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## Consolidated Financial Statements for the Year Ended March 31, 2025 FY2025 (April 1, 2024 - March 31, 2025) [UNAUDITED]

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 Stock exchange listings: Tokyo Stock Exchange (PRIME section)  
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 Annual statement filing date (as planned): Jun 26, 2025

- 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, 2025 (April 1, 2024 - March 31, 2025)

#### (1) Consolidated operating results

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

	Year ended March 31, 2025		Year ended March 31, 2024	
	(Millions of yen)	(%)	(Millions of yen)	(%)
Net sales	362,693	6.9	339,372	(3.2)
Operating income (loss)	20,597	(7.4)	22,242	(41.4)
Ordinary income (loss)	22,180	(5.0)	23,336	(39.7)
Net income (loss) attributable to owners of the parent	16,202	0.2	16,176	(23.7)
Net income (loss) per share (Yen)	82.98		82.09	
Fully diluted net income per share (Yen)	-		-	
Return on equity		6.8		7.5
Ordinary income to total assets ratio		4.8		5.6
Operating income to net sales ratio		5.7		6.6
Note: Comprehensive income (loss)	25,976	(31.0)	37,666	(8.8)
(Reference) Income (loss) from equity method investment	64		62	

#### (2) Consolidated financial position

	As of March 31, 2025	As of March 31, 2024
	(Millions of yen)	(Millions of yen)
Total assets	477,587	437,468
Net assets	300,903	280,465
Equity ratio (%)	51.3	52.3
Net assets per share (Yen)	1,255.93	1,171.10
(Reference) Equity	245,228	228,665

#### (3) Consolidated Cash flow

	Year ended March 31, 2025	Year ended March 31, 2024
	(Millions of yen)	(Millions of yen)
Cash flow from operating activities	16,155	29,178
Cash flow from investing activities	(41,562)	(19,993)
Cash flow from financing activities	6,548	(13,448)
Cash and cash equivalents, end of year	75,280	90,184

## 2. Dividends

	Dividend per share (Yen)		
	Year ended March 31, 2024	Year ended March 31, 2025	Year ending March 31, 2026 (Forecast)
First quarter end	-	-	-
Second quarter end	-	-	-
Third quarter end	-	-	-
Year end	29.00	31.00	31.00
Annual	29.00	31.00	31.00
Total dividend (Millions of yen)	5,662	6,052	
Payout ratio (%)	35.3	37.4	37.1
Dividend on equity (%)	2.6	2.6	

Note: The year-end dividend for FY2026 included a 100<sup>th</sup> anniversary commemorative dividend of ¥2.00

## 3. Forecast for the year ending March 31, 2026 (April 1, 2025 - March 31, 2026)

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

	Six months ending September 30, 2025		Year ending March 31, 2026	
	(Millions of yen)	(%)	(Millions of yen)	(%)
Net sales	191,000	8.2	401,000	10.6
Operating income (loss)	7,800	(25.9)	21,900	6.3
Ordinary income (loss)	8,100	(27.5)	22,200	0.1
Net income (loss) attributable to owners of the parent	7,100	(21.9)	16,300	0.6
Net income per share (Yen)	36.36		83.48	

## 4. Others

### (1) Material changes in subsidiaries during this period

(Changes in specified subsidiaries that caused a change in the scope of consolidation): Yes

Newly included: 1 (Name) Kagerer & Co. GmbH

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

1) Changes based on revisions of accounting standard: Yes

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, 2025 197,252,043 shares

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

#### 2) Number of treasury stocks at year end:

As of March 31, 2025 1,996,109 shares

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

#### 3) Average number of outstanding shares:

Year ended March 31, 2025 195,256,213 shares

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

\* Review of the Japanese-language originals of the attached consolidated financial statements by certified public accountants or an audit firm: No

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

\* Comment regarding appropriate use of earnings forecasts and other special notes

Forward-looking statements contained in this document are determined by the Takara Holdings Inc. (the "Company")

Based on information currently available to the Company and include a number of uncertainties. Actual results could differ from these forecasts due to changes in conditions that occur in the future. For information regarding the above, please refer to "1. Overview of Financial Results for the ended March 31, 2025 Explanation of

Consolidated Financial Forecasts and Other Forward-looking Statements" on page 5 of the attached document.

(4) Future Outlook." Additionally, details regarding consolidated performance forecasts and segment-specific performance forecasts are included in the "Supplement for the Consolidated Financial Statements" from PAGE 10/15 to 13/15.

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○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, 2025, the global economy continued to expand, primarily driven by personal consumption in the U.S. In Europe, there were signs of a recovery in consumption as real wages grew in response to a slow down in consumer price increases. In China, the real estate market continued to stagnate, with the economy remaining at a standstill. In Japan, while the economy has been on the path of a gradual recovery, there remain some areas that have not seem much growth. However, the outlook remains uncertain, primarily due to concerns over a slowdown in personal consumption in response to continued rising prices and concerns over the impact of U.S. policy shifts on matters such as trade.

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 aspires to use its proprietary technology to produce great-tasting products and revolutionary biotechnology to safely and reliably deliver diverse value in the Washu, Japanese food, and life science categories and with all these efforts, we are determined to help people around the world enjoy lives full of smiles with a sense of well-being.

In addition, as we head toward the conclusion of the TaKaRa Group Challenge for the 100th, the Takara Group Medium-Term Management Plan for 2025 has adopted 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, 2025, net sales increased 6.9% year on year to ¥362,693 million, gross profit increased 5.0% year on year to ¥119,647 million, and SG&A expenses increased 8.0% year on year to ¥99,050 million. Operating income decreased 7.4% year on year to ¥20,597 million, ordinary income decreased 5.0% year on year to ¥22,180 million, and net income attributable to owners of the parent increased 0.2% year on year to ¥16,202 million.

Results by business segment were as follows.

### [Takara Shuzo]

Takara Shuzo focused on uncovering latent consumer needs and developing products with high profit margins that can break new markets that are technologically different to the products of our competitors, including the “*TaKaRa HAKKO JORYU SOUR*.” We also focused on nurturing products positioned as key brands, including the *Sho Chiku Bai Shirakabegura MIO* brand. Takara Shuzo has been continuing efforts, including thorough quality management, to ensure the safety and security of its products, as well as remaining committed to Company-wide cost reductions.

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, sales of such products as *Sho Chiku Bai Ten* decreased, resulting in a decline in overall sales. In light-alcohol refreshers, although sales of *Takara Shochu Highball*, which is positioned as a key brand, continued to increase, other products saw a decrease in sales, resulting in a decline in overall sales. In seasonings, sales increased due to an increase in sales of *Hon Mirin* and an increase in sales of food seasonings. In raw alcohol, etc., sales decreased.

As a result, net sales for Takara Shuzo decreased 3.3% year on year to ¥119,663 million. Cost of sales decreased 2.5% year on year to ¥89,744 million, and gross profit decreased 5.7% year on year to ¥29,919 million. As SG&A expenses decreased 5.1% year on year to ¥24,881 million due to a decrease in advertising expenses and sales promotion expenses, operating income decreased 8.5% year on year to ¥5,037 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.

In the Overseas Alcoholic Beverages Business, with regard to 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 increased as a result of efforts to foster products exclusively for overseas markets and to develop new products that capture local needs. The Japanese Food Wholesale Business in overseas markets was engaged in efforts to expand business bases in the U.S. and Europe and in diversification of sales channels. Sales in the Japanese Food Wholesale Business in overseas markets

also grew as a result mainly of progress in expanding our lineup of high value-added products such as high-quality seafood products and the contributions of a company newly added to the Group to the Group's business performance.

As a result, net sales for the Takara Shuzo International Group increased 15.8% year on year to ¥185,803 million. Cost of sales increased 16.0% year on year to ¥126,108 million, and gross profit increased 15.4% year on year to ¥59,694 million. As SG&A expenses increased 21.9% year on year to ¥48,038 million due to an increase in personnel expenses and transportation costs, operating income decreased 5.2% year on year to ¥11,655 million.

#### **[Takara Bio Group]**

The Takara Bio Group is developing and manufacturing 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 particularly 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 increased across all reagents, instruments, CDMO and gene therapy categories.

As a result, net sales for the Takara Bio Group increased 3.5% year on year to ¥45,039 million. Cost of sales increased 14.3% year on year to ¥18,972 million due to reduces sales of testing-related reagents, which have a relatively high profit margin, and changes in the sales mix, resulting in a 3.1% decrease in gross profit year on year to 26,067 million. SG&A expenses were down 0.4% year on year to ¥23,804 million primarily due to decreases in R&D expenses. Operating income decreased 24.6% year on year to ¥2,263 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 increased 2.0% year on year to ¥30,867 million due to a decrease in the cargo transportation business despite an increase in the import and sale of wine. Cost of sales increased 0.5% year on year to ¥26,144 million, and gross profit increased 10.9% year on year to ¥4,723 million. SG&A expenses rose 6.2% year on year to ¥2,014 million due mainly to an increase in personnel expenses, and operating income was up 14.6% year on year to ¥2,708 million.

**Breakdown of sales results by product category**

Segment		Previous Fiscal Year (From April 1, 2023 to March 31, 2024)	Fiscal Year under Review (From April 1, 2024 to March 31, 2025)	YoY Comparison
	Product category	Amount (Millions of yen)	Amount (Millions of yen)	(%)
	Shochu	34,324	31,801	(7.3)
	Sake	11,532	10,505	(8.9)
	Light-alcohol refreshers	42,290	42,029	(0.6)
	Other alcoholic beverages	5,450	5,068	(7.0)
	<i>Hon Mirin</i>	9,726	9,796	0.7
	Other seasonings	9,058	9,230	1.9
	Raw alcohol, etc.	11,402	11,231	(1.5)
Takara Shuzo		123,786	119,663	(3.3)
	Overseas Alcoholic Beverages Business	20,926	23,533	12.5
	Japanese Food Wholesales Business in overseas markets	141,816	164,768	16.2
	Other	249	8,352	—
	Elimination of intra-Group transaction on consolidation	(2,564)	(10,851)	—
Takara Shuzo International Group		160,427	185,803	15.8
	Reagents	31,405	31,995	1.9
	Instruments	892	1,172	31.3
	CDMO	7,997	8,113	1.4
	Gene therapy	3,209	3,757	17.1
Takara Bio Group		43,505	45,039	3.5
Reported segment total		327,720	350,506	7.0
Other		30,271	30,867	2.0
Segment total		357,991	381,374	6.5
Sales not allocated to business segments and intersegment transactions		(18,619)	(18,680)	—
<b>Total</b>		339,372	362,693	6.9

Notes: 1. Amounts include alcohol tax.

2. From the fiscal year under review, the Takara Bio Group began adding sales of mRNA manufacturing related products, etc. for research use, which had been included in “Reagents” until the previous fiscal year, to “Gene therapy.” In this table, this change is applied and the results for the previous fiscal year ended March 31, 2024 have been modified.

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

### **(Assets)**

At the end of the fiscal year under review, current assets totaled ¥245,433 million, an increase of ¥219 million compared with that at the end of the previous fiscal year. This was primarily due to increases in notes and accounts receivable-trade of ¥4,835 million and merchandise and finished goods of ¥10,960 million, despite decreases in cash and deposits of ¥11,783 million and other current assets of ¥2,551 million.

Noncurrent assets were ¥232,154 million, an increase of ¥39,899 million compared with that at the end of the previous fiscal year. This was primarily due to increases in property, plant and equipment of ¥18,728 million, mainly due to increases in construction in progress, and intangible assets of ¥23,326 million, mainly due to an increase in goodwill, despite a decrease in investments and other assets of ¥2,155 million mainly due to a decrease in investment securities and an increase in operating lease right of use assets.

As a result, total assets were ¥477,587 million, an increase of ¥40,119 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 ¥73,419 million, a decrease of ¥7,237 million compared with that at the end of the previous fiscal year. This was primarily due to decreases in current portion of bonds of ¥5,000 million and other current liabilities of ¥6,406 million, despite increases in notes and accounts payable-trade of ¥1,752 million and short-term loans payable of ¥2,306 million.

Noncurrent liabilities were ¥103,264 million, an increase of ¥26,918 million compared with that at the end of the previous fiscal year. This was primarily due to increases of ¥20,266 million in long-term loans payable and ¥6,317 million in long-term operating lease liabilities.

As a result, total liabilities were ¥176,683 million, an increase of ¥19,680 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 ¥300,903 million, an increase of ¥20,438 million compared with that at the end of the previous fiscal year. This was primarily due to increases in retained earnings of ¥10,540 million, foreign currency translation adjustment of ¥11,814 million, and noncontrolling interests of ¥3,875 million, despite a decrease in valuation difference on available-for-sale securities of ¥5,997 million.

As a result, the equity ratio totaled 51.3%, compared with 52.3% 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 ¥13,022 million year on year to ¥16,155 million primarily due to income before income taxes of ¥25,815 million, depreciation and amortization of ¥10,347 million, gain on sale of investment securities of ¥3,696 million, an increase in inventories of ¥5,025 million, a decrease in accrued alcohol tax of ¥3,590 million, a decrease in other current liabilities of ¥3,526 million, and income taxes paid of ¥6,771 million.

Net cash used in investing activities resulted in expenditure of ¥41,562 million, an increase in expenditure of ¥21,569 million compared with that of the previous fiscal year primarily due to payments into time deposits of ¥6,967 million, proceeds from withdrawal of time deposits of ¥4,345 million, purchase of property, plant and equipment and intangible assets of ¥20,143 million, proceeds from sale of investment securities of ¥4,756 million, and purchase of shares of, and investments made in, subsidiaries resulting in change in scope of consolidation of ¥23,299 million.

Net cash provided by financing activities totaled ¥6,548 million (compared to net cash used totaling ¥13,448 million in the previous fiscal year), primarily due to proceeds from long-term borrowings of ¥25,100 million, repayments of long-term borrowings of ¥5,801 million, redemption of bonds of ¥5,000 million, and cash dividends paid of ¥5,659 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 ¥75,280 million, down ¥14,904 million from the previous fiscal year-end.

## **(4) Future Outlook**

In the fiscal year ending March 31, 2026, although there have been increases in costs for containers and packaging and for Genryomai (a rice variety used for making sake), Takara Shuzo expects to increase profits through increases in gross profit achieved by implementing cost reduction measures and as a result of the price revisions implemented in October 2024 and the improvement in sales mix, in spite of an increase in SG&A expenses.



Takara Shuzo International Group expects to increase profits by welcoming in new consolidated companies into the Group and by further cultivating existing sales channels, diversifying sales channels, and strengthening SCM functions as part of efforts to help popularize Japanese food overseas and to pursue the registration of traditional sake brewing as part of Japan's Intangible Cultural Heritage.

The Takara Bio Group also expects to increase profits by further promoting global sales strategies for each region, by utilizing the Center for Gene and Cell Processing II, and by rolling out and expanding the products and services of Curio Bioscience, Inc. and ViSpot, Inc., both of whom the Company has acquired shares in.

As a result, regarding the outlook for results for the year ending March 31, 2026, the Group expects to see an increase in profits in all major segments.

Therefore, for the following fiscal year, the year ending March 31, 2026, the Group is forecasting net sales of ¥401,000 million, operating income of ¥21,900 million, ordinary income of ¥22,200 million, and net income attributable to owners of the parent of ¥16,300 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, 2024	As of Mar. 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	95,085	83,302
Notes and accounts receivable-trade	60,854	65,689
Electronically recorded monetary claims-operating	9,268	7,629
Merchandise and finished goods	61,834	72,795
Work in process	1,659	1,727
Raw materials and supplies	7,558	7,811
Other	9,768	7,217
Allowance for doubtful accounts	(817)	(739)
Total current assets	245,213	245,433
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	80,477	87,203
Accumulated depreciation	(42,178)	(45,797)
Buildings and structures, net	38,298	41,406
Machinery, equipment and vehicles	92,456	95,031
Accumulated depreciation	(76,436)	(78,042)
Machinery, equipment and vehicles, net	16,019	16,988
Land	21,665	23,804
Lease assets	1,438	1,286
Accumulated depreciation	(757)	(692)
Lease assets, net	681	594
Construction in progress	12,796	22,139
Other	35,749	42,289
Accumulated depreciation	(20,328)	(23,611)
Other, net	15,420	18,677
Total property, plant and equipment	104,882	123,610
Intangible assets		
Goodwill	12,154	25,283
Other	6,181	16,378
Total intangible assets	18,336	41,662
Investments and other assets		
Investment securities	43,597	34,467
Net defined benefit asset	1,510	1,558
Deferred tax assets	1,913	2,132
Operating lease right-of-use assets	19,328	25,487
Other	2,749	3,297
Allowance for doubtful accounts	(62)	(60)
Total investments and other assets	69,036	66,880
Total noncurrent assets	192,254	232,154
Total assets	437,468	477,587

(Millions of Yen)

	As of Mar. 31, 2024	As of Mar. 31, 2025
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	22,315	24,067
Short-term loans payable	10,008	12,315
Current portion of bonds	5,000	–
Income taxes payable	2,600	2,742
Provision for bonuses	3,470	3,438
Other	37,262	30,856
Total current liabilities	80,657	73,419
Noncurrent liabilities		
Bonds payable	15,000	15,000
Long-term loans payable	10,422	30,689
Lease obligations	7,369	7,596
Deferred tax liabilities	8,806	9,276
Net defined benefit liability	8,735	8,345
Long-term operating lease liabilities	19,673	25,991
Other	6,337	6,364
Total noncurrent liabilities	76,345	103,264
Total liabilities	157,003	176,683
<b>Net assets</b>		
Shareholders' equity		
Capital stock	13,226	13,226
Capital surplus	2,716	2,804
Retained earnings	169,909	180,449
Treasury stock	(2,103)	(2,103)
Total shareholders' equity	183,749	194,376
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	22,511	16,513
Deferred gains or losses on hedges	3	(4)
Foreign currency translation adjustment	22,389	34,204
Remeasurements of defined benefit plans	12	138
Total accumulated other comprehensive income	44,915	50,851
Noncontrolling interests	51,799	55,675
Total net assets	280,465	300,903
Total liabilities and net assets	437,468	477,587

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

### (Consolidated Statements of Income)

(Millions of Yen)

	FY2024 (Apr. 1, 2023 – Mar. 31, 2024)	FY2025 (Apr. 1, 2024 – Mar. 31, 2025)
Net sales	339,372	362,693
Cost of sales	225,438	243,045
Gross profit	113,933	119,647
Selling, general and administrative expenses	91,691	99,050
Operating income	22,242	20,597
Nonoperating income		
Interest income	457	983
Dividends income	948	944
Other	755	1,049
Total nonoperating income	2,161	2,977
Nonoperating expenses		
Interest expenses	450	700
Litigation expenses	81	190
Other	535	503
Total nonoperating expenses	1,066	1,394
Ordinary income	23,336	22,180
Extraordinary income		
Gain on sale of noncurrent assets	48	825
Gain on sale of investment securities	3,971	3,696
Other	14	212
Total extraordinary income	4,034	4,734
Extraordinary loss		
Loss on sale and retirement of noncurrent assets	842	538
Impairment losses	207	377
Other	82	182
Total extraordinary losses	1,132	1,099
Income before income taxes	26,238	25,815
Income taxes-current	8,899	8,417
Income taxes-deferred	(426)	75
Total income taxes	8,472	8,492
Net income	17,766	17,322
Net income attributable to the noncontrolling interest	1,589	1,120
Net income attributable to owners of the parent	16,176	16,202

**(Consolidated Statements of Comprehensive Income)**

(Millions of Yen)

	FY2024 (Apr. 1, 2023 – Mar. 31, 2024)	FY2025 (Apr. 1, 2024 – Mar. 31, 2025)
Net income	17,766	17,322
Other comprehensive income		
Valuation difference on available-for-sale securities	9,537	(5,997)
Deferred gains or losses on hedges	(283)	(7)
Foreign currency translation adjustment	10,281	14,447
Remeasurements of defined benefit plans	365	210
Total other comprehensive income	19,900	8,653
Comprehensive income	37,666	25,976
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	34,503	22,138
Comprehensive income attributable to noncontrolling interest	3,162	3,838

### (3) Consolidated Statements of Changes in Net Assets

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

FY2025 (Apr. 1, 2024 – Mar. 31, 2025)

(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	2,716	169,909	(2,103)	183,749
Changes of items during the period					
Dividends from surplus			(5,662)		(5,662)
Net income			16,202		16,202
Purchase of treasury stock				(0)	(0)
Purchase of shares of consolidated subsidiaries		87			87
Net changes of items other than shareholders' equity					
Total changes of items during the period	–	87	10,540	(0)	10,627
Balance at the end of current period	13,226	2,804	180,449	(2,103)	194,376

	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	22,511	3	22,389	12	44,915	51,799	280,465
Changes of items during the period							
Dividends from surplus							(5,662)
Net income							16,202
Purchase of treasury stock							(0)
Purchase of shares of consolidated subsidiaries							87
Net changes of items other than shareholders' equity	(5,997)	(7)	11,814	126	5,935	3,875	9,811
Total changes of items during the period	(5,997)	(7)	11,814	126	5,935	3,875	20,438
Balance at the end of current period	16,513	(4)	34,204	138	50,851	55,675	300,903

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	FY2024 (Apr. 1, 2023 – Mar. 31, 2024)	FY2025 (Apr. 1, 2024 – Mar. 31, 2025)
Net cash provided by (used in) operating activities		
Income before income taxes	26,238	25,815
Depreciation and amortization	9,999	10,347
Impairment loss	207	377
Amortization of goodwill	1,179	1,727
Interest and dividends income	(1,405)	(1,928)
Interest expenses	450	700
Loss (gain) on sale and retirement of non-current assets	794	(286)
Loss (gain) on sale of investment securities	(3,971)	(3,696)
Decrease (increase) in notes and accounts receivable-trade	1,994	714
Decrease (increase) in inventories	982	(5,025)
Increase (decrease) in notes and accounts payable-trade	(914)	(83)
Increase (decrease) in accrued alcohol tax	2,358	(3,590)
Increase (decrease) in accrued consumption taxes	(3,031)	1,150
Increase (decrease) in other current liabilities	2,264	(3,526)
Other, net	0	(966)
Subtotal	37,147	21,730
Interest and dividends income received	1,380	1,933
Interest expenses paid	(457)	(736)
Income taxes paid	(8,459)	(6,771)
Subsidy refund	(433)	–
Net cash provided by (used in) operating activities	29,178	16,155
Net cash provided by (used in) investing activities		
Payments into time deposits	(4,592)	(6,967)
Proceeds from withdrawal of time deposits	5,530	4,345
Purchase of property, plant and equipment and intangible assets	(19,210)	(20,143)
Proceeds from sale of property, plant and equipment and intangible assets	68	765
Proceeds from sale of investment securities	4,874	4,756
Purchase of shares of unconsolidated subsidiaries	–	(546)
Purchase of shares of, and investments made in, subsidiaries resulting in change in scope of consolidation	(5,441)	(23,299)
Subsidies received	463	90
Subsidy refund	(1,335)	–
Other, net	(351)	(565)
Net cash provided by (used in) investing activities	(19,993)	(41,562)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term borrowings	(262)	(46)
Proceeds from long-term borrowings	466	25,100
Repayments of long-term borrowings	(105)	(5,801)
Redemption of bonds	–	(5,000)
Purchase of treasury stock	(2,999)	(0)
Cash dividends paid	(7,503)	(5,659)
Dividends paid to noncontrolling interests	(2,004)	(836)
Repayments of lease obligations	(1,036)	(1,204)
Other, net	(3)	(2)
Net cash provided by (used in) financing activities	(13,448)	6,548
Effect of exchange rate change on cash and cash equivalents	2,661	3,954
Net increase (decrease) in cash and cash equivalents	(1,601)	(14,904)
Cash and cash equivalents at beginning of period	91,785	90,184
Cash and cash equivalents at end of period	90,184	75,280



## **(5) Notes to Consolidated Financial Statements**

### **(Notes on Premise of Going Concern)**

No items to report.

### **(Notes on Changes in Accounting Policies)**

(Application of Accounting Standard for Current Income Taxes, etc.)

The Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; hereinafter the “Revised Accounting Standard 2022”), etc., have been adopted from the beginning of the fiscal year under review.

The amendment to categories for recording income taxes (taxes on other comprehensive income) conforms to the transitional treatment prescribed in the proviso of Paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso of Paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter the “Revised Guidance 2022”).

This change in accounting policies has no impact on the annual consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on the sale of shares in subsidiaries between consolidated companies are deferred for tax purposes, the Revised Guidance 2022 has been adopted from the beginning of the fiscal year under review. This change in accounting policies was applied retrospectively. Therefore, the annual consolidated financial statements for the previous fiscal year have been modified retrospectively. This change in accounting policies has no impact on the annual consolidated financial statements for the previous fiscal year.

### **(Notes on Segment Information, etc.)**

#### **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, 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.

Fiscal Year under Review (From April 1, 2024, to March 31, 2025)

(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	118,774	185,434	45,038	349,247	13,446	362,693	—	362,693
Intersegment	889	368	1	1,259	17,421	18,680	(18,680)	—
Total	119,663	185,803	45,039	350,506	30,867	381,374	(18,680)	362,693
Segment income (loss)	5,037	11,655	2,263	18,956	2,708	21,664	(1,067)	20,597
Segment assets	88,037	200,324	125,334	413,696	20,674	434,371	43,215	477,587
Other items								
Depreciation and amortization	2,773	3,520	3,611	9,905	200	10,106	241	10,347
Amortization of goodwill	—	1,036	690	1,727	—	1,727	—	1,727
Investment in equity- method affiliates	—	—	—	—	—	—	1,842	1,842
Increase in total fixed assets, property, plant and equipment and intangible assets	4,135	4,451	10,106	18,692	878	19,570	1,212	20,783

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 ¥(5) million and loss of the Company not allocated to business segments of ¥(1,061) million.

(2) Segment assets include assets of the Company not allocated to business segments of ¥89,889 million and other adjustment (principally intersegment eliminations) of ¥(46,673) 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.

**(Notes on Business Combination)****Business combination by acquisition**

Takara Shuzo International Co., Ltd. (hereinafter “Takara Shuzo International”), a consolidated subsidiary of the Company, resolved at its Board of Directors meeting held on November 19, 2024, to acquire a 90% equity stake in Kagerer & Co. GmbH (hereinafter “Kagerer”), a wholesaler of food ingredients near Munich, Germany, and acquired the stake effective November 22, 2024.

**1. Overview of business combination****(1) Name and business of the acquired company**

Name of the acquired company	Kagerer & Co. GmbH
Business	Import and wholesale of alcoholic beverages, foods, seasonings and other items

**(2) Main reason for business combination**

The Takara Shuzo International Group has been striving to expand Japanese food wholesale sites in North America and Europe.

With Kagerer as its consolidated subsidiary, the Takara Group will build a strong business foundation across the German market. Additionally, the Takara Group aims to accelerate the opening of new markets in Eastern and Northern Europe and other areas, and achieve dynamic growth in its Japanese food wholesale business, starting in Germany, by utilizing the network of business partners the company has developed in other European countries.

**(3) Date of business combination**

November 22, 2024

**(4) Legal form of business combination**

Acquisition of equity stake with cash as consideration

**(5) Name of the acquired company after the combination**

The company name is unchanged after the business combination.

**(6) Percentage of equity stake acquired**

90%

**(7) Main reason for deciding to acquire the company**

Takara Shuzo International acquired the equity stake in the company with cash as consideration.

**2. Period for financial results of the acquired company that are included in the consolidated financial statements**

October 1, 2024 to December 31, 2024

**3. Breakdown of the acquisition cost of the acquired company and consideration by type**

Acquisition consideration	Cash	¥18,005 million
Acquisition cost		18,005

**4. Details and amounts of major expenses relating to the acquisition**

Compensation and service fees for advisory services	¥164 million
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**5. Amount, source, amortization method and amortization period of goodwill generated****(1) The amount of goodwill generated**

¥9,107 million (57,090 thousand euros)

**(2) Source of goodwill**

The excess earnings power of Kagerer that is expected primarily from its business operation in Germany and Europe.

**(3) Amortization method and amortization period**

Straight-line method over 10 years

6. Amounts of assets received and amount of liabilities succeeded on date of business combination and a breakdown of their main components

Current assets	¥5,266 million
Noncurrent assets	10,112
Total assets	15,379
Current liabilities	3,102
Noncurrent liabilities	2,678
Total liabilities	5,780

7. Amount allocated from acquisition costs to intangible assets other than goodwill and amortization period

Type	Amount	Amortization period
Customer-related assets	¥8,413 million (52,739 thousand euros)	16 years

8. Estimated financial impact on the consolidated statements of income for the current consolidated fiscal year under review were the business combination to be completed on the first day of the consolidated fiscal year, and the method for calculating such impact

Net sales	¥12,854 million
Operating income	188

(Method for calculating estimated impact of business combination)

The following assumes that the business combination is completed on the first day of the consolidated fiscal year. The Company estimates the impact based on the difference between the calculated net sales and income (loss) figures—adjusted for factors such as intersegment/internal transaction eliminations—and the net sales and income (loss) figures in the Company's consolidated statements of income. Further, goodwill and customer-related assets recognized at the point of the business combination are treated as if they occurred on the first day of the consolidated fiscal year, and the amortization amount adjusted accordingly.

Please note that the information provided in these notes have not been subject to an audit.

**(Notes on Per Share Information)**

	Previous Fiscal Year (From April 1, 2023, to March 31, 2024)	Fiscal Year under Review (From April 1, 2024, to March 31, 2025)
Net assets per share	¥1,171.10	¥1,255.93
Net income per share	¥82.09	¥82.98

Notes: 1. Fully diluted net income 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, 2024)	Fiscal Year under Review (As of March 31, 2025)
Total net assets (¥ million)	280,465	300,903
Amount deducted from total net assets (¥ million)	51,799	55,675
(of which minority interests) (¥ million)	(51,799)	(55,675)
Net assets at term-end related to shares of common stock (¥ million)	228,665	245,228
Shares of common stock at term-end used to calculate net assets per share (1,000 shares)	195,256	195,255

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, 2023, to March 31, 2024)	Fiscal Year under Review (From April 1, 2024, to March 31, 2025)
Net income attributable to owners of the parent (¥ million)	16,176	16,202
Amount not belonging to common shareholders (¥ million)	—	—
Net income related to shares of common stock (¥ million)	16,176	16,202
Average number of shares outstanding during the term (1,000 shares)	197,052	195,256

#### (Notes on Significant Subsequent Events)

(Business combination by acquisition)

Takara Bio USA Holdings Inc. (“TBUSH”), a wholly owned subsidiary of Takara Bio Inc., who are a consolidated subsidiary of the Company, entered into a definitive acquisition agreement with the representative shareholders of Curio Bioscience, Inc. (“Curio”) on January 15, 2025 (local U.S. time), upon which they acquired shares in Curio, thereby making it a subsidiary.

##### 1. Overview of business combination

(1) Name of the acquired company, name of the company party to the share acquisition, and business of the acquired company

Name of the acquired company	Curio Bioscience, Inc.
Name of the company party to the share acquisition	Shareholders of the acquired company
Description of the company’s business	Development, manufacturing, and sales of research reagents for spatial analysis

(2) Main reason for business combination

Takara Bio Group provides research reagents, scientific instruments and contract services to biotechnology researchers in academia and industry. In particular, the scale of sales in the US has expanded in recent years by focusing on product development and sales activities for next-generation sequencing (“NGS”) reagents. Technology in the NGS field is advancing rapidly, and the growth of the NGS market is expected to shift from simple NGS analysis to single cell analysis and even spatial transcriptome analysis (“spatial analysis”). Takara Bio Group is also developing its business in line with trends in the NGS market, with the launch of a single cell analysis system in 2017 and the start of contract analysis services for spatial analysis in 2023.

Curio is a pioneering company that develops advanced spatial analysis reagents and provides reagents for high-density, high-resolution spatial analysis using its innovative DNA-barcoded beads technology.

Takara Bio Group will create a high level of synergy by combining Curio’s advanced technology for spatial analysis with Takara Bio’s genetic engineering and genetic analysis technologies. Specifically, general reagents that are compatible with various single cell analysis methods will be developed as well as high-quality products by combining Curio’s products with Takara Bio Group’s products, and the contract services of spatial analysis using them will be expanded with differentiation from competing products and services.

(3) Date of business combination

January 15, 2025 (local U.S. time)

Please note that the fiscal year end of the Group’s non-Japan-based subsidiaries is December 31. As such, financial statements of such entities as of December 31 are used when preparing consolidated financial statements. Therefore, these subsidiaries will be included within the scope of consolidation from the first quarter of the fiscal year ending March 31, 2026.

(4) Legal form of business combination

Acquisition of shares with cash as consideration

(5) Name of the acquired company after the combination

The company name is unchanged after the business combination.

(6) Percentage of voting rights acquired

100%

(7) Main reason for deciding to acquire the company

TBUSH acquired the shares in the company with cash as consideration.

2. Breakdown of the acquisition cost of the acquired company and consideration by type

Acquisition consideration	Cash	\$40.5 million
Acquisition cost		\$40.5 million (Note)

(Note) In addition to the above acquisition consideration, the Group may also pay additional considerations, up to a maximum total of \$150 million, upon completion of several development and sales milestones.

3. Details and amounts of major expenses relating to the acquisition

Compensation and service fees, etc. for advisory services \$4,309 thousand

4. Amount, source, amortization method and amortization period of goodwill generated

Not determined as of time of publication.

5. Amounts of assets received and amount of liabilities succeeded on date of business combination and a breakdown of their main components

Not determined as of time of publication.

(Acquisition of treasury stocks)

At a meeting of the Board of Directors held on May 13, 2025, the Company resolved to acquire treasury stock of the Company pursuant to the provisions of Article 156 of the Companies Act as applied by replacing phrases therein pursuant to Article 165, Paragraph 3 of the Companies Act.

1. Reason for acquisition of treasury stocks

The Company will acquire treasury stock for the purposes of implementing shareholder returns and to enable the execution of a flexible capital policy that can respond to changes in the business environment.

2. Details of matters pertaining to acquisition of treasury stocks

- |   |  |
|---|--|
| (1) Class of shares to be acquired        | Treasury stock of the Company  |
| (2) Total number of shares to be acquired | 3,000,000 (upper limit)  |
|   | (Ratio relative to total number of outstanding shares (excluding treasury stock): 1.54%) |
| (3) Total acquisition price of shares     | ¥3,000,000,000 (upper limit)   |
| (4) Acquisition period                    | May 15, 2025 to June 30, 2025  |
| (5) Method of acquisition                 | Market purchase on the Tokyo Stock Exchange  |