

Financial results Briefing for the Third Quarter Ended December 31, 2024

February 13, 2025
Takara Holdings Inc.

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1. Financial Results summery for the third quarter ended December 31, 2024

• Takara Holdings (Consolidated)

Consolidated net sales were +5.3% YoY, consolidated operating income was -16.1% YoY and consolidated ordinary income was -14.6% YoY. In addition, extraordinary income from sale of investment securities and noncurrent assets were ¥ 3,807 million and extraordinary loss from retirement of noncurrent assets, etc. was ¥ 397 million, net income attributable to owners of the parent was -6.7% YoY.

• Takara Shuzo

- Net sales fell 2.5% YoY. By product type, despite an increase in Hon-mirin and other seasonings, sales of light- alcohol refreshers remained at the same level as the previous fiscal year due to a decrease in sales volume caused by the price revision in October of this fiscal year, and sales of shochu and sake decreased in line with the overall contraction of the market.
- Gross profit decreased due to the decrease in sales, as well as the increase in the cost of sales ratio due to the increase in the cost of raw materials and packaging products and the effect of exchange rates. Furthermore, due to an increase in transportation costs, storage fees, advertising expenses, etc., operating income decreased by 23.3% compared to the previous fiscal year

1. Financial Results summery for the third quarter ended December 31, 2024

• Takara Shuzo Int'l Group

- Net sales increased 13.6% YOY. In the overseas alcoholic beverages business, Age International of America, which sells bourbon whiskey, performed well, and in the Japanese food wholesale business in overseas markets, although the restaurant market continues to be sluggish, with growing demand for Japanese food ingredients overseas, Mutual Trading in the US, Tazaki Foods in the UK, and Nippon Foods in Australia all performed well, resulting in increased revenue in total.
- Gross profit also increased due to the increase in net sales. Operating income increased in the overseas alcoholic beverages business, while the Japanese food wholesale business in overseas markets saw a decrease in operating income due to increased SGA expenses such as labor costs and warehousing fees. However, overall operating income increased by 4.9% compared to the previous fiscal year.

• Takara Bio Group

- Net sales were decreased 1.5% year on year due to a decrease in sales of COVID-19 testing-related products and a slump in the life science research market.
- Gross profit decreased due to decrease in net sales, increase in cost of sales caused bu decrease in sales of relatively high-profit margin testing reagents, change in sales mix. In addition, SGA expenses increased, resulting in an operating loss of 1,473 million yen.

2. Takara Holdings (Consolidated) Financial Results for the third quarter ended December 31, 2024

	'25/3 3Q Actual	YOY (%)
Net Sales	266,935	+ 5.3
Gross Profit	87,523	+ 3.7
Operating income	14,909	(16.1)
Ordinary income	16,066	(14.6)
Net Income attributable to owners of the parent	13,002	(6.7)
	'25/03 3Q Actual	'24/03 3Q Actual
Percentage of net sales from overseas operations (except for Takara Bio Group)	57.6% (55.8%)	53.9% (52.1%)

(Millions of Yen)

3. Financial Results by Business for the third quarter ended December 31, 2024

(Millions of Yen)

		'25/3 3Q Actual	Change	YOY(%)
Takara Shuzo	Net Sales	95,131	(2,488)	(2.5)
	Gross profit	24,620	(1,561)	(6.0)
	Operating income	5,350	(1,627)	(23.3)
Takara Shuzo Int'l Group	Net Sales	133,316	+ 15,938	+13.6
	Gross profit	43,480	+ 6,116	+16.4
	Operating income	9,372	+ 439	+4.9
Takara Bio Group	Net Sales	29,282	(452)	(1.5)
	Gross profit	16,369	(1,671)	(9.3)
	Operating income	(1,473)	(1,810)	—

4. Takara Shuzo Financial Results for the third quarter ended December 31, 2024

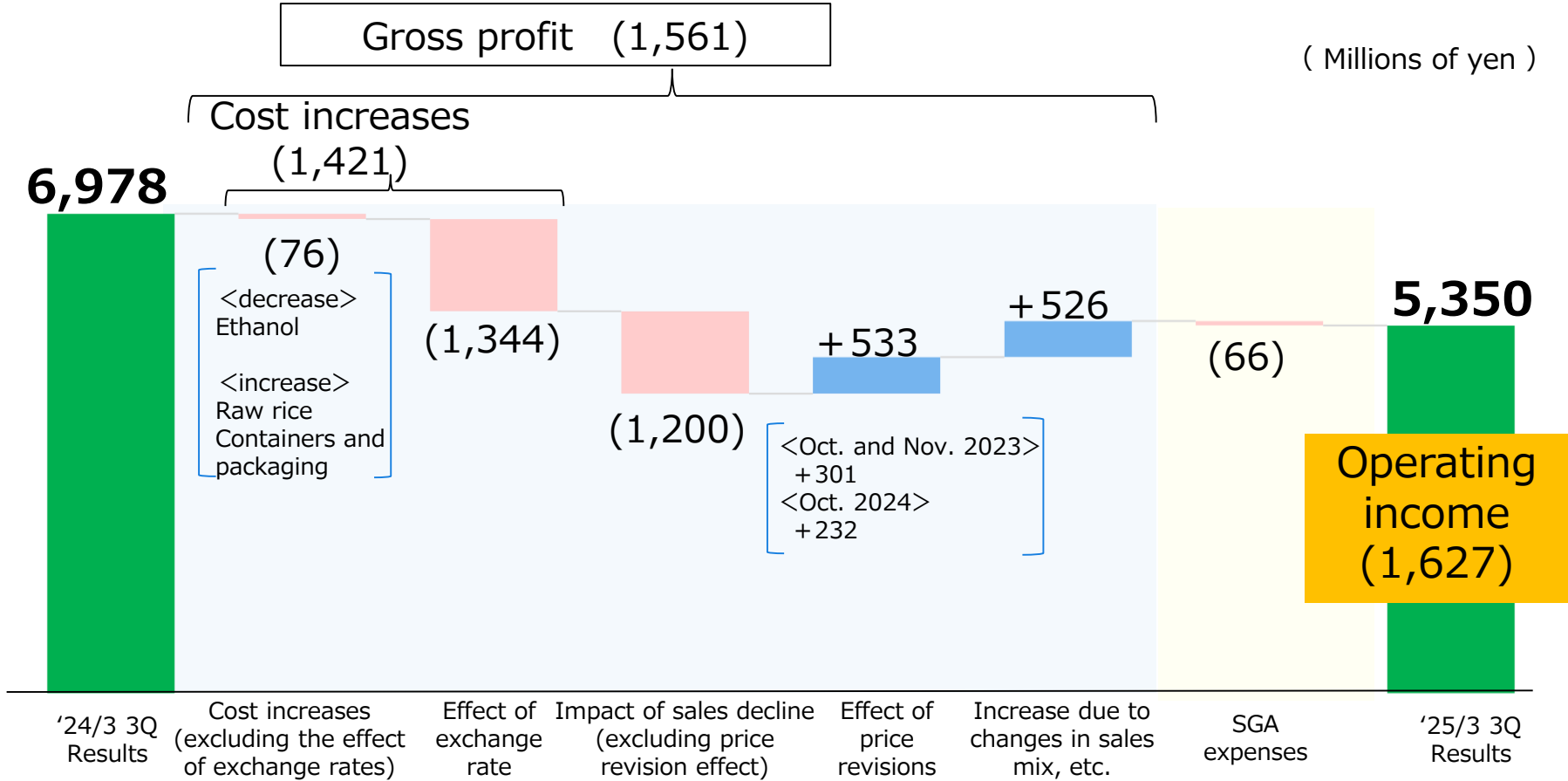
(Millions of Yen)

		'25/3 3Q Actual	YOY(%)
	Shochu	25,305	(6.9)
	Sake	8,688	(7.1)
	Light-alcohol refreshers	33,105	+0.0
	Other liquors	4,080	(3.9)
	Hon Mirin	7,942	+1.4
	Other seasonings	7,329	+2.1
	Raw alcohol	8,680	(0.6)
Net sales		95,131	(2.5)
Gross profit		24,620	(6.0)
Operating income(Δ:loss)		5,350	(23.3)

5. Analysis of the Change in Operating Income for the Third quarter ended December 31, 2024 (Takara Shuzo)

Gross profit decreased due to the increase in costs, including the impact of foreign exchange rates, and the decrease in sales of shochu and sake, which are in a shrinking market, which could not be offset by the effect of price revisions and changes in sales composition, resulting in a decrease in operating income.

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



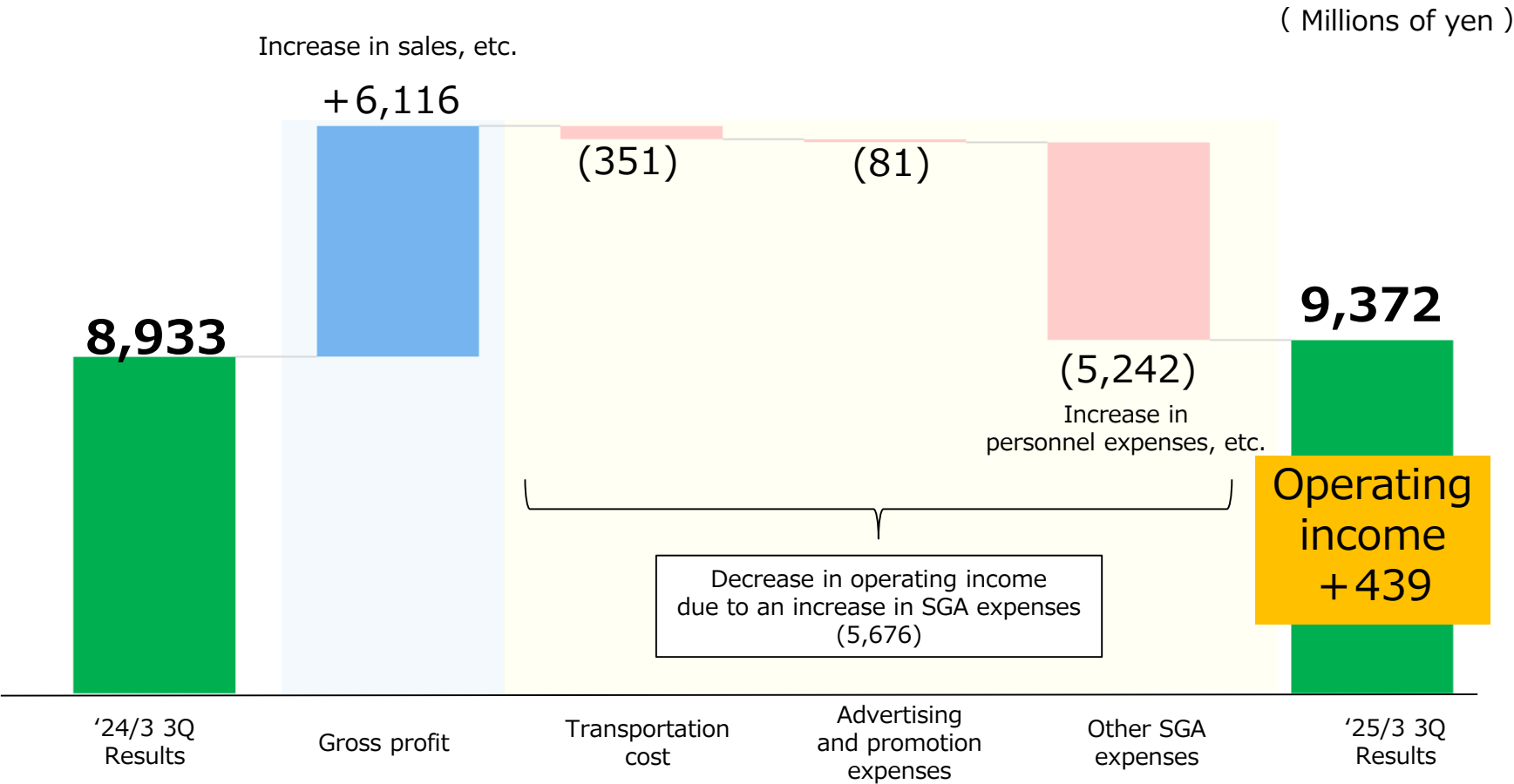
6. Takara Shuzo Int'l Group Major Subsidiaries Financial Performance for the Third quarter ended December 31, 2024

			'24/3 3Q Actual		'25/3 3Q Actual	
			Net Sales	Operating Income (loss)	Net Sales	Operating Income (loss)
Overseas Alcoholic beverages business	Takara Sake USA Inc.	Thousands of US dollar	33,803	3,868	33,688	4,142
		Millions of Yen	4,672	534	5,102	627
	Takara Shuzo Foods Co.,Ltd. (China)	Thousands of Yuan	34,234	(1,823)	30,632	(1,996)
		Millions of Yen	671	(35)	642	(41)
	The Tomatin Distillery Co.,Ltd (U.K.)	Thousands of Pound	22,689	6,723	17,587	4,892
		Millions of Yen	3,906	1,157	3,399	945
	AGE INTERNATIONAL,INC. (U.S.)	Thousands of US dollar	38,371	17,756	48,264	25,184
		Millions of Yen	5,304	2,454	7,309	3,814
Japanese food wholesale business in overseas markets	FOODEX Group (Europe)	Thousands of Euro	133,213	6,695	125,819	4,943
		Millions of Yen	19,949	1,002	20,702	813
	Cominport Distribución S.L. (Europe)	Thousands of Euro	72,632	8,648	73,069	7,653
		Millions of Yen	10,877	1,295	12,022	1,259
	TAZAKI FOODS LTD. (U.K.)	Thousands of Pound	56,289	3,234	58,134	2,873
		Millions of Yen	9,691	556	11,237	555
	Mutual Trading Co., Inc. (U.S.)	Thousands of US dollar	417,856	22,125	445,242	17,845
		Millions of Yen	57,764	3,058	67,431	2,702
	Nippon Food Supplies Company Pty Ltd (Australia)	Thousands of Australian dollar	49,514	3,267	52,232	2,825
		Millions of Yen	4,573	301	5,235	283
	Tokyo Mutual Trading Co., Ltd.	Millions of Yen	10,583	595	13,194	641

7. Analysis of the Change in Operating Income for the Third quarter ended December 31, 2024 (Takara Shuzo Int'l group)

The increase in gross profit due to higher net sales offset increased SGA expenses such as personnel expenses, etc., resulting in a gain in operating income.

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



8. Financial Forecasts summery for the fiscal year ending March 31, 2025

• Takara Holdings (Consolidated)

- Net Sales will be up 6.7% YOY, remaining unchanged from the previous forecast.
- Operating income is expected to be down 4.7% YOY, and down 17.5% from the previous forecast.
- Ordinary income is expected to be down 4.4% YOY, and down 15.2% from the previous forecast.
- Net income attributable to parent company shareholders is expected to include extraordinary gains of 4.75 billion yen from the sale of investment securities and fixed assets, and extraordinary losses of 1.25 billion yen due to the retirement of fixed assets, etc., which is down 1.7% YOY and down 7.6% from the previous forecast.

• Takara Shuzo

- Net Sales are expected to decrease compared to the previous fiscal year for all categories except Hon-Mirin, resulting in an overall decrease of 4.3% compared to the previous fiscal year. Sales of Sake including Ten, and Light-alcohol refreshers will fall due to price revisions that were not factored into the forecast, are expected to decrease by 3.2%.
- In addition to the decrease in Net sales, gross profit will decrease due to rising costs of packaging products and the impact of exchange rates. Despite efforts to use SGA expenses such as sales promotion expenses efficiently, operating income is expected to decrease by 14.9% compared to the previous fiscal year and 18.3% compared to the previous forecasts.

8. Financial Forecasts summery for the fiscal year ending March 31, 2025

• Takara Shuzo Int'l Group

• In terms of Net Sales, Age International is expected to perform well in the overseas alcoholic beverages business, and sales in the Japanese food wholesale business in overseas markets are expected to increase by 15.8% overall, thanks to the addition of companies newly welcomed into the group. Compared to the previous forecasts, the overseas alcoholic beverages business is expected to perform well, and although the restaurant market is slow to recover in the second half of the year in the Japanese food wholesale business in overseas markets, the impact of exchange rates means that overall sales are expected to increase by 3.7%.

• In terms of operating income, compared to the previous fiscal year, the overseas alcoholic beverages business is expected to perform well in sales, and although gross profit will increase due to increased sales in the Japanese food wholesale business in overseas markets, SGA expenses of existing companies will increase, so overall it is expected to decrease by 2.4%. Compared to the previous forecast, the overseas alcoholic beverages business is expected to exceed expectations, but the Japanese food wholesale business in overseas markets is expected to fall short, resulting in an overall decrease of 12.7%.

• Takara Bio Group

• Net sales are expected to increase 4.6% year on year. Compared to the previous forecast, prolonged inflation in Europe and the United States and the economic downturn in China have caused the market conditions in the life sciences R&D market to deteriorate further, and price competition for products and services has intensified. As a result, Sales of the reagent and equipment business and the contract business are expected to fall short of the previous forecast, resulting in an overall decrease of 7%.

• Operating income is expected to be at the same level as the previous fiscal year, but due to the decrease in sales, it is expected to be down 40% from the previous forecast.

9. Takara Holdings (Consolidated) Financial Forecasts for the fiscal year ending March 31, 2025

(Millions of Yen)

	'25/03 Forecasts	YOY(%)	Change from the Forecasts announced on May, 2024 (%)
Net Sales	362,000	+6.7	0.0
Gross Profit	120,600	+5.9	(2.3)
Operating income	21,200	(4.7)	(17.5)
Ordinary income	22,300	(4.4)	(15.2)
Net Income attributable to owners of the parent	15,900	(1.7)	(7.6)
	'25/03 Forecasts	'24/03 Actual	
Percentage of net sales from overseas operations (except for Takara Bio Group)	59.2% (58.3%)	55.3% (53.9%)	

10. Financial Forecasts by Business for the fiscal year ending March 31, 2025

(Millions of Yen)

		'25/3 Forecasts	YOY(%)	Change from the Forecasts announced on May, 2024 (%)
Takara Shuzo	Net Sales	118,489	(4.3)	(3.2)
	Gross profit	29,674	(6.5)	(7.7)
	Operating income	4,683	(14.9)	(18.3)
Takara Shuzo Int'l Group	Net Sales	185,700	+15.8	+3.7
	Gross profit	60,000	+16.0	+3.6
	Operating income	12,000	(2.4)	(12.7)
Takara Bio Group	Net Sales	45,500	+4.6	(7.0)
	Gross profit	27,081	+0.6	(8.5)
	Operating income	3,000	(0.1)	(40.0)

11. Takara Shuzo Financial Forecasts for the fiscal year ending March 31, 2025

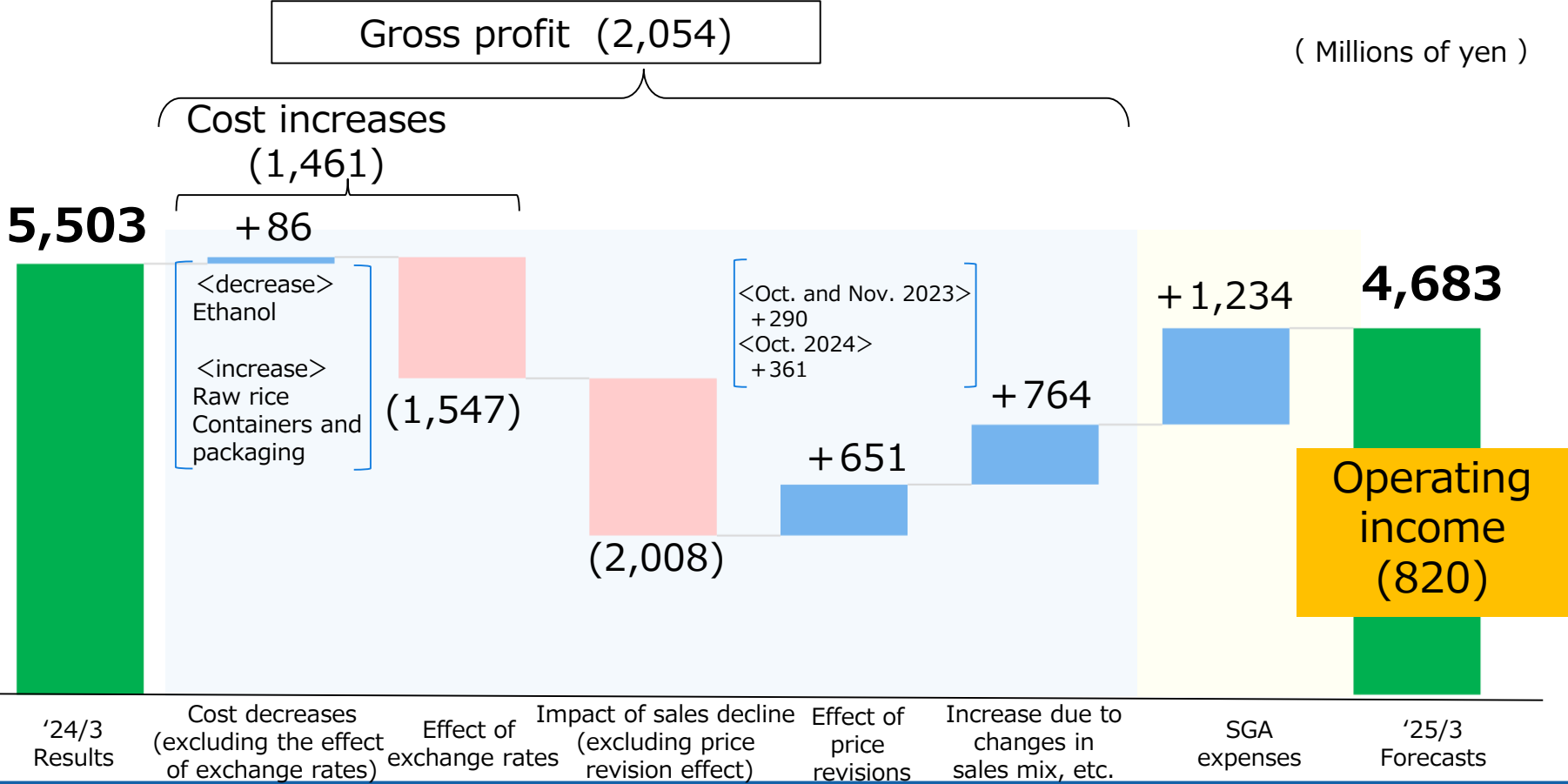
(Millions of Yen)

		'25/3 Forecasts	YOY(%)	Change from the Forecasts announced on May, 2024 (%)
	Shochu	31,349	(8.7)	0.2
	Sake	10,625	(8.0)	(9.0)
	Light-alcohol refreshers	41,231	(2.5)	(7.4)
	Other liquors	5,131	(5.6)	(1.8)
	Hon Mirin	9,724	+ 1.7	+ 3.4
	Other seasonings	9,164	(0.6)	(0.0)
	Raw alcohol	11,265	(1.2)	+ 1.7
Net sales		118,489	(4.3)	(3.2)
Gross profit		29,674	(6.5)	(7.7)
Operating income(Δ:loss)		4,683	(14.9)	(18.3)

12.Takara Shuzo Analysis of the Change in Operating Income for the fiscal year ending March 31, 2025 <YOY>

Gross profit is expected to decrease due to the increase in costs caused by the effect of exchange rates and the decrease in sales, despite the effect of price revisions and an increase due to changes in sales composition, and although we will strive to use SGA expenses efficiently, operating income are expected to decrease.

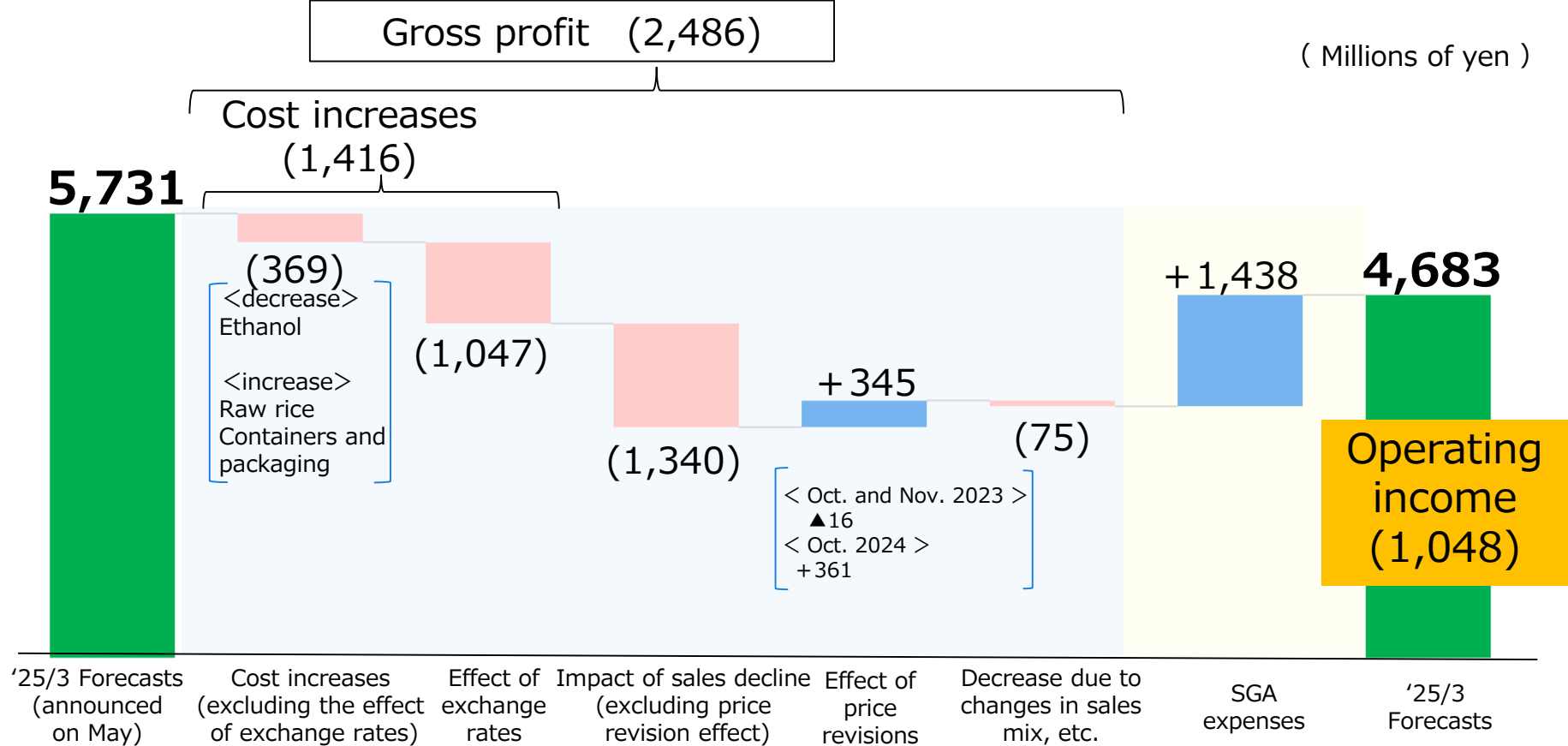
◇Year-on-year change in operating income
(positive factors are shown with a plus sign, and negative factors are shown in parentheses)



13.Takara Shuzo Analysis of the Change in Operating Income for the fiscal year ending March 31, 2025 <vs Forecasts on May>

Gross profit is expected to decrease due to increased costs, including the impact of exchange rates, and a decrease in sales due to price revisions, despite the effect of price revisions. Operating income are expected to decrease despite efforts to use selling, general and administrative expenses more efficiently.

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



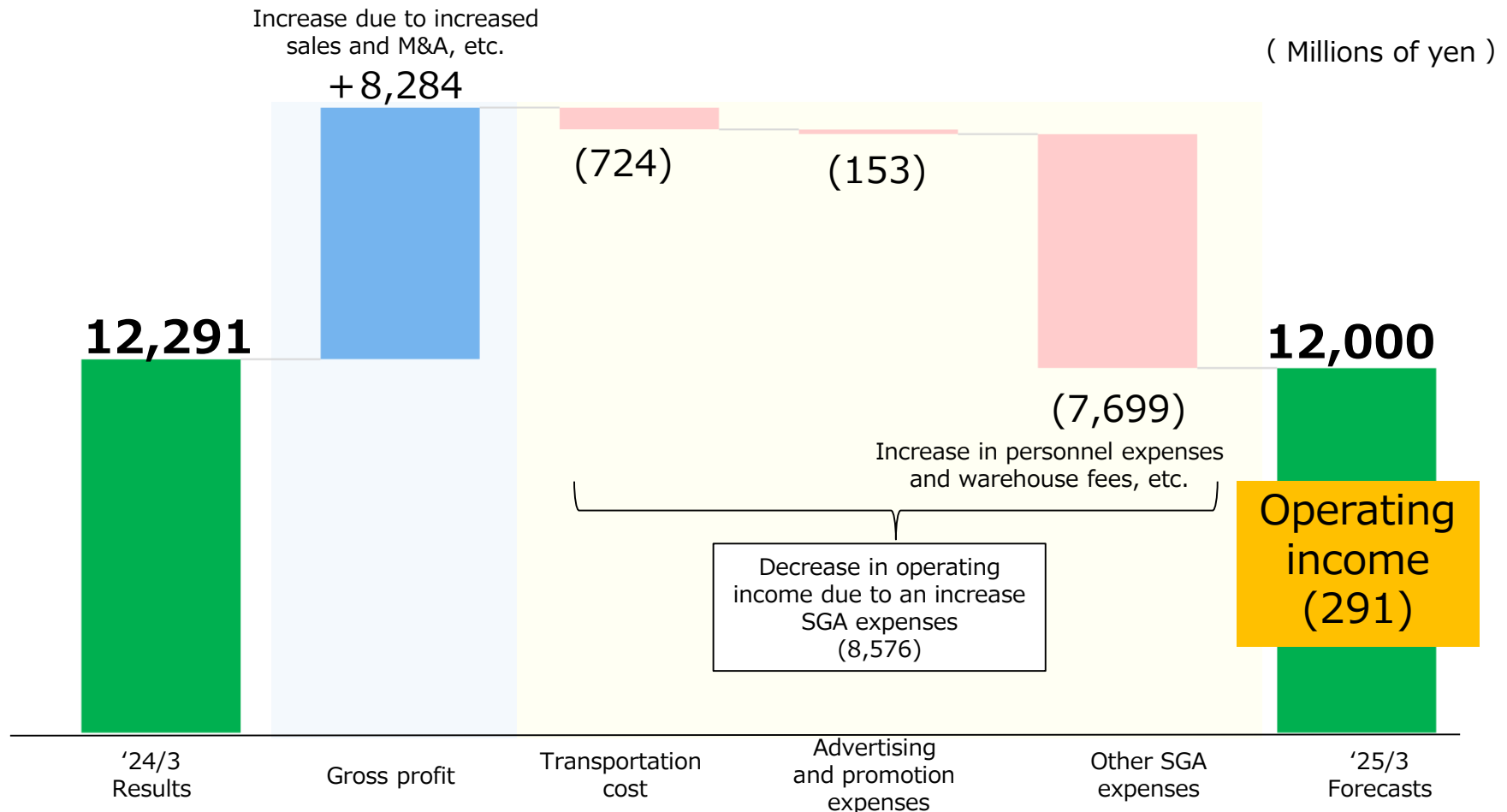
14. Takara Shuzo Int'l Group Major Subsidiaries Financial Forecasts for the fiscal year ending March 31, 2025

			'24/3 Actual		'25/3 Forecasts	
			Net Sales	Operating Income (loss)	Net Sales	Operating Income (loss)
Overseas Alcoholic beverages business	Takara Sake USA Inc.	Thousands of US dollar	44,771	5,048	45,357	5,456
		Millions of Yen	6,297	710	6,880	827
	Takara Shuzo Foods Co.,Ltd. (China)	Thousands of Yuan	44,002	(2,983)	41,237	(3,434)
		Millions of Yen	872	(59)	867	(72)
	The Tomatin Distillery Co.,Ltd (U.K.)	Thousands of Pound	31,429	9,753	23,671	5,710
		Millions of Yen	5,501	1,707	4,588	1,106
	AGE INTERNATIONAL,INC. (U.S.)	Thousands of US dollar	53,371	24,624	67,643	35,726
		Millions of Yen	7,507	3,463	10,260	5,419
Japanese food wholesale business in overseas markets	FOODEX Group (Europe)	Thousands of Euro	177,735	7,978	169,014	6,372
		Millions of Yen	27,033	1,213	27,725	1,045
	Cominport Distribución S.L. (Europe)	Thousands of Euro	96,163	10,995	97,599	9,508
		Millions of Yen	14,626	1,672	16,010	1,559
	Kagerer & Co. GmbH (Europe)	Thousands of Euro	—	—	24,869	2,423
		Millions of Yen	—	—	4,043	393
	TAZAKI FOODS LTD. (U.K.)	Thousands of Pound	74,815	4,579	84,635	3,131
		Millions of Yen	13,094	801	16,404	606
	Mutual Trading Co., Inc. (U.S.)	Thousands of US dollar	562,804	29,070	604,425	22,999
		Millions of Yen	79,164	4,089	91,685	3,488
	Nippon Food Supplies Company Pty Ltd (Australia)	Thousands of Australian dollar	67,298	3,974	71,768	3,814
		Millions of Yen	6,282	371	7,179	381
	Tokyo Mutual Trading Co., Ltd.	Millions of Yen	14,285	793	16,541	746

15. Takara Shuzo Int'l Group Analysis of the Change in Operating Income for the fiscal year ending March 31, 2025 <YOY>

Although gross profit is expected to exceed the forecast due to an increase in sales, including the addition of M&A, Operating income are expected to decrease due to an increase in SGA expenses such as personnel expenses and warehouse fees.

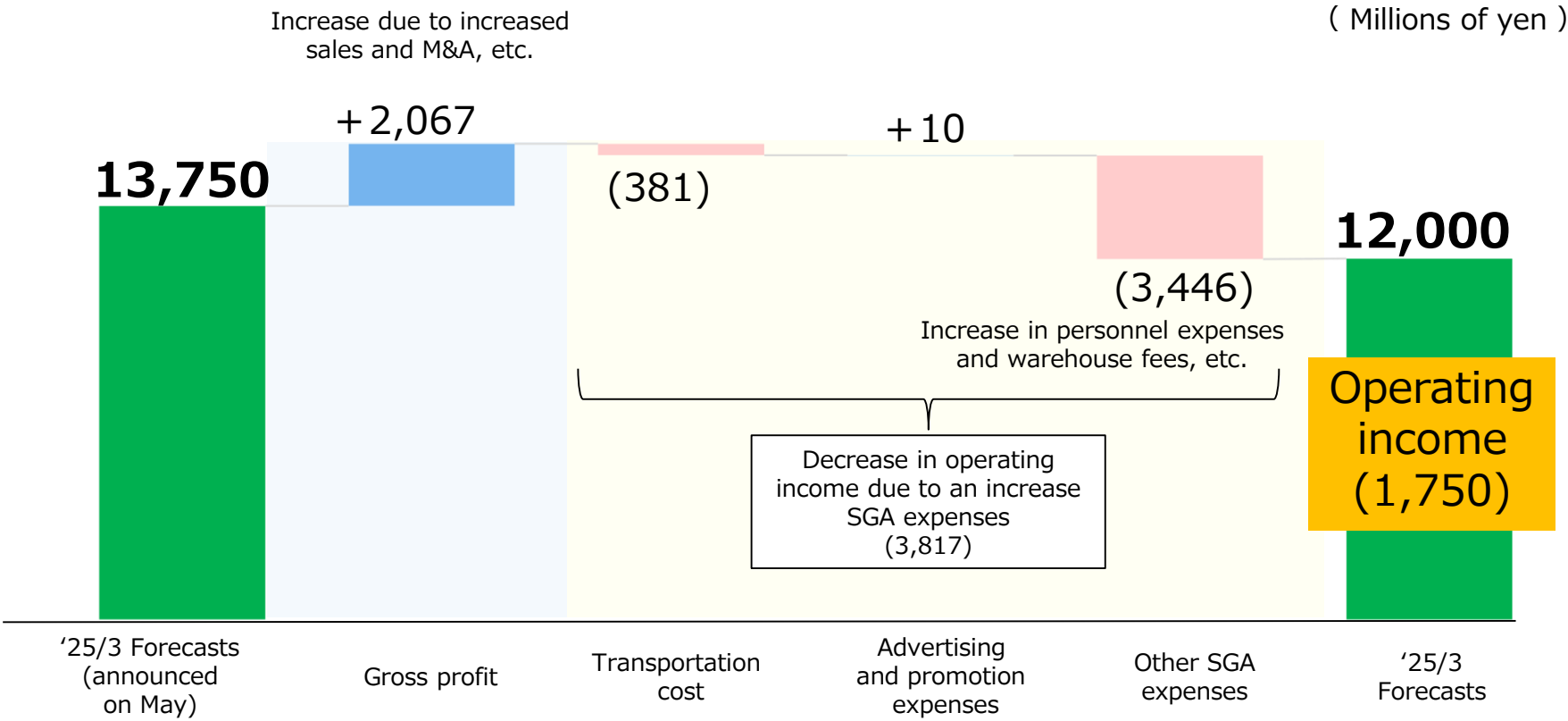
- ◇ Year-on-year change in operating income
(positive factors are shown with a plus sign, and negative factors are shown in parentheses)



16.Takara Shuzo Int'l Group Analysis of the Change in Operating Income for the fiscal year ending March 31, 2025 <vs Forecasts on May>

Gross profit will exceed expectations due to an increase in sales, including additional revenue from M&A that was not factored into the forecasts, but operating income is expected to fall short of the previous forecasts due to an increase in SGA expenses such as personnel expenses and warehouse fees.

◇change in operating income versus the forecasts on May
(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.



<Inquiry>

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