

**Consolidated Financial Statements**  
**The Fiscal Year ended March 31<sup>st</sup>, 2025**  
**(From April 1<sup>st</sup>, 2024 to March 31<sup>st</sup>, 2025)**

**Takasago International Corporation**

**Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.**

## **1. Business Results**

During this consolidated fiscal year, the Japanese economy recovered gradually, although some weakening was observed in certain areas.

The global economy continued to grow at a moderate pace, but the outlook remained uncertain due to geopolitical risks, such as the situations in Ukraine and the Middle East, and concerns about an economic slowdown, mainly in China and Europe and the United States.

The flavor and fragrance industry also showed overall solid performance remained steady in line with domestic and international economic trends.

Under these circumstances, the Takasago group has been promoting the mid-term management plan “New Global Plan-2 [NGP-2]” (fiscal 2024-2026) based on “Vision 2040,” which has the slogan “Be kind to people and the environment.”

During this consolidated fiscal year under review, consolidated net sales increased 17.0% year on year, to ¥229,207 million.

Looking at the business segment, net sales in the Flavor segment increased 9.8% year on year, to ¥119,834 million, due to solid performance in beverages at the U.S. subsidiaries.

In the Fragrance segment, net sales increased 18.8% year on year, to ¥74,471 million, due to improvement of the shipping adjustment. In the Aroma Ingredients segment, business performed well in specialty products, achieving a 20.7% increase to ¥15,672 million. In the Fine Chemicals segment, business performed well in pharmaceutical intermediates, among other products, resulting in an increase of 84.0% to ¥17,820 million. The other real estate segment decreased 0.1% year on year, to ¥1,408 million.

In terms of profits, operating profit increased 562.4% year on year to ¥15,341 million yen, and ordinary income increased 225.3% year on year, to ¥15,311 million yen.

In addition, net income attributable to shareholders of the parent company increased 393.8% year on year, to ¥13,325 million.

By region, net sales in Japan increased 1.7% year on year, to ¥73,552 million due to solid performance in the beverage segment of Flavors segment. Profit margins improved primarily due to product mix optimization in the Aroma Ingredients business and increased inter-segment sales within the Fine Chemicals segment, leading to operating profit increased 229.5% year on year, to ¥4,478 million.

In the Americas, net sales increased 32.2% year on year, to ¥66,535 million and operating profit increased 1,514.5% year on year, to ¥2,582 million, due to an improvement in gross profit through

optimization of product mix, selling prices and raw material in addition to an improved shipment adjustment situation that occurred with the implementation of the new enterprise system at a US subsidiary at the end of the previous period.

In Europe, net sales increased 18.2% year on year, to ¥39,324 million due to strong performance in the French and German subsidiaries, and operating profit was ¥2,455 million (operating loss of ¥1,247 million in the previous year), due to improved gross profit through optimization of product mix, selling prices, and raw materials.

In Asia, net sales increased 24.5% year on year, to ¥49,794 million and operating profit increased 122.9% year on year, to ¥4,949 million, due to the strong performance in the Singapore subsidiaries and Indonesia subsidiaries.

## 2. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31 <sup>st</sup> , 2024	As of March 31 <sup>st</sup> , 2025
<b>Assets</b>		
Current Assets		
Cash and deposits	18,333	35,590
Notes receivable	544	103
Accounts receivable	45,023	50,281
Electronically recorded monetary claim	2,784	2,442
Merchandise and finished goods	30,964	31,700
Work in progress	298	164
Raw materials and supplies	24,193	29,328
Others	4,102	5,607
Allowance for doubtful accounts	(207)	(201)
Total current assets	126,038	155,016
Non-current assets		
Property, plant and equipment		
Buildings and structures	83,782	89,542
Accumulated depreciation	(52,143)	(56,296)
Buildings and structures (net)	31,638	33,246
Machinery, equipment and vehicles	73,819	78,175
Accumulated depreciation	(62,170)	(66,097)
Machinery, equipment and vehicles (net)	11,648	12,078
Tools, furniture and fixtures	16,965	18,654
Accumulated depreciation	(13,993)	(15,229)
Tools, furniture and fixtures (net)	2,971	3,425
Land	8,342	8,507
Right-of-use assets	3,194	3,887
Accumulated depreciation	(745)	(1,114)
Right-of-use assets (net)	2,448	2,773
Construction in progress	8,032	11,050
Total property, plant and equipment	65,083	71,081
Intangible asset	4,710	4,922
Investments and other assets		
Investment in securities	24,433	23,204
Investment in Capital	114	159
Long-term loans receivable	707	583
Net defined benefit asset	2,644	2,372
Differed tax assets	3,093	3,279
Others	2,071	2,034
Allowance for doubtful accounts	(469)	(479)
Total investments and other assets	32,595	31,152
Total non-current assets	102,388	107,157
<b>Total Assets</b>	<b>228,427</b>	<b>262,174</b>

(Millions of yen)

	As of March 31 <sup>st</sup> , 2024	As of March 31 <sup>st</sup> , 2025
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable	18,935	21,884
Short-term loans payable	23,944	31,978
Current portion of long-term loans payable	9,464	6,535
Income taxes payable	815	2,875
Provision for bonuses	2,095	2,269
Provision for directors' bonuses	42	61
Others	13,769	14,770
Total current liabilities	69,068	80,375
Non-current liabilities		
Long-term loans payable	13,327	19,554
lease obligations	2,252	2,640
Deferred Tax liabilities	2,209	1,841
Provision for directors' retirement benefits	21	18
Allowance for litigation losses	156	470
Net defined benefit liability	9,606	9,911
Others	906	967
Total non-current liabilities	28,479	35,404
Total liabilities	97,547	115,779
<b>Net assets</b>		
Shareholders' equity		
Capital stock	9,248	9,248
Capital surplus	8,389	8,412
Retained earnings	89,919	101,014
Treasury stock	(1,652)	(1,614)
Total shareholders' equity	105,906	117,061
Accumulated other comprehensive income		
Unrealized gains (losses) on available-for-sale securities	11,139	10,125
Deferred gains (losses) on hedges	4	(4)
Foreign currency translation adjustment	10,920	16,261
Remeasurements of defined benefit plans	1,083	758
Total accumulated other comprehensive income	23,148	27,141
Non-controlling interests	1,825	2,191
Total net assets	130,880	146,394
Total liabilities and net assets	228,427	262,174

(2) Consolidated Statements of Income and Consolidated Comprehensive Income  
[Consolidated statements of income]

(Millions of yen)

	FY2023 (From April 1 <sup>st</sup> , 2023 to March 31 <sup>st</sup> , 2024)	FY2024 (From April 1 <sup>st</sup> , 2024 to March 31 <sup>st</sup> , 2025)
Net sales	195,940	229,207
Cost of sales	139,463	151,810
Gross profit	56,476	77,397
Selling, general and administrative expenses	54,160	62,055
Operating profit	2,316	15,341
Non-operating profit		
Interest income	127	103
Dividends income	557	559
Equity in earnings of affiliates	—	668
Foreign exchange gains	1,993	—
Others	512	560
Total non-operating profit	3,190	1,891
Non-operating expenses		
Interest expenses	565	714
Equity in losses of affiliates	140	—
Foreign exchange loss	—	566
Bad debt expense	—	419
Others	92	221
Total non-operating expenses	799	1,922
Ordinary profit	4,707	15,311
Extraordinary income		
Gain on sales of non-current assets	7	13
Gain on sales of investment in securities	852	2,709
Subsidy income	—	26
Others	90	20
Total extraordinary income	950	2,770
Extraordinary losses		
Loss on disposal of non-current assets	77	58
Impairment loss	506	—
Loss on tax purpose reduction entry of non-current assets	—	26
Provision for loss on litigation	151	304
Others	11	1
Total extraordinary losses	747	391
Income before income taxes	4,911	17,690
Income taxes—current	1,707	3,799
Income taxes—deferred	381	239
Total income taxes	2,088	4,038
Net income	2,822	13,651
Net income attributable to non-controlling interests	124	326
Net income attributable to owners of parent	2,698	13,325

[Consolidated statements of Comprehensive Income]

(Millions of yen)

	FY2023 (From April 1st, 2023 to March 31st, 2024)	FY2024 (From April 1st, 2024 to March 31st, 2025)
Net income	2,822	13,651
Other comprehensive income		
Unrealized gains (losses) on available-for-sale securities	766	(1,013)
Deferred gains (losses) on hedges	2	(9)
Foreign currency translation adjustment	5,164	5,221
Remeasurements of defined benefit plans	1,654	(323)
Share of other comprehensive income of associates accounted for using equity method	130	273
Total other comprehensive income	7,719	4,147
Comprehensive income	10,541	17,799
(Break down)		
Comprehensive income attributable to owners of the parent	10,336	17,318
Comprehensive income attributable to non-controlling interests	205	481

(3) Consolidated Statements of Changes in Net Assets  
FY2023 (From April 1<sup>st</sup>, 2023 to March 31<sup>st</sup>, 2024)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	9,248	8,384	88,778	(1,711)	104,700
Changes of items during the period					
Dividends from surplus			(1,557)		(1,557)
Net income attributable to owners of parent			2,698		2,698
Purchase of treasury stock				(3)	(3)
Disposal of treasury stock		5		62	67
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	5	1,141	59	1,205
Balance at the end of current period	9,248	8,389	89,919	(1,652)	105,906

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	10,372	1	5,705	(569)	15,510	1,742	121,953
Changes of items during the period							
Dividends from surplus							(1,557)
Net income attributable to owners of parent							2,698
Purchase of treasury stock							(3)
Disposal of treasury stock							67
Net changes of items other than shareholders' equity	766	2	5,214	1,653	7,637	83	7,720
Total changes of items during the period	766	2	5,214	1,653	7,637	83	8,926
Balance at the end of current period	11,139	4	10,920	1,083	23,148	1,825	130,880



FY2024 (From April 1<sup>st</sup>, 2024 to March 31<sup>st</sup>, 2025)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	9,248	8,389	89,919	(1,652)	105,906
Changes of items during the period					
Dividends from surplus			(2,240)		(2,240)
Net income attributable to owners of parent			13,325		13,325
Purchase of treasury stock				(7)	(7)
Disposal of treasury stock		22		45	68
Others			10		10
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	22	11,904	37	11,154
Balance at the end of current period	9,248	8,412	101,014	(1,614)	117,061

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	11,139	4	10,920	1,083	23,148	1,825	130,880
Changes of items during the period							
Dividends from surplus							(2,240)
Net income attributable to owners of parent							13,325
Purchase of treasury stock							(7)
Disposal of treasury stock							68
Others							10
Net changes of items other than shareholders' equity	(1,013)	(9)	5,341	(325)	3,993	366	4,359
Total changes of items during the period	(1,013)	(9)	5,341	(325)	3,993	366	15,514
Balance at the end of current period	10,125	(4)	16,261	758	27,141	2,191	146,394

(4) Consolidated Statements of Cash flows

(Millions of yen)

	FY2023 (From April 1 <sup>st</sup> , 2023 to March 31 <sup>st</sup> , 2024)	FY2024 (From April 1 <sup>st</sup> , 2024 to March 31 <sup>st</sup> , 2025)
Net cash provided by (used in) operating activities		
Income before income taxes	4,911	17,690
Depreciation and amortization	7,860	8,114
Impairment loss	506	—
Bad debt expense	—	419
Increase (decrease) in allowance for doubtful accounts	(143)	(30)
Increase (decrease) in net defined benefit liability	412	276
Increase (decrease) in net defined benefit asset	(44)	(168)
Interest and dividends income	(685)	(662)
Interest expenses	565	714
Loss (gain) on sales of investment in securities	(852)	(2,709)
Loss (gain) on sales and disposal of non-current assets	70	45
Loss on reduction entry of non-current assets	—	26
Subsidy income	—	(26)
Decrease (increase) in notes and accounts receivable	(3,931)	(1,972)
Decrease (increase) in inventories	2,675	(3,786)
Increase (decrease) in notes and accounts payable	(357)	1,531
Other, net	459	1,183
Subtotal	11,447	20,645
Interest and dividends income received	684	724
Interest expenses paid	(609)	(691)
Income taxes (paid) refund	(1,510)	(1,781)
Subsidy income	—	26
Net cash provided by (used in) operating activities	10,011	18,922
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(6,041)	(11,302)
Proceeds from sale of property, plant and equipment	2	21
Purchase of intangible assets	(1,639)	(994)
Purchase of investment in securities	(20)	(19)
Proceeds from sale of investment in securities	1,048	3,055
Payments of loans receivable	(107)	(138)
Collections of loans receivable	76	296
Decrease (increase) in term deposits	—	(4)
Other, net	(136)	(39)
Net cash provided by (used in) investing activities	(6,818)	(9,127)

	(Millions of yen)	
	FY2023 (From April 1 <sup>st</sup> , 2023 to March 31 <sup>st</sup> , 2024)	FY2024 (From April 1 <sup>st</sup> , 2024 to March 31 <sup>st</sup> , 2025)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	1,567	6,789
Proceeds from long-term loans payable	7,900	12,800
Repayment of long-term loans payable	(7,862)	(9,808)
Purchase of treasury stock	(3)	(7)
Cash dividends paid	(1,556)	(2,236)
Cash dividends paid to non-controlling interests	(122)	(114)
Other, net	(375)	(539)
Net cash provided by (used in) financing activities	(453)	6,882
Effect of exchange rate change on cash and cash equivalents	624	573
Net increase (decrease) in cash and cash equivalents	3,364	17,251
Cash and cash equivalents at beginning of period	14,969	18,333
Cash and cash equivalents at end of period	18,333	35,585

### 3. Segment Information

(1) FY2023 (April 1<sup>st</sup>, 2023 – March 31<sup>st</sup>, 2024)

Information Concerning Sales, Profit or Loss, Assets, and other items Amount by Reporting Segment

(Millions of yen)

	Japan	Americas	Europe	Asia	Total	Adjustment Amount *1	Quarterly consolidated statement of income amount *2
Net sales							
The flavors and fragrances business*3	70,929	50,329	33,263	40,008	194,530	—	194,530
Revenue from contracts with customers	70,929	50,329	33,263	40,008	194,530	—	194,530
Other revenue*4	1,409	—	—	—	1,409	—	1,409
External sales	72,338	50,329	33,263	40,008	195,940	—	195,940
Inter-segment sales or transfers	15,899	362	3,651	324	20,237	(20,237)	—
Total	88,237	50,692	36,914	40,332	216,177	(20,237)	195,940
Segment profit or loss	1,359	159	(1,247)	2,220	2,492	(176)	2,316
Segment Assets	138,358	36,931	36,646	41,247	253,183	(24,756)	228,427
Other Items							
Depreciation	4,039	774	1,605	1,441	7,860	—	7,860
Increase in property, plant and equipment intangible assets	5,080	1,478	2,790	1,110	10,459	—	10,459

#### Notes

- (1) The segment profit adjustments amount, (176) million yen, includes 469 million yen in adjustments for intersegment revenue related to intersegment transaction, (326) million yen in adjustments for inventories related to intersegment transaction and (319) million yen in others.
- (2) The segment Assets adjustments amount, (24,756) million yen, includes (23,260) million yen in adjustments for internal transaction related to intersegment transaction, (2,040) million yen in adjustments for inventories related to intersegment transaction and 544 million yen in others.
- Segment profit is adjusted with operating profit, as recorded in consolidated statements of income.
- In the flavors and fragrances business, core business is manufacturing and sales of flavors, fragrances, aroma ingredients, and fine chemicals. Sales in the business consist primarily of revenue from goods transferred to customers at a point in time.
- Other revenue consists of lease revenue related to the other real estate business.

(2) FY2024 (April 1<sup>st</sup>, 2024 – March 31<sup>st</sup>, 2025)

Information Concerning Sales, Profit or Loss, Assets, and other items Amount by Reporting Segment

(Millions of yen)

	Japan	Americas	Europe	Asia	Total	Adjustment Amount *1	Quarterly consolidated statement of income amount *2
Net sales							
The flavors and fragrances business*3	72,144	66,535	39,324	49,794	227,799	—	227,799
Revenue from contracts with customers	72,144	66,535	39,324	49,794	227,799	—	227,799
Other revenue*4	1,408	—	—	—	1,408	—	1,408
External sales	73,552	66,535	39,324	49,794	229,207	—	229,207
Inter-segment sales or transfers	22,333	576	3,798	439	27,147	(27,147)	—
Total	95,885	67,112	43,122	50,234	256,355	(27,147)	229,207
Segment profit	4,478	2,582	2,455	4,949	14,466	875	15,341
Segment Assets	156,609	40,445	40,117	50,518	287,691	(25,517)	262,174
Other Items							
Depreciation	3,687	1,023	1,770	1,633	8,114	—	8,114
Increase in property, plant and equipment intangible assets	6,295	896	2,478	2,128	11,799	—	11,799

Notes

1. (1) The segment profit or loss adjustments amount, 875 million yen, includes 523 million yen in adjustments for intersegment revenue related to intersegment transaction, 766 million yen in adjustments for inventories related to intersegment transaction and (413) million yen in others.  
(2) The segment Assets adjustments amount, (25,517) million yen, includes (24,555) million yen in adjustments for internal transaction related to intersegment transaction, (1,309) million yen in adjustments for inventories related to intersegment transaction and 347 million yen in others.
2. Segment profit is adjusted with operating profit, as recorded in consolidated statements of income.
3. In the flavors and fragrances business, core business is manufacturing and sales of flavors, fragrances, aroma ingredients, and fine chemicals. Sales in the business consist primarily of revenue from goods transferred to customers at a point in time.
4. Other revenue consists of lease revenue related to the other real estate business.