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June 30, 2025

Company name: KEY COFFEE INC
Representative: Yutaka Shibata
President
(Securities code: 2594; Tokyo Stock
Exchange Prime Market)
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Corporate Planning Department
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Notice Concerning the Acquisition of Shares in INODA COFFEE Company Limited (Conversion to Consolidated Subsidiary)

KEY COFFEE INC (the "Company") hereby announces that the Board of Directors of the Company has resolved, at a meeting held today, to acquire the shares in INODA COFFEE Company Limited (Head office: Kyoto city, Kyoto Prefecture; Representative President & CEO: Toshitaka Maeda; hereinafter, "Inoda Coffee") held by Ant Bridge No.5-A Private Equity Secondary Investment Fund, Limited Partnership (hereinafter, the "Partnership"), which is managed by Ant Capital Partners Co., Ltd., thereby converting Inoda Coffee into a consolidated subsidiary of the Company (hereinafter, the "Transaction").

1. Reason for the acquisition of shares

Ever since our founding in 1920, we have operated our business under the guiding principle of quality first, encompassing everything from the cultivation, processing, and sales of our coffee product. We directly manage the value chain of our products, ensuring that our customers can rest assured that they will always receive the most delicious coffee. Based on our corporate philosophy of "Pursue the ultimate in coffee, focus on our customers, and create a coffee culture which enriches the heart," we have been committed to ensuring the conservation of coffee culture and popularizing its various charms for more than one hundred years as we strove to enhance the Company's corporate value.

In response to recent changes in the external environment, we have begun the process of reviewing our business portfolio as part of business restructuring efforts designed to tackle the issues of restoring and strengthening our earning capacity.

Inoda Coffee was founded in the city of Kyoto in 1940. In addition to manufacturing and selling coffee beans, it currently also operates a total of nine coffee shops, primarily within Kyoto city.

Inoda Coffee has been a driver of coffee culture for more than 80 years and we believe that they will be a powerful partner in helping us realize our business management strategy moving forward. We have come to the decision to pursue this Transaction as we believe that there is an opportunity to forge a strong synergy for both companies.

In 2021, we signed a basic agreement with Inoda Coffee in service of forming a business partnership, following from which we concluded a business partnership agreement with them. Based on these agreements, the Company has cultivated a positive relationship with Inoda Coffee, including the selling of Kyoto Inoda Coffee brand coffee in the household market and the development of a directly managed coffee shop in Kyushu in collaboration with Inoda Coffee since April 2025.

Moving forward, we will strive to leverage this synergistic effect to boost the profitability of the Company while also increasing our presence in the coffee industry and our corporate value along with that.

2. Overview of the subsidiary (INODA COFFEE Company Limited) subject to the transfer (share acquisition)

(1) Name	INODA COFFEE Company Limited		
(2) Address	140 Doyu-cho, Sakaimachi-dori, Sanjo kударu, Nakagyo-ku, Kyoto		
(3) Title and name of representatives	Representative President & CEO, Toshitaka Maeda		
(4) Details of business	Coffee shops and restaurants, in-house roasting and sales of coffees of various domestic origins, etc.		
(5) Capital	¥30 million		
(6) Date of establishment	May 21, 1958		
(7) Major shareholders and investment ratio	Ant Bridge No.5-A Private Equity Secondary Investment Fund, Limited Partnership 94.2%		
	Other 21 officers and employees at 5.8%		
(8) Relationships between listed companies and Inoda Coffee	Capital relationships	Not applicable	
	Personal relationships	Not applicable	
	Business relationships	A basic agreement was signed between the Company and Inoda Coffee in 2021 in service of facilitating a business agreement. Following this, a business partnership agreement was concluded between the Company and Inoda Coffee. Based on this agreement, the Company develops products under the Inoda Coffee brand in the household market, which it then sells throughout Japan.	
(9) Operating results and financial position of Inoda Coffee for most recent three years (Unit: ¥ million, except where stated otherwise)			
Fiscal year	Ended March 31, 2023	Ended March 31, 2024	Ended March 31, 2025
Net assets	1,270	1,338	1,388
Total assets	2,226	2,381	2,478
Net assets per share (¥)	256,763	271,695	282,421
Net sales	1,914	2,045	2,138
Operating profit	95	93	83
Ordinary profit	138	106	93
Net income	81	71	52
Basic earnings per share (¥)	16,359	14,383	10,573
Dividends per share (¥)	0	0	0

3. Overview of the company partner to the share acquisition

(1) Name	Ant Bridge No.5-A Private Equity Secondary Investment Fund, Limited Partnership	
(2) Address	2 Chome-4-1 Marunouchi, Chiyoda City, Tokyo	
(3) Governing law for incorporation	Limited Partnership Act for Investment	
(4) Overview of business execution partner	Name: Ant Capital Partners Co., Ltd. (Address: 2 Chome-4-1 Marunouchi, Chiyoda City, Tokyo Title and name of representative: President, Ryosuke Iinuma Details of business: Investment in unlisted stocks and operational administration of investment partnerships Capital: ¥100 million) Name: Bridge 5-A Partners Limited Liability Partnership (Address: 2 Chome-4-1 Marunouchi, Chiyoda City, Tokyo Title and name of representative: Managing partner, Takao Akaogi)	
(5) Relationship between listed company and the fund in question	Relationship between listed company and fund in question	Not applicable
	Relationship between listed company and business execution partner	Not applicable

Note: The purpose of the formation, formation date, total investment amount, investors, investment ratio, and an overview of investors is not disclosed.

4. Number of shares, acquisition price, and status of share ownership pre-/post-acquisition

(1) Number of shares held prior to transfer (acquisition)	0 shares (Ratio of voting rights: 0.0%)
(2) Number of shares acquired	4,620 shares
(3) Number of shares held after transfer (acquisition)	4,620 shares (Ratio of voting rights: 94.2%)

The acquisition price shall not be disclosed as a result of the conclusion of a non-disclosure agreement between both parties.

5. Schedule

(1) Date of resolution of Board of Directors	June 30, 2025
(2) Date of conclusion of share transfer agreement	June 30, 2025
(3) Date of execution of share transfer	July 30, 2025

Note: The execution date of the share transfer is subject to change upon mutual agreement by both parties.

6. Future outlook

This share transfer is expected to only have a minor impact on the Company's annual financial statements for the fiscal year ending March 31, 2026. The Company shall promptly disclose any future matters requiring disclosure that arise.