

# Consolidated Financial Results for the Three Months Ended June 30, 2024 [Japanese GAAP]



July 29, 2024

Company name: KEY COFFEE INC  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 2594  
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 Scheduled date of commencing dividend payments: –  
 Availability of supplementary explanatory materials on financial results: Not available  
 Schedule of financial results briefing session: Not scheduled

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

## 1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (April 1, 2024 - June 30, 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	%
Three months ended								
June 30, 2024	19,073	(0.8)	665	(11.8)	716	(8.4)	462	(21.8)
June 30, 2023	19,219	26.4	754	20.1	782	8.2	591	12.6

(Note) Comprehensive income: Three months ended June 30, 2024: ¥448 million [(35.0)%]  
 Three months ended June 30, 2023: ¥690 million [22.4%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
June 30, 2024	21.59	–
June 30, 2023	27.61	–

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of			
June 30, 2024	57,145	31,311	54.2
March 31, 2024	54,832	30,971	55.9

(Reference) Equity: As of June 30, 2024: ¥30,995 million  
 As of March 31, 2024: ¥30,671 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	–	7.00	–	5.00	12.00
Fiscal year ending March 31, 2025	–				
Fiscal year ending March 31, 2025 (Forecast)		6.00	–	6.00	12.00

(Note) Revision to the forecast for dividends announced most recently: None

### 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
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	74,000	0.3	500	(34.6)	700	(19.3)	500	177.2	23.35

(Note) Revision to the financial results forecast announced most recently: None

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) Significant changes in the scope of consolidation during the period under review: None

Newly included: – (Company name: –)

Excluded: – (Company name: –)

(2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(4) Total number of issued shares (common shares)

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

June 30, 2024: 22,689,000 shares

March 31, 2024: 22,689,000 shares

2) Total number of treasury shares at the end of the period:

June 30, 2024: 1,275,856 shares

March 31, 2024: 1,275,856 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2024: 21,413,144 shares

Three months ended June 30, 2023: 21,413,144 shares

(Note) The total number of treasury shares at the end of the period includes the shares of the Company (266,600 shares on June 30, 2024, 266,600 shares on March 31, 2024) 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 June 30, 2024, 266,600 shares on June 30, 2023).

\* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

\* 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 “(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 5 of the attached document.

Table of Contents - Attachments

1. Overview of Operating Results, etc.....	2
(1) Overview of Operating Results for the Period under Review .....	2
(2) Overview of Financial Position for the Period under Review .....	5
(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information.....	5
2. Quarterly Consolidated Financial Statements and Principal Notes .....	6
(1) Quarterly Consolidated Balance Sheets .....	6
(2) Quarterly Consolidated Statements of Income and Comprehensive Income .....	8
(3) Notes to Quarterly Consolidated Financial Statements .....	10
(Changes in accounting policies).....	10
(Segment information, etc.) .....	11
(Notes in the event of significant changes in the amount of shareholders' equity) .....	12
(Notes on going concern assumption) .....	12
(Notes on Statements of Cash Flows).....	12

## 1. Overview of Operating Results, etc.

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

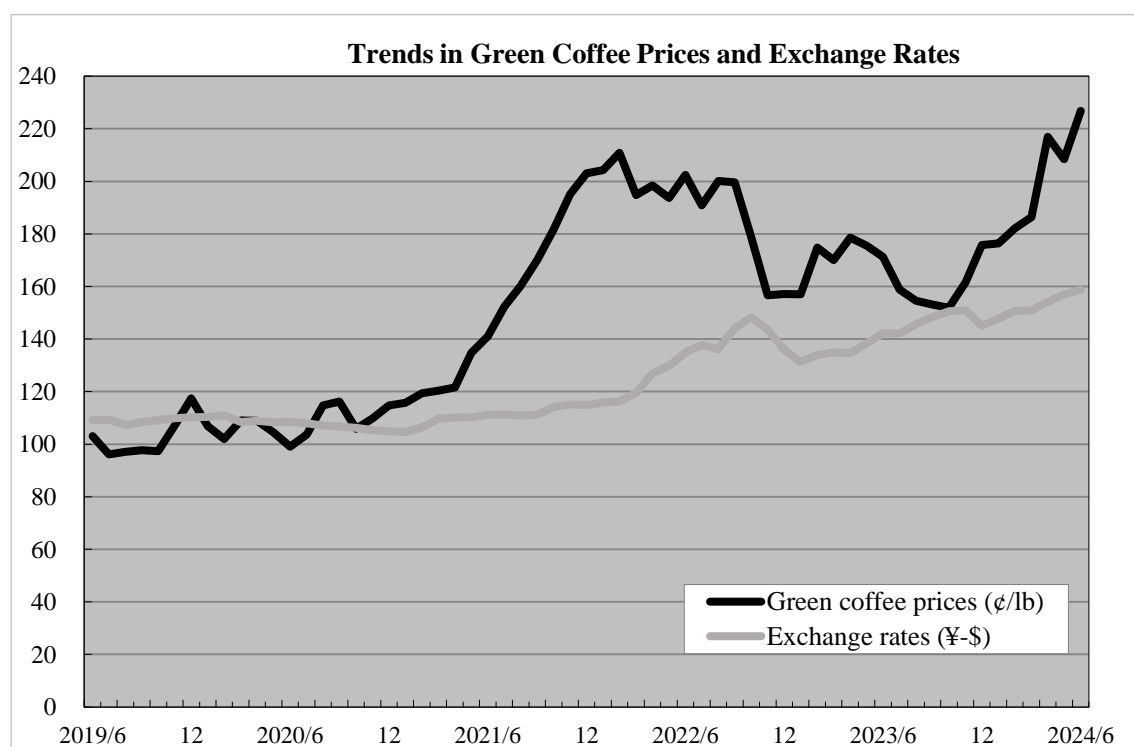
<Consolidated Operating Results>

(Unit: Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024	Year-on-year increase (decrease)	Year-on-year percent increase (decrease)
Net sales	19,219	19,073	(145)	(0.8%)
Operating profit	754	665	(88)	(11.8%)
Ordinary profit	782	716	(65)	(8.4%)
Profit attributable to owners of parent	591	462	(128)	(21.8%)

During the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024), the Japanese economy continued gradual recovery. Amid improvements in employment and income environment, this trend is expected to continue further, partly driven by the effects of policies implemented by the government and the Bank of Japan. However, there are high level of uncertainties surrounding the economy and prices, including developments in overseas economic and price situations as well as in the international financial capital market and resource prices, suggesting the need to pay close attention to trends in the financial and foreign exchange markets.

In the coffee industry, both imports and consumption of green beans grew in Japan from the same period of the previous fiscal year. Green bean prices, which have a significant impact on our financial results, remain high, with the ICO Composite Indicator Price announced by the International Coffee Organization (ICO) having soared to stay above 200 US cents/lb since April 2024. In the foreign exchange market, the depreciation of the yen continues as the yen has fallen against the dollar beyond the 150 yen mark, even temporarily hitting the 160 yen level. These two factors drove the prices of green beans to the highest level in the past five years.



(Green Coffee Price: ICO Composite Indicator Price)

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 improving 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.”

The Company has been engaged in business activities to keep the coffee culture alive and realize sustainable coffee cultivation in accordance with its vision for 2030, “Coffee and KISSA as a Sustainable Company.” The Company’s Chubu Factory, located in Kasugai City, Aichi Prefecture, has converted the source of electricity it consumes entirely to renewable energy by implementing measures such as installing solar panels. “Future of Coffee Department,” which was established in 2022 under the direct control of the President with the aim of realizing sustainable coffee production, has been strengthening industry-academia-government collaboration. In May 2024, the Company’s Representative Director and President became the first Asian board member of the World Coffee Research (WCR), an international research organization for coffee, and has been working to enhance support for producers to resolve the so-called 2050 problem for coffee. Having celebrated the 100th anniversary of its founding in August 2020, the Company has already started advancing down the path toward an enterprise that has prospered for two centuries.

Net sales of the KEY COFFEE Group for the three months ended June 30, 2024, were 19,073 million yen (a 0.8% decrease compared with the same period of the previous fiscal year), operating profit was 665 million yen (an 11.8% decrease compared with the same period of the previous fiscal year), ordinary profit was 716 million yen (an 8.4% decrease compared with the same period of the previous fiscal year), and profit attributable to owners of parent was 462 million yen (a 21.8% decrease compared with the same period of the previous fiscal year).

<Operating Results by Segment>

(Unit: Millions of yen)

Business segment	Net sales				Operating profit			
	Three months ended June 30, 2023	Three months ended June 30, 2024	Year-on-year increase (decrease)	Year-on-year percent increase (decrease)	Three months ended June 30, 2023	Three months ended June 30, 2024	Year-on-year increase (decrease)	Year-on-year percent increase (decrease)
Coffee-related businesses	16,936	16,948	12	0.1%	693	634	(58)	(8.5%)
Restaurant-related businesses	1,066	1,046	(20)	(1.9%)	7	9	1	26.5%
Other	1,216	1,077	(138)	(11.4%)	198	169	(28)	(14.3%)
Adjustment	—	—	—	—	(144)	(148)	(3)	—
Total	19,219	19,073	(145)	(0.8%)	754	665	(88)	(11.8%)

(Coffee-related businesses)

The coffee-related businesses consist of the HORECA market, the Household market, and the ingredient market.

In the HORECA market, we sell products mainly to coffee shops, hotels, restaurants, and other food service establishments, proposing wide-ranging products, including coffee as our mainstay product, as well as food items and drinks, according to the needs of clients.

Regarding product sales, we continued to promote sales of high value-added coffee products, such as TOARCO TORAJA, HYO-ON Aging Coffee, and coffee produced in certified plantations. We also worked to expand the marketing channels for the SHOTT flavored coffee syrups, which are produced in New Zealand from natural ingredients and has made their debut in the Japanese market, and for Lipton tea products. In addition, we held coffee seminars for clients in many locations across Japan with a view to strengthening business relations with them. For some of the products for the HORECA market, we have adopted environmentally conscious product packaging partially made from used jute coffee bags, which would otherwise have been discarded. This was the first attempt of

this kind in the world and demonstrates our commitment to environmental initiatives, including reducing plastic consumption. No cafes were opened or closed under “KEY’S CAFÉ” (Shop Opening Service), our model cafe package service that supports cafe openings in various location environment. As a result, the number of KEY’S CAFÉ cafes remained unchanged from 68 at the end of the previous consolidated fiscal year.

In the Household market, we sell coffee, tea, and other consumer packaged goods to food wholesalers, retailers, etc.

Regarding product sales, we released “GRAND TASTE Iced Coffee (FP)” from the GRAND TASTE brand, which consists of regular coffee that is rich in aroma and suited for casual enjoyment. We also renewed two “KEY DOORS+ Liquid Coffee Tetra Prisma” items and “KEY DOORS+ KOUMI-MAROYAKA Cold Brew Coffee Pack,” which are both from the KEY DOORS+ household coffee brand launched in the autumn of 2023. For gift items, we have lined up a total of 27 items for the mid-year gift season, with emphasis on summer-only gift items, including “Liquid Coffee. 100% Juice & Soft Drinks” gift, which can be enjoyed by families, and “HYO-ON Aging Liquid Coffee Gift,” which offers coffee with aromas and tastes produced through aging in ice storage.

In the ingredient market, we sell coffee for use as an ingredient mainly to beverage manufacturers. The sales price is contracted based on the international market price for green coffee beans.

In the coffee-related businesses, sales increased but profit declined compared with the same period of the previous fiscal year. This is because the cost of sales increased although we secured net sales roughly equivalent to the year-ago level and strove to restrain selling, general and administrative expenses.

Consequently, in the three months ended June 30, 2024, net sales for our coffee-related businesses were 16,948 million yen (a 0.1% increase compared with the same period of the previous fiscal year), and operating profit was 634 million yen (an 8.5% decrease compared with the same period of the previous fiscal year).

#### (Restaurant-related businesses)

The restaurant-related businesses are operated by our consolidated subsidiaries.

Italian Tomato Co., Ltd. secured operating profit as a result of serving new seasonal menu items made from seasonal ingredients every month, continuing commitment to shop operation improvement and reduction in food waste and loss, and working to attract more customers through efforts such as opening temporary shops for events. The number of the company’s shops stood at 139 (49 directly managed shops and 90 franchise shops).

Consequently, in the three months ended June 30, 2024, net sales for the restaurant-related businesses were 1,046 million yen (a 1.9% decrease compared with the same period of the previous fiscal year), and operating profit was 9 million yen (a 26.5% increase compared with the same period of the previous fiscal year).

#### (Other)

The Other section consists of business segments not included in the coffee-related businesses or the restaurant-related businesses and includes beverage product manufacturing business and e-commerce business operated by our consolidated subsidiaries.

Nic Foods Co., Ltd., which is engaged in the beverage product manufacturing business, implemented measures to increase productivity, such as automating the packaging process at its factory and eliminating day/night shift work, to fulfill its management policy of “Sustainable Revenue Generation.” Sales increased compared with the same period of the previous fiscal year as a result of efforts to secure the workforce through diversity promotion, such as hiring foreign employees.

At honu KATO COFFEE Inc., which operates an e-commerce business, profit increased compared with the same period of the previous fiscal year as a result of efforts to secure profit, including raising sales prices, reducing sales promotion costs, and reviewing packaging, amid a significant rise in raw materials prices, logistics and other costs, a trend continuing from the previous fiscal year.

Consequently, in the three months ended June 30, 2024, net sales for other businesses were 1,077 million yen (an 11.4% decrease compared with the same period of the previous fiscal year), and operating profit was 169 million yen (a 14.3% decrease compared with the same period of the previous fiscal year).

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

### <Consolidated Financial Position>

(Unit: Millions of yen)

	As of March 31, 2024	As of June 30, 2024	Increase (decrease)
Current assets	36,473	38,852	2,379
Non-current assets	18,359	18,292	(66)
Total assets	54,832	57,145	2,313
Current liabilities	21,968	23,783	1,814
Non-current liabilities	1,892	2,050	158
Total liabilities	23,861	25,834	1,972
Net assets	30,971	31,311	340
Total liabilities and net assets	54,832	57,145	2,313

#### (Assets)

Assets increased by 2,313 million yen from the end of the previous consolidated fiscal year to 57,145 million yen.

Current assets increased by 2,379 million yen to 38,852 million yen. This was primarily due to increases in notes and accounts receivable - trade (up 776 million yen), merchandise and finished goods (up 780 million yen), and raw materials and supplies (up 720 million yen).

Non-current assets decreased by 66 million yen to 18,292 million yen. Property, plant and equipment decreased by 64 million yen, and intangible assets decreased by 21 million yen, while investments and other assets increased by 19 million yen.

#### (Liabilities)

Liabilities increased by 1,972 million yen from the end of the previous consolidated fiscal year to 25,834 million yen.

Current liabilities increased by 1,814 million yen to 23,783 million yen. This was primarily due to increases in notes and accounts payable - trade (up 1,269 million yen) and short-term borrowings (up 1,805 million yen) and a decrease in accounts payable - other (down 625 million yen).

Non-current liabilities increased by 158 million yen to 2,050 million yen.

#### (Net assets)

Net assets increased by 340 million yen from the end of the previous consolidated fiscal year to 31,311 million yen. This was primarily due to an increase in retained earnings (up 353 million yen).

## (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

At this time, there are no changes with regard to the financial results forecast for the fiscal year ending March 31, 2025, which was announced on May 13, 2024.

## 2. Quarterly Consolidated Financial Statements and Principal Notes

### (1) Quarterly Consolidated Balance Sheets

(Unit: Millions of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	4,667	4,667
Notes and accounts receivable - trade	15,694	16,471
Merchandise and finished goods	3,204	3,985
Work in process	265	372
Raw materials and supplies	11,942	12,663
Other	800	798
Allowance for doubtful accounts	(102)	(104)
Total current assets	36,473	38,852
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,893	3,893
Machinery, equipment and vehicles, net	1,691	1,585
Land	6,428	6,428
Other, net	584	626
Total property, plant and equipment	12,597	12,533
Intangible assets		
Goodwill	119	115
Other	490	473
Total intangible assets	609	588
Investments and other assets		
Investment securities	3,843	3,853
Long-term loans receivable	28	26
Deferred tax assets	91	95
Guarantee deposits	740	724
Other	585	608
Allowance for doubtful accounts	(137)	(137)
Total investments and other assets	5,151	5,171
Total non-current assets	18,359	18,292
<b>Total assets</b>	<b>54,832</b>	<b>57,145</b>



(Unit: Millions of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	12,323	13,593
Short-term borrowings	5,343	7,149
Accounts payable - other	2,266	1,641
Income taxes payable	211	153
Provision for bonuses	412	203
Other	1,410	1,042
Total current liabilities	21,968	23,783
Non-current liabilities		
Deferred tax liabilities	416	516
Deferred tax liabilities for land revaluation	478	478
Provision for share awards	86	92
Other provisions	4	5
Retirement benefit liability	176	183
Asset retirement obligations	417	413
Other	311	360
Total non-current liabilities	1,892	2,050
<b>Total liabilities</b>	<b>23,861</b>	<b>25,834</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	4,628	4,628
Capital surplus	5,071	5,071
Retained earnings	25,194	25,548
Treasury shares	(2,539)	(2,539)
Total shareholders' equity	32,355	32,709
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	753	745
Revaluation reserve for land	(2,736)	(2,736)
Foreign currency translation adjustment	17	27
Remeasurements of defined benefit plans	282	250
Total accumulated other comprehensive income	(1,684)	(1,713)
Non-controlling interests	300	315
<b>Total net assets</b>	<b>30,971</b>	<b>31,311</b>
<b>Total liabilities and net assets</b>	<b>54,832</b>	<b>57,145</b>

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

## Quarterly Consolidated Statements of Income

Three Months Ended June 30

(Unit: Millions of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Net sales	19,219	19,073
Cost of sales	14,890	14,933
Gross profit	4,329	4,140
Selling, general and administrative expenses		
Advertising and sample expense	243	319
Packing and transportation costs	584	626
Vehicle expenses	99	97
Provision of allowance for doubtful accounts	4	3
Remuneration for directors (and other officers)	66	63
Salaries and bonuses	1,142	1,118
Provision for bonuses	154	39
Retirement benefit expenses	15	(17)
Welfare expenses	198	181
Rent expenses	191	192
Depreciation	66	73
Supplies expenses	54	53
Research and development expenses	54	43
Other	699	679
Total selling, general and administrative expenses	3,575	3,475
Operating profit	754	665
Non-operating income		
Interest income	0	0
Dividend income	11	13
Share of profit of entities accounted for using equity method	–	20
Foreign exchange gains	1	–
Rental income from real estate	19	17
Other	9	13
Total non-operating income	42	65
Non-operating expenses		
Interest expenses	8	10
Share of loss of entities accounted for using equity method	0	–
Foreign exchange losses	–	0
Rental expenses on real estate	3	2
Other	1	0
Total non-operating expenses	14	13
Ordinary profit	782	716
Profit before income taxes	782	716
Income taxes - current	154	126
Income taxes - deferred	11	113
Total income taxes	165	239
Profit	616	477
Profit attributable to non-controlling interests	25	14
Profit attributable to owners of parent	591	462

Quarterly Consolidated Statements of Comprehensive Income  
Three Months Ended June 30

(Unit: Millions of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Profit	616	477
Other comprehensive income		
Valuation difference on available-for-sale securities	68	(4)
Foreign currency translation adjustment	8	10
Remeasurements of defined benefit plans, net of tax	(4)	(31)
Share of other comprehensive income of entities accounted for using equity method	0	(2)
Total other comprehensive income	73	(28)
Comprehensive income	690	448
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	664	432
Comprehensive income attributable to non-controlling interests	26	15

### (3) Notes to Quarterly Consolidated Financial Statements

#### (Changes in accounting policies)

##### (Application of Accounting Standard for Current Income Taxes and other standards)

The Company has applied the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the “2022 Revised Accounting Standard”) and other standards from the beginning of the first quarter of the current consolidated fiscal year.

Regarding the revisions to the categories in which income taxes should be recorded (taxation on other comprehensive income), the Company follows the transitional treatment prescribed in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard and the transitional treatment prescribed in the proviso to Paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “2022 Revised Guidance”). This change in accounting policies has no impact on the quarterly consolidated financial statements.

In addition, with regard to revisions related to the treatment in consolidated financial statements of gains or losses arising from the sale of subsidiary shares, etc. between consolidated companies when they are deferred for tax purposes, the Company has applied the 2022 Revised Guidance from the beginning of the first quarter of the current consolidated fiscal year. This change in accounting policies has no impact on the quarterly consolidated financial statements and the consolidated financial statements for the previous consolidated fiscal year.

(Segment information, etc.)

I For the three months ended June 30, 2023 (From April 1, 2023 to June 30, 2023)

1. Information on net sales and profit by reportable segment

(Unit: Millions of yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Quarterly Consolidated Statements of Income (Note 3)
	Coffee- related businesses	Restaurant- related businesses	Total				
Net sales							
Revenue from contracts with customers	16,930	1,066	17,997	1,216	19,213	–	19,213
Revenue from other sources	5	–	5	–	5	–	5
Net sales to outside customers	16,936	1,066	18,003	1,216	19,219	–	19,219
Inter-segment net sales or transfers	173	3	176	374	550	(550)	–
Total	17,109	1,070	18,179	1,590	19,770	(550)	19,219
Segment profit	693	7	700	198	898	(144)	754

(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. The adjustment of negative 144 million yen to segment profit includes an elimination of internal transactions of negative 0 million yen, an inventories adjustment of 2 million yen, and corporate expenses not allocated to reportable segments of negative 146 million yen.

Corporate expenses primarily consist of general and administrative expenses that do not belong to reportable segments.

3. Segment profit has been adjusted with operating profit in the quarterly consolidated statements of income.

II For the three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)

1. Information on net sales and profit by reportable segment

(Unit: Millions of yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Quarterly Consolidated Statements of Income (Note 3)
	Coffee- related businesses	Restaurant- related businesses	Total				
Net sales							
Revenue from contracts with customers	16,935	1,046	17,982	1,077	19,060	–	19,060
Revenue from other sources	13	–	13	–	13	–	13
Net sales to outside customers	16,948	1,046	17,995	1,077	19,073	–	19,073
Inter-segment net sales or transfers	178	5	183	409	593	(593)	–
Total	17,127	1,052	18,179	1,487	19,667	(593)	19,073
Segment profit	634	9	643	169	813	(148)	665

- (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. The adjustment of negative 148 million yen to segment profit includes an elimination of internal transactions of 17 million yen, an inventories adjustment of negative 2 million yen, and corporate expenses not allocated to reportable segments of negative 163 million yen.  
Corporate expenses primarily consist of general and administrative expenses that do not belong to reportable segments.
3. Segment profit has been adjusted with operating profit in the quarterly consolidated statements of income.

(Notes in the event of significant changes in the amount of shareholders’ equity)

Not applicable.

(Notes on going concern assumption)

Not applicable.

(Notes on Statements of Cash Flows)

Quarterly Consolidated Statements of Cash Flows for the three months ended June 30, 2024 are not prepared. Depreciation (including amortization of intangible assets, excluding goodwill) and amortization of goodwill for the three months ended June 30 are as follows.

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Depreciation	223 million yen	237 million yen
Amortization of goodwill	4 million yen	4 million yen