

# **Financial results Briefing for the First Quarter Ended June 30, 2024**

August 8, 2024  
Takara Holdings Inc.

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# 1. Financial results summery for the first quarter ended June 30, 2024

## • Takara Holdings (Consolidated)

Consolidated net sales were +4.2% YoY, consolidated operating income was -42.8% YoY and consolidated ordinary income was -37.8% YoY. In addition, investment securities and extraordinary income from sale of noncurrent assets were ¥2,495 million and extraordinary loss from retirement of noncurrent assets, etc. was ¥59 million, while net income attributable to owners of the parent was +4.1% YoY.

## • Takara Shuzo

Net sales fell 5.0% YoY. By product type, despite an increase in Hon-mirin and other seasonings, sales declined for all other product types. The main reasons for the decline in each category include a shrinking of the overall category for shochu, and a decline in shochu for fruit liquor due to poor plum harvest. Sales of sake declined due to the trend for a reduction in the overall market for large capacity packs. There are plans to sell the light- alcohol refreshers, which were sold as limited products in the first quarter of the previous year, from the second quarter of the current year, and sales of raw alcohol were affected by the lower demand for alcohol for disinfectants. Operating income fell 41.5% YoY due to the decline in net sales, the decline in gross profit due to the increased costs of raw rice and packaged products and the effect of exchange rates, as well as an increase in costs including advertising expenses.

# 1. Financial results summery for the first quarter ended June 30, 2024

## • Takara Shuzo Int'l Group

Net sales increased 15.5% YoY. In the overseas alcoholic beverages business, Age International of America, which sells bourbon whiskey, performed well. In the Japanese food wholesale business in overseas markets, Mutual Trading Co. of America, Tazaki Foods of the UK and Nippon Food Supplies of Australia performed well due to the overseas expansion of Japanese food, despite recent signs of sluggish consumption in the restaurant market due to inflation, which together with M&A and the effect of exchange rates contributed to increased sales.

Operating income increased 2.7% YoY as the increase in gross profit due to the higher net sales was able to absorb the increase in selling, general and administrative expenses due to higher personnel expenses, etc.

## • Takara Bio Group

Net sales fell 7.4% YoY due to the decline in sales of COVID-19 related products and downturn in the life science research market, etc.

Operating income recorded a loss of ¥1,634 million due to lower income from comparatively highly profitable testing reagents and the change in sales composition.

## 2. Takara Holdings (Consolidated) Financial results for the first quarter ended June 30, 2024

	'25/03 1Q Actual	YOY (%)
<b>Net Sales</b>	<b>84,956</b>	+4.2
<b>Gross Profit</b>	<b>27,360</b>	▲2.4
<b>Operating income</b>	<b>4,064</b>	▲42.8
<b>Ordinary income</b>	<b>4,791</b>	▲37.8
<b>Net Income attributable to owners of the parent</b>	<b>5,170</b>	+4.1
	'25/03 1Q Actual	'24/03 1Q Actual
<b>Percentage of net sales from overseas operations (except for Takara Bio Group)</b>	<b>58.0% (56.2%)</b>	53.0% (51.4%)

(Millions of Yen)

### 3. Financial results by Business for the first quarter ended June 30, 2024

		'25/3 1Q Actual	Change	YOY(%)
<b>Takara Shuzo</b>	Net Sales	<b>30,170</b>	▲1,603	▲5.0
	Gross profit	<b>7,629</b>	▲754	▲9.0
	Operating income	<b>1,519</b>	▲1,076	▲41.5
<b>Takara Shuzo Int'l Group</b>	Net Sales	<b>43,220</b>	+5,788	+15.5
	Gross profit	<b>14,326</b>	+2,122	+17.4
	Operating income	<b>3,683</b>	+95	+2.7
<b>Takara Bio Group</b>	Net Sales	<b>8,493</b>	▲682	▲7.4
	Gross profit	<b>4,353</b>	▲2,139	▲32.9
	Operating income	<b>▲1,634</b>	▲2,057	—

(Millions of Yen)

## 4. Takara Shuzo Financial Performance for the first quarter ended June 30, 2024

(Millions of Yen)

	'25/03 1Q Actual	YOY(%)
Shochu	8,722	▲9.3
Sake	2,122	▲7.4
Light-alcohol refreshers	10,490	▲1.8
Other liquors	1,421	▲4.4
Hon Mirin	2,408	+3.4
Other seasonings	2,280	+2.9
Raw alcohol	2,724	▲13.6
Net sales	30,170	▲5.0
Gross profit	7,629	▲9.0
Operating income(Δ:loss)	1,519	▲41.5

# 5. Analysis of the Change in Operating Income for the first quarter ended June 30, 2024 (Takara Shuzo)

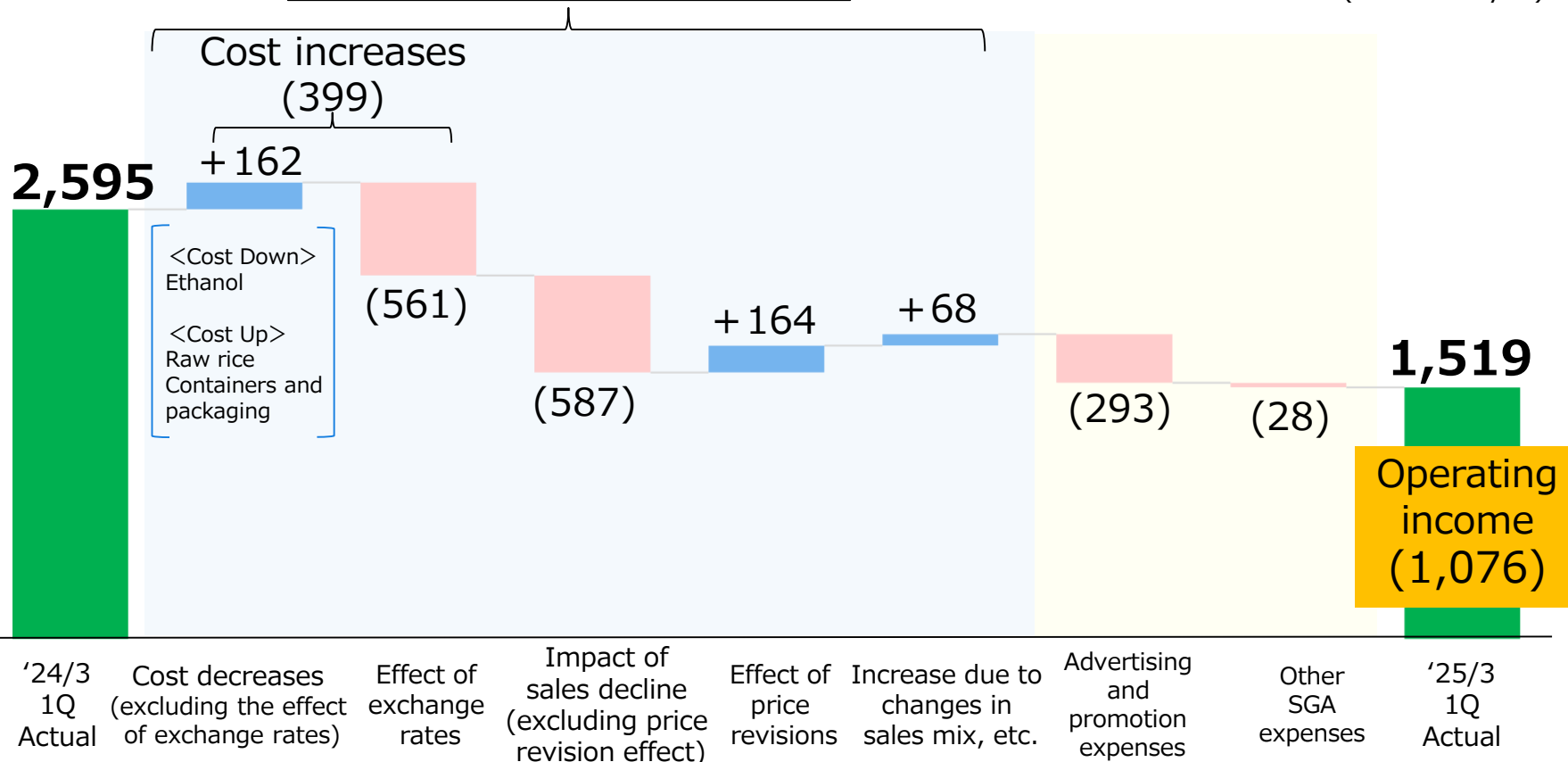
Income decreased as the effect of price revisions was inadequate to overcome the decline in gross profit due to lower net sales and increased costs, including the effect of exchange rates, while income was also affected by other increases including advertising expenses.

## ◇ Year-on-year change in operating income

(positive factors are shown with a plus sign, and negative factors are shown in parentheses)

Gross profit (754)

(Millions of yen)





## 6. Takara Shuzo Int'l Group Major Subsidiaries Financial Performance for the first quarter ended June 30, 2024

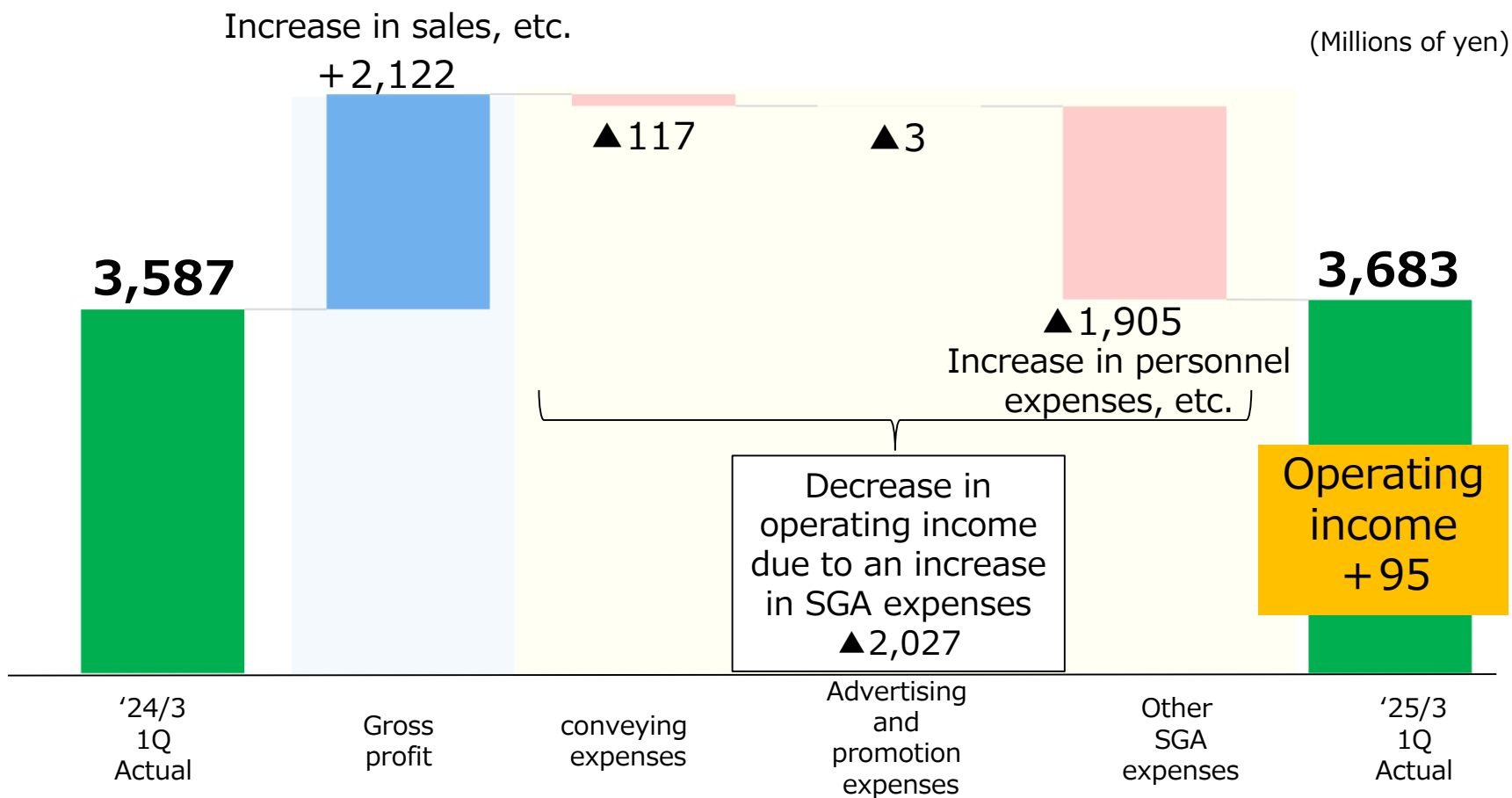
			'24/03 1Q Actual		'25/03 1Q Actual	
			Net Sales	Operating income (▲:loss)	Net Sales	Operating income (▲:loss)
Overseas Alcoholic beverages business	Takara Sake USA Inc.	Thousands of US dollar	11,792	956	<b>12,011</b>	<b>1,510</b>
		Millions of Yen	1,561	126	<b>1,785</b>	<b>224</b>
	Takara Shuzo Foods Co.,Ltd. (China)	Thousands of Yuan	12,629	▲ 577	<b>10,209</b>	<b>▲ 688</b>
		Millions of Yen	244	▲ 11	<b>210</b>	<b>▲ 14</b>
	The Tomatin Distillery Co.,Ltd (U.K.)	Thousands of Pound	7,968	2,723	<b>5,980</b>	<b>2,316</b>
		Millions of Yen	1,282	438	<b>1,127</b>	<b>436</b>
	AGE INTERNATIONAL,INC. (U.S.)	Thousands of US dollar	12,299	5,428	<b>15,132</b>	<b>6,677</b>
		Millions of Yen	1,628	718	<b>2,248</b>	<b>992</b>
Japanese food wholesale business in overseas markets	FOODEX Group (Europe)	Thousands of Euro	44,348	2,369	<b>43,306</b>	<b>2,665</b>
		Millions of Yen	6,303	336	<b>6,986</b>	<b>430</b>
	Cominport Group (Europe)	Thousands of Euro	23,072	2,704	<b>22,392</b>	<b>2,632</b>
		Millions of Yen	3,279	384	<b>3,612</b>	<b>424</b>
	TAZAKI FOODS LTD. (U.K.)	Thousands of Pound	19,043	1,103	<b>19,510</b>	<b>1,906</b>
		Millions of Yen	3,064	177	<b>3,677</b>	<b>359</b>
	Mutual Trading Co., Inc. (U.S.)	Thousands of US dollar	140,371	9,880	<b>147,670</b>	<b>8,002</b>
		Millions of Yen	18,585	1,308	<b>21,946</b>	<b>1,189</b>
	Nippon Food Supplies Company Pty Ltd (Australia)	Thousands of Australian dollar	15,835	1,048	<b>16,900</b>	<b>1,060</b>
		Millions of Yen	1,434	94	<b>1,650</b>	<b>103</b>
Tokyo Mutual Trading Co., Ltd.	Millions of Yen	3,310	169	<b>4,024</b>	<b>192</b>	

## 7. Analysis of the Change in Operating Income for the first quarter ended June 30, 2024 (Takara Shuzo Int'l Group)

Income increased as the increase in gross profit due to higher net sales offset the increase in selling, general and administrative expenses due to higher personnel expenses, etc.

### ◇ Year-on-year change in operating income

(positive factors are shown with a plus sign, and negative factors are shown in parentheses)



## 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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