Financial results for the Second Quarter Ended September 30, 2024

November 12, 2024

Takara Holdings Inc.

Contents

Ⅰ. Financial results for the six months ended September 30, 2024

Takara Holdings (Consolidated) Financial Performance for the Second Quarter Ended September 30, 2024

(Millions of Yen)

	'25/3 2Q Actual	YOY (%)	Change from forecasts announced on May, 2024 (%)
Net sales	**176,539**	+8.2	+3.2
Gross profit	**58,745**	+5.9	+2.2
Operating income	**10,532**	(15.5)	+1.3
Ordinary income	**11,166**	(14.3)	+3.4
Net Income attributable to owners of the parent	**9,088**	+13.0	+5.7

Compared to previous period

・Net sales increased, while Operating income and Ordinary income decreased. Net Income attributable to owners of the parent increased due to the recognition of extraordinary income from the sale of investment securities and non-current assets.

Compared to forecasts announced in May

・Exceeding expectations in every category

Takara Shuzo Financial Performance for the Second Quarter Ended September 30, 2024

(Millions of Yen)

		'25/3 2Q Actual	YOY (%)	Change from forecasts announced on May, 2024 (%)
Takara Shuzo	Net Sales	**61,980**	+1.3	+3.0
	Gross Profit	**15,471**	(3.1)	(1.8)
	Operating income	**2,623**	(33.6)	(6.2)

Compared to previous period

・Net sales increased due to growth in Light-alcohol refreshers and Hon Mirin, as well as demand brought forward by the price revision in October of this fiscal year. Gross profit decreased due to rising costs of raw materials and Containers and packaging and the impact of exchange rates, and operating income decreased due to increases in selling, general and administrative expenses such as transportation costs, storage fees, and advertising expenses.

Compared to forecasts announced in May

・Net sales exceeded expectations due to demand brought forward due to price revisions that were not factored into the initial forecasts. Operating income fell short of expectations due to rising costs and the impact of exchange rates.

Takara Shuzo Int'l Group Financial Performance for the Second Quarter Ended September 30, 2024

(Millions of Yen)

		'25/3 2Q Actual	YOY (%)	Change from forecasts announced on May, 2024 (%)
Takara Shuzo Int'l Group	Net Sales	**88,979**	+15.3	+4.7
	Gross Profit	**28,874**	+18.4	+4.6
	Operating income	**6,488**	+3.7	(3.9)

Compared to previous period

・Although the overseas alcoholic beverages business struggled, sales increased thanks to the steady performance of Japanese food wholesale business in overseas markets, as well as the effect of exchange rates. Operating income also increased as gross profit increased due to the increase in Net sales, absorbing the increase in labor costs and the increase in lease fees for transportation trucks due to the expansion of Japanese food wholesale business in overseas markets.

Compared to forecasts announced in May

・Although Net sales and gross profit exceeded expectations, operating income fell short of expectations due to increased labor costs and administrative expenses resulting from the advancement of systems development.

Takara Bio Group Financial Performance for the Second Quarter Ended September 30, 2024

(Millions of Yen)

		’25/3 2Q Actual	YOY (%)	Change from forecasts announced on May, 2024 (%)
Takara Bio Group	**Net Sales**	**19,758**	+3.4	(2.2)
	Gross Profit	**12,445**	(6.7)	+1.2
	Operating income	**417**	(70.4)	+178.0

Compared to previous period

・Although CDMO decreased, Net sales increased due to increases in reagents, equipment, and gene therapy. Operating income decreased due to a decrease in gross profit and an increase in cost of sales caused by a decrease in sales of testing-related reagents, which have relatively high profit margins, and a change in sales composition.

Compared to forecasts announced in May

・Sales will fall short of expectations in each category. Operating income exceeded expectations due to a decrease in selling, general and administrative expenses resulting from the selection and concentration of R&D expenses and the reduction of administrative expenses.

◇Consolidated Statements of Cash Flows

(Millions of Yen)

	'24/3 2Q Actual	**'25/3 2Q Actual**	Change
cash flows from operating activities	14,922	**6,207**	(8,714)
cash flows from investing activities	(15,796)	**(2,313)**	13,483
free cash flow	(874)	**3,894**	4,768
cash flows from financing activities	(9,711)	**(9,136)**	575
Effect of exchange rate change on cash and cash equivalents	3,246	**4,986**	1,739
Cash and cash equivalents at end of period	84,446	**89,929**	5,482

◇Depreciation and Amortization, Amortization of goodwill

(Millions of Yen)

	'25/3 2Q Actual	Change from '24/3 2Q	
		Change	YOY (%)
Depreciation and Amortization	**4,997**	+200	+4.2
Amortization of goodwill	**696**	+152	+28.0

◇Main investment items

- Fushimi Plant: Update to the PET line
- Kusu Plant: Update to the Cubitainer line
- Expansion of warehouse functions in Spain
- Construction of the Center for Gene and Cell Processing Ⅲ

Fushimi Plant

Total capital investment	4.8 Billion yen

◇Sales of cross-shareholdings

Number of stocks sold	9
Sale price	2.7 Billion yen

◇Consolidated Balance Sheets

(Millions of Yen)

	'24/3	**'25/3 2Q**	Change
Current assets	245,213	**253,317**	+8,103
Cash and deposits	95,085	**95,078**	(7)
Notes and accounts receivable-trade	70,123	**72,601**	+2,477
Inventories	71,052	**77,717**	+6,665
Others	8,951	**7,919**	(1,031)
Noncurrent assets	192,254	**194,494**	+2,239
Property, plant and equipment	104,882	**109,930**	+5,048
Intangible assets	18,336	**19,737**	+1,401
Investments and other assets	69,036	**64,826**	(4,210)
Total assets	437,468	**447,811**	+10,343

	'24/3	**'25/3 2Q**	Change
Current liabilities	80,657	**78,081**	(2,575)
Notes and accounts payable-trade	22,315	**22,160**	(154)
Loans and bonds	15,008	**17,878**	+2,869
Others	43,333	**38,042**	(5,290)
Noncurrent liabilities	76,345	**73,278**	(3,067)
Loans and bonds	25,422	**20,506**	(4,916)
Others	50,922	**52,771**	+1,848
Total liabilities	157,003	**151,359**	(5,643)
Total shareholders' equity	183,749	**187,262**	+3,513
Capital stock and Capital surplus	15,943	**16,030**	+87
Retained earnings	169,909	**173,335**	+3,425
Treasury stock	(2,103)	**(2,103)**	(0)
Accumulated other comprehensive income	44,915	**54,485**	+9,569
Noncontrolling interests	51,799	**54,702**	+2,903
Total net assets	280,465	**296,451**	+15,986
Total liabilities and net assets	437,468	**447,811**	+10,343

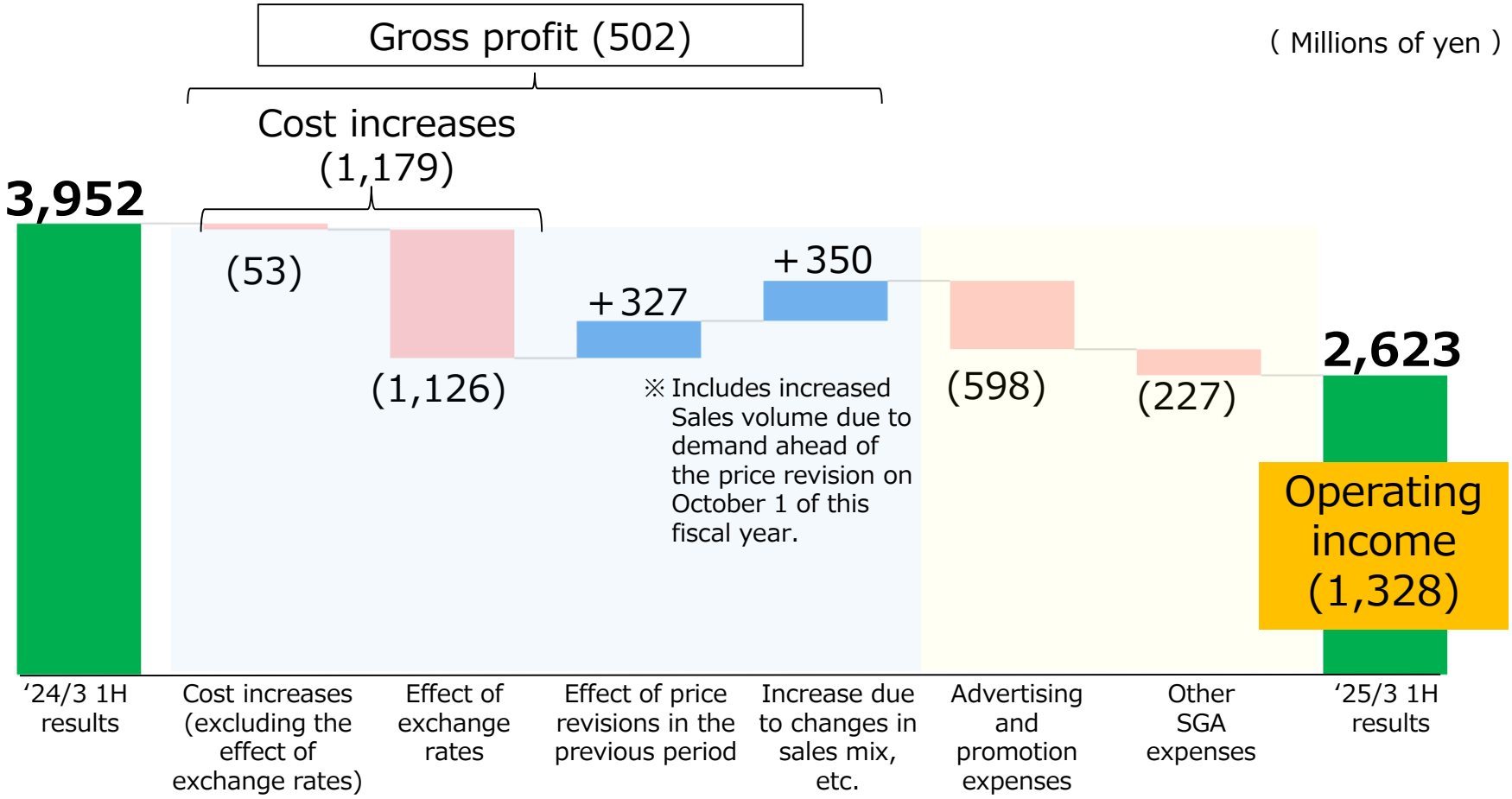
Ⅱ. Business strategy for the fiscal year ending March 31, 2025

1. Takara Shuzo

Analysis of the Change in Operating income for the Second Quarter Ended September 30, 2024 (Takara Shuzo) <Year-on-year>

Despite the effect of price revisions implemented in the previous fiscal year and other factors, gross profit shrank due to large cost increases partly stemming from exchange rate effects. Also, income fell partly due to increased advertising and promotion expenses, etc., which were spent targetedly in the first half.

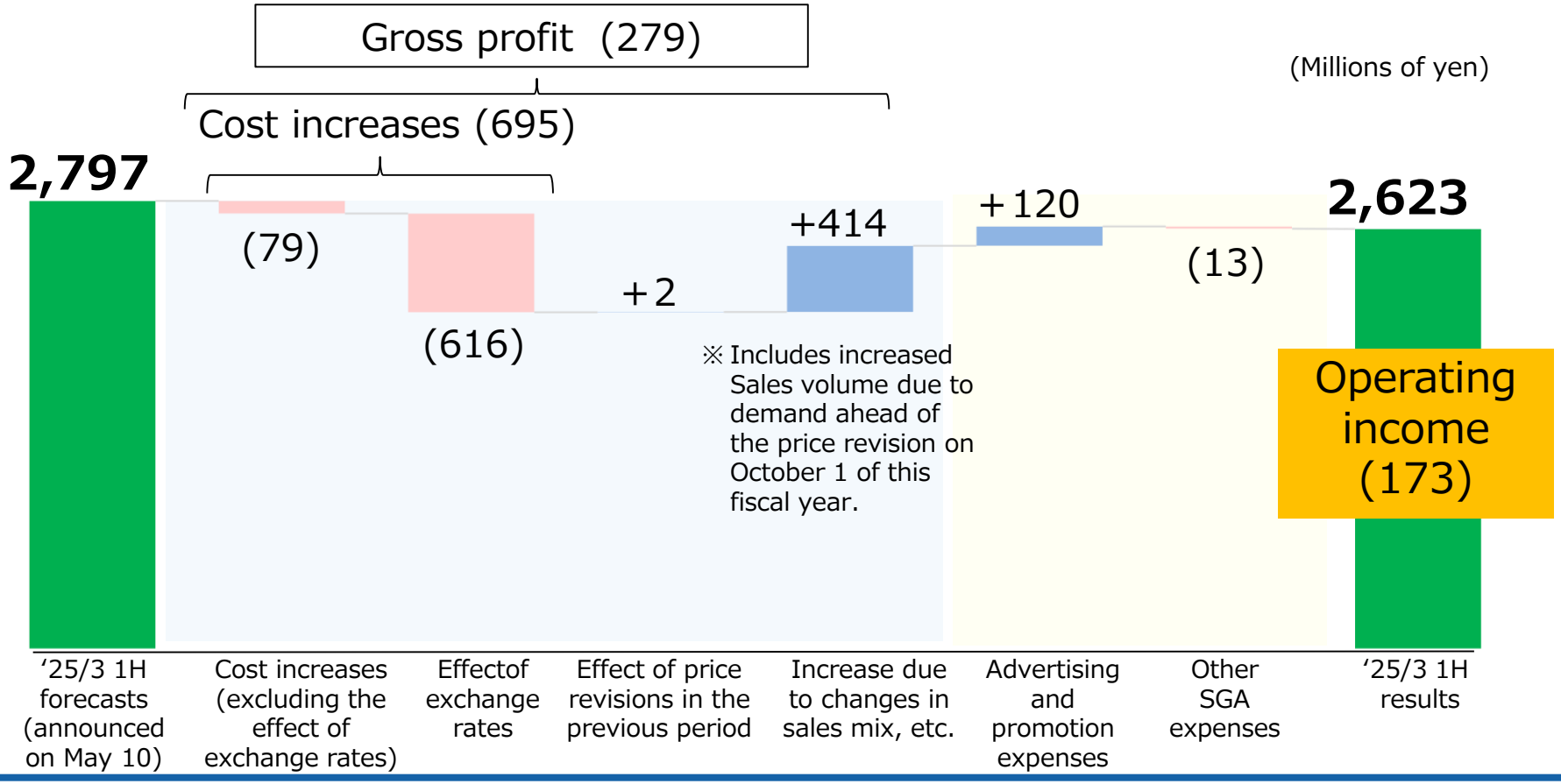
◇Year-on-year change in operating income
(positive factors are shown with a plus sign, and negative factors are shown in parentheses)



Analysis of the Change in Operating income for the Second Quarter Ended September 30, 2024 (Takara Shuzo) <vs forecasts on May>

Although earnings were buoyed mainly by changes in sales composition, including increased demand anticipating the October 1 price revisions, gross profit declined as a result of the heavy impact of cost increases that surpassed the initial forecasts. Despite the efforts made to efficiently use the advertising and promotion expenses, operating income fell short of expectations.

◇change in operating income versus the forecasts on May
(positive factors are shown with a plus sign, and negative factors are shown in parentheses)



Basic policy	We will engage in thorough brand development, raise profit margins, and expand Washu into global markets

- Strengthen product and brand development capabilities to substantially boost profit and profit margins
- Expand key brands and exports
- Strengthen and continue initiatives with a primary focus on safety and security
- Continue and advance companywide cost reductions

Initiatives of Key Brand Development

Net sales and gross profit of key brands rose year on year by 9.6% and 3.9%, respectively, resulting from the targeted spending of advertising expenses for brand development in the first half. Both increases surpassed the first-half targets.

◆Sales performance of key brands for ’25/3 1H

(Millions of yen)

	‘25/3 1H Actual	YOY (%)	‘25/3 1H Target	vs target (%)
Net sales	24,742	+9.6	23,982	+3.2
Gross profit	7,087	+3.9	7,060	+0.4

◆Results of advertising expenses spent on key brands

(Millions of yen)

	‘25/3 1H Actual	progress (%)	‘25/3 Target
Advertising expenses	1,879	64.7	2,903

Initiatives of Key Brand Development

Although the sales composition ratio of key brands exceeded the previous fiscal year's level, gross profit margins dropped year on year. This was due to the impact of cost increases and a rise in sales of Shochu Highball, which has a lower profit margin among the key brands, due to increased demand anticipating the October 1 price revisions.

◆Progress of key brands for '25/3 1H

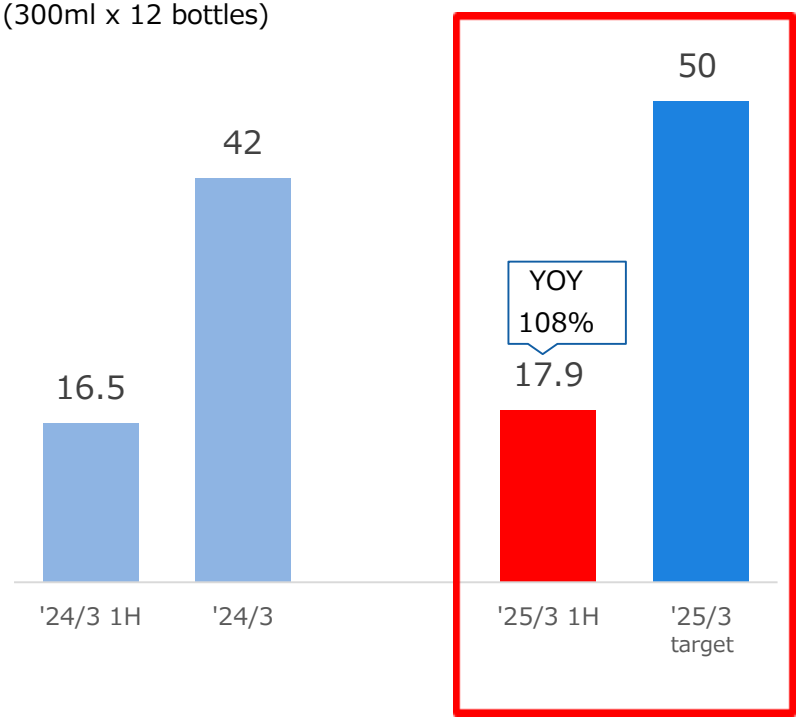
	'24/3 1H Actual		'25/3 1H Actual		'25/3 1H Target	
	Sales composition (%)	Gross profit margin (%)	Sales composition (%)	Gross profit margin (%)	Sales composition (%)	Gross profit margin (%)
Takara Shuzo total	100.0	26.1	100.0	25.0	100.0	26.2
Key brands	36.9	30.2	39.9	28.7	39.9	29.4
Other	63.1	23.7	60.1	22.5	60.1	24.0

Initiatives of Key Brand Development
<Sho Chiku Bai Shirakabegura “MIO” Sparkling Sake>

Sales in the first-half were 108% of the previous year’s level mainly due to the airing of TV commercials. MIO and MIO CLEAR and other limited-edition products will be released also in the second half to meet the various needs. We will continue running TV commercials and other promotional activities to further energize the brand.

・「MIO」Sales volume

※Unit: 10,000 c/s
(300ml x 12 bottles)



● With sales of existing products as the mainstay, we will launch limited-edition products that meet various needs.

「MIO」・「MIO」<CLEAR>

「MIO」<PREMIUM RICH>

Limited Released on November 5th

● TVCM

・Key phrase: "Mio is the best choice for days when you want to relax."

TVCM image

・Broadcast period: November 22 to January 3

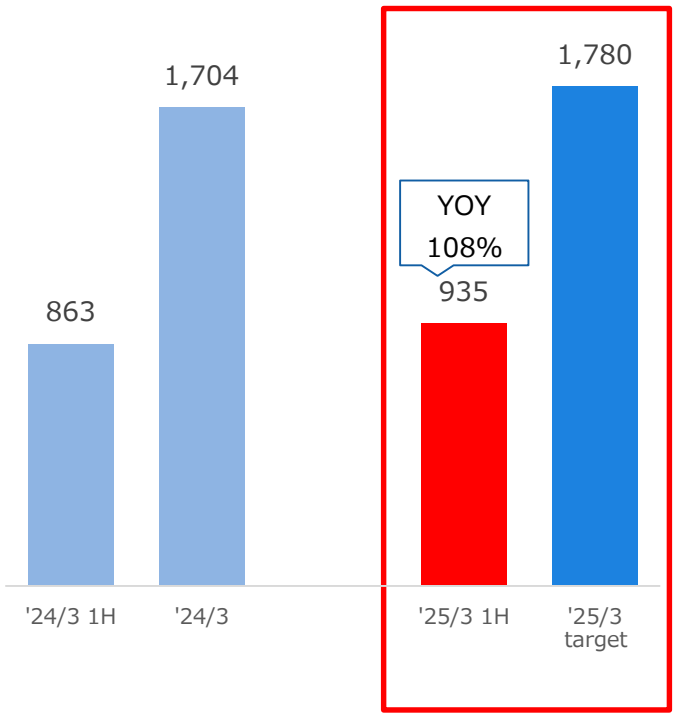
・Ad volume : 1,500GRP

Initiatives of Key Brand Development
<Takara Shochu Highball>

Sales in the first half were 108% of the previous year's level mainly due to robust performance and increased demand anticipating price revisions. By continuing to run a BS program and using the fan website, we will secure loyal users, as well as acquire new users by launching limited-edition products and expanding the alcohol content 5% series.

・<Shochu Highball>Sales volume

※Unit: 10,000 c/s
(350ml×24)



●Thoroughly cultivating loyal users

・Promote the product's "cheap saloons concept" by running a BS program

・Use the Takara Shochu Highball fan website

●Acquiring new users

・Launch a wide range of limited-edition products

	商品名	発売日
①	<Strong apple cider>	Oct. 22
②	<Japanese pear cider>	Oct. 8
③	< green apple cider >	Nov.5

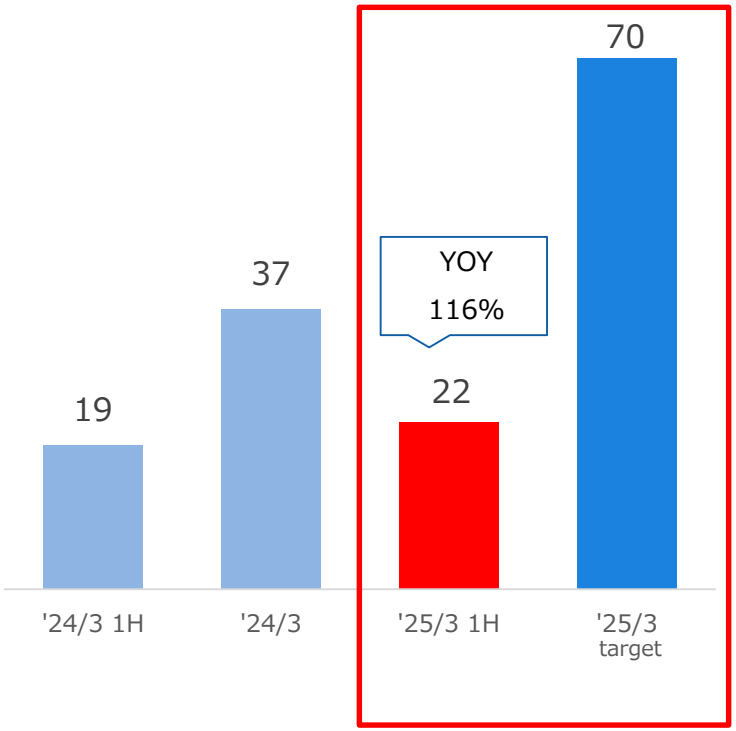
7% Series ① 5% Series ② ③

Initiatives of Key Brand Development
<Takara Karakuchi Zero Ball >

Sales in the first half were 116% of the previous year's level mainly due to the effect of TV commercials. We will seek to acquire new users through BS TV commercials and digital sales promotion.

・<Karakuchi Zero Ball >Sales volume

※Unit: 10,000 c/s
(350ml×24)



● BS TV commercials
Airing on BS-TBS's "Yuyake Sakaba"

TVCM image

● Digital sales promotion projects
Content for signage projects, in-store broadcasting

Initiatives of Product development ①

New brands	Unearth potential needs to provide a new and unprecedented quality of liquor and added value

● Second shot of new brand

・TaKaRa HAKKO JORYU SOUR launched on September 10

Creating a new dining-oriented market with a chu-hi brand that answers the needs of consumers who want to drink but not get drunk by offering a selection that still gives the satisfying pleasure of drinking with just 3% alcohol content

<Clear>

<lemon>

<grape>

・Ad image

● First product of new brand
Takara Hon Mirin
"Luxurious Rice Koji"
〈100% domestic rice〉
Released in August 2023

Initiatives of Product development ②

New brands	A Japanese sake specifically created for mixing with soda water that offers a fruity aroma and a crisp taste, and provides the full satisfaction of drinking sake

- Third product of new brand
  - ・Sho Chiku Bai <Mizuoto> 720ml released on October 1

A taste experience that harmoniously balances aroma, sake's distinctive sweetness, and body

Alc. 14%

Advance sale of restaurant routes

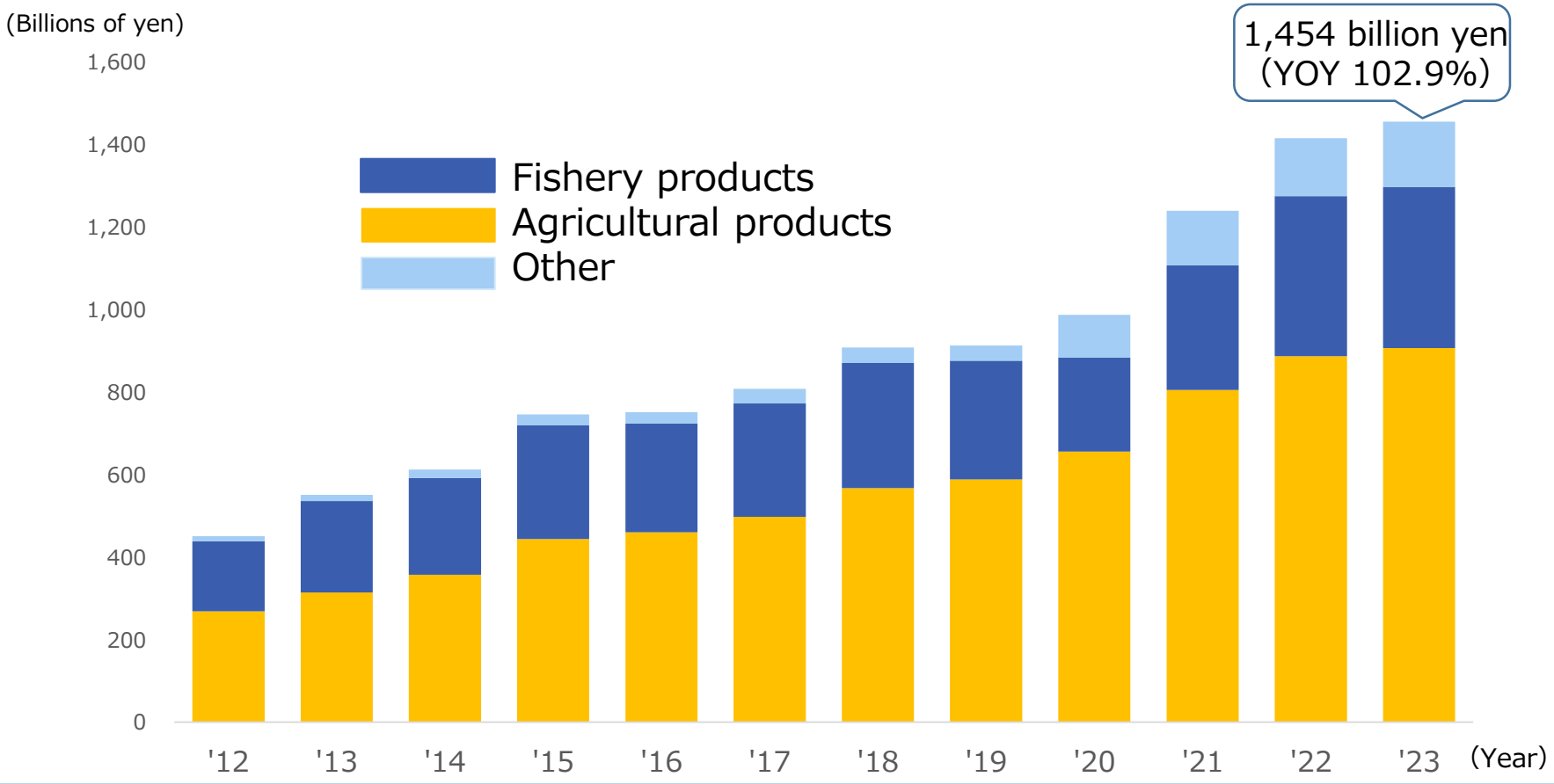
Ⅱ. Business Strategy for the fiscal year ending March 31, 2024

2. Takara Shuzo Int’l Group

Market Environment: Growth of Export Market

Exports of Japan's agricultural, forestry and fishery products and foods are increasing every year. Growth in 2023 showed a year-on-year growth of 102.9%

◇**Trends in exports of Japan's agricultural, forestry and fishery products and foods**

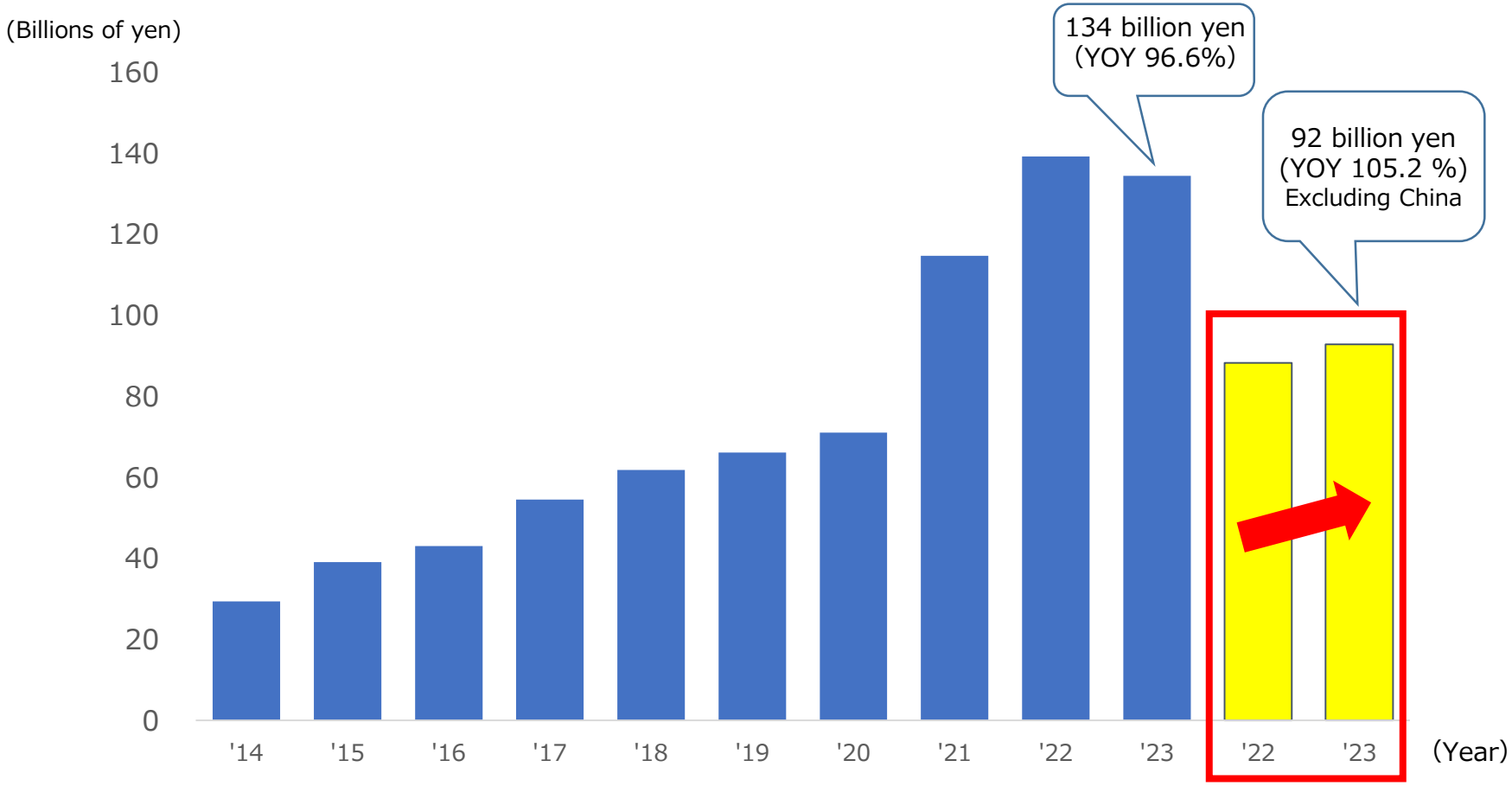


Data: Ministry of Agriculture, Forestry and Fisheries

Market Environment: Growth of Export Market

The total value of Japanese alcoholic beverage exports in 2023 fell from the previous year, but was 105.2% of the previous year's level when excluding China, the areas in which significant decrease was seen.

◇ Trends in exports of Japan's Alcoholic beverages exports

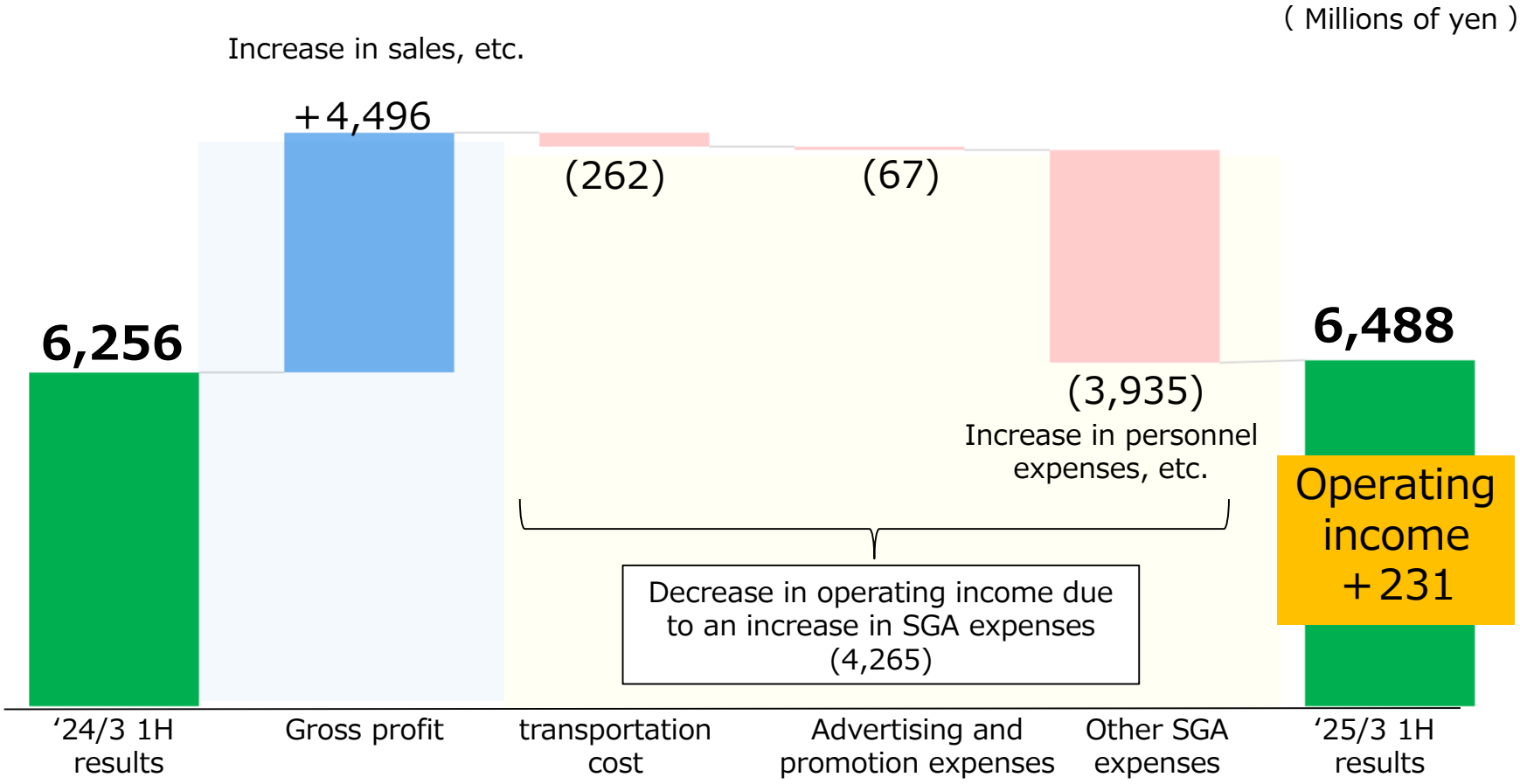


Data: Ministry of Agriculture, Forestry and Fisheries

Analysis of the Change in Operating Income for the Second Quarter Ended September 30, 2024 (Takara Shuzo Int'l Group)<Year-on-year>

The increase in gross profit due to higher net sales offset increased personnel expenses and lease fees for trucks used for transportation as the Japanese food wholesale business in overseas markets expanded, resulting in a gain in income.

◇Year-on-year change in operating income
(positive factors are shown with a plus sign, and negative factors are shown in parentheses)

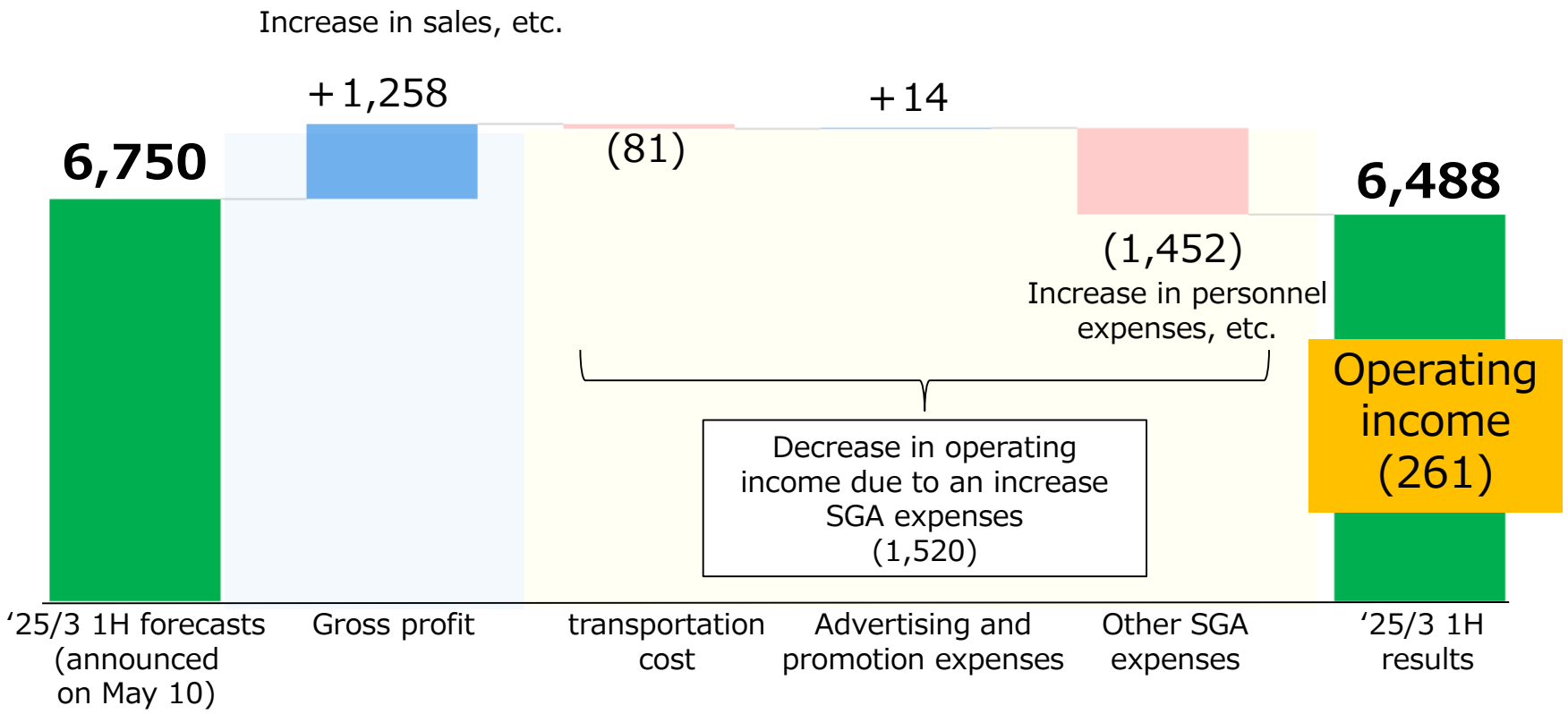


Analysis of the Change in Operating Income for the Second Quarter Ended September 30, 2024 (Takara Shuzo Int'l Group)<vs forecasts on May>

Gross profit rose with an increase in net sales partly due to the exchange rate effects, but operating income fell short of expectations as a result of rising personnel expenses and an increase in selling, general and administrative expenses due to the accelerated system development and other factors.

◇Year-on-year change in operating income
(positive factors are shown with a plus sign, and negative factors are shown in parentheses)

(Millions of yen)



Takara Shuzo Int'l Group: Business Strategy for the fiscal year ended March 31, 2025

Basic policy	We will achieve revenue growth for the whole Group through the rapid growth of the Washu and Japanese food wholesale business and the stable growth of Western-style liquor business

- By making maximum use of the Group network, we will collect and analyze information on consumers and other companies, and use it in product development, brand development, proposal sales, and strengthening SCM functions, thereby improving the speed and accuracy of implementing individual measures.
- We will respond to changes in the business environment, work to expand our business, and continue and strengthen our profit-oriented policy.
- In order to achieve sustainable growth in the future, we will make well-balanced investments while also striving to further strengthen our management foundation.

Overseas Alcoholic Beverages Business (Washu) : Business Strategy for the fiscal year ended March 31, 2025

Overseas Alcoholic Beverages Business (Washu)

Business Policy	We will aim for the rapid growth of the Washu business, maximizing synergies between Takara Shuzo and overseas Group companies.

● ”Product Development”
- ・Traditional Japanese sake will revitalize the "Shirakabegura" brand and develop it into a strong brand that can be used overseas.
- ・Innovative Japanese sake will accelerate its development speed, centering on the Global Japanese Sake Collaboration Project.
- ・We will respond to changes in the environment and laws and regulations of each country and strengthen compliance of export products with standards.

● 「MIO」Brand Development

The company will focus on expanding sales of its global flagship brand, Mio, and will once again attempt dramatic expansion.
~Clarifying strategic targets and implementing effective training measures~

Overseas Alcoholic Beverages Business(Washu) : Initiatives of Product Development

We will further enhance product portfolios by introducing high-added-value, high-profit products produced both in Japan and locally

- In the United States, we will strengthen the development of Shirakabegura high-added-value products and promote the development of new brands
- In China, we will promote the development of products such as Chinese-made pure rice sake

・Development plan for products exclusive to overseas (Sake, RTD including)

‘25/3 Target	9 items	‘25/3 1H Actual	5 items

◆Strategic Indicators ＜Export Sales＞

‘25/3 Target	1.5 billion yen	‘25/3 1H Actual	0.5 billion yen

Overseas Alcoholic Beverages Business(Washu) : Initiatives to expand exports (Sake)

Sho Chiku Bai Shirakabegura Kimoto Junmai Muroka Himurochozo 2017 will be launched as a value-added Japanese sake answering the overseas market's strong interest in storage and aged sake

Takara Shuzo × Takara Shuzo Int'l Group

This unfiltered Kimoto Junmai sake was slowly aged in cold storage at -5°C since 2017, producing an intricate and mellow flavor

Exports scheduled to start in Dec. 2024

Mainly in the U.S. and Europe
Volume: Limited to approximately 1,000 bottles

Retail price: 13,000 yen (U.S.)

Sho Chiku Bai Shirakabegura Kimoto Junmai Muroka Himurochozo 2017

Overseas Alcoholic Beverages Business(Washu) : Initiatives to expand exports (RTD)

A new flavor will be added to Takara NIPPON CHU HI “Selected from Japanese Farm,” a chu-hi series sold exclusively overseas.

Takara Shuzo × Takara Shuzo Int’l Group

A chu-hi lineup that offers the delightful taste of carefully selected fruits from across Japan

Takara NIPPON CHU HI “Selected from Japanese Farm”
<Okinawa pineapple>

Exports scheduled to start in Nov. 2024

Asia, Oceania, Europe, etc.
Retail price: 420 yen (Europe)

“Selected from Japanese Farm” series

Overseas Alcoholic Beverages Business(Washu) : Initiatives to expand “Innovative SAKE”

We are launching innovative sakes developed by Takara Sake USA Inc., leveraging our strength as a group with a base in the United States.

Takara Shuzo × Takara Shuzo Int’l Group

【MU|WA （SAKE aged in bourbon barrels）】

Name	MU|WA Bourbon Barrel Aged Junmai sake - 2024 Limited Release
Alc.	18%
Ingredients	Calrose rice from California
Price	Retail: $65 Restaurant: $110-120
Schedule	Sep. 2024

【OCEAN VIEW（White Koji）】 【SKYLINE（Uses highly acidic yeast）】

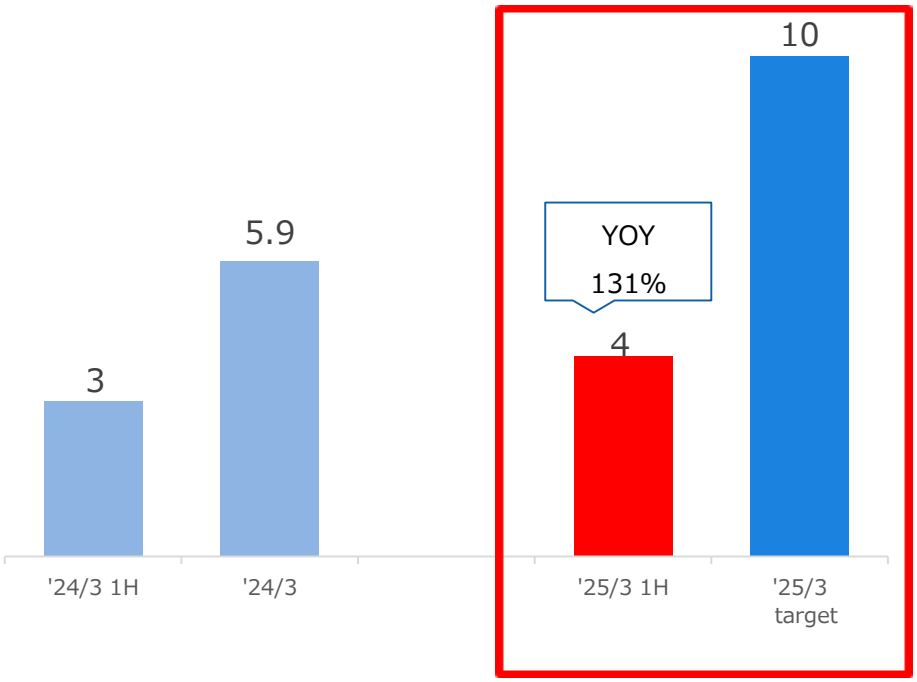
Name	Sho Chiku Bai Ocean View	Sho Chiku Bai Skyline
Alc.	14%	16%
Ingredients	Calrose rice from California	
Price	Retail: $17 Restaurant: $30	
Schedule	End of Nov. 2024	

Overseas Alcoholic Beverages Business(Washu) : Initiatives of “MIO”Brand Development

Export volume was 131% of the previous year’s level part due to the introduction of products exclusive to overseas. We will strengthen our information dissemination toward targeted customers in four key countries mainly through social media.

・「Mio」Export volume

※Unit: 10,000 c/s
(300ml x 12 bottles)



・「Mio」Export limited products

「Mio」<CRISP>　「Mio」<NIGORI>

・Social media-driven information dissemination

・We will strengthen information dissemination via social media and other channels in four areas

Japanese Food Wholesale Business

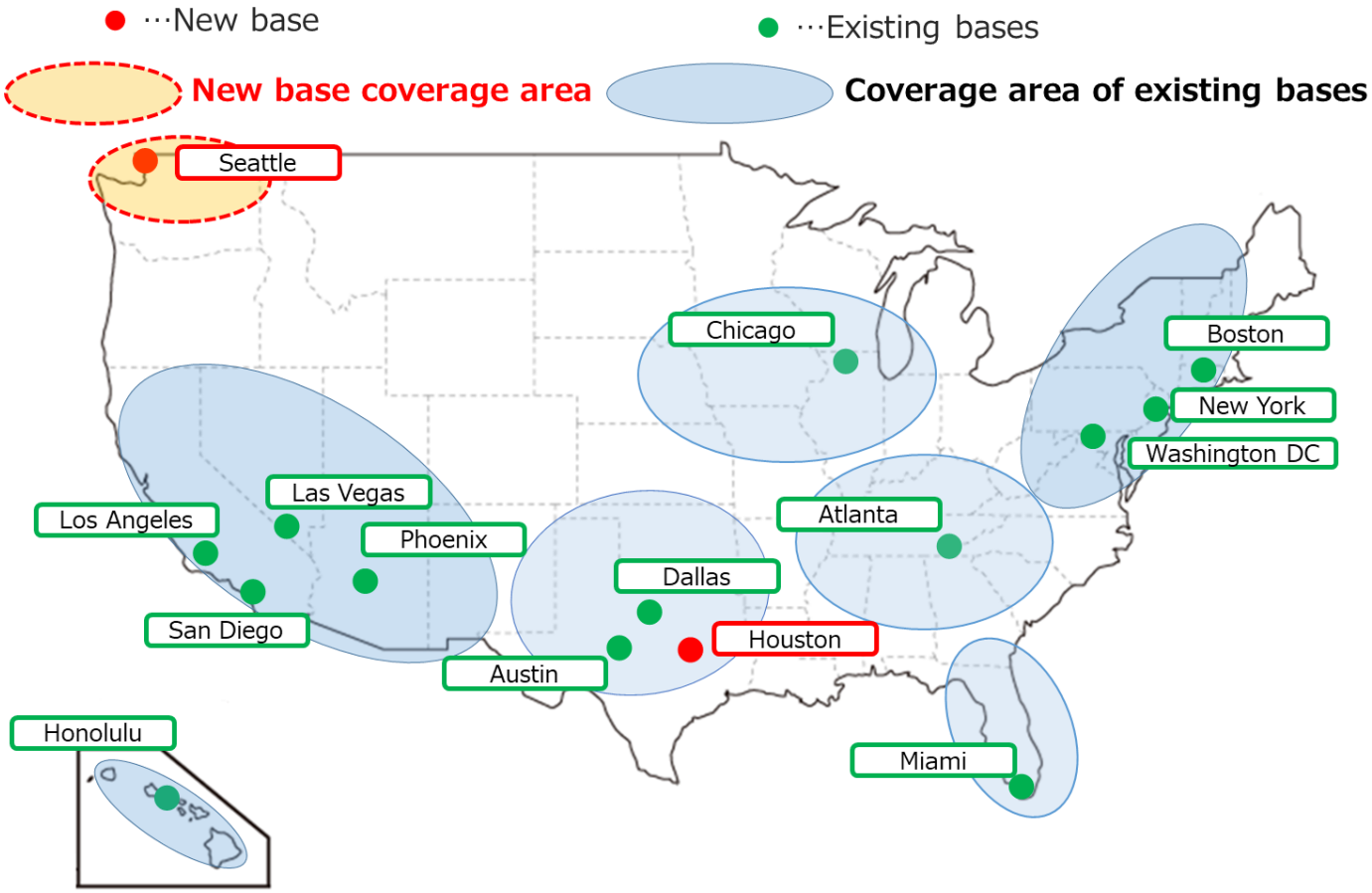
Business policy	We will promote the diversification of sales channels, pioneer new areas, and develop and cultivate differentiated products to achieve rapid growth significantly exceeding market growth.

- Promote sales growth by expanding area and bases.
- Expand sales by expanding the range of high-value, differentiated products and developing new products that meet market needs.
- Promote diversification of sales channels and build a business structure that is resilient to changes in the environment.
- Strengthen sales of washu such as Mio, and make them a "strength" and "point of differentiation" against competitors.
- Thoroughly focus on profits and strengthen the management foundation.

Japanese Food Wholesale Business : Plans to expand locations in the U.S.

We plan to establish two new sales and distribution bases in the United States in 2025: in the southern city of Houston, Texas, and in Seattle, the largest city in Washington in the west.

Expansion of North American bases to 15 locations



Japanese Food Wholesale Business : Plans to expand locations in Europe

T. Tazaki & Company Ltd. (U.K.) acquired all shares of Agrica Ab, which operates food wholesale business in Porvoo, Finland in September 2024.

Agrica Ab

Net sales('24/5):
Approx. 5.2 billion yen

- **Our bases of Japanese food wholesale business in Europe have been expanded to 17 locations.**
- **With our first base established in Northern Europe, we will launch full-fledged market development efforts aimed at expansion across the region.**

Japanese Food Wholesale Business : Expansion of high-value, differentiated products

We acquired all shares of TSUKIJI OHTA, a fresh fish wholesaler in Toyosu, Tokyo, and its export dealer Ohta Foods Market in September 2024 to supply high-quality fresh fish across the US.

TSUKIJI OHTA

Net sales('23/12):
Approx. 2.3 billion yen

High quality fresh fish of Japan brand: sea urchin, sea bream, yellowtail, striped jack, tuna, etc.

Expand our operation across the US utilizing the sales network of Mutual Trading Co.

We will begin exports to Europe and Australia leveraging the Group's sales network in the future

Japanese Food Wholesale Business : Product development to meet market needs

We will expand differentiated products such as vegan foods, plant-based products, organic products, and high-quality wagyu beef.

●Expansion of differentiated products

Vegan curry

Curry free of animal products

Arita beef from Miyazaki

Safe and trusted Japanese black beef raised on carefully selected feed and water

Fruit Fish

Farmed fish fed a fruit-supplemented diet to reduce odor and create a more appealing flavor

◆Strategic Indicators＜Product development＞

	’25/3 Target	’25/3 1H Actual
Number of Organic and vegan products	1,469 （YOY＋36）	1,477 （YOY＋44）
Number of Food allergy-friendly products	1,657 （YOY＋19）	1,653 （YOY＋15）

Japanese food trade is growing as a whole, not only for Japanese cuisine but also other cuisines such as Western, Asian, and fusion.

◆**Number of accounts YOY** (Mutual Trading Co. (LA and NY branch performance))

	YOY
Japanese	108%
Western	104%
Chinese	121%
Asian	109%
Korian	114%
Fusion	108%
Total	109%

As of Sep. 2024

Japanese Food Wholesale Business : Initiative plan of Diversification of sales channels

We will diversify sales channels by expanding sales routes to mass retailers and for processing, export, etc.

- North America: Developing sales routes to American and Asian mass retailers
- Europe: Cultivating existing and new relationships with non-Japanese cuisine restaurants by proposing Japanese food offerings to local restaurant industry of each country
  - France: Entering the catering industry, which is experiencing growing demand (in-flight catering, services on cruise ships)
  - Spain: Strengthening exports to African and Central/South American markets
  - U.K.: Expanding e-commerce business, and Japanese food markets (professional-use and retail) in Northern Europe by leveraging the sales routes of new Group company Agrica Ab (Finland)
- Australia: Expanding trade with local liquor shops and secondary wholesalers

Images of catering food


Overseas Alcoholic Beverages Business (Western-style liquor) : Business Strategy for the fiscal year ended March 31, 2025

Overseas Alcoholic Beverages Business (Western-style liquor)

Business policy	We aim to boost the value of our brands, such as Tomatin and Blanton's, and achieve stable earnings growth.

● Age International
・Strengthening sales of premium zone product "Blanton's Gold"

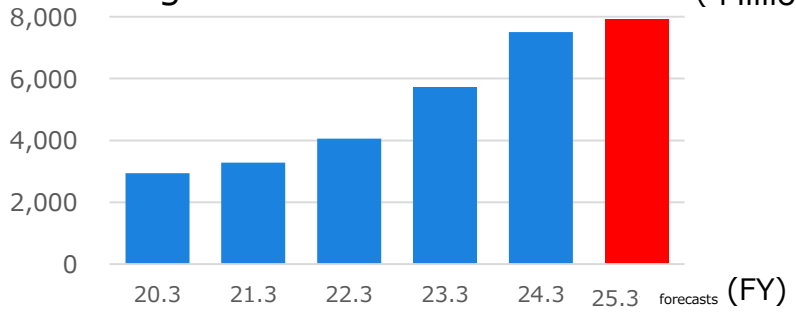
Blanton's Gold

● Tomatin
・As the Scotch whisky market slumps, we are strengthening our presence in the UK and Europe.

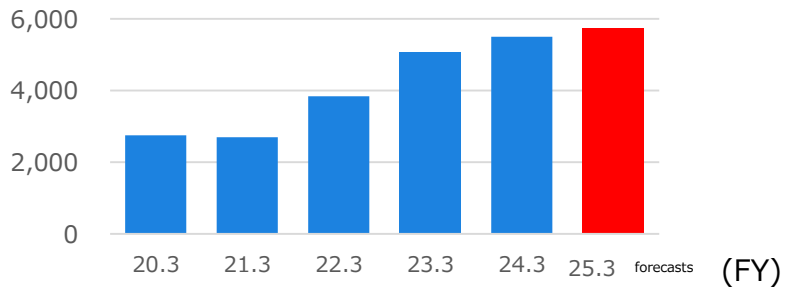
IWSC Gold Standing Gold Award

Tomatin Legacy

(Millions of yen) ○Age International Net sales



(Millions of yen) ○Tomatin Net sales



Ⅲ. Financial forecasts for the fiscal year ending March 31, 2025

Takara Holdings (Consolidated) Financial Forecasts for the fiscal year ending March 31, 2025 (announced on May 10)

Consolidated Statements of Income

(Millions of Yen)

	'25/3 Forecasts	Change from '24/3		Effect of change in exchange rates on net sales
		Change	Change (%)	Change
Takara Shuzo	**122,373**	(1,413)	(1.1)	-
Takara Shuzo International Group	**179,000**	18,572	+11.6	57
Takara Bio Group	**48,900**	5,394	+12.4	(180)
Other	**31,357**	1,085	+3.6	-
Adjustment	**(19,630)**	(1,010)	-	-
Net sales	**362,000**	22,627	+6.7	(122)
Gross profit	**123,500**	9,566	+8.4	
SG&A expenses	**97,800**	6,108	+6.7	
Takara Shuzo	**5,731**	227	+4.1	
Takara Shuzo International Group	**13,750**	1,458	+11.9	
Takara Bio Group	**5,000**	1,996	+66.5	
Other	**2,543**	179	+7.6	
Adjustment	**(1,324)**	(404)	-	
Operating income (loss)	**25,700**	3,457	+15.5	
Ordinary income (loss)	**26,300**	2,963	+12.7	
Net income attributable to owners of the parent (loss)	**17,200**	1,023	+6.3	

Takara Holdings (Consolidated) Financial Forecasts for the ’25/3 2H (Full-year minus 1H)

Consolidated Statements of Income

(Millions of Yen)

		'24/3 2H Actual	**'25/3 Forecasts - 1H Actual**	Change from '24/3	
				Change	Change (%)
	Takara Shuzo	62,595	**60,392**	(2,202)	(3.5)
	Takara Shuzo International Group	83,263	**90,020**	6,756	+8.1
	Takara Bio Group	24,389	**29,141**	4,752	+19.5
	Other	15,404	**15,974**	570	+3.7
	Adjustment	(9,453)	**(10,069)**	(615)	-
Net sales		176,199	**185,460**	9,260	+5.3
Gross profit		58,474	**64,754**	6,280	+10.7
SG&A expenses		48,695	**49,587**	891	+1.8
	Takara Shuzo	1,550	**3,107**	1,556	+100.4
	Takara Shuzo International Group	6,035	**7,261**	1,226	+20.3
	Takara Bio Group	1,592	**4,582**	2,990	+187.7
	Other	1,169	**1,143**	(26)	(2.2)
	Adjustment	(570)	**(928)**	(357)	-
Operating income (loss)		9,778	**15,167**	5,389	+55.1
Ordinary income (loss)		10,303	**15,133**	4,829	+46.9
Net income attributable to owners of the parent (loss)		8,132	**8,111**	(21)	(0.3)

Takara Holdings (Consolidated) Financial Targets Forecasts for the fiscal year ending March 31, 2025 (announced on May 10)

		'25/3 forecasts	'24/3 Actual
Percentage of net sales from overseas operations (except for Takara Bio Group)		**57.9%** **(56.9%)**	55.3% (54.0%)
ROE		**7.3%**	7.5%
ROIC ※Figures by business are for reference only	**Takara Holdings**	**5.2%**	4.8%
	Takara Shuzo	**5.3%**	5.1%
	Takara Shuzo Int'l Group	**8.8%**	9.0%
	Takara Bio Group	**3.1%**	1.9%

Impact of Exchange Rate Fluctuations for the fiscal year ending March 31, 2025

Impact of exchange rate fluctuations will be insignificant for Takara Shuzo and Takara Shuzo Int'l Group in aggregate

◇Status of main exchange rates

	Previous fiscal year results	Current fiscal year forecasts	Difference	Initial forecasts
USD/Yen	140.66	149.50	+8.84	140.00
GBP/Yen	175.03	192.60	+17.57	177.00
EUR/Yen	152.10	163.00	+10.90	153.00

◇Exchange rate sensitivity of Takara Shuzo and Takara Shuzo Int'l Group

(Millions of Yen)

	Impact on operating income in the current fiscal year when JPY depreciates by 1 yen against USD
Takara Shuzo	(101)
Takara Shuzo Int'l Group	+93
Total	(8)

Ⅳ. Sustainability

Selection for ESG indexes adopted by GPIF

As a result of being selected as a constituent stock of the "FTSE Blossom Japan Index," the company was selected for four of the six indexes adopted by GPIF (Government Pension Investment Fund).

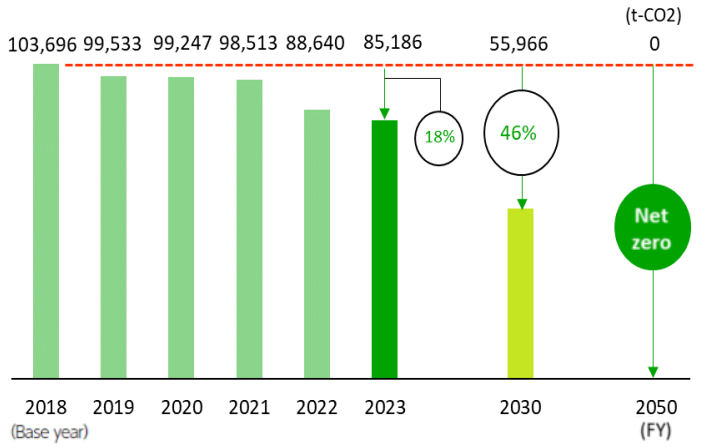
institution	Index	Selected Or not
FTSE	FTSE Blossom Japan Index	○
FTSE	FTSE Blossom Japan Sector Relative Index	
MSCI	MSCI Japan Equity ESG Select Leaders Index	○
MSCI	MSCI Japan Empowering Women Index (WIN)	
S&P /JPX	S&P/JPX Carbon Efficient Index S&P	○
Morningstar	Morningstar Japan ex-REIT Gender Diversity Tilt Index	○

Promoting initiatives to utilize gas-fired boilers, adopt solar panels, and use CO_2-free electricity

<Targets and Progress in '24/3>

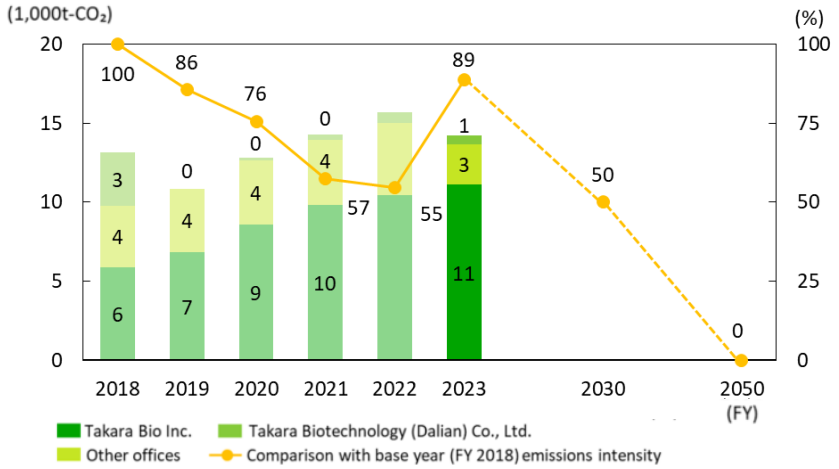
◇CO_2 Emissions target at Takara Shuzo and Takara Shuzo Int'l Group production sites

※Scope1、Scope2



◇CO_2 emission reduction targets of Takara Bio Group
(CO_2 emissions per net sales)

※Scope1、Scope2



◇Progress in '24/3

CO_2 emissions: 85,112 (t-CO_2)
Compared to '19/3: 18% reduction

Compared to '19/3: 11% reduction

Promoting initiatives to reduce food waste through utilization of unused parts of fruit

● 「TaKaRa CRAFT」 <Kyo Lemon>

・Instead of disposing of unused fruit parts such as peels and seeds, we process them for use in products

● TaKaRa HAKKO JORYU SOUR

<Clear> <lemon> <grape>

・These products use “fermented peel spirits,” which are distilled from fermented citrus peels and were co-developed with Fermenstation Co., Ltd.*

*A biomanufacturing startup that develops and produces sustainable products such as alcohol and cosmetic raw materials.
We invested in the company in October 2023.

Smiles in Life ～Smiles are Life's Treasures ～

We will progressively achieve our vision of "Smiles in Life ~ Smiles are Life's Treasures ~" by contributing to a well-balanced diet for people around the world through Washu and Japanese food, and by supporting healthy lifestyles through our biomedical businesses

TAKARA HOLDINGS INC.

TAKARA SHUZO CO., LTD.
TAKARA SHUZO INTERNATIONAL CO., LTD.

TAKARA BIO INC.

Contribute to a well-balanced diet for everyone

Create value in the medical and healthcare domains

Smiles in Life
~ Smiles are Life's Treasures ~

Appendix

’25/3 1H Actual	Takara Shuzo	Profit and loss statement
	Takara Shuzo Int’l Group	
‘25/3 Forecasts	Takara Shuzo	
	Takara Shuzo Int’l Group	
‘25/3 1H Actual Forecasts	Takara Shuzo Int’l Group Major Subsidiaries	Sales and operating income

Statements of Income (Net sales ~ Operating income)

(Millions of Yen)

	'25/3 2Q Actual	Change from '24/3		Change from forecasts announced on May, 2024	
		Change	YOY(%)	Change	Change(%)
Shochu	**16,926**	(543)	(3.1)	785	+4.9
Sake	**4,214**	(38)	(0.9)	(96)	(2.2)
Light-alcohol refreshers	**23,169**	1,386	+6.4	542	+2.4
Other liquors	**2,827**	77	+2.8	222	+8.5
Hon Mirin	**4,734**	187	+4.1	178	+3.9
Other seasonings	**4,524**	76	+1.7	9	+0.2
Raw alcohol	**5,582**	(358)	(6.0)	167	+3.1
Net sales	**61,980**	789	+1.3	1,807	+3.0
Gross profit	**15,471**	(502)	(3.1)	(279)	(1.8)
SG&A expenses	**12,847**	826	+6.9	(106)	(0.8)
Operating income (loss)	**2,623**	(1,328)	(33.6)	(173)	(6.2)

Statements of Income (Net sales ~ Operating income)

(Millions of Yen)

	'25/3 2Q Actual	Change from '24/3		Change from forecasts announced on May, 2024		Effect of change in exchange rates on net sales
		Change	YOY(%)	Change	Change(%)	Change
Overseas Alcoholic beverages business	**11,213**	951	+9.3	125	+1.1	1,269
Japanese food wholesale business in overseas markets	**79,079**	10,995	+16.1	3,875	+5.2	8,971
Other	**545**	330	+153.7	37	+7.3	(166)
Elimination	**(1,858)**	(460)	-	(58)	-	
Net sales	**88,979**	11,815	+15.3	3,979	+4.7	10,074
Gross profit	**28,874**	4,496	+18.4	1,258	+4.6	
SG&A expenses	**22,386**	4,265	+23.5	1,520	+7.3	
Overseas Alcoholic beverages business	**3,004**	200	+7.1	(179)	(5.6)	
Japanese food wholesale business in overseas markets	**4,867**	153	+3.3	96	+2.0	
Other	**(201)**	299	-	11	-	
Elimination	**(1,181)**	(421)	-	(191)	-	
Operating income (loss)	**6,488**	231	+3.7	(261)	(3.9)	

Statements of Income (Net sales ~ Operating income)

(Millions of Yen)

		'25/3 Forecasts	Change from '24/3	
			Change	Change (%)
	Shochu	**31,278**	(3,046)	(8.9)
	Sake	**11,676**	127	+1.1
	Light-alcohol refreshers	**44,543**	2,252	+5.3
	Other liquors	**5,225**	(209)	(3.8)
	Hon Mirin	**9,403**	(159)	(1.7)
	Other seasonings	**9,165**	(58)	(0.6)
	Raw alcohol	**11,080**	(322)	(2.8)
Net sales		**122,373**	(1,413)	(1.1)
Gross profit		**32,160**	431	+1.4
SG&A expenses		**26,429**	203	+0.8
Operating income (loss)		**5,731**	227	+4.1

Statements of Income (Net sales ~ Operating income)

(Millions of Yen)

		'25/3 Forecasts	Change from '24/3		Effect of change in exchange rates on net sales
			Change	Change (%)	Change
	Overseas Alcoholic beverages business	**22,714**	1,787	+8.5	(23)
	Japanese food wholesale business in overseas markets	**158,997**	17,181	+12.1	67
	Other	**549**	300	+120.7	13
	Elimination	**(3,261)**	(697)	-	
Net sales		**179,000**	18,572	+11.6	57
Gross profit		**57,933**	6,217	+12.0	
SG&A expenses		**44,183**	4,759	+12.1	
	Overseas Alcoholic beverages business	**6,471**	715	+12.4	
	Japanese food wholesale business in overseas markets	**9,758**	874	+9.8	
	Other	**(866)**	283	-	
	Elimination	**(1,613)**	(415)	-	
Operating income (loss)		**13,750**	1,458	+11.9	

Takara Shuzo Int'l Group Major Subsidiaries Financial Performance for '25/3 1H and Financial forecasts for the fiscal year ending March 31, 2025

		24/3 2Q Actual		25/3 Forecasts	
		Net Sales	Operating income(loss)	Net Sales	Operating income(loss)
Takara Sake USA Inc.	Thousands of US dollar	23,503	2,966	**48,501**	**6,211**
	Millions of Yen	3,580	451	**6,790**	**869**
Takara Shuzo Foods Co.,Ltd. (China)	Thousands of Yuan	19,352	(1,599)	**58,344**	**108**
	Millions of Yen	407	(33)	**1,143**	**2**
The Tomatin Distillery Co.,Ltd (U.K.)	Thousands of Pound	11,921	3,285	**32,412**	**11,031**
	Millions of Yen	2,298	633	**5,736**	**1,952**
AGE INTERNATIONAL,INC. (U.S.)	Thousands of US dollar	29,429	13,714	**56,656**	**25,212**
	Millions of Yen	4,483	2,089	**7,931**	**3,529**
FOODEX Group (Europe)	Thousands of Euro	85,244	3,727	**194,589**	**9,812**
	Millions of Yen	14,038	613	**29,772**	**1,501**
Cominport Distribución S.L., Keta Foods, Lda (Europe)	Thousands of Euro	47,184	4,971	**102,812**	**10,513**
	Millions of Yen	7,770	818	**15,730**	**1,608**
TAZAKI FOODS LTD. (U.K.)	Thousands of Pound	39,134	2,929	**79,800**	**4,718**
	Millions of Yen	7,544	564	**14,124**	**835**
Mutual Trading Co., Inc. (U.S.)	Thousands of US dollar	298,133	14,883	**644,826**	**32,900**
	Millions of Yen	45,423	2,267	**90,275**	**4,606**
Nippon Food Supplies Company Pty Ltd (Australia)	Thousands of Australian dollar	33,627	1,698	**74,525**	**5,200**
	Millions of Yen	3,371	170	**7,027**	**490**
Tokyo Mutual Trading Co., Ltd.	Millions of Yen	8,323	403	**14,697**	**649**

Forward-Looking Statements

Statements in this presentation, other than those based on historical fact, concerning the current plans, prospects, strategies and expectations of the Company and its Group represent forecasts of future results. While such statements are based on the conclusions of management according to information available at the time of writing, they reflect many assumptions and opinions derived from information that includes major risks and uncertainties. Actual results may vary significantly from these forecasts due to various factors.

Factors that could influence actual results include, but are not limited to, economic conditions, especially trends in consumer spending, as well as exchange rate fluctuations, changes in laws and government systems, pressure from competitors' prices and product strategies, declines in selling power of the Company's existing and new products, disruptions to production, violations of the Company's intellectual property rights, rapid advances in technology and unfavorable verdicts in major litigation.

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