

# Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 [Japanese GAAP]



May 13, 2024

Company name: KEY COFFEE INC

Stock exchange listing: Tokyo Stock Exchange

Code number: 2594

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

Representative: Yutaka Shibata, Representative Director and President

Contact: Takeshi Tezuka, General Manager, Finance Department

Phone: +81-3-3433-3311

Scheduled date of general shareholders' meeting: June 20, 2024

Scheduled date of commencing dividend payments: June 21, 2024

Scheduled date of filing securities report: June 21, 2024

Availability of supplementary explanatory materials on annual financial results: Available

Schedule of annual financial results briefing session: Scheduled (for analysts and trade partners)

(Amounts of less than one million yen are rounded down.)

## 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 - March 31, 2024)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

|                   | Net sales   |      | Operating profit |        | Ordinary profit |        | Profit attributable to owners of parent |        |
|-------------------|-------------|------|------------------|--------|-----------------|--------|---|--------|
|                   | Million yen | %    | Million yen      | %      | Million yen     | %      | Million yen                             | %      |
| Fiscal year ended |             |      |                  |        |                 |        |   |        |
| March 31, 2024    | 73,800      | 16.6 | 764              | 212.4  | 867             | 148.2  | 180                                     | 4.2    |
| March 31, 2023    | 63,298      | 13.7 | 244              | (39.6) | 349             | (65.8) | 173                                     | (76.7) |

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

Fiscal year ended March 31, 2023: ¥274 million [(66.6)%]

|                   | Basic earnings per share | Diluted earnings per share | Return on equity | Return on assets | Operating profit ratio |
|-------------------|--------------------------|----------------------------|------------------|------------------|------------------------|
| Fiscal year ended | Yen                      | Yen                        | %                | %                | %                      |
| March 31, 2024    | 8.42                     | —                          | 0.6              | 1.6              | 1.0                    |
| March 31, 2023    | 8.08                     | —                          | 0.6              | 0.7              | 0.4                    |

(Reference) Equity in earnings of affiliated companies:

Fiscal year ended March 31, 2024: ¥5 million

Fiscal year ended March 31, 2023: ¥(82) million

## (2) Consolidated Financial Position

|                      | Total assets | Net assets  | Equity ratio | Net assets per share |
|----------------------|--------------|-------------|--------------|----------------------|
|                      | Million yen  | Million yen | %            | Yen                  |
| As of March 31, 2024 | 54,832       | 30,971      | 55.9         | 1,432.35             |
| As of March 31, 2023 | 51,768       | 30,530      | 58.4         | 1,412.75             |

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

As of March 31, 2023: ¥30,250 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 year-end |
|-------------------|--------------------------------------|--------------------------------------|--------------------------------------|---------------------------------------|
| Fiscal year ended | Million yen                          | Million yen                          | Million yen                          | Million yen                           |
| March 31, 2024    | 481                                  | (1,689)                              | 1,741                                | 4,667                                 |
| March 31, 2023    | (3,095)                              | (973)                                | 2,757                                | 4,120                                 |

## 2. Dividends

|  | Annual dividends |                 |                 |          |       | Total dividends (annual) | Payout ratio (consolidated) | Ratio of dividends to net assets (consolidated) |
|--|------------------|-----------------|-----------------|----------|-------|--------------------------|-----------------------------|---|
|  | 1st quarter-end  | 2nd quarter-end | 3rd quarter-end | Year-end | Total |                          |                             |   |
|  | Yen              | Yen             | Yen             | Yen      | Yen   | Million yen              | %                           | %   |
| Fiscal year ended March 31, 2023             | –                | 5.00            | –               | 5.00     | 10.00 | 216                      | 123.7                       | 0.7   |
| Fiscal year ended March 31, 2024             | –                | 7.00            | –               | 5.00     | 12.00 | 260                      | 142.5                       | 0.8   |
| Fiscal year ending March 31, 2025 (Forecast) | –                | 6.00            | –               | 6.00     | 12.00 |                          | 51.4                        |   |

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 - March 31, 2025)

(% indicates changes from the previous corresponding period.)

|           | Net sales   |     | Operating profit |        | Ordinary profit |        | Profit attributable to owners of parent |       | Profit per share |
|-----------|-------------|-----|------------------|--------|-----------------|--------|---|-------|------------------|
| Full year | Million yen | %   | Million yen      | %      | Million yen     | %      | Million yen                             | %     | Yen              |
|           | 74,000      | 0.3 | 500              | (34.6) | 700             | (19.3) | 500                                     | 177.2 | 23.35            |

As mentioned in the “(Change to Disclosure Matters) Notice regarding Partial Change (Change of Implementation Date) to “Notice regarding the Change in a Consolidated Subsidiary (Stock Transfer) and Assignment of Obligations” (available only in Japanese)” announced on January 30, 2024, the timing of the transfer has not been determined in connection with the “Notice regarding the Change in a Consolidated Subsidiary (Stock Transfer) and Assignment of Obligations (available only in Japanese)” announced on January 10, 2024. As the consolidated financial results forecast for the fiscal year ending March 31, 2025 includes the financial results forecast of the said consolidated subsidiary, any changes will be announced promptly.

### \* Notes:

- (1) Changes in significant subsidiaries during the fiscal year under review: None  
(Changes in specified subsidiaries resulting in changes in scope of consolidation)  
Newly included: – (Company name: –)  
Excluded: – (Company name: –)
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
  - 1) Changes in accounting policies due to the revision of accounting standards: None
  - 2) Changes in accounting policies other than 1) above: None
  - 3) Changes in accounting estimates: None
  - 4) Retrospective restatement: None
- (3) Total number of issued shares (common shares)
  - 1) Total number of issued shares at the end of the year (including treasury shares):

|                 |                   |
|-----------------|-------------------|
| March 31, 2024: | 22,689,000 shares |
| March 31, 2023: | 22,689,000 shares |
  - 2) Total number of treasury shares at the end of the year:

|                 |                  |
|-----------------|------------------|
| March 31, 2024: | 1,275,856 shares |
| March 31, 2023: | 1,276,656 shares |
  - 3) Average number of shares outstanding during the year:

|                            |                   |
|----------------------------|-------------------|
| Year ended March 31, 2024: | 21,413,144 shares |
| Year ended March 31, 2023: | 21,412,344 shares |

(Note) The total number of treasury shares at the end of the period includes the shares of the Company (266,600 shares on

March 31, 2024, 267,400 shares on March 31, 2023) held by Custody Bank of Japan, Ltd. (Trust Account E). In addition, shares of the Company held by Custody Bank of Japan, Ltd. (Trust Account E) are included in treasury shares that are subtracted in calculating the average number of shares outstanding during the period. (266,600 shares on March 31, 2024, 267,400 shares on March 31, 2023)

**(Reference) Summary of Non-consolidated Financial Results**

**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 - March 31, 2024)**

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

| Fiscal year ended | Net sales   |      | Operating profit |        | Ordinary profit |        | Net profit  |        |
|-------------------|-------------|------|------------------|--------|-----------------|--------|-------------|--------|
|                   | Million yen | %    | Million yen      | %      | Million yen     | %      | Million yen | %      |
| March 31, 2024    | 66,405      | 18.0 | 564              | 67.3   | 626             | 132.8  | 129         | (26.5) |
| March 31, 2023    | 56,276      | 14.7 | 337              | (36.3) | 268             | (21.8) | 175         | (13.1) |

| Fiscal year ended | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
|                   | Yen                      | Yen                        |
| March 31, 2024    | 6.02                     | —                          |
| March 31, 2023    | 8.20                     | —                          |

(2) Non-consolidated Financial Position

|                      | Total assets | Net assets  | Equity ratio | Net assets per share |
|----------------------|--------------|-------------|--------------|----------------------|
|                      | Million yen  | Million yen | %            | Yen                  |
| As of March 31, 2024 | 51,571       | 28,943      | 56.1         | 1,351.65             |
| As of March 31, 2023 | 48,757       | 28,754      | 59.0         | 1,342.90             |

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

As of March 31, 2023: ¥28,754 million

\* These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.

\* Explanation of the proper use of financial results forecast and other notes

- Forward-looking statements and other statements about the future that are included in this material are based on information currently available to the Company and certain assumptions deemed reasonable, and the Company does not in any way guarantee the achievement of the projections. Actual results and others may differ significantly due to various factors. For the assumptions for financial results forecast and precautions for using financial results forecasts, please refer to “(4) Future Outlook” under “1. Overview of Operating Results, etc.” on page 6 of the attached document.

## Table of Contents - Attachments

|   |    |
|---|----|
| 1. Overview of Operating Results, etc. ....   | 2  |
| (1) Overview of Operating Results for the Fiscal Year under Review .....  | 2  |
| (2) Overview of Financial Position for the Fiscal Year under Review .....   | 5  |
| (3) Overview of Cash Flows for the Fiscal Year under Review .....   | 6  |
| (4) Future Outlook .....  | 6  |
| (5) Basic Policy on Profit Distribution and Dividends for the Fiscal Year under Review and the Next Fiscal Year ..... | 7  |
| 2. Basic Policy on Selection of Accounting Standards .....  | 7  |
| 3. Consolidated Financial Statements and Principal Notes .....  | 8  |
| (1) Consolidated Balance Sheets .....   | 8  |
| (2) Consolidated Statements of Income and Comprehensive Income .....  | 10 |
| (3) Consolidated Statements of Changes in Equity .....  | 13 |
| (4) Consolidated Statements of Cash Flows .....   | 15 |
| (5) Notes to Consolidated Financial Statements .....  | 17 |
| (Notes on going concern assumption) .....   | 17 |
| (Segment information, etc.) .....   | 17 |
| (Per share information) .....   | 20 |
| (Significant subsequent events) .....   | 20 |

## 1. Overview of Operating Results, etc.

### (1) Overview of Operating Results for the Fiscal Year under Review

During the consolidated fiscal year under review (April 1, 2023 to March 31, 2024), the Japanese economy was on a gradual recovery trend as economic activities normalized further, chiefly due to the change in classification of COVID-19. However, the economic outlook remains uncertain partly due to price hikes and the risk of a downturn in overseas economies.

In the coffee industry, while domestic coffee consumption was lower than the previous year, consumption in the HORECA market continued to grow due to an increase in the movement of people and a rebound of the number of visitors to Japan following the removal of movement restrictions amid the COVID-19 pandemic. Consumption in the Household market remained at the same level as the previous consolidated fiscal year despite rises in retail prices.

Green bean prices, which have a significant impact on our financial results, dramatically rose mainly due to the low level of certified inventories in the coffee futures market and production reductions caused by unseasonable weather in Vietnam, the largest producing country for the robusta species. Furthermore, green beans procurement prices remained high due to increased ocean freight costs in the wake of conflicts in the Middle East and the continued depreciation of the yen. In addition, coffee production costs also increased, chiefly because of increasing materials costs. The business environment remained challenging.

Under these circumstances, the Company established the three pillars of “reforming the business structure,” “strengthening profitability,” and “reinforcing the comprehensive strengths of the Group,” based on our long-held “quality-first principle,” and engaged in the creation of new demand, developed products which meets the needs of consumers, and promoted solution-oriented business activities that contribute to the financial results of clients, in order to fulfill our corporate philosophy, to “pursue the ultimate in coffee, focus on our customers, and create a coffee culture which enriches the heart.”

With respect to “reforming the business structure,” we promoted digital transformation (DX) in sales activities and administrative operations, expanded the use of environmentally friendly materials, and reduced labor by introducing robotics in manufacturing lines. Additionally, in response to the 2024 problem in logistics, we continued activities aimed at improving logistics efficiency and efforts to renew our core system and production management system.

Regarding “strengthening profitability,” we reduced costs by increasing the sales volume of high value-added products, improving manufacturing efficiency at our plants, and reviewing the manufacturing and distribution bases for our main products. We also rebranded our main brands of household products.

With respect to “reinforcing the comprehensive strengths of the Group,” we carried out group-wide activities based on sustainability-related policies and strengthened a wide range of initiatives aimed at realizing sustainable coffee production in collaboration with group companies.

The Company has been environmentally conscious and respects human rights. In the previous fiscal year, we have established “Coffee and KISSA as a Sustainable Company” as our new message for 2030 with the aim of keeping the coffee culture alive and realizing sustainable coffee production. In order to achieve this, we established “Future of Coffee Department.” Moreover, this fiscal year, the Company is pursuing a wide range of sustainability initiatives by establishing the “Sustainability Promotion Office.” In addition, we have established the “Human Resources Development Section,” a department that contributes to human capital management, and also launched the “Well-being Project Team,” whose members were selected from across the Company, in an effort to improve employee engagement and promote diversity.

As a result of these efforts, sales in the main coffee-related businesses, our key business area, and other businesses continued to increase from the previous consolidated fiscal year, and operating profit increased due to the containment of sales promotion costs and other factors, despite a higher cost of sales ratio.

Consequently, net sales of the KEY COFFEE Group for the consolidated fiscal year under review were 73,800 million yen (a 16.6% increase compared with the previous consolidated fiscal year), operating profit was 764 million yen (a 212.4% increase compared with the previous consolidated fiscal year), and ordinary

profit was 867 million yen (a 148.2% increase compared with the previous consolidated fiscal year). Profit attributable to owners of parent was 180 million yen (a 4.2% increase compared with the previous consolidated fiscal year).

<Consolidated Operating Results>

(Unit: Millions of yen)

|   | Previous consolidated fiscal year | Consolidated fiscal year under review | Year-on-year increase (decrease) | Year-on-year percent increase (decrease) |
|---|-----------------------------------|---------------------------------------|----------------------------------|--|
| Net sales                               | 63,298                            | 73,800                                | 10,502                           | 16.6%                                    |
| Operating profit                        | 244                               | 764                                   | 519                              | 212.4%                                   |
| Ordinary profit                         | 349                               | 867                                   | 517                              | 148.2%                                   |
| Profit attributable to owners of parent | 173                               | 180                                   | 7                                | 4.2%                                     |

An overview of segment operations is provided below.

(Unit: Millions of yen)

| Business segment              | Net sales                             |                                  |  | Operating profit (loss)               |                                  |  |
|-------------------------------|---------------------------------------|----------------------------------|--|---------------------------------------|----------------------------------|--|
|                               | Consolidated fiscal year under review | Year-on-year increase (decrease) | Year-on-year percent increase (decrease) | Consolidated fiscal year under review | Year-on-year increase (decrease) | Year-on-year percent increase (decrease) |
| Coffee-related businesses     | 65,690                                | 10,086                           | 18.1%                                    | 1,157                                 | 275                              | 31.2%                                    |
| Restaurant-related businesses | 4,232                                 | 357                              | 9.2%                                     | (14)                                  | 204                              | —  |
| Other                         | 3,876                                 | 58                               | 1.5%                                     | 241                                   | 106                              | 79.3%                                    |
| Adjustment                    | —                                     | —                                | —  | (618)                                 | (66)                             | —  |
| Total                         | 73,800                                | 10,502                           | 16.6%                                    | 764                                   | 519                              | 212.4%                                   |

(Note) Adjustment amounts are mainly the elimination of internal transactions between segments, adjustment amounts for inventories, and general and administrative expenses that do not belong to the reportable segments.

(Coffee-related businesses)

In the HORECA market, we worked to strengthen customer management through the use of digital tools and to automate order receipt through the use of the Internet, while working to enhance the operating efficiency of collecting accounts receivable. We also promoted sales of highly differentiated coffees such as TOARCO TORAJA and HYO ON Aging Coffee and worked to expand sales by strengthening food items, such as liquors, for HORECA market we handle.

As measures to revitalize our customers, we presented high quality coffees from around the world for a month and held coffee seminars led by coffee instructors. Following last year, we held exhibitions and presentations for food items for HORECA market.

Four new cafes were opened, under “KEY’S CAFÉ” (Shop Opening Service), our model cafe package service that supports cafe openings in various location environments, while eight cafes were closed. As a result, the number of KEY’S CAFÉ cafes became 68.

Sales grew significantly compared to the previous consolidated fiscal year, due to the increased sales volume of coffee and food items for HORECA market from our clients partly as a result of the increase in the

movement of people following the change of classification of COVID-19.

In the Household market, we made efforts to strengthen our ability to present to customers and share information through the use of digital tools, sell new category products such as Lion Coffee (flavored coffee) and Hotta Katsutaro (sencha tea bags), and improve lots in logistics and lead times.

In product development, we fully renewed the TOARCO TORAJA series, which marked its 45th anniversary, as spring-summer products, launching “seasonal limited edition” products that reflect the voices of our customers in DRIP ON and Instant Coffee formats. For autumn-winter products, to develop our major coffee brand, PREMIUM STAGE, and appeal to the next generation, we launched a new brand named KEY DOORS+, which newly includes the DRIP ON series designed to drip coffee easily. With the development of a new line of products, we aimed to attract new customers in their 20s and 30s.

For gift items, we have lined up a total of 27 items for the mid-year gift season, including the DRIP ON series as well as “HYO-ON Aging Liquid Coffee Gift” and a total of 20 items for the year-end gift season, including “AROMA FLASH” Canned regular coffee assorted gift series (TBR) as gifts suitable for a variety of drinking occasions.

Sales increased from the previous consolidated fiscal year chiefly due to active sales promotion of the GRAND TASTE series.

In the ingredient market, sales increased significantly due to a rise in unit sales price, which is linked to the coffee market.

Operating profit in the coffee-related businesses increased from the previous consolidated fiscal year due to sales growth in each market, despite increases in green beans procurement prices and manufacturing costs, among others.

Consequently, in the consolidated fiscal year under review, net sales for our coffee-related businesses were 65,690 million yen (an 18.1% increase compared with the previous consolidated fiscal year), and operating profit was 1,157 million yen (a 31.2% increase compared with the previous consolidated fiscal year).

(Restaurant-related businesses)

Net sales at Italian Tomato Co., Ltd. far exceeded the results for the previous consolidated fiscal year. Factors for this included a rebound in the number of customers visiting our shops as a result of serving new seasonal menu items every month, holding events as the flow of people increased partly due to the change in classification of COVID-19. In terms of profit, we worked to reduce waste loss in addition to assigning personnel and ordering and managing foodstuffs in response to changes in sales conditions, and thus promoted optimization of labor and raw material costs. We also developed new products and revised the prices of items in response to rising costs, including raw materials procurement costs and utility costs. Meanwhile, we continued to launch high value-added products. As a result, profit figures improved significantly. The number of the company’s shops stood at 141 (49 directly managed shops and 92 franchise shops).

Consequently, in the consolidated fiscal year under review, net sales in the restaurant-related businesses were 4,232 million yen (a 9.2% increase compared with the previous consolidated fiscal year), and operating loss was 14 million yen (operating loss was 219 million yen in the previous consolidated fiscal year).

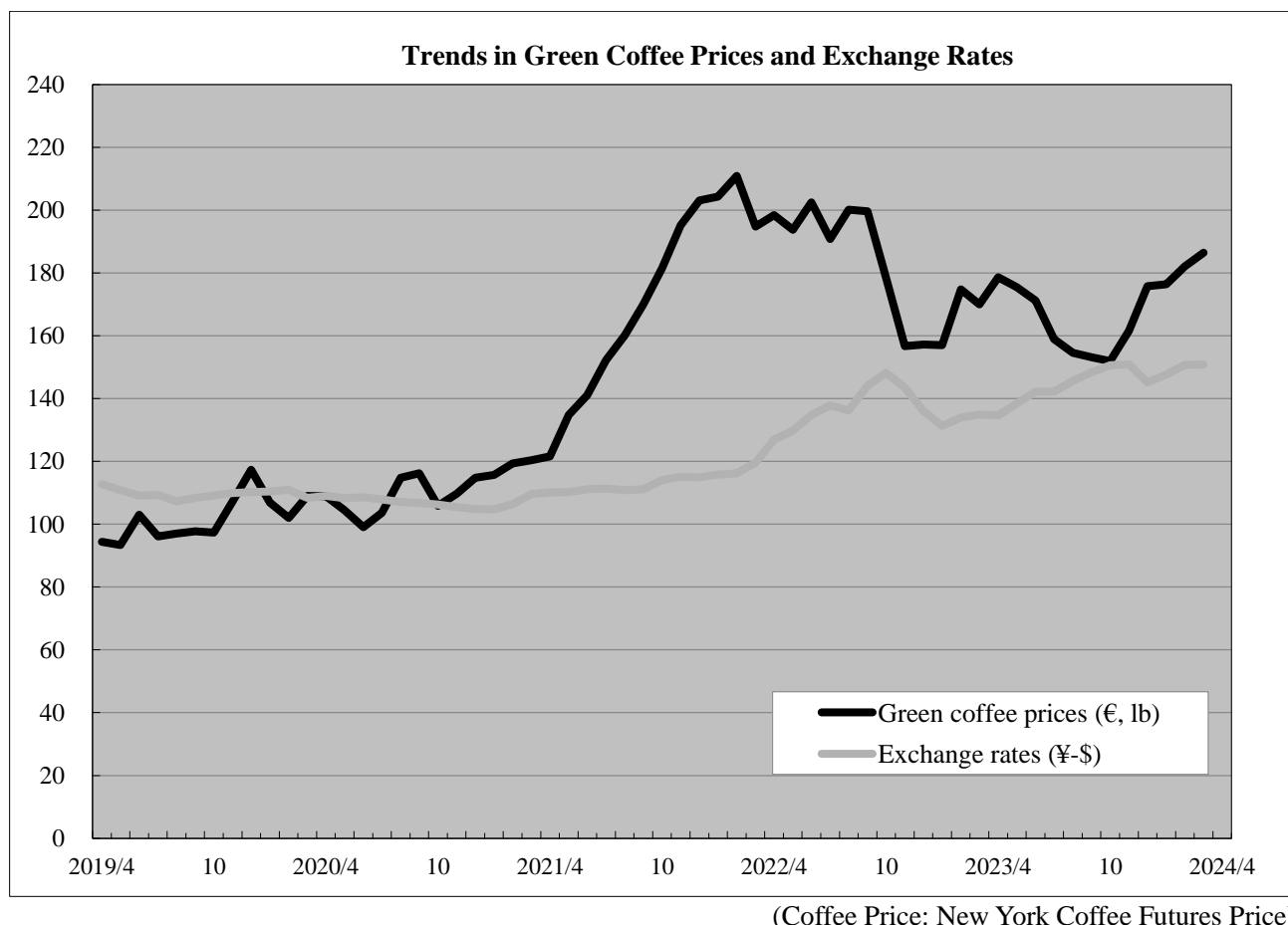
(Other)

Nic Foods Co., Ltd.’s sales did not reach the previous consolidated fiscal year’s level due to a decrease in the volume of orders received, mainly for beverages for the HORECA industry. However, there was a significant increase in profit due to improvements made, such as a reduction in product manufacturing costs and review of the production system.

At honu KATO COFFEE Inc., which operates an e-commerce business, sales declined but profit increased as the company took steps to improve sales and profit by raising sales prices and reducing sales promotion costs, while the cost of sales, logistics cost, and other costs significantly rose from the previous consolidated fiscal year.

Consequently, in the consolidated fiscal year under review, net sales for other businesses were 3,876

million yen (a 1.5% increase compared with the previous consolidated fiscal year) and operating profit was 241 million yen (a 79.3% increase compared with the previous consolidated fiscal year).



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

At the end of the consolidated fiscal year under review, assets were 54,832 million yen, a 3,064 million yen increase compared with the end of the previous consolidated fiscal year. Liabilities increased by 2,622 million yen to 23,861 million yen. Net assets increased by 441 million yen to 30,971 million yen.

The primary causes were as follows.

### (Current assets)

At the end of the consolidated fiscal year under review, the balance of current assets was 36,473 million yen, an increase of 1,969 million yen from the end of the previous consolidated fiscal year. This was primarily due to increases in accounts receivable – trade (up 1,511 million yen), and in raw materials and supplies (up 668 million yen).

### (Non-current assets)

At the end of the consolidated fiscal year under review, the balance of non-current assets was 18,359 million yen, an increase of 1,094 million yen from the end of the previous consolidated fiscal year. Property, plant and equipment increased by 88 million yen primarily due to a decrease in buildings and structures (down 130 million yen) caused by the progress of depreciation, an increase in machinery, equipment and vehicles (up 344 million yen) caused by capital expenditure, and a decrease in land (down 142 million yen). Intangible assets decreased by 241 million yen mainly due to a decrease in other intangible assets (down 223 million yen). Investments and other assets increased by 1,247 million yen due primarily to an increase in investment



securities (up 1,081 million yen).

(Current liabilities)

At the end of the consolidated fiscal year under review, the balance of current liabilities was 21,968 million yen, an increase of 2,583 million yen from the end of the previous consolidated fiscal year. This was primarily due to an increase in short-term borrowings (up 2,156 million yen).

(Non-current liabilities)

At the end of the consolidated fiscal year under review, the balance of non-current liabilities was 1,892 million yen, an increase of 39 million yen from the end of the previous consolidated fiscal year. This was primarily due to an increase in deferred tax liabilities (up 259 million yen) and a decrease in retirement benefit liability (down 191 million yen).

(Net assets)

At the end of the consolidated fiscal year under review, the balance of net assets was 30,971 million yen, an increase of 441 million yen from the end of the previous consolidated fiscal year. This was primarily due to a decrease in retained earnings (down 79 million yen), an increase in valuation difference on available-for-sale securities (up 328 million yen), and an increase in remeasurements of defined benefit plans (up 176 million yen).

(3) Overview of Cash Flows for the Fiscal Year under Review

Net cash provided by operating activities was 582 million yen, mainly due to such factors as profit before income taxes of 488 million yen, depreciation of 975 million yen, an increase in trade receivables of 1,588 million yen, and a decrease in consumption taxes refund receivable of 540 million yen. (In the previous consolidated fiscal year, net cash used in operating activities was 3,095 million yen.)

Net cash used in investing activities was 1,678 million yen due to such factors as purchase of investment securities of 626 million yen and purchase of property, plant and equipment of 1,005 million yen. (In the previous consolidated fiscal year, net cash used in investing activities was 973 million yen.)

Net cash provided by financing activities was 1,629 million yen due to such factors as short-term borrowings of 2,019 million yen, dividends paid of 260 million yen, and repayments of lease liabilities of 108 million yen. (In the previous consolidated fiscal year, net cash provided financing activities was 2,757 million yen.)

As a result of the above, at the end of the consolidated fiscal year under review, the balance of cash and cash equivalents was 4,667 million yen, an increase of 547 million yen from the end of the previous consolidated fiscal year.

(4) Future Outlook

Looking ahead, while the Japanese economic situation surrounding the KEY COFFEE Group is on a gradual recovery trend due to the change in classification of COVID-19 and other reasons, the economic environment is expected to remain difficult due to rising prices and the risk of a downturn in overseas economies.

Green bean prices, which have a significant impact on our financial results, are rising mainly due to the low level of certified inventories in the coffee futures market. Furthermore, green beans procurement prices have remained high due to increased ocean freight costs in the wake of conflicts in the Middle East and the continued depreciation of the yen. As such, the rising cost of coffee production continues to be a management issue that must be addressed.

While this situation is expected to continue, the KEY COFFEE Group will further accelerate its efforts to meet the challenge of change and establish a strong foundation for making a further leap forward as a company that has prospered for two centuries by undertaking further structural reform of its business and continuing to reduce costs by standardizing operations and optimizing inventories, etc.

Regarding the coffee-related businesses, in the HORECA market, we will swiftly implement further rationalization and efficiency improvement in our operations while continuing to maintain our nationwide network of offices and the level of service we provide to our clients. In addition, we will further accelerate our efforts to contribute to clients financial results by developing and proposing products and services that will enable us to connect changes in the market environment to new business opportunities.

In the Household market, we will enhance our presence by continuing to introduce new products and develop new categories to meet the diversifying needs of consumers as their lifestyles change. In addition, to expand sales, we will speedily allocate management resources to regions where we seek to increase our market share and to the growing e-commerce market.

To develop new markets, we will focus on D2C business, which provides products directly to consumers, and overseas business, and develop them into new business pillars following the HORECA, Household, and ingredient market.

To solve management issues with a sense of urgency and support the execution of business strategies, we will quickly realize operational efficiency and sophistication by renewing our core system and production management system, as well as promoting DX.

The KEY COFFEE Group will conduct its business activities based on the recognition that our *raison d'être* is not limited to providing products and services to its customers, but also to fulfilling its social responsibility as a corporation to the fullest extent possible. Looking ahead to the year 2030, we established “Coffee and KISSA as a Sustainable Company” as our new message, and we will continue to promote the appeal of coffee shops, which have built Japan’s coffee culture together with our company over the past 100 years, to younger generations and to people not yet in contact with coffee shops, not only in Japan but also overseas. We will continue to strengthen our efforts.

In addition, to improve our ability to respond to environmental changes and achieve sustainable corporate growth and development, we are committed to management that maximizes the abilities of each and every employee and improves corporate value.

In the social environment transformed by the COVID-19 disaster, the entire company is united in our efforts to be the most trusted coffee company, to pursue the potential of coffee and provide its value, and to be the first choice of our customers.

#### (5) Basic Policy on Profit Distribution and Dividends for the Fiscal Year under Review and the Next Fiscal Year

In order to both redistribute profit to our shareholders and secure the internal reserves necessary for future business development and the strengthening of our corporate foundation, KEY COFFEE’s basic policy is to strive for steady dividends.

Based on the above basic policy, the Company plans to pay a year-end dividend of 5 yen per share for the fiscal year under review, although the future outlook remains unpredictable after considering the future business outlook and other factors. Combined with the interim dividend of 7 yen per share already paid, the annual dividend will be 12 yen per share.

For the fiscal year ending March 31, 2025, the Company plans to pay an annual dividend of 12 yen per share, consisting of an interim dividend of 6 yen per share and a year-end dividend of 6 yen per share, in accordance with the above basic policy.

## 2. Basic Policy on Selection of Accounting Standards

Taking into consideration comparability between businesses as regards consolidated financial statements, the policy of the KEY COFFEE Group is to create consolidated financial statements in accordance with Japanese generally accepted accounting principles for the time being. Concerning IFRS, the policy of the KEY COFFEE Group is to take into consideration all domestic and international circumstances and respond accordingly.

### 3. Consolidated Financial Statements and Principal Notes

#### (1) Consolidated Balance Sheets

(Million yen)

|  | As of March 31, 2023 | As of March 31, 2024 |
|--|----------------------|----------------------|
| <b>Assets</b>                          |                      |                      |
| Current assets                         |                      |                      |
| Cash and deposits                      | 4,120                | 4,667                |
| Notes receivable - trade               | 47                   | 126                  |
| Accounts receivable - trade            | 14,056               | 15,567               |
| Merchandise and finished goods         | 3,437                | 3,204                |
| Work in process                        | 261                  | 265                  |
| Raw materials and supplies             | 11,274               | 11,942               |
| Other                                  | 1,401                | 800                  |
| Allowance for doubtful accounts        | (95)                 | (102)                |
| Total current assets                   | 34,503               | 36,473               |
| Non-current assets                     |                      |                      |
| Property, plant and equipment          |                      |                      |
| Buildings and structures               | 15,922               | 15,789               |
| Accumulated depreciation               | (11,898)             | (11,895)             |
| Buildings and structures, net          | 4,024                | 3,893                |
| Machinery, equipment and vehicles      | 11,903               | 12,399               |
| Accumulated depreciation               | (10,557)             | (10,708)             |
| Machinery, equipment and vehicles, net | 1,346                | 1,691                |
| Land                                   | 6,570                | 6,428                |
| Other                                  | 3,515                | 3,648                |
| Accumulated depreciation               | (2,947)              | (3,063)              |
| Other, net                             | 568                  | 584                  |
| Total property, plant and equipment    | 12,509               | 12,597               |
| Intangible assets                      |                      |                      |
| Goodwill                               | 137                  | 119                  |
| Other                                  | 713                  | 490                  |
| Total intangible assets                | 851                  | 609                  |
| Investments and other assets           |                      |                      |
| Investment securities                  | 2,761                | 3,843                |
| Long-term loans receivable             | 32                   | 28                   |
| Deferred tax assets                    | 108                  | 91                   |
| Retirement benefit asset               | 14                   | 299                  |
| Guarantee deposits                     | 761                  | 740                  |
| Other                                  | 376                  | 286                  |
| Allowance for doubtful accounts        | (151)                | (137)                |
| Total investments and other assets     | 3,903                | 5,151                |
| Total non-current assets               | 17,264               | 18,359               |
| <b>Total assets</b>                    | 51,768               | 54,832               |

(Million yen)

|   | As of March 31, 2023 | As of March 31, 2024 |
|---|----------------------|----------------------|
| <b>Liabilities</b>                                    |                      |                      |
| Current liabilities                                   |                      |                      |
| Notes and accounts payable - trade                    | 12,719               | 12,323               |
| Short-term borrowings                                 | 3,187                | 5,343                |
| Accounts payable - other                              | 2,093                | 2,266                |
| Income taxes payable                                  | 113                  | 211                  |
| Contract liabilities                                  | 35                   | 31                   |
| Provision for bonuses                                 | 292                  | 412                  |
| Other   | 943                  | 1,379                |
| Total current liabilities                             | 19,385               | 21,968               |
| Non-current liabilities                               |                      |                      |
| Deferred tax liabilities                              | 156                  | 416                  |
| Deferred tax liabilities for land revaluation         | 478                  | 478                  |
| Provision for share awards                            | 66                   | 86                   |
| Other provisions                                      | 4                    | 4                    |
| Retirement benefit liability                          | 368                  | 176                  |
| Asset retirement obligations                          | 446                  | 417                  |
| Other   | 332                  | 311                  |
| Total non-current liabilities                         | 1,853                | 1,892                |
| Total liabilities                                     | 21,238               | 23,861               |
| <b>Net assets</b>                                     |                      |                      |
| Shareholders' equity                                  |                      |                      |
| Share capital   | 4,628                | 4,628                |
| Capital surplus                                       | 5,094                | 5,071                |
| Retained earnings                                     | 25,274               | 25,194               |
| Treasury shares                                       | (2,541)              | (2,539)              |
| Total shareholders' equity                            | 32,456               | 32,355               |
| Accumulated other comprehensive income                |                      |                      |
| Valuation difference on available-for-sale securities | 424                  | 753                  |
| Revaluation reserve for land                          | (2,736)              | (2,736)              |
| Foreign currency translation adjustment               | 0                    | 17                   |
| Remeasurements of defined benefit plans               | 105                  | 282                  |
| Total accumulated other comprehensive income          | (2,206)              | (1,684)              |
| Non-controlling interests                             | 279                  | 300                  |
| Total net assets                                      | 30,530               | 30,971               |
| Total liabilities and net assets                      | 51,768               | 54,832               |

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

(Million yen)

|   | For the fiscal year ended<br>March 31, 2023 | For the fiscal year ended<br>March 31, 2024 |
|---|---|---|
| Net sales   | 63,298                                      | 73,800                                      |
| Cost of sales   | 49,077                                      | 58,575                                      |
| Gross profit  | 14,220                                      | 15,224                                      |
| Selling, general and administrative expenses                  |   |   |
| Advertising and sample expense                                | 1,307                                       | 1,425                                       |
| Packing and transportation costs                              | 2,218                                       | 2,174                                       |
| Vehicle expenses  | 400   | 402   |
| Provision of allowance for doubtful accounts                  | 16  | 10  |
| Remuneration for directors (and other officers)               | 263   | 257   |
| Salaries and bonuses  | 4,676                                       | 4,739                                       |
| Provision for bonuses   | 221   | 317   |
| Retirement benefit expenses                                   | 111   | (2)   |
| Welfare expenses  | 806   | 829   |
| Rent expenses   | 807   | 735   |
| Depreciation  | 296   | 297   |
| Supplies expenses   | 183   | 215   |
| Research and development expenses                             | 199   | 225   |
| Other   | 2,466                                       | 2,832                                       |
| Total selling, general and administrative expenses            | 13,975                                      | 14,460                                      |
| Operating profit  | 244   | 764   |
| Non-operating income  |   |   |
| Interest income   | 1   | 1   |
| Dividend income   | 24  | 28  |
| Share of profit of entities accounted for using equity method | –   | 5   |
| Rental income from real estate                                | 73  | 76  |
| Subsidy income  | 63  | –   |
| Other   | 59  | 63  |
| Total non-operating income                                    | 221   | 175   |
| Non-operating expenses  |   |   |
| Interest expenses   | 12  | 41  |
| Share of loss of entities accounted for using equity method   | 82  | –   |
| Rental expenses on real estate                                | 15  | 16  |
| Provision of allowance for doubtful accounts                  | –   | 3   |
| Other   | 6   | 11  |
| Total non-operating expenses                                  | 116   | 72  |
| Ordinary profit   | 349   | 867   |

(Million yen)

|  | For the fiscal year ended<br>March 31, 2023 | For the fiscal year ended<br>March 31, 2024 |
|--|---|---|
| Extraordinary income                             |   |   |
| Gain on sale of investment securities            | –   | 5   |
| Total extraordinary income                       | –   | 5   |
| Extraordinary losses                             |   |   |
| Impairment losses                                | 40  | 384   |
| Total extraordinary losses                       | 40  | 384   |
| Profit before income taxes                       | 308   | 488   |
| Income taxes - current                           | 150   | 229   |
| Income taxes - deferred                          | (15)  | 59  |
| Total income taxes                               | 134   | 288   |
| Profit   | 174   | 199   |
| Profit attributable to non-controlling interests | 1   | 18  |
| Profit attributable to owners of parent          | 173   | 180   |

Consolidated Statements of Comprehensive Income

(Million yen)

|   | For the fiscal year ended<br>March 31, 2023 | For the fiscal year ended<br>March 31, 2024 |
|---|---|---|
| Profit  | 174   | 199   |
| Other comprehensive income  |   |   |
| Valuation difference on available-for-sale securities                             | 82  | 321   |
| Foreign currency translation adjustment   | 10  | 18  |
| Remeasurements of defined benefit plans, net of tax                               | 7   | 175   |
| Share of other comprehensive income of entities accounted for using equity method | (1)   | 7   |
| Total other comprehensive income  | 100   | 523   |
| Comprehensive income  | 274   | 722   |
| Comprehensive income attributable to  |   |   |
| Comprehensive income attributable to owners of parent                             | 271   | 702   |
| Comprehensive income attributable to non-controlling interests                    | 2   | 20  |

## (3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Million yen)

|   | Shareholders' equity |                 |                   |                 |                            |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
|   | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period  | 4,628                | 5,106           | 25,317            | (2,543)         | 32,509                     |
| Changes during period   |                      |                 |                   |                 |                            |
| Dividends of surplus  |                      |                 | (216)             |                 | (216)                      |
| Profit attributable to owners of parent   |                      |                 | 173               |                 | 173                        |
| Disposal of treasury shares   |                      |                 |                   | 2               | 2                          |
| Change in ownership interest of parent due to transactions with non-controlling interests |                      | (11)            |                   |                 | (11)                       |
| Net changes in items other than shareholders' equity                                      |                      |                 |                   |                 |                            |
| Total changes during period   | –                    | (11)            | (43)              | 2               | (52)                       |
| Balance at end of period  | 4,628                | 5,094           | 25,274            | (2,541)         | 32,456                     |

|   | 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  | 342   | (2,736)                      | (9)                                     | 98                                      | (2,304)                                      | 276                       | 30,481           |
| Changes during period   |   |                              |   |   |  |                           |                  |
| Dividends of surplus  |   |                              |   |   |  |                           | (216)            |
| Profit attributable to owners of parent   |   |                              |   |   |  |                           | 173              |
| Disposal of treasury shares   |   |                              |   |   |  |                           | 2                |
| Change in ownership interest of parent due to transactions with non-controlling interests |   |                              |   |   |  |                           | (11)             |
| Net changes in items other than shareholders' equity                                      | 81  | –                            | 9                                       | 6                                       | 98   | 2                         | 101              |
| Total changes during period   | 81  | –                            | 9                                       | 6                                       | 98   | 2                         | 48               |
| Balance at end of period  | 424   | (2,736)                      | 0                                       | 105                                     | (2,206)                                      | 279                       | 30,530           |



Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Million 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                        |
| 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              |
| 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           |

## (4) Consolidated Statements of Cash Flows

(Million yen)

|  | For the fiscal year ended<br>March 31, 2023 | For the fiscal year ended<br>March 31, 2024 |
|--|---|---|
| <b>Cash flows from operating activities</b>                          |   |   |
| Profit before income taxes   | 308   | 488   |
| Depreciation   | 956   | 975   |
| Impairment losses  | 40  | 384   |
| Subsidy income   | (63)  | –   |
| Loss (gain) on sale of investment securities                         | –   | (5)   |
| Increase (decrease) in allowance for doubtful accounts               | 2   | (5)   |
| Increase (decrease) in provision for bonuses                         | (29)  | 120   |
| Increase (decrease) in provision for share awards                    | 19  | 20  |
| Increase (decrease) in retirement benefit liability                  | (163)                                       | 86  |
| Interest and dividend income   | (25)  | (29)  |
| Interest expenses  | 12  | 41  |
| Share of loss (profit) of entities accounted for using equity method | 82  | (5)   |
| Decrease (increase) in trade receivables                             | (2,472)                                     | (1,588)                                     |
| Decrease (increase) in inventories                                   | (6,323)                                     | (428)                                       |
| Decrease (increase) in consumption taxes refund receivable           | (534)                                       | 540   |
| Increase (decrease) in trade payables                                | 5,744                                       | (403)                                       |
| Increase (decrease) in accounts payable - other                      | (175)                                       | 103   |
| Increase (decrease) in accrued consumption taxes                     | (187)                                       | 333   |
| Other, net   | (87)  | (13)  |
| Subtotal   | (2,897)                                     | 615   |
| Interest and dividends received                                      | 25  | 24  |
| Subsidies received   | 63  | –   |
| Dividends received from entities accounted for using equity method   | 6   | 11  |
| Interest paid  | (12)  | (42)  |
| Income taxes paid  | (282)                                       | (140)                                       |
| Income taxes refund  | 0   | 12  |
| Net cash provided by (used in) operating activities                  | (3,095)                                     | 481   |
| <b>Cash flows from investing activities</b>                          |   |   |
| Purchase of investment securities                                    | –   | (626)                                       |
| Proceeds from sale and redemption of investment securities           | –   | 14  |
| Purchase of property, plant and equipment                            | (774)                                       | (970)                                       |
| Proceeds from sale of property, plant and equipment                  | 22  | 87  |
| Purchase of intangible assets  | (267)                                       | (195)                                       |
| Other, net   | 45  | 2   |
| Net cash provided by (used in) investing activities                  | (973)                                       | (1,689)                                     |

(Million yen)

|   | For the fiscal year ended<br>March 31, 2023 | For the fiscal year ended<br>March 31, 2024 |
|---|---|---|
| <b>Cash flows from financing activities</b>                 |   |   |
| Net increase (decrease) in short-term borrowings            | 3,141                                       | 2,147                                       |
| Repayments of long-term borrowings                          | (38)  | –   |
| Dividends paid  | (217)                                       | (260)                                       |
| Repayments of lease liabilities                             | (119)                                       | (124)                                       |
| Other, net  | (9)   | (21)  |
| Net cash provided by (used in) financing activities         | 2,757                                       | 1,741                                       |
| Effect of exchange rate change on cash and cash equivalents | (10)  | 13  |
| Net increase (decrease) in cash and cash equivalents        | (1,322)                                     | 547   |
| Cash and cash equivalents at beginning of period            | 5,443                                       | 4,120                                       |
| Cash and cash equivalents at end of period                  | 4,120                                       | 4,667                                       |

## (5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Segment information, etc.)

### 1. Overview of reportable segments

KEY COFFEE's reportable segments are segments for which separate financial information is available from among the constituent units of the KEY COFFEE Group and are regularly reviewed by the Board of Directors in order to determine the allocation of management resources and evaluate financial results.

The KEY COFFEE Group operates businesses spanning multiple industries, including coffee- and restaurant-related businesses as well as transportation and logistics. KEY COFFEE and KEY COFFEE's consolidated subsidiaries each engage in business activities as independent management units.

On the basis of the ratio of consolidated net sales which they occupy, KEY COFFEE has the two reportable segments of coffee-related businesses and restaurant-related businesses.

Coffee-related businesses are businesses operated by KEY COFFEE and involve the sale of coffee products, etc. to consumers, restaurants, food wholesalers, and beverage manufacturers.

Restaurant-related businesses are operated by Italian Tomato Co., Ltd. and Almond Co., Ltd. and involve restaurant businesses and the sale of western-style sweets, etc.

### 2. Calculation method for net sales, profit (loss), assets, liabilities, and other items by reportable segment

Excluding valuation criteria for inventories, the accounting method used for reported business segments is generally the same as the description in "Material matters that serve as the basis for preparing consolidated financial statements."

Inventories are valued according to value before reduction of book value based on decreased profitability. Figures for the profit of reportable segments are based on operating profit. Intersegment sales or transfer amounts are based on market prices.

3. Information on net sales and profit (loss) by reportable segment

For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Unit: Millions of yen)

|   | Reportable segment           |                                      |        | Other<br>(Note 1) | Total  | Adjustment<br>(Note 2) | Amount<br>recorded in<br>Consolidated<br>Financial<br>Statements<br>(Note 3) |
|---|------------------------------|--------------------------------------|--------|-------------------|--------|------------------------|--|
|   | Coffee-related<br>businesses | Restaurant-<br>related<br>businesses | Total  |                   |        |                        |  |
| Net sales   |                              |                                      |        |                   |        |                        |  |
| Net sales to outside<br>customers                                     | 55,604                       | 3,875                                | 59,480 | 3,818             | 63,298 | –                      | 63,298   |
| Inter-segment net<br>sales or transfers                               | 673                          | 11                                   | 684    | 1,723             | 2,408  | (2,408)                | –  |
| Total   | 56,277                       | 3,886                                | 60,164 | 5,542             | 65,706 | (2,408)                | 63,298   |
| Segment profit (loss)   | 882                          | (219)                                | 662    | 134               | 797    | (552)                  | 244  |
| Segment assets  | 46,210                       | 1,752                                | 47,963 | 5,315             | 53,278 | (1,509)                | 51,768   |
| Segment liabilities   | 19,879                       | 3,119                                | 22,999 | 1,169             | 24,168 | (2,930)                | 21,238   |
| Other items   |                              |                                      |        |                   |        |                        |  |
| Depreciation  | 693                          | 95                                   | 789    | 146               | 936    | 20                     | 956  |
| Amortization of<br>goodwill   | 7                            | –                                    | 7      | 9                 | 17     | –                      | 17   |
| Increase in property,<br>plant and equipment<br>and intangible assets | 823                          | 219                                  | 1,042  | 158               | 1,201  | –                      | 1,201  |

(Notes) 1. The “Other” section consists of business segments not included in reportable segments and includes beverage product manufacturing, office coffee service, e-commerce, transportation and logistics, and insurance agency businesses operated by consolidated subsidiaries.

2. Adjustments consisted of the following.

(1) The adjustment of negative 552 million yen to segment profit (loss) includes an elimination of internal transactions of negative 6 million yen, an inventories adjustment of negative 5 million yen, and corporate expenses not allocated to reportable segments of negative 540 million yen. Corporate expenses primarily consist of general and administrative expenses that do not belong to reportable segments.

(2) The adjustment of negative 159 million yen to segment assets includes corporate assets that do not belong to reportable segments of 1,899 million yen; and capital and receivable offsets with inter-segment investments, etc. of negative 3,409 million yen.

Corporate assets primarily consist of assets relating to administrative divisions. Please note that, as part of the assets related to the administrative division has been allocated to the coffee-related business from the current consolidated fiscal year, the figures are presented based on the segment asset classification for the current consolidated fiscal year.

(3) The adjustment of negative 2,930 million yen to segment liabilities consists of an inter-segment obligation offset.

3. Segment profit (loss) has been adjusted with operating profit in the consolidated financial statements.

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Unit: Millions of yen)

|   | Reportable segment           |                                      |        | Other<br>(Note 1) | Total  | Adjustment<br>(Note 2) | Amount<br>recorded in<br>Consolidated<br>Financial<br>Statements<br>(Note 3) |
|---|------------------------------|--------------------------------------|--------|-------------------|--------|------------------------|--|
|   | Coffee-related<br>businesses | Restaurant-<br>related<br>businesses | Total  |                   |        |                        |  |
| Net sales   |                              |                                      |        |                   |        |                        |  |
| Net sales to outside<br>customers                                     | 65,690                       | 4,232                                | 69,923 | 3,876             | 73,800 | —                      | 73,800   |
| Inter-segment net<br>sales or transfers                               | 714                          | 20                                   | 734    | 1,772             | 2,507  | (2,507)                | —  |
| Total   | 66,405                       | 4,252                                | 70,658 | 5,649             | 76,307 | (2,507)                | 73,800   |
| Segment profit (loss)   | 1,157                        | (14)                                 | 1,142  | 241               | 1,383  | (618)                  | 764  |
| Segment assets  | 49,656                       | 1,847                                | 51,504 | 5,473             | 56,977 | (2,144)                | 54,832   |
| Segment liabilities   | 22,625                       | 3,269                                | 25,894 | 1,177             | 27,072 | (3,211)                | 23,861   |
| Other items   |                              |                                      |        |                   |        |                        |  |
| Depreciation  | 693                          | 112                                  | 805    | 150               | 955    | 20                     | 975  |
| Amortization of<br>goodwill   | 7                            | —                                    | 7      | 9                 | 17     | —                      | 17   |
| Increase in property,<br>plant and equipment<br>and intangible assets | 975                          | 112                                  | 1,087  | 192               | 1,280  | —                      | 1,280  |

(Notes) 1. The “Other” section consists of business segments not included in reportable segments and includes beverage product manufacturing, office coffee service, e-commerce, transportation and logistics, and insurance agency businesses operated by consolidated subsidiaries.

2. Adjustments consisted of the following.

- (1) The adjustment of negative 618 million yen to segment profit (loss) includes an elimination of internal transactions of negative 5 million yen, an inventories adjustment of negative 20 million yen, and corporate expenses not allocated to reportable segments of negative 593 million yen. Corporate expenses primarily consist of general and administrative expenses that do not belong to reportable segments.
- (2) The adjustment of negative 2,144 million yen to segment assets includes corporate assets that do not belong to reportable segments of 1,879 million yen; and capital and receivable offsets with inter-segment investments, etc. of negative 4,024 million yen. Corporate assets primarily consist of assets relating to administrative divisions.
- (3) The adjustment of negative 3,211 million yen to segment liabilities consists of an inter-segment obligation offset.

3. Segment profit (loss) has been adjusted with operating profit in the consolidated financial statements.

## (Per share information)

|                          | Previous consolidated fiscal year<br>(From April 1, 2022<br>to March 31, 2023) | Consolidated fiscal year under review<br>(From April 1, 2023<br>to March 31, 2024) |
|--------------------------|--|--|
| Net assets per share     | ¥1,412.75  | ¥1,432.35  |
| Basic earnings per share | ¥8.08  | ¥8.42  |

## (Notes)

1. Diluted earnings per share is not presented because no potential shares exist.
2. The company's own shares in the Board Benefit Trust (BBT) recorded as treasury shares under shareholders' equity are included in treasury shares excluded from the calculation of the average number of shares outstanding during the period used for calculating net assets per share and basic earnings per share.
3. The number of said treasury shares at the end of the period excluded from the calculation of net assets per share was 267,400 in the previous fiscal year and 266,000 in the consolidated fiscal year under review.
4. The average number of said treasury shares during the period excluded from the calculation of basic earnings per share was 267,400 in the previous fiscal year and 266,600 in the consolidated fiscal year under review.
5. The basis for the calculation of basic earnings per share is as follows.

| Item  | Previous consolidated fiscal<br>year<br>(From April 1, 2022<br>to March 31, 2023) | Consolidated fiscal year under<br>review<br>(From April 1, 2023<br>to March 31, 2024) |
|---|---|---|
| Basic earnings per share  |   |   |
| Profit attributable to owners of parent<br>(Million yen)                              | 173   | 180   |
| Amount not attributable to common<br>shareholders (Million yen)                       | —   | —   |
| Profit attributable to owners of parent<br>relating to common shares<br>(Million yen) | 173   | 180   |
| Average number of common shares<br>outstanding during the period (Shares)             | 21,412,344  | 21,413,144  |

## (Significant subsequent events)

Not applicable.