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Consolidated Financial Results for the Year Ended March 31, 2025 [Japanese GAAP]

May 15, 2025

Company name: KEY COFFEE INC

Listing: Tokyo Stock Exchange

Securities code: 2594

URL: <https://www.keycoffee.co.jp/>

Representative: Yutaka Shibata

Representative

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Financial Director

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Scheduled date of annual general meeting of shareholders: June 25, 2025

Scheduled date to commence dividend payments: June 26, 2025

Scheduled date to file annual securities report: June 25, 2025

Preparation of supplementary material on financial results: None

Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	77,783	5.4	607	(20.6)	757	(12.7)	342	89.9
March 31, 2024	73,800	16.6	764	212.4	867	148.2	180	4.2

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥ 354 million [(51.0) %]
Fiscal year ended March 31, 2024: ¥ 722 million [163.3 %]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	15.99	-	1.1	1.3	0.8
March 31, 2024	8.42	-	0.6	1.6	1.0

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2025: ¥ 51 million
Fiscal year ended March 31, 2024: ¥ 5 million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	58,364	31,087	52.7	1,437.07
March 31, 2024	54,832	30,971	55.9	1,432.35

(Reference) Equity: As of March 31, 2025: ¥ 30,772 million
As of March 31, 2024: ¥ 30,671 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2025	(1,343)	(1,080)	2,827	5,080
March 31, 2024	481	(1,689)	1,741	4,667

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	-	7.00	-	5.00	12.00	260	142.5	0.8
March 31, 2025	-	6.00	-	6.00	12.00	260	75.0	0.8
Fiscal year ending March 31, 2026 (Forecast)	-	6.00	-	6.00	12.00		42.8	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2025 :

Commemorative dividend - yen

Special dividend - yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	85,000	9.3	700	15.2	850	12.3	600	75.1	28.01

* Notes:

(1) Significant changes in the scope of consolidation during the period:

None

Newly included: - (Company name:)

Excluded: - (Company name:)

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

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(3) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2025: 22,689,000 shares

March 31, 2024: 22,689,000 shares

2) Number of treasury shares at the end of the period:

March 31, 2025: 1,275,847 shares

March 31, 2024: 1,275,856 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2025: 21,413,126 shares

Fiscal Year ended March 31, 2024: 21,413,144 shares

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	70,587	6.3	331	(41.2)	412	(34.1)	115	(10.7)
March 31, 2024	66,405	18.0	564	67.3	626	132.8	129	(26.5)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	5.38	-
March 31, 2024	6.02	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	54,928	28,713	52.3	1,340.93
March 31, 2024	51,571	28,943	56.1	1,351.65

(Reference) Equity: As of March 31, 2025: ¥ 28,713 million
As of March 31, 2024: ¥ 28,943 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

Consolidated Financial Statements and Primary Notes

Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	4,667	5,080
Notes receivable - trade	126	226
Accounts receivable - trade	15,567	16,136
Merchandise and finished goods	3,204	4,377
Work in process	265	371
Raw materials and supplies	11,942	12,389
Other	800	1,119
Allowance for doubtful accounts	(102)	(121)
Total current assets	36,473	39,580
Non-current assets		
Property, plant and equipment		
Buildings and structures	15,789	15,850
Accumulated depreciation	(11,895)	(12,094)
Buildings and structures, net	3,893	3,755
Machinery, equipment and vehicles	12,399	12,846
Accumulated depreciation	(10,708)	(11,019)
Machinery, equipment and vehicles, net	1,691	1,826
Land	6,428	6,428
Other	3,648	3,529
Accumulated depreciation	(3,063)	(2,973)
Other, net	584	555
Total property, plant and equipment	12,597	12,566
Intangible assets		
Goodwill	119	101
Other	490	621
Total intangible assets	609	723
Investments and other assets		
Investment securities	3,843	3,782
Long-term loans receivable	28	23
Deferred tax assets	91	90
Retirement benefit asset	299	772
Guarantee deposits	740	710
Other	286	262
Allowance for doubtful accounts	(137)	(145)
Total investments and other assets	5,151	5,495
Total non-current assets	18,359	18,784
Total assets	54,832	58,364

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	12,323	12,690
Short-term borrowings	5,343	8,223
Accounts payable - other	2,266	2,220
Income taxes payable	211	158
Contract liabilities	31	37
Provision for bonuses	412	326
Provision for loss on orders received	-	32
Other	1,379	1,245
Total current liabilities	21,968	24,935
Non-current liabilities		
Deferred tax liabilities	416	554
Deferred tax liabilities for land revaluation	478	492
Provision for share awards	86	109
Other provisions	4	6
Retirement benefit liability	176	180
Asset retirement obligations	417	418
Other	311	579
Total non-current liabilities	1,892	2,342
Total liabilities	23,861	27,277
Net assets		
Shareholders' equity		
Share capital	4,628	4,628
Capital surplus	5,071	5,071
Retained earnings	25,194	25,298
Treasury shares	(2,539)	(2,539)
Total shareholders' equity	32,355	32,459
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	753	661
Revaluation reserve for land	(2,736)	(2,751)
Foreign currency translation adjustment	17	26
Remeasurements of defined benefit plans	282	376
Total accumulated other comprehensive income	(1,684)	(1,687)
Non-controlling interests	300	314
Total net assets	30,971	31,087
Total liabilities and net assets	54,832	58,364

Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	73,800	77,783
Cost of sales	58,575	63,137
Gross profit	15,224	14,646
Selling, general and administrative expenses		
Advertising and sample expense	1,425	1,361
Packing and transportation costs	2,174	2,148
Vehicle expenses	402	400
Provision of allowance for doubtful accounts	10	26
Remuneration for directors (and other officers)	257	255
Salaries and bonuses	4,739	4,599
Provision for bonuses	317	255
Retirement benefit expenses	(2)	(108)
Welfare expenses	829	841
Rent expenses	735	765
Depreciation	297	334
Supplies expenses	215	212
Research and development expenses	225	190
Other	2,832	2,754
Total selling, general and administrative expenses	14,460	14,038
Operating profit	764	607
Non-operating income		
Interest income	1	1
Dividend income	28	34
Share of profit of entities accounted for using equity method	5	51
Rental income from real estate	76	73
Reversal of allowance for doubtful accounts	-	5
Other	63	71
Total non-operating income	175	237
Non-operating expenses		
Interest expenses	41	68
Rental expenses on real estate	16	8
Provision of allowance for doubtful accounts	3	-
Other	11	11
Total non-operating expenses	72	88
Ordinary profit	867	757

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Extraordinary income		
Gain on sale of investment securities	5	3
Total extraordinary income	5	3
Extraordinary losses		
Impairment losses	384	93
Total extraordinary losses	384	93
Profit before income taxes	488	667
Income taxes - current	229	191
Income taxes - deferred	59	118
Total income taxes	288	309
Profit	199	358
Profit attributable to non-controlling interests	18	15
Profit attributable to owners of parent	180	342

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	199	358
Other comprehensive income		
Valuation difference on available-for-sale securities	321	(91)
Revaluation reserve for land	-	(14)
Foreign currency translation adjustment	18	7
Remeasurements of defined benefit plans, net of tax	175	94
Share of other comprehensive income of entities accounted for using equity method	7	(0)
Total other comprehensive income	523	(3)
Comprehensive income	722	354
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	702	339
Comprehensive income attributable to non-controlling interests	20	14

Consolidated Statement of Changes in Equity

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,628	5,094	25,274	(2,541)	32,456
Changes during period					
Dividends of surplus			(260)		(260)
Profit attributable to owners of parent			180		180
Purchase of treasury shares					-
Disposal of treasury shares				1	1
Change in ownership interest of parent due to transactions with non-controlling interests		(23)			(23)
Net changes in items other than shareholders' equity					
Total changes during period	-	(23)	(79)	1	(101)
Balance at end of period	4,628	5,071	25,194	(2,539)	32,355

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	424	(2,736)	0	105	(2,206)	279	30,530
Changes during period							
Dividends of surplus							(260)
Profit attributable to owners of parent							180
Purchase of treasury shares							-
Disposal of treasury shares							1
Change in ownership interest of parent due to transactions with non-controlling interests							(23)
Net changes in items other than shareholders' equity	328	-	17	176	521	20	542
Total changes during period	328	-	17	176	521	20	441
Balance at end of period	753	(2,736)	17	282	(1,684)	300	30,971

For the fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,628	5,071	25,194	(2,539)	32,355
Changes during period					
Dividends of surplus			(238)		(238)
Profit attributable to owners of parent			342		342
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		0		0	0
Net changes in items other than shareholders' equity					
Total changes during period	-	0	104	0	104
Balance at end of period	4,628	5,071	25,298	(2,539)	32,459

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	753	(2,736)	17	282	(1,684)	300	30,971
Changes during period							
Dividends of surplus							(238)
Profit attributable to owners of parent							342
Purchase of treasury shares							(0)
Disposal of treasury shares							0
Net changes in items other than shareholders' equity	(91)	(14)	8	94	(3)	14	11
Total changes during period	(91)	(14)	8	94	(3)	14	115
Balance at end of period	661	(2,751)	26	376	(1,687)	314	31,087

Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	488	667
Depreciation	975	1,031
Impairment losses	384	93
Loss (gain) on sale of investment securities	(5)	(3)
Increase (decrease) in allowance for doubtful accounts	(5)	26
Increase (decrease) in provision for bonuses	120	(85)
Increase (decrease) in provision for loss on orders received	-	32
Increase (decrease) in retirement benefit liability	86	8
Decrease (increase) in retirement benefit asset	(284)	(120)
Retirement benefit expenses	(110)	(222)
Increase (decrease) in provision for share awards	20	22
Interest and dividend income	(29)	(36)
Interest expenses	41	68
Share of loss (profit) of entities accounted for using equity method	(5)	(51)
Decrease (increase) in trade receivables	(1,588)	(667)
Decrease (increase) in inventories	(428)	(1,724)
Decrease (increase) in accounts receivable - other	540	(309)
Increase (decrease) in trade payables	(403)	366
Increase (decrease) in accounts payable - other	437	(413)
Other, net	381	265
Subtotal	615	(1,050)
Interest and dividends received	24	30
Dividends received from entities accounted for using equity method	11	6
Interest paid	(42)	(68)
Income taxes paid	(140)	(261)
Income taxes refund	12	0
Net cash provided by (used in) operating activities	481	(1,343)
Cash flows from investing activities		
Purchase of investment securities	(626)	(21)
Proceeds from sale and redemption of investment securities	14	13
Purchase of property, plant and equipment	(970)	(848)
Proceeds from sale of property, plant and equipment	87	-
Purchase of intangible assets	(195)	(202)
Other, net	2	(22)
Net cash provided by (used in) investing activities	(1,689)	(1,080)

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,147	2,874
Dividends paid	(260)	(238)
Repayments of lease liabilities	(124)	(85)
Proceeds from sale and leaseback transactions	-	277
Other, net	(21)	(0)
Net cash provided by (used in) financing activities	1,741	2,827
Effect of exchange rate change on cash and cash equivalents	13	8
Net increase (decrease) in cash and cash equivalents	547	412
Cash and cash equivalents at beginning of period	4,120	4,667
Cash and cash equivalents at end of period	4,667	5,080