tea Beverage Market

- "Aroma Market" Creation -



Barley Tea Beverage Market

- All-Year-Round Product Expansion -



Source: ITO EN, LTD. Year: Market (Jan.-Dec.), ITO EN (May-Apr.)
Note: Graphs based on ITO EN calculations and projections

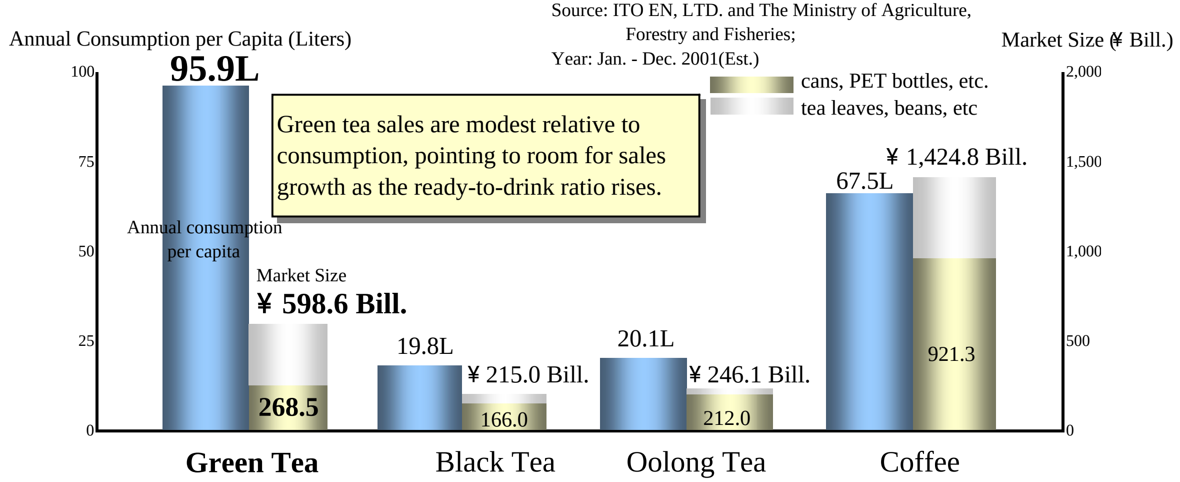
REFERENCE - 4. Green Tea (1)

Ready-to-Drink Beverage Ratios

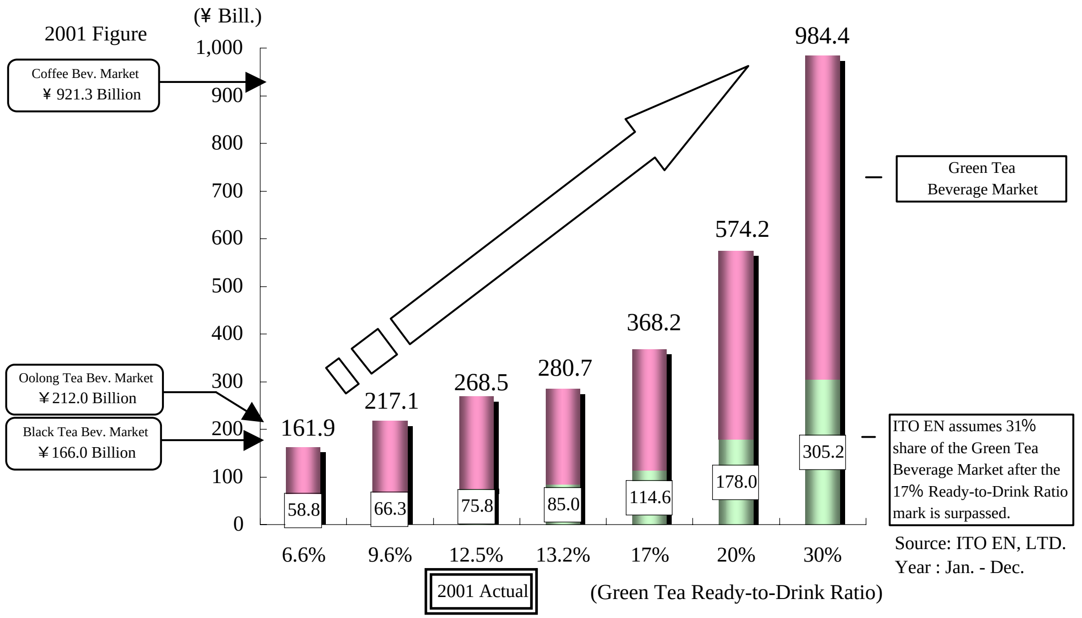
Source: ITO EN, LTD.

	1998	1999	2000	2001 (Actual & Est.)	2002 (Est.)
Green Tea	**5.7%**	**6.6%**	**9.6%**	**12.5%**	**13.2%**
Oolong Tea	49.5%	50.2%	49.5%	55.2%	
Black Tea	38.3%	37.5%	34.6%	34.1%	
Coffee	29.3%	30.0%	30.4%	31.2%	

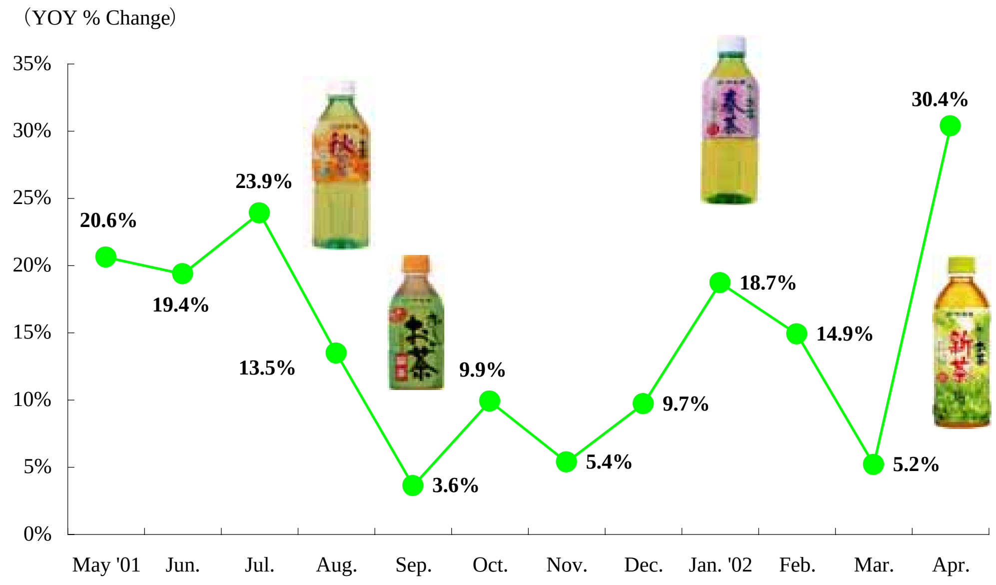
Annual Per Capita Consumption and Market Size



Green Tea Ready-to-Drink Ratio and Green Tea Beverage Market



Oi Ocha Monthly Sales Trends (Volume Base)



REFERENCE - 5. Green Tea (2)

Procurement Activity

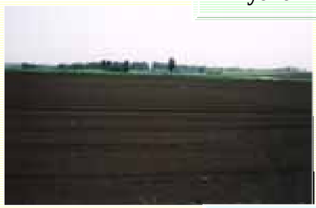
	1999	2000		2001	
	Tons	Tons	YOY % Change	Tons	YOY % Change
Domestic Tea Leaf Production	88,500	89,737	1.4%	90,371	0.7%
Imports	12,047	14,328	18.9%	17,739	23.8%
Exports	755	684	-9.4%	599	-12.4%
Domestic Consumption	98,800	101,381	2.6%	107,111	5.7%
ITO EN Utilization	14,254	16,463	15.5%	14,541	-11.7%
Ready-to-Drink Ratios	6.6%	9.6%		12.5%	

Source: The Ministry of Agriculture, Forestry and Fisheries, Japan Tea Industry Central Committee, ITO EN, LTD.
Year: ITO EN Utilization: May-April; Others: Jan.-Dec.

Green Tea Procurement

Kagoshima Prefecture

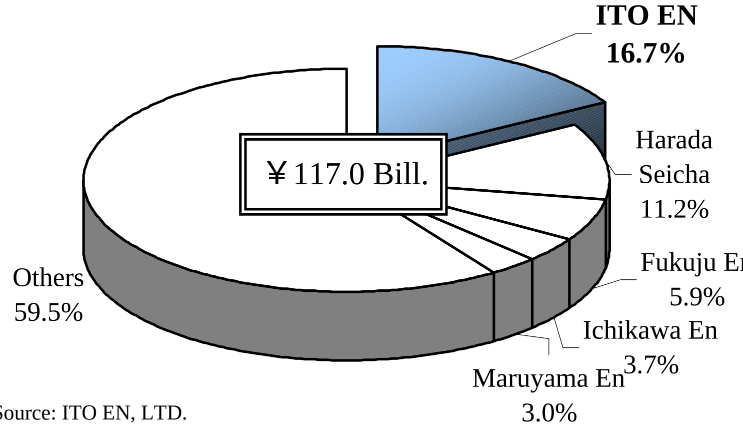
Miyazaki Prefecture



China

Australia

Packed Green Tea Market Share (2000 Sales)



Source: ITO EN, LTD.

New Tea Leaf Specialty Store
"Tea. Pi. O." & "TEA GARDEN"

《Concept》

This store provides 130 Tea Leaf Varieties and Aims to Create a New Tea Culture. Established in 2001, we now have 5 stores (as of May 3, 2002).

"Tea. Pi. O." in Takashimaya Department Store Shinjuku

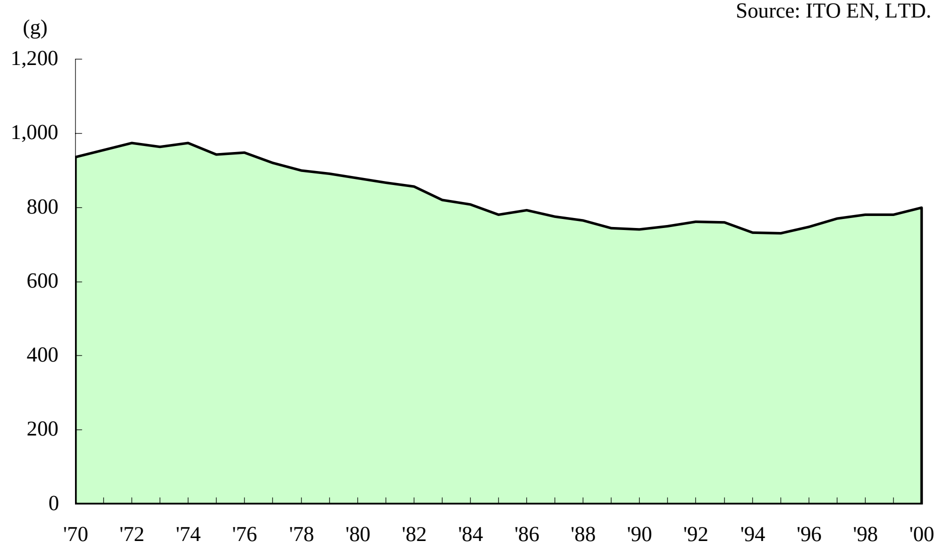
REFERENCE - 6. Green Tea (3)

Green Tea and Health

Ingredients	Healthy Effects
Catechin	・Anti-tumorgenesis ・Antioxidant effect: Reduction of oxidation ・Inhibition of hypertension ・Anti-hyper cholestolemia ・Hypoglycemic effect ・Antimicrobial activity ・Prevention of halitosis ・Radical scavenging effect
Vitamin C	・Antioxidant effect; Reduction of stress ・Prevention of flu ・Radical scavenging effect
Vitamin E	・Antioxidant effect; Regulation of aging ・Radical scavenging effect
Carotene	・Anti-carcinogenicity
γ-Amino Butyric Acic	・Inhibition of hypertension
Flavonoids	・Strengthening of blood vessels ・Prevention of halitosis
Polysaccharides	・Hypoglycemic effect
Flouride	・Prevention of carious
Theanine (amino acid)	・Component of tatste ・Antagonistic effect against convulsive action of caffeine ・Inhibition of hypertension ・Improvement of brain function
Caffeine	・Promotion of wakefulness ・Eases fatigue and sleeplessness ・Diuretic effect
Saponins	・Anti-fungal activity ・Anti-inflammation ・Antiallergenic activity ・Anti-obesity

Annual Per Capita Tea Consumption

Source: ITO EN, LTD.



1997 Annual Household Beverage Expenditures per Household Head Age Group

(Units: ￥)

Age Bracket	Green Tea	Black Tea	Coffee/Cocoa	Juice	Soda	Lactic Acid Bev.
- 24	1,388	470	6,915	11,784	2,446	1,544
25 - 29	1,550	841	5,370	14,991	2,728	2,080
30 - 34	2,197	643	6,979	15,582	2,754	3,053
35 - 39	3,176	738	8,310	16,588	3,713	3,847
40 - 44	4,299	873	9,449	15,641	4,304	3,902
45 - 49	6,346	1,089	9,349	12,564	3,837	3,456
50 - 54	8,266	699	8,431	10,524	3,004	2,805
55 - 59	9,346	711	8,014	8,347	2,536	3,202
60 - 64	9,332	655	7,491	7,868	2,482	3,934
65 -	10,869	676	6,146	5,746	2,165	4,133
Average	6,760	747	7,583	10,919	2,917	3,362

Source: Household Projections for Japan by Prefecture, Population Projections for Japan, Annual Report on Family Income and Expenditure Survey, Statistics Management and Cordination Agency, Government of Jap

REFERENCE - 7. R&D and Production

R&D Expenses & the Number of Staff Members

	For the Year Ended April 30, 2001	For the Year Ended April 30, 2002
R&D Expenses	¥ 1.08 Bill.	¥ 1.38 Bill.
Number of R&D Staff Members	138	131

Research Results

Total Japanese Patent Applications
(Approved or still Pending)
189

As of April 30, 2002

Contents	Patents (Including pending ones)
R&D on Green Tea (Tea Leaves and Green Tea Drinks)	**31**
R&D on Pharmacological Benefits and Effects of Tea Ingredients	**82**
R&D on Other Applications of Tea (Mouth Wash Liquid, Antibacterial Materials,etc.)	**16**
R&D on Other Drinks (Barely Tea, Oolong Tea and Vegetable/Fruit Juice)	**26**
Others	**34**

Production System

Beverages

■**Efficient Outsourcing of Manufacturing (=Fabricationless Production)**

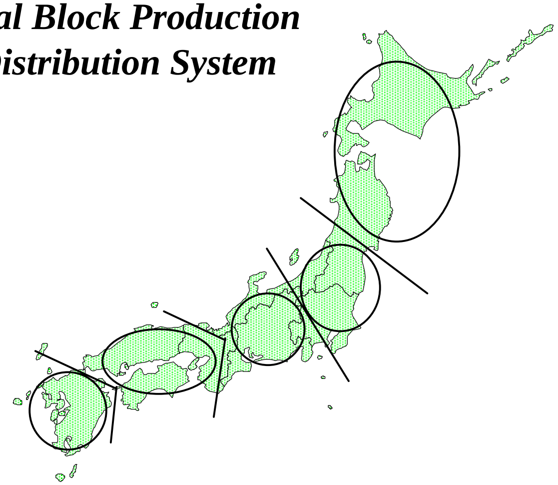
・5 Regional-Block Production System reduces Sales Cost

・Reduce Risks associated with Investing in Equipment

Leaves

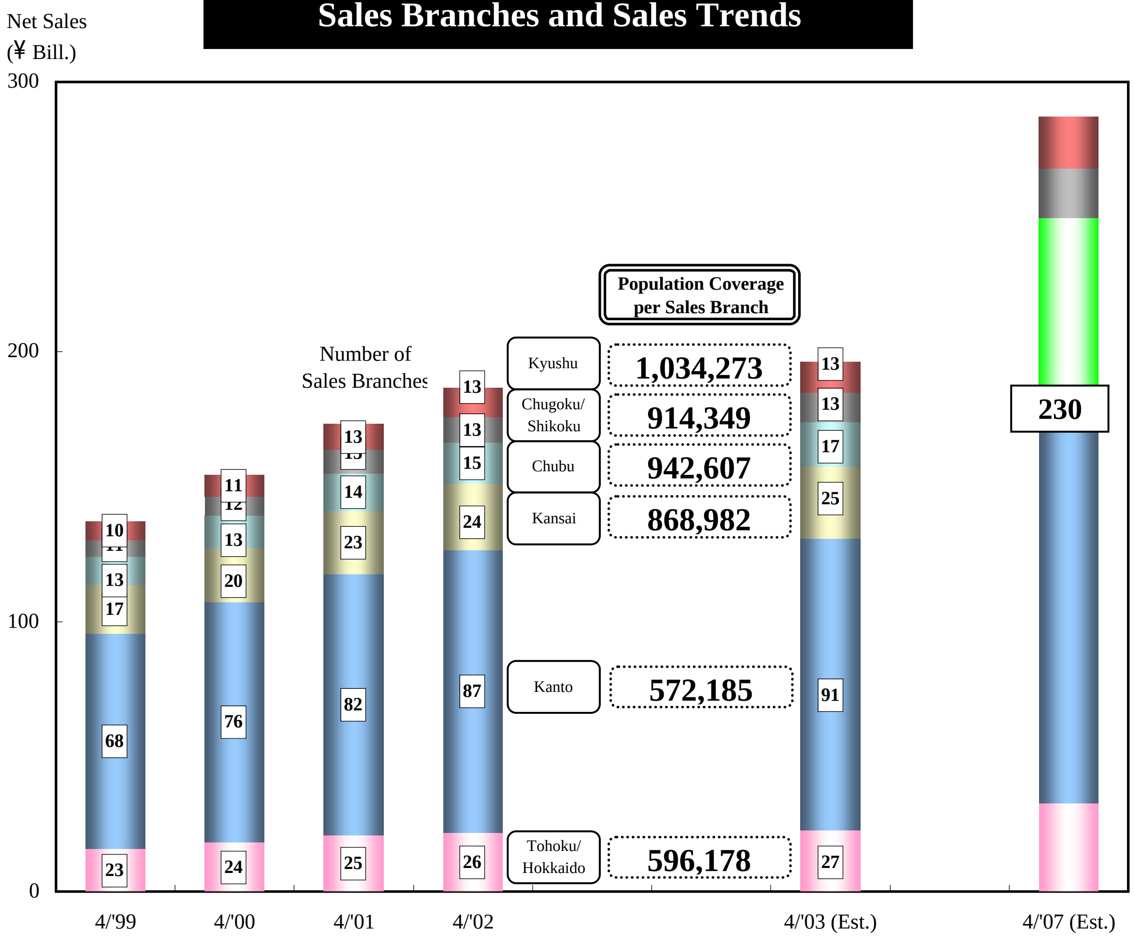
■**Fully-integrated manufacturing system from growing to processing tea leaves**

Regional Block Production and Distribution System



REFERENCE - 8. Sales (1)

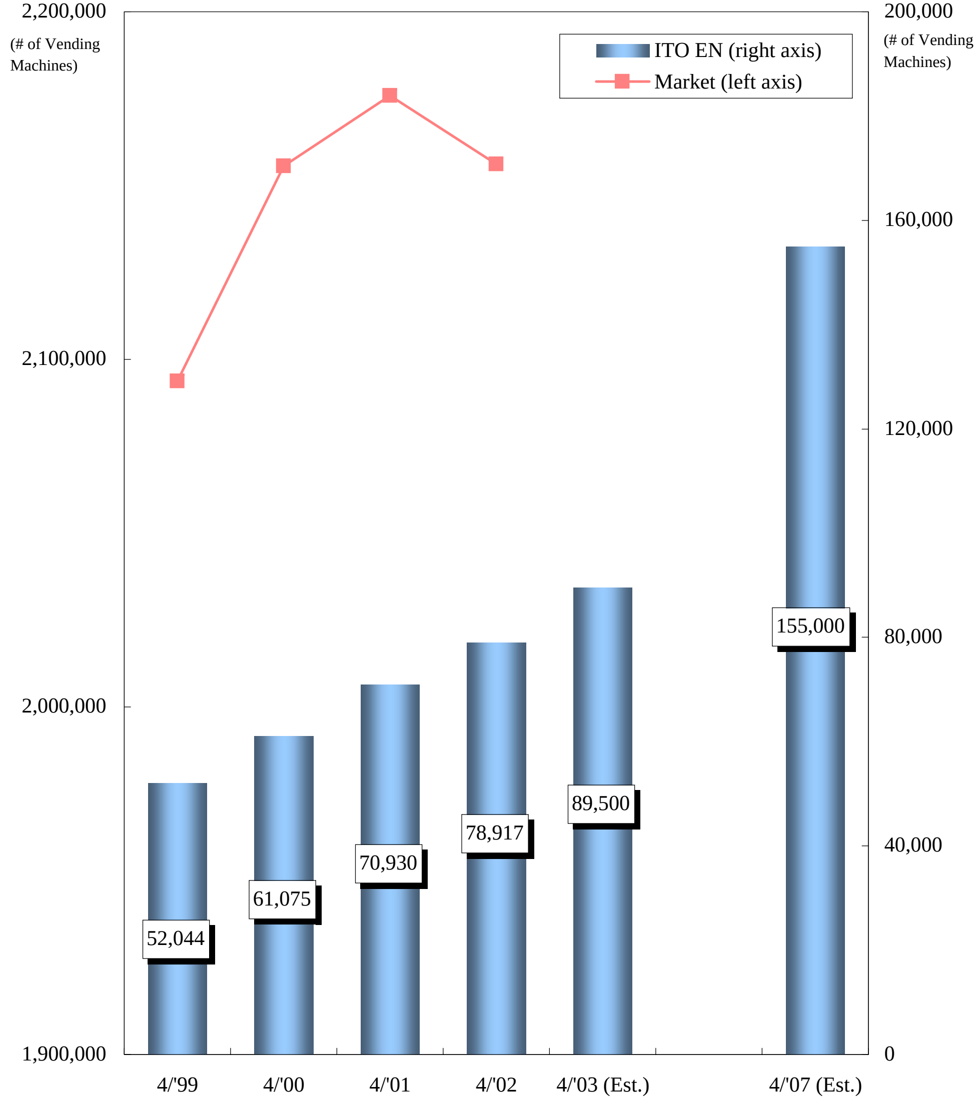
Sales Branches and Sales Trends



Note 1: Population coverage per sales branch is based on 2000 Japan population figures.
Note 2: Population is divided according to areas standardly used by ITO EN.

	4/1999	4/2000	4/2001	4/2002	4/2003 (Est.)	CAGR5
Total Number of Sales Branches	142	156	170	178	186	7.9%
Route Sales (¥ Millions)	137,347	154,330	173,159	183,496	196,378	10.6%
Net Sales (¥ Millions)	153,957	171,628	190,242	201,911	215,000	9.8%

Vending Machine Establishments



Source: ITO EN, LTD., Year: Market (Jan.-Dec.), ITO EN (May-April)

REFERENCE - 9. Sales (2)

ITO EN Management

(1) Route Sales System

Direct sales to consumers as much as possible → Sales expansion and profit securing

(2) Management linking target achievement with compensation …… **System for nominating superior sales branches**

Target setting (7・8 Crown Goals) matched by clear evaluations and well-balanced management

(3) Strict budget planning and management

Monthly settlement of own accounts and profit/loss analysis meetings by each individual sales branch

(4) Expansion of highly profit-oriented sales branches

Profit attainment within first year of operation

Sales Philosophy

Selling power = **Time spent with customers** × **(Number of visits)^2**

Sales = **(Established customers + New customers)** × **Buying Frequency** × **Units sold per purchase per customer**

REFERENCE - 10. ITO EN (North America) INC. Business Activity

≪History≫

May 10, 2001	**ITO EN (North America) INC. established**
Sept. 11, 2001	**Original opening date for ITO EN's flagship retail site was planned for the beginning of November. 9/11 Terrorist Attack in New York delays opening date.**
Mar. 4, 2002	**Flagship Tea House「ITO EN」&Restaurant「KAI」was launched.**

≪Location≫ New York City Manhattan Upper East Side; 822 Madison Avenue at 69th Street, New York, NY

≪Activities≫

【1F】Flagship Tea Store
"ITO EN New York"

【B1, 2F】Restaurant "KAI"

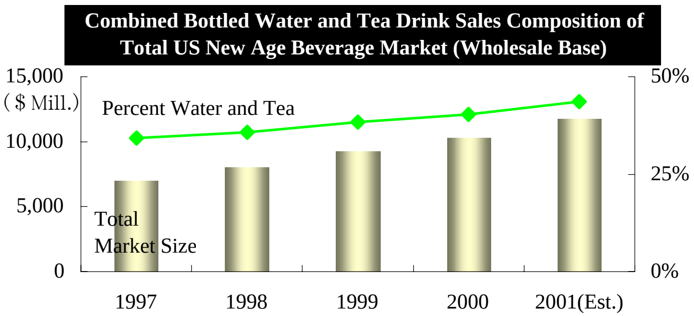
"TEAS' TEA"

"gotta juice"

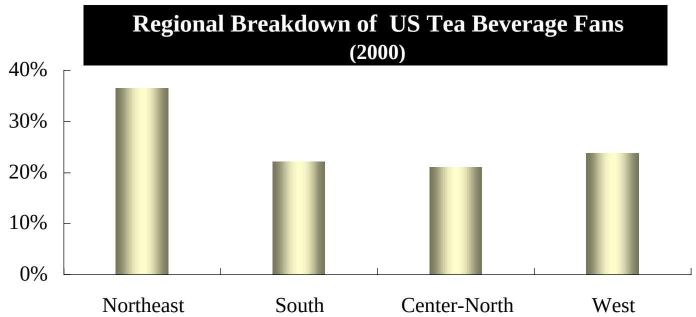
≪Present Situation≫

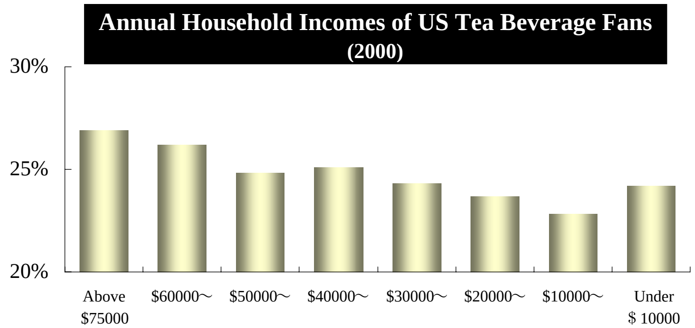
- The combined gross sales of ITO EN New York and KAI are about 0.8 million yen per day.
- Being selected among only 50 or so restaurants recognized over the last year by The New York Times, “KAI” was awarded an impressive 2-star rating.
- Beverages: initial domestic production planned for Spring 2003.

Achieve Profit by April 30, 2006



Source: Beverage Marketing Corporation





Advisory Note about the Materials

The current plans, forecasts, strategy, etc. outlined in these materials have not yet been realized and are based upon Ito En management's best judgement given current obtainable information. Therefore, given only this forecasted information, please refrain from interpreting these materials as grounds for general conclusion. Please acknowledge that, depending on various important factors, actual operating results can be quite different from what has been projected. The following are some principal factors that affect actual operating results: 1) Weather, especially summer temperatures; 2) Product mishaps or accidents, such as products being found containing foreign substances or impurities; 3) The economic conditions, particularly shifting consumer trends, surrounding Ito En's operating environment; 4) In the midst an intensely competitive market characterized by things such as easily changing consumer tastes and preferences, the ability of Ito En to continue the planning and development of products and services that meet customers' expectations. However, it should be noted that factors influencing operating results are not limited to these alone. The purpose of the materials you have received is to provide the means for a more thorough understanding of Ito En and should not necessarily be regarded as a recommendation to invest. Furthermore, the data in these materials is based on what we believe is the most accurate information. However, please understand that even without advance notice, both past data and future forecasts may be revised.