

The original disclosure in Japanese was released on May 10, 2024 at 15:30 (GMT+9)

Consolidated Financial Statements for the Year Ended March 31, 2024 FY2024 (April 1, 2023 - March 31, 2024) [UNAUDITED]

Company name: Takara Holdings Inc.
 Stock exchange listings: Tokyo Stock Exchange (PRIME section)
 Code number: 2531
 URL: <https://www.takara.co.jp/>
 Company representative: Mutsumi Kimura, President
 Contact: Masakazu Usami, Public Relations& Investor Relations Dept.
 TEL: (075)241-5124
 Annual statement filing date (as planned): Jun 27, 2024

Notes: 1. The accompanying financial statements have been prepared in accordance with accounting principles and practices generally accepted in Japan.
 2. Amounts are rounded down to the nearest million yen.

1. Results for the year ended March 31, 2024 (April 1, 2023 - March 31, 2024)

(1) Consolidated operating results

Note: Percentages indicated changes from the same period of the previous fiscal year.

	Year ended March 31, 2024		Year ended March 31, 2023	
	(Millions of yen)	(%)	(Millions of yen)	(%)
Net sales	339,372	(3.2)	350,665	16.5
Operating income (loss)	22,242	(41.4)	37,945	(12.5)
Ordinary income (loss)	23,336	(39.7)	38,706	(10.5)
Net income (loss) attributable to owners of the parent	16,176	(23.7)	21,206	2.1
Net income (loss) per share (Yen)	82.09		107.26	
Fully diluted net income per share (Yen)	-		-	
Return on equity		7.5		11.0
Ordinary income to total assets ratio		5.6		10.2
Operating income to net sales ratio		6.6		10.8
Note: Comprehensive income (loss)	37,666	(8.8)	41,278	3.2
(Reference) Income (loss) from equity method investment	62		(49)	

(2) Consolidated financial position

	As of March 31, 2024	As of March 31, 2023
	(Millions of yen)	(Millions of yen)
Total assets	437,468	399,174
Net assets	280,465	255,318
Equity ratio (%)	52.3	51.1
Net assets per share (Yen)	1,171.10	1,031.60
(Reference) Equity	228,665	203,951

(3) Consolidated Cash flow

	Year ended March 31, 2024	Year ended March 31, 2023
	(Millions of yen)	(Millions of yen)
Cash flow from operating activities	29,178	45,478
Cash flow from investing activities	(19,993)	(10,474)
Cash flow from financing activities	(13,448)	(22,215)
Cash and cash equivalents, end of year	90,184	91,785

2. Dividends

	Dividend per share (Yen)		
	Year ended March 31, 2023	Year ended March 31, 2024	Year ending March 31, 2025 (Forecast)
First quarter end	-	-	-
Second quarter end	-	-	-
Third quarter end	-	-	-
Year end	38.00	29.00	31.00
Annual	38.00	29.00	31.00
Total dividend (Millions of yen)	7,512	5,662	
Payout ratio (%)	35.4	35.3	35.2
Dividend on equity (%)	3.9	2.6	

Note: Correction of dividend forecast from the most recent dividend forecast: Yes

3. Forecast for the year ending March 31, 2025 (April 1, 2024 - March 31, 2025)

Note: Percentages indicated changes from the same period of the previous fiscal year.

	Six months ending September 30, 2024		Year ending March 31, 2025	
	(Millions of yen)	(%)	(Millions of yen)	(%)
Net sales	171,000	4.8	362,000	6.7
Operating income (loss)	10,400	(16.6)	25,700	15.5
Ordinary income (loss)	10,800	(17.1)	26,300	12.7
Net income (loss) attributable to owners of the parent	8,600	6.9	17,200	6.3
Net income per share (Yen)	44.04		88.09	

4. Others

(1) Material changes in subsidiaries during this period

(Changes in specified subsidiaries that caused a change in the scope of consolidation): No

(2) Changes in accounting policies, accounting estimates and retrospective restatement

1) Changes based on revisions of accounting standard: No

2) Changes other than ones based on revisions of accounting standard: No

3) Changes in accounting estimates: No

4) Restatement: No

(3) Number of outstanding shares (common stock)

1) Number of outstanding shares at year end (Treasury stocks are included):

As of March 31, 2024 197,252,043 shares

As of March 31, 2023 199,699,743 shares

2) Number of treasury stocks at year end:

As of March 31, 2024 1,995,688 shares

As of March 31, 2023 1,995,612 shares

3) Average number of outstanding shares:

Year ended March 31, 2024 197,052,118 shares

Year ended March 31, 2023 197,704,141 shares

Contents of the attached document

1. Overview of Financial Results.....	2
(1) Overview of Financial Results for the Fiscal Year under Review.....	2
(2) Overview of Financial Position for the Fiscal Year under Review.....	5
(3) Overview of Cash Flows for the Fiscal Year under Review.....	5
(4) Future Outlook.....	5
2. Basic Concept on Selection of Accounting Standards.....	6
3. Consolidated Financial Statements and Primary Notes.....	7
(1) Consolidated Balance Sheets.....	7
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income.....	9
Consolidated Statements of Income.....	9
Consolidated Statements of Comprehensive Income.....	10
(3) Consolidated Statements of Changes in Net Assets.....	11
(4) Consolidated Statements of Cash Flows.....	13
(5) Notes to Consolidated Financial Statements.....	14
(Notes on Premise of Going Concern).....	14
(Segment Information).....	14
(Per Share Information).....	17
(Significant Subsequent Events).....	17

○Supplement for the Consolidated Financial Statements

1. Overview of Financial Results

(1) Overview of Financial Results for the Fiscal Year under Review

In the fiscal year under review, ended March 31, 2024, the U.S. economy remained steady, as shown by such factors as increased consumption against the backdrop of increasing employment and rising real wages. The economy in Europe showed signs of weakness, such as deteriorating consumer confidence due to monetary tightening. The Japanese economy continued its gradual recovery amid the trend of loosening constraints on social and economic activities that were in place due to the COVID-19 pandemic, despite the impact of rising raw material prices. However, the economic outlook remains uncertain mainly due to concerns about the impact of global monetary tightening and the standstill in the Chinese real estate market.

Under these economic circumstances, the Group has upheld the vision of "Smiles in Life –Smiles are Life's Treasure–" as part of its long-term management vision, TaKaRa Group Challenge for the 100th, aimed at 2025, which is the centennial of the Group's foundation. The Group has continued taking on the challenge of filling the lifestyles of people around the world, living, and the life of others with smiles as an enterprise group providing alcohol and Japanese food as well as diverse values safely and securely in life sciences through technology that pursues good taste and revolutionary biotechnology.

In addition, the Group launched the Takara Group Medium-Term Management Plan for 2025. As a conclusion to TaKaRa Group Challenge for the 100th, the Plan adopts a management policy to increase enterprise value over a three-year period by accelerating investments in growth and high-priority fields, focusing on utilizing products and services to solve social issues and creating long-term and sustainable growth capital to raise our earning capacity, all while enhancing our value chain for solving social issues.

As a result, in the fiscal year under review, ended March 31, 2024, net sales decreased 3.2% year on year to ¥339,372 million, gross profit decreased 5.0% year on year to ¥113,933 million, and SG&A expenses increased 11.8% year on year to ¥91,691 million. Operating income decreased 41.4% year on year to ¥22,242 million, ordinary income decreased 39.7% year on year to ¥23,336 million, and net income attributable to owners of the parent decreased 23.7% year on year to ¥16,176 million.

Results by business segment were as follows.

[Takara Shuzo]

Takara Shuzo gave the highest priority to supplying safe and secure products as a food manufacturer and focused on developing new products that provide a completely unprecedented quality of alcohol and added value and on nurturing products positioned as key brands, by uncovering latent consumer needs. In response to soaring raw material and energy prices, Takara Shuzo has committed to Company-wide cost reductions and efficiency improvement, as well as improving profit margins by revising product prices.

The segment's sales and other information are as shown below.

In shochu, sales decreased due to a decline in sales of large-volume products of *ko*-type shochu. In sake, although sales of *Sho Chiku Bai Gokai* and *Sho Chiku Bai Subaru* increased, sales of such products as *Sho Chiku Bai Ten* decreased, resulting in a decline in overall sales. In light-alcohol refreshers, sales grew as sales of *Takara Shochu Highball*, which is positioned as a key brand, continued to increase, and *Takara Dry Zero Ball* also increased. In seasonings, sales increased due to an increase in sales of alcohol-based seasonings, including *Hon Mirin*, and an increase in sales of food seasonings. In raw alcohol, etc., sales also increased.

As a result, net sales for Takara Shuzo increased 0.7% year on year to ¥123,786 million. Cost of sales decreased 1.7% year on year to ¥92,057 million, and gross profit increased 8.4% year on year to ¥31,728 million. As SG&A expenses increased 7.5% year on year to ¥26,225 million due to an increase in strategically used advertising expenses, operating income increased 12.5% year on year to ¥5,503 million.

[Takara Shuzo International Group]

The Takara Shuzo International Group engages in the Overseas Alcoholic Beverages Business, which entails exports from Japan and the manufacture and sale of alcoholic beverages in overseas locations, and the Japanese Food Wholesale Business in overseas markets, through which it sells Japanese food ingredients to Japanese food restaurants, retailers, etc. outside Japan.

The segment's sales and other information are as shown below.

The Overseas Alcoholic Beverages Business engaged in expanding exports mainly by launching sales of TaKaRa Chu-Hi and *sparkling sake Sho Chiku Bai Shirakabegura Mio* NIGORI and CRISP exclusively for the U.S. in cooperation with Takara Shuzo. These Can Chu-Hi products are exclusively for overseas markets and capture local needs. Regarding whiskey, sales of

Blanton's, the premium single-barrel bourbon, remained brisk. Sales of Overseas Alcoholic Beverages Business grew as sales of sake and other Japanese alcohol also increased.

The Japanese Food Wholesale Business in overseas markets engaged in diversification of sales channels and expansion of the range of products handled, focusing on expanding business bases in the U.S. Sales in the Japanese Food Wholesale Business in overseas markets also grew as a result mainly of excellent performance by a company welcomed to the Group and efforts to develop a supply system.

As a result, net sales for the Takara Shuzo International Group increased 16.7% year on year to ¥160,427 million. Cost of sales increased 14.3% year on year to ¥108,711 million, and gross profit increased 22.0% year on year to ¥51,715 million. As SG&A expenses increased 24.9% year on year to ¥39,423 million due to an increase in personnel expenses and warehouse rent expenses, operating income increased 13.6% year on year to ¥12,291 million.

[Takara Bio Group]

The Takara Bio Group is developing reagents/instruments that support research and development activities using biotechnology and providing them to biotech researchers around the world as such activities become increasingly widespread. Furthermore, we are developing CDMO business to support the development and manufacture of regenerative and cellular medicine and gene therapy, which have been actively developed by pharmaceutical companies in recent years. CDMO refers to the business of contracting out the processes of pharmaceuticals from formulation development to manufacturing, and the Takara Bio Group is focusing on the field of gene therapy drugs, etc. In addition, in the gene therapy business, the Takara Bio Group is working to maximize the value of our proprietary platform technology for biologics discovery by manufacturing and selling manufacturing aids for gene therapy products, creating new modalities (therapeutic means), and advancing new clinical development projects.

Net sales in this segment decreased as sales of testing-related products declined due to changes in the legal categorization of COVID-19 and there was a slump in the life sciences research market.

As a result, net sales for the Takara Bio Group decreased 44.3% year on year to ¥43,505 million. Cost of sales decreased 50.3% year on year to ¥16,597 million, and gross profit decreased 39.9% year on year to ¥26,908 million. SG&A expenses were down 1.3% year on year to ¥23,905 million primarily due to decreases in R&D expenses. Operating income decreased 85.4% year on year to ¥3,003 million.

[Other]

The Other segment includes the cargo transportation business, the wine import and sale business, and the real estate rental business. Net sales of the Other segment decreased 2.2% year on year to ¥30,271 million due to a decrease in the cargo transportation business despite an increase in the import and sale of wine. Cost of sales decreased 2.8% year on year to ¥26,011 million, and gross profit increased 1.9% year on year to ¥4,260 million. SG&A expenses rose 0.6% year on year to ¥1,897 million, and operating income was up 3.0% year on year to ¥2,363 million.

Breakdown of sales results by product category

Segment	Previous Fiscal Year (From April 1, 2022 to March 31, 2023)	Fiscal Year under Review (From April 1, 2023 to March 31, 2024)	YoY Comparison
Product category	Amount (Millions of yen)	Amount (Millions of yen)	(%)
Takara Shuzo			
Shochu	36,597	34,324	(6.2)
Sake	12,145	11,548	(4.9)
Light-alcohol refreshers	40,069	42,290	5.5
Other alcoholic beverages	5,328	5,434	2.0
<i>Hon Mirin</i>	9,477	9,562	0.9
Other seasonings	8,780	9,223	5.0
Raw alcohol, etc.	10,522	11,402	8.4
Total	122,921	123,786	0.7
Takara Shuzo International Group			
Overseas Alcoholic Beverages Business	18,253	20,926	14.6
Japanese Food Wholesales Business in overseas markets	121,354	141,816	16.9
Other	2,847	249	(91.3)
Elimination of intra-Group transaction on consolidation	(4,972)	(2,564)	—
Total	137,483	160,427	16.7
Takara Bio Group			
Reagents	65,925	31,961	(51.5)
Instruments	1,375	892	(35.1)
CDMO	8,200	7,997	(2.5)
Gene therapy	2,640	2,653	0.5
Total	78,142	43,505	(44.3)
Reported segment total	338,547	327,720	(3.2)
Other	30,950	30,271	(2.2)
Segment total	369,498	357,991	(3.1)
Sales not allocated to business segments and intersegment transactions	(18,832)	(18,619)	—
Total	350,665	339,372	(3.2)

Note: Amounts include alcohol tax.

(2) Overview of Financial Position for the Fiscal Year under Review

(Assets)

At the end of the fiscal year under review, current assets totaled ¥245,213 million, an increase of ¥3,700 million compared with that at the end of the previous fiscal year. This was primarily due to increases in electronically recorded monetary claims-operating of ¥1,175 million, merchandise and finished goods of ¥4,022 million, and other current assets of ¥1,003 million, despite a decrease in cash and deposits of ¥1,734 million.

Noncurrent assets were ¥192,254 million, an increase of ¥34,593 million compared with that at the end of the previous fiscal year. This was primarily due to increases in property, plant and equipment of ¥15,991 million, mainly due to increases in construction in progress, intangible assets of ¥2,404 million, and investments and other assets of ¥16,197 million due to an increase in the market valuation of investment securities.

As a result, total assets were ¥437,468 million, an increase of ¥38,293 million compared with that at the end of the previous fiscal year.

(Liabilities)

At the end of the fiscal year under review, current liabilities totaled ¥80,657 million, an increase of ¥13,202 million compared with that at the end of the previous fiscal year. This was primarily due to increases in short-term loans payable of ¥5,089 million, current portion of bonds of ¥5,000 million, accrued alcohol tax of ¥2,358 million, and accrued expenses of ¥2,457 million despite a decrease in other current liabilities of ¥2,713 million.

Noncurrent liabilities were ¥76,345 million, a decrease of ¥55 million compared with that at the end of the previous fiscal year. This was primarily due to decreases of ¥5,000 million in bonds payable and ¥4,763 million in long-term loans payable, despite increases in lease obligations of ¥2,917 million, deferred tax liabilities of ¥3,950 million, and other noncurrent liabilities of ¥3,030 million.

As a result, total liabilities were ¥157,003 million, an increase of ¥13,146 million compared with that at the end of the previous fiscal year.

(Net Assets)

At the end of the fiscal year under review, total net assets were ¥280,465 million, an increase of ¥25,146 million compared with that at the end of the previous fiscal year. This was primarily due to increases in retained earnings of ¥6,084 million, valuation difference on available-for-sale securities of ¥9,537 million, and foreign currency translation adjustment of ¥8,702 million.

As a result, the equity ratio totaled 52.3%, compared with 51.1% at the end of the previous fiscal year.

(3) Overview of Cash Flows for the Fiscal Year under Review

Net cash provided by operating activities decreased ¥16,299 million year on year to ¥29,178 million primarily due to income before income taxes of ¥26,238 million, depreciation and amortization of ¥9,999 million, gain on sale of investment securities of ¥3,971 million, accrued alcohol tax of ¥2,358 million, a decrease in accrued consumption taxes of ¥3,031 million, an increase in other current liabilities of ¥2,264 million, and income taxes paid of ¥8,459 million.

Net cash used in investing activities resulted in expenditure of ¥19,993 million, an increase in expenditure of ¥9,518 million compared with that of the previous fiscal year primarily due to payments into time deposits of ¥4,592 million, proceeds from withdrawal of time deposits of ¥5,530 million, purchase of property, plant and equipment and intangible assets of ¥19,210 million, proceeds from sale of investment securities of ¥4,874 million, and purchase of shares of subsidiaries resulting in change in scope of consolidation of ¥5,441 million.

Net cash used in financing activities totaled ¥13,448 million, a decrease in expenditure of ¥8,766 million compared with that of the previous fiscal year primarily due to expenditure for purchase of treasury stock of ¥2,999 million, cash dividends paid of ¥7,503 million, and dividends paid to noncontrolling interests of ¥2,004 million.

As a result, cash and cash equivalents at fiscal year-end, including effect of exchange rate change on cash and cash equivalents, stood at ¥90,184 million, down ¥1,601 million from the previous fiscal year-end.

(4) Future Outlook

In the fiscal year ending March 31, 2025, Takara Shuzo expects to increase profits by compensating for cost increases due to the effects of exchange rates with cost reductions and an improved product mix.

Takara Shuzo International Group expects to increase profits in both the Overseas Alcoholic Beverages Business and Japanese Food Wholesale Business in overseas markets by further cultivating existing sales channels, diversifying sales

channels, and expanding business bases, against the backdrop of the spread of Japanese food overseas.

The Takara Bio Group also expects to increase profits in all categories by strengthening sales under glocal strategies for each region and further utilizing Center for Gene and Cell Processing II.

As a result, regards the outlook for results for the year ending March 31, 2025, the Group expects to see an increase in profits in all major segments.

Therefore, for the following fiscal year, the year ending March 31, 2025, the Group is forecasting net sales of ¥362,000 million, operating income of ¥25,700 million, ordinary income of ¥26,300 million, and net income attributable to owners of the parent of ¥17,200 million. The details of the consolidated results forecasts and the results forecasts for each segment are described on pages 10/15-13/15 in “Supplement for the Consolidated Financial Statements.”

2. Basic Concept on Selection of Accounting Standards

The Takara Group has a policy to prepare the Consolidated Financial Statements in accordance with the Japanese GAAP for the time being, taking into consideration comparability of the Consolidated Financial Statements across periods and companies.

As regards the application of the International Financial Reporting Standards, the Takara Group will take appropriate actions, taking into account the situations in Japan and other countries.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Millions of Yen)

	As of Mar. 31, 2023	As of Mar. 31, 2024
Assets		
Current assets		
Cash and deposits	96,820	95,085
Notes and accounts receivable-trade	61,624	60,854
Electronically recorded monetary claims-operating	8,093	9,268
Merchandise and finished goods	57,812	61,834
Work in process	1,718	1,659
Raw materials and supplies	7,372	7,558
Other	8,765	9,768
Allowance for doubtful accounts	(694)	(817)
Total current assets	241,513	245,213
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	76,265	80,477
Accumulated depreciation	(39,487)	(42,178)
Buildings and structures, net	36,778	38,298
Machinery, equipment and vehicles	90,919	92,456
Accumulated depreciation	(75,654)	(76,436)
Machinery, equipment and vehicles, net	15,265	16,019
Land	20,861	21,665
Lease assets	1,520	1,438
Accumulated depreciation	(731)	(757)
Lease assets, net	789	681
Construction in progress	3,662	12,796
Other	28,496	35,749
Accumulated depreciation	(16,962)	(20,328)
Other, net	11,533	15,420
Total property, plant and equipment	88,890	104,882
Intangible assets		
Goodwill	10,668	12,154
Other	5,262	6,181
Total intangible assets	15,931	18,336
Investments and other assets		
Investment securities	30,573	43,597
Net defined benefit asset	1,054	1,510
Deferred tax assets	2,170	1,913
Other	19,103	22,078
Allowance for doubtful accounts	(64)	(62)
Total investments and other assets	52,838	69,036
Total noncurrent assets	157,661	192,254
Total assets	399,174	437,468

(Millions of Yen)

	As of Mar. 31, 2023	As of Mar. 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable-trade	21,775	22,315
Short-term loans payable	4,919	10,008
Current portion of bonds	–	5,000
Accrued alcohol tax	5,815	8,174
Accrued expenses	6,368	8,826
Income taxes payable	2,220	2,600
Provision for bonuses	3,380	3,470
Other	22,975	20,262
Total current liabilities	67,454	80,657
Noncurrent liabilities		
Bonds payable	20,000	15,000
Long-term loans payable	15,186	10,422
Lease obligations	4,452	7,369
Deferred tax liabilities	4,855	8,806
Net defined benefit liability	8,925	8,735
Other	22,980	26,010
Total noncurrent liabilities	76,401	76,345
Total liabilities	143,856	157,003
Net assets		
Shareholders' equity		
Capital stock	13,226	13,226
Capital surplus	1,994	2,716
Retained earnings	163,825	169,909
Treasury stock	(1,682)	(2,103)
Total shareholders' equity	177,363	183,749
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,974	22,511
Deferred gains or losses on hedges	286	3
Foreign currency translation adjustment	13,686	22,389
Remeasurements of defined benefit plans	(359)	12
Total accumulated other comprehensive income	26,588	44,915
Noncontrolling interests	51,366	51,799
Total net assets	255,318	280,465
Total liabilities and net assets	399,174	437,468

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**(Consolidated Statements of Income)**

(Millions of Yen)

	FY2023 (Apr. 1, 2022 – Mar. 31, 2023)	FY2024 (Apr. 1, 2023 – Mar. 31, 2024)
Net sales	350,665	339,372
Cost of sales	230,723	225,438
Gross profit	119,941	113,933
Selling, general and administrative expenses	81,996	91,691
Operating income	37,945	22,242
Nonoperating income		
Interest income	265	457
Dividends income	800	948
Other	612	755
Total nonoperating income	1,678	2,161
Nonoperating expenses		
Interest expenses	324	450
Foreign exchange losses	222	–
Provision for loss on litigation	–	114
Other	370	501
Total nonoperating expenses	917	1,066
Ordinary income	38,706	23,336
Extraordinary income		
Gain on sale of investment securities	674	3,971
Insurance claim income	678	–
Other	327	63
Total extraordinary income	1,681	4,034
Extraordinary loss		
Loss on sale and retirement of noncurrent assets	499	842
Impairment losses	–	207
Other	195	82
Total extraordinary losses	694	1,132
Income before income taxes	39,692	26,238
Income taxes-current	10,144	8,899
Income taxes-deferred	857	(426)
Total income taxes	11,001	8,472
Net income	28,690	17,766
Net income attributable to the noncontrolling interest	7,483	1,589
Net income attributable to owners of the parent	21,206	16,176

(Consolidated Statements of Comprehensive Income)

(Millions of Yen)

	FY2023 (Apr. 1, 2022 – Mar. 31, 2023)	FY2024 (Apr. 1, 2023– Mar. 31, 2024)
Net income	28,690	17,766
Other comprehensive income		
Valuation difference on available-for-sale securities	757	9,537
Deferred gains or losses on hedges	(125)	(283)
Foreign currency translation adjustment	11,855	10,281
Remeasurements of defined benefit plans	100	365
Total other comprehensive income	12,588	19,900
Comprehensive income	41,278	37,666
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	31,351	34,503
Comprehensive income attributable to noncontrolling interest	9,927	3,162

(3) Consolidated Statements of Changes in Net Assets

FY2023 (Apr. 1, 2022 – Mar. 31, 2023)

(Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	13,226	2,499	149,933	(1,682)	163,976
Changes of items during the period					
Dividends from surplus			(7,315)		(7,315)
Net income			21,206		21,206
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock		0		0	0
Purchase of shares of consolidated subsidiaries		(505)			(505)
Net changes of items other than shareholders' equity					
Total changes of items during the period	–	(505)	13,891	(0)	13,386
Balance at the end of current period	13,226	1,994	163,825	(1,682)	177,363

	Accumulated other comprehensive income					Noncontrolling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	12,216	412	4,330	(515)	16,443	44,135	224,555
Changes of items during the period							
Dividends from surplus							(7,315)
Net income							21,206
Purchase of treasury stock							(0)
Disposal of treasury stock							0
Purchase of shares of consolidated subsidiaries							(505)
Net changes of items other than shareholders' equity	757	(125)	9,355	156	10,144	7,231	17,375
Total changes of items during the period	757	(125)	9,355	156	10,144	7,231	30,762
Balance at the end of current period	12,974	286	13,686	(359)	26,588	51,366	255,318

FY2024 (Apr. 1, 2023 – Mar. 31, 2024)

(Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	13,226	1,994	163,825	(1,682)	177,363
Changes of items during the period					
Dividends from surplus			(7,512)		(7,512)
Net income			16,176		16,176
Purchase of treasury stock				(2,999)	(2,999)
Disposal of treasury stock		(2,579)		2,579	–
Purchase of shares of consolidated subsidiaries		722			722
Transfer to capital surplus from retained earnings		2,579	(2,579)		–
Net changes of items other than shareholders' equity					
Total changes of items during the period	–	722	6,084	(420)	6,386
Balance at the end of current period	13,226	2,716	169,909	(2,103)	183,749

	Accumulated other comprehensive income					Noncontrolling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	12,974	286	13,686	(359)	26,588	51,366	255,318
Changes of items during the period							
Dividends from surplus							(7,512)
Net income							16,176
Purchase of treasury stock							(2,999)
Disposal of treasury stock							–
Purchase of shares of consolidated subsidiaries							722
Transfer to capital surplus from retained earnings							–
Net changes of items other than shareholders' equity	9,537	(283)	8,702	371	18,327	432	18,760
Total changes of items during the period	9,537	(283)	8,702	371	18,327	432	25,146
Balance at the end of current period	22,511	3	22,389	12	44,915	51,799	280,465

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	FY2023 (Apr. 1, 2022– Mar. 31, 2023)	FY2024 (Apr. 1, 2023– Mar. 31, 2024)
Net cash provided by (used in) operating activities		
Income before income taxes	39,692	26,238
Depreciation and amortization	9,118	9,999
Impairment loss	–	207
Amortization of goodwill	998	1,179
Interest and dividends income	(1,066)	(1,405)
Interest expenses	324	450
Insurance claim income	(678)	–
Loss (gain) on sale and retirement of non-current assets	235	794
Loss (gain) on sale of investment securities	(674)	(3,971)
Decrease (increase) in notes and accounts receivable-trade	2,634	1,994
Decrease (increase) in inventories	8,969	982
Increase (decrease) in notes and accounts payable-trade	(252)	(914)
Increase (decrease) in accrued alcohol tax	(1,358)	2,358
Increase (decrease) in accrued consumption taxes	2,104	(3,031)
Increase (decrease) in other current liabilities	(1,261)	2,264
Other, net	835	0
Subtotal	59,621	37,147
Interest and dividends income received	1,053	1,380
Interest expenses paid	(340)	(457)
Income taxes paid	(15,535)	(8,459)
Proceeds from insurance income	678	–
Subsidy refund	–	(433)
Net cash provided by (used in) operating activities	45,478	29,178
Net cash provided by (used in) investing activities		
Payments into time deposits	(23,167)	(4,592)
Proceeds from withdrawal of time deposits	24,008	5,530
Purchase of property, plant and equipment and intangible assets	(10,618)	(19,210)
Proceeds from sale of investment securities	793	4,874
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,068)	(5,441)
Subsidies received	32	463
Subsidy refund	–	(1,335)
Other, net	(454)	(282)
Net cash provided by (used in) investing activities	(10,474)	(19,993)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term borrowings	(435)	(262)
Proceeds from long-term borrowings	6	466
Repayments of long-term borrowings	(363)	(105)
Redemption of bonds	(10,000)	–
Purchase of treasury stock	(0)	(2,999)
Cash dividends paid	(7,305)	(7,503)
Dividends paid to noncontrolling interests	(1,579)	(2,004)
Repayments of lease obligations	(919)	(1,036)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(1,551)	–
Other, net	(67)	(3)
Net cash provided by (used in) financing activities	(22,215)	(13,448)
Effect of exchange rate change on cash and cash equivalents	3,267	2,661
Net increase (decrease) in cash and cash equivalents	16,056	(1,601)
Cash and cash equivalents at beginning of period	75,729	91,785
Cash and cash equivalents at end of period	91,785	90,184

(5) Notes to Consolidated Financial Statements

(Notes on Premise of Going Concern)

No items to report.

(Segment Information)

1. Overview of Reported Segments

Reporting segments are the segments of the Takara Group for which financial information can be obtained. The Board of Directors, the top organization for decision making on Group management, examines such information to determine the allocation of management resources and evaluate the business performance on a regular basis.

The Group consists of the corporate groups centered on the operating companies Takara Shuzo Co., Ltd., Takara Shuzo International Co., Ltd. and Takara Bio Inc.; other businesses; and the Company, which manages the whole group as the holding company. All operating companies develop comprehensive business strategies, covering both domestic and overseas operations, for the goods, products and services that they offer, and work to expand their business operations. Accordingly, the Group has defined three reported segments based on the content of goods, products and services, while taking into consideration the scope of managerial responsibility and the capacity to evaluate business performance. These three reported segments are Takara Shuzo, the Takara Shuzo International Group, and the Takara Bio Group.

Takara Shuzo primarily engages in the manufacture and sale of alcoholic beverages and seasonings in Japan. The Takara Shuzo International Group engages in the export of alcoholic beverages from Japan, the manufacture and sale of alcoholic beverages at overseas locations, and the Japanese Food Wholesale Business in overseas markets. The Takara Bio Group engages in development of basic technologies for bio drug discovery through the business of reagents and instruments as well as CDMO services.

2. Calculation method for net sales, income or loss, assets, and other items of each reported segment

The accounting treatment of reported business segments is generally the same as that explained in “Basis of Presentation of Consolidated Financial Statements.”

The figures for the income of reported segments are based on operating income. Intersegment income is based on the prevailing market price.

3. Net sales, Income (Loss), Assets and Other items by Reported Segment
Previous Fiscal Year (From April 1, 2022, to March 31, 2023)

(Millions of yen)

	Reported Segment				Other (Note: 1)	Total	Adjustment (Note: 2)	Amount recognized in consolidated financial statements (Note: 3)
	Takara Shuzo	Takara Shuzo International Group	Takara Bio Group	Subtotal				
Net sales								
External customers	122,116	137,256	78,139	337,512	13,152	350,665	—	350,665
Intersegment	805	226	2	1,035	17,797	18,832	(18,832)	—
Total	122,921	137,483	78,142	338,547	30,950	369,498	(18,832)	350,665
Segment income (loss)	4,890	10,821	20,541	36,252	2,293	38,546	(601)	37,945
Segment assets	89,979	121,348	129,202	340,530	18,849	359,380	39,794	399,174
Other items								
Depreciation and amortization	2,467	2,043	4,050	8,561	230	8,791	326	9,118
Amortization of goodwill	—	399	599	998	—	998	—	998
Investment in equity- method affiliates	—	—	—	—	—	—	1,715	1,715
Increase in total fixed assets, property, plant and equipment and intangible assets	2,763	4,704	6,516	13,985	100	14,085	79	14,165

Notes: 1. Other includes business segments that are not part of reported segments, such as the cargo transportation business, the wine import and sale business, and the real estate rental business.

2. Details of adjustment amounts are as follows.

(1) Segment income (loss) comprises intersegment eliminations of ¥57 million and loss of the Company not allocated to business segments of ¥(658) million.

(2) Segment assets include assets of the Company not allocated to business segments of ¥64,793 million and other adjustment (principally intersegment eliminations) of ¥(24,999) million. Assets attributed to the Company include surplus funds and long-term investment assets.

(3) Depreciation and amortization primarily comprises depreciation and amortization recognized by the Company.

(4) Investment in equity-method affiliates comprises investments in equity-method affiliates not allocated to business segments.

(5) Increase in total fixed assets, property, plant and equipment and intangible assets is primarily the increase recorded by the Company.

3. Segment income (loss) has been adjusted to the operating income of consolidated financial statements.

Fiscal Year under Review (From April 1, 2023, to March 31, 2024)

(Millions of yen)

	Reported Segment				Other (Note: 1)	Total	Adjustment (Note: 2)	Amount recognized in consolidated financial statements (Note: 3)
	Takara Shuzo	Takara Shuzo International Group	Takara Bio Group	Subtotal				
Net sales								
External customers	122,964	160,082	43,504	326,551	12,821	339,372	—	339,372
Intersegment	822	345	1	1,168	17,450	18,619	(18,619)	—
Total	123,786	160,427	43,505	327,720	30,271	357,991	(18,619)	339,372
Segment income (loss)	5,503	12,291	3,003	20,798	2,363	23,161	(919)	22,242
Segment assets	92,722	147,078	121,252	361,053	19,985	381,039	56,428	437,468
Other items								
Depreciation and amortization	2,586	2,618	4,279	9,485	225	9,710	288	9,999
Amortization of goodwill	—	539	640	1,179	—	1,179	—	1,179
Investment in equity- method affiliates	—	—	—	—	—	—	1,777	1,777
Increase in total fixed assets, property, plant and equipment and intangible assets	4,108	6,624	10,960	21,692	123	21,816	99	21,915

Notes: 1. Other includes business segments that are not part of reported segments, such as the cargo transportation business, the wine import and sale business, and the real estate rental business.

2. Details of adjustment amounts are as follows.

(1) Segment income (loss) comprises intersegment eliminations of ¥49 million and loss of the Company not allocated to business segments of ¥(969) million.

(2) Segment assets include assets of the Company not allocated to business segments of ¥77,728 million and other adjustment (principally intersegment eliminations) of ¥(21,299) million. Assets attributed to the Company include surplus funds and long-term investment assets.

(3) Depreciation and amortization primarily comprises depreciation and amortization recognized by the Company.

(4) Investment in equity-method affiliates comprises investments in equity-method affiliates not allocated to business segments.

(5) Increase in total fixed assets, property, plant and equipment and intangible assets is primarily the increase recorded by the Company.

3. Segment income (loss) has been adjusted to the operating income of consolidated financial statements.

(Per Share Information)

	Previous Fiscal Year (From April 1, 2022, to March 31, 2023)	Fiscal Year under Review (From April 1, 2023, to March 31, 2024)
Net assets per share	¥1,031.60	¥1,171.10
Profit per share	¥107.26	¥82.09

Notes: 1. Fully diluted profit per share is not presented since there were no potential shares.

2. The basis of calculation of net assets per share is as follows.

	Previous Fiscal Year (As of March 31, 2023)	Fiscal Year under Review (As of March 31, 2024)
Total net assets (¥ million)	255,318	280,465
Amount deducted from total net assets (¥ million)	51,366	51,799
(of which minority interests) (¥ million)	(51,366)	(51,799)
Net assets at term-end related to shares of common stock (¥ million)	203,951	228,665
Shares of common stock at term-end used to calculate net assets per share (1,000 shares)	197,704	195,256

3. The basis of calculation of net income per share and fully diluted net income per share is as follows.

	Previous Fiscal Year (From April 1, 2022, to March 31, 2023)	Fiscal Year under Review (From April 1, 2023, to March 31, 2024)
Net income attributable to owners of the parent (¥ million)	21,206	16,176
Amount not belonging to common shareholders (¥ million)	—	—
Net income related to shares of common stock (¥ million)	21,206	16,176
Average number of shares outstanding during the term (1,000 shares)	197,704	197,052

(Significant Subsequent Events)

No items to report.