

**Consolidated Financial Statements for the First Quarter Ended June 30, 2015
FY2016 (April 1, 2015 - March 31, 2016) [UNAUDITED]**

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 Stock exchange listings: Tokyo Stock Exchange (1st section)
 Code number: 2531
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- Notes: 1. The accompanying financial statements have been prepared in accordance with accounting principles and practices generally accepted in Japan.
 2. Amounts are rounded down to the nearest million yen.

1. Results for the three months ended June 30, 2015 (April 1, 2015 - June 30, 2015)

(1) Operating results

Note: Percentages indicated changes from the previous fiscal year.

	Three months ended June 30, 2015		Three months ended June 30, 2014	
	(Millions of yen)	(%)	(Millions of yen)	(%)
Net sales	50,938	1.8	50,025	6.5
Operating income (loss)	649	(45.1)	1,182	-
Ordinary income (loss)	1,061	(28.6)	1,486	-
Net income (loss) attributable to owners of the parent	662	(18.4)	811	-
Net income (loss) per share (Yen)	3.29		4.03	
Fully diluted net income per share (Yen)	-		-	
Note: Comprehensive income	(357)	-	149	(93.7)

(2) Financial position

	As of June 30, 2015	As of March 31, 2015
	(Millions of yen)	(Millions of yen)
Total assets	250,922	264,438
Net assets	153,924	158,404
Equity ratio (%)	51.2	49.9
(Reference) Equity	128,375	131,923

2. Dividends

	Dividend per share (Yen)		
	Year ended March 31, 2015	Year ending March 31, 2016	Year ending March 31, 2016 (Forecast)
First quarter end	-	-	-
Second quarter end	-	-	-
Third quarter end	-	-	-
Year end	10.00	-	11.00
Annual	10.00	-	11.00

Note: Correction of dividend forecast from the most recent dividend forecast : No

3. Forecast for the year ending March 31, 2016 (April 1, 2015 - March 31, 2016)

Note: Percentages indicated changes from the same period of the previous fiscal year.

	Six months ending September 30, 2015		Year ending March 31, 2016	
	(Millions of yen)	(%)	(Millions of yen)	(%)
Net sales	105,500	4.3	230,000	4.8
Operating income (loss)	2,900	(11.5)	11,300	1.8
Ordinary income (loss)	3,100	(9.6)	12,000	1.5
Net income (loss) attributable to owners of the parent	1,500	(18.0)	6,400	12.2
Net income per share (Yen)	7.45		31.81	

Note: Correction of financial forecast from the most recent financial forecast : No

4. Others

- (1) Material changes in subsidiaries during this period
(Changes in scope of consolidations resulting from change in subsidiaries) : No
- (2) Applying of specific accounting of the consolidated quarterly financial statements : No
- (3) Changes in accounting policies, accounting estimates and retrospective restatement
 - 1) Changes based on revisions of accounting standard : Yes
 - 2) Changes other than ones based on revisions of accounting standard : No
 - 3) Changes in accounting estimates : No
 - 4) Restatement : No
- (4) Number of outstanding shares (common stock)
 - 1) Number of outstanding shares at year end (Treasury stocks are included)
 - As of June 30, 2015 : 217,699,743
 - As of March 31, 2015 : 217,699,743
 - 2) Number of treasury stocks at year end
 - As of June 30, 2015 : 16,474,219
 - As of March 31, 2015 : 16,474,061
 - 3) Average number of outstanding shares
 - Three months ended June 30, 2015 : 201,225,603
 - Three months ended June 30, 2014 : 201,230,699

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Supplement for the Consolidated Quarterly Financial Statements

1. Qualitative Information for the Three Months Ended June 30, 2015

(1) Consolidated Financial Results

In the three months ended June 30, 2015, the Japanese economy maintained a moderate recovery as corporate earnings, primarily among export-related companies, and the hiring and income environment improved.

On the other hand, overseas, while the American economy continued on a recovery path, there was uncertainty for the future of the global economy caused by concerns over economic slowdown in China, the Greek debt problem being faced in Europe, and other issues.

In this environment, under the Takara Group Medium-Term Management Plan FY2017, the second step in its efforts to realize its long-term Takara Group Vision 2020, the Group strived to conduct steady business activities with the aim of improving domestic business profitability and expand our overseas business intending to further increase the corporate value of the Group, while at the same time building a well-balanced business structure that can hold up well to business environment changes by accelerating the growth of our Biomedical Business.

As a result, in the three months ended June 30, 2015, net sales were up 1.8% year on year to ¥50,938 million. Gross profit rose 3.3% year on year to ¥19,615 million. Operating income declined 45.1% year on year to ¥649 million while ordinary income fell 28.6% year on year to ¥1,061 million. Net income attributable to owners of the parent fell 18.4% year on year to ¥662 million.

Results by business segment were as follows.

[Takara Shuzo Group]

For alcoholic beverages, in the three months ended June 30, 2015, sales of sake increased, as *Sho-Chiku-Bai Ten* in particular sold well, and, overseas, TAKARA SAKE USA INC. also performed strongly. Sales of light-alcohol refreshers also rose as the new *Takara Fruit Juice Zero Sugar Chu-Hi Zero Jitate* was launched in June and sales of *Takara Shochu High Ball* remained robust.

Nevertheless, sales of alcoholic beverages overall, including other alcoholic beverages, declined as shochu products recorded a fall in sales for both *ko*-type shochu and *Honkaku* shochu.

In the Seasonings Business, sales of mirin and cooking sake increased while sales of raw alcohol, etc. and transportation sales also increased.

Moreover, sales in the Japanese Food Wholesale Business in overseas markets increased as FOODEX S.A.S. (France) and COMINPORT DISTRIBUCIÓN S.L. (Spain) continued to perform strongly.

As a result, net sales for the Takara Shuzo Group fell 0.3% year on year to ¥44,231 million. Cost of sales declined 0.5% to ¥28,466 million in conjunction with the decline in net sales. As a result, gross profit rose 0.1% year on year to ¥15,764 million. SG&A expenses were up 3.1% year on year to ¥15,384 million due to an increase in advertising expenses. Accordingly, the Takara Shuzo Group recorded operating income down 54.2% year on year to ¥380 million in the three months ended June 30, 2015.

[Takara Bio Group]

Net sales for the three months ended June 30, 2015 increased 20.5% year on year to ¥5,761 million, which was due in part to the impact of the depreciation in the value of the yen in addition to sales of mainstay research reagents, which outperformed the same period of the previous fiscal year. Cost of sales was up 20.4% year on year to ¥2,439 million in conjunction with the increase in net sales. Consequently, gross profit rose 20.6% year on year to ¥3,322 million. Although SG&A expenses were up 19.4% year on year to ¥3,210 million due to increases in research and development and personnel expenses, the Takara Bio Group recorded operating income up 70.8% year on year to ¥111 million in the three months ended June 30, 2015.

[Takara Healthcare]

Net sales for the three months ended June 30, 2015 increased by 24.0% year on year to ¥478 million as sales of *fucoidan*-related products and OEM cosmetics continued to grow. Cost of sales was up 28.2% year on year to ¥241 million in conjunction with the increase in net sales. Consequently, gross profit increased 20.0% year on year to ¥236 million. SG&A expenses were up 24.6% year on year to ¥234 million, mainly due to the increase in advertising expenses. As a result, Takara Healthcare recorded operating income down by 73.3% year on year to ¥2 million.

[Other]

Net sales of business segments other than the reported segments decreased 4.2% year on year to ¥1,286 million. Cost of sales fell 3.0% year on year to ¥1,138 million. Consequently, gross profit fell 12.6% year on year to ¥148 million. SG&A expenses were down 2.0% year on year to ¥169 million. As a result, a ¥20 million operating loss was recorded, compared to a ¥2 million operating loss recorded in the same period of the previous fiscal year.

Breakdown of sales results by product category

Segment	Equivalent Period of Previous Fiscal Year (From April 1, 2014, to June 30, 2014)	Period under Review (from April 1, 2015, to June 30, 2015)	YoY Comparison
Product category	Amount (Millions of yen)	Amount (Millions of yen)	(%)
Takara Shuzo Group			
Shochu	16,609	14,323	86.2
Sake	4,238	4,503	106.3
Light-alcohol refreshers	6,403	6,876	107.4
Other alcoholic beverages	3,239	3,173	98.0
Alcoholic beverages total	30,491	28,877	94.7
<i>Hon Mirin</i>	3,097	3,332	107.6
Other seasonings	2,014	2,103	104.4
Seasonings total	5,111	5,435	106.3
Raw alcohol, etc.	1,588	1,902	119.8
Transportation	2,731	3,012	110.3
Japanese Food Wholesales Business in overseas markets	4,032	4,646	115.2
Other	415	357	86.1
Total	44,370	44,231	99.7
Takara Bio Group	4,779	5,761	120.5
Takara Healthcare	385	478	124.0
Other	1,342	1,286	95.8
Sales not allocated to business segments and intersegment transactions	(852)	(818)	-
Total	50,025	50,938	101.8

- Notes: 1. Amounts include alcohol tax but do not include consumption tax.
2. From the first quarter of this fiscal year, the Company has made changes to reporting segments, and sales results for the first quarter of the previous fiscal year have been prepared and presented in accordance with the reporting segments following the changes.
See “(3) Notes on Consolidated Quarterly Financial Statements (Segment Information)” for details of changes to reporting segments.

(2) Consolidated Financial Position

Total assets stood at ¥250,922 million as of June 30, 2015, down ¥13,516 million from March 31, 2015. This was due to a ¥13,016 million decrease in current assets from the end of the previous fiscal year to ¥147,636 million. This primarily resulted from a decline of ¥11,441 million in securities and a decline of ¥3,394 million in notes and accounts receivable-trade.

Non-current assets decreased by ¥500 million from the end of the previous fiscal year to ¥103,285 million. The main factors were decreases of ¥852 million in property, plant and equipment and ¥948 million in intangible assets, and an increase of ¥1,489 million in investment securities.

Total liabilities amounted to ¥96,997 million as of June 30, 2015, down ¥9,036 million from March 31, 2015. Current liabilities fell ¥9,030 million from the end of the previous fiscal year to ¥45,847 million. This primarily resulted from a decline of ¥5,000 million in the current portion of bonds and a decline of ¥1,732 million in notes and accounts payable-trade.

Non-current liabilities declined ¥6 million from the end of the previous fiscal year to ¥51,150 million.

Net assets stood at ¥153,924 million as of June 30, 2015, down ¥4,479 million from March 31, 2015. The main factors were a decrease of ¥1,316 million in capital surplus, a decrease of ¥1,349 million in retained earnings due to ¥662 million in net income attributable to owners of the parent and ¥2,012 million in dividends from surplus, and a ¥1,827 million decrease in foreign currency translation adjustment.

(3) Qualitative Information Regarding Consolidated Forecasts

The consolidated performance for the three months ended June 30, 2015 exceeded initial forecasts. Nevertheless, the Company has not revised the consolidated forecasts for the six months ending September 30, 2015 or for the fiscal year ending March 31, 2016 that were released on May 8, 2015 because the proportion of the Group’s annual income accounted for by income in the first quarter of the fiscal year is relatively low.

2. Summary Information (Notes)

Change in Accounting Policy and Retrospective Restatement of Accounting Estimates

(Change in Accounting Policy)

(Application of Revised Accounting Standard for Business Combinations, etc.)

The “Revised Accounting Standard for Business Combinations (ASBJ Statement No. 21, September 13, 2013, hereinafter the “Business Combinations Accounting Standard”), the “Revised Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, September 13, 2013, hereinafter the “Consolidated Financial Statements Accounting Standard”), and the “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013, hereinafter the “Business Divestitures Accounting Standard”) have been applied from the first quarter of this fiscal year. As a result, for subsidiaries the Company continues to control, differences arising due to changes in the ownership interest are entered in capital surplus and costs associated with the acquisition of ownership interests are now treated as expenses in the consolidated fiscal year in which they are incurred. In addition, for business combinations that are implemented after the beginning of the first quarter of 2015, revisions to the allocation of the cost of acquisitions as determined by provisional accounting treatment are reflected in the quarterly consolidated financial statements for the quarter in which the business combination took place. Additionally, the Company has changed the method of presenting consolidated quarterly net income and changed “minority interests in consolidated subsidiaries” to “non-controlling interests in consolidated subsidiaries.” To reflect these changes, the Company has reclassified its quarterly consolidated financial statements for the first quarter of the previous fiscal year and consolidated financial statements for the previous fiscal year.

The Company has applied these standards in accordance with the transitional treatment prescribed in Section 58-2 (4) of the Business Combinations Accounting Standard, Section 44-5 (4) of the Consolidated Financial Statements Accounting Standard, and Section 57-4 (4) of the Business Divestitures Accounting Standard, and will continue to apply these standards from the beginning of the first quarter of this fiscal year into the future.

As a result of these changes, operating income, ordinary income, and net income before taxes declined by ¥4 million respectively. Capital surplus also declined by ¥1,316 million as of June 30, 2015, the end of the first quarter of this fiscal year.

3. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

(Millions of Yen)

	As of Mar. 31, 2015	As of June. 30, 2015
Assets		
Current assets		
Cash and deposits	41,296	40,836
Notes and accounts receivable-trade	54,617	51,223
Securities	27,022	15,581
Merchandise and finished goods	28,524	29,440
Work in process	958	1,082
Raw materials and supplies	3,317	3,093
Other	5,148	6,587
Allowance for doubtful accounts	(233)	(207)
Total current assets	160,653	147,636
Noncurrent assets		
Property, plant and equipment	53,085	52,232
Intangible assets		
Goodwill	8,071	7,319
Other	4,286	4,090
Total intangible assets	12,358	11,410
Investments and other assets		
Investment securities	32,900	34,389
Other	5,608	5,419
Allowance for doubtful accounts	(166)	(166)
Total investments and other assets	38,342	39,642
Total noncurrent assets	103,785	103,285
Total assets	264,438	250,922

(Millions of Yen)

	As of Mar. 31, 2015	As of June. 30, 2015
Liabilities		
Current liabilities		
Notes and accounts payable-trade	15,680	13,948
Short-term loans payable	5,292	5,364
Current portion of bonds	5,000	-
Accrued alcohol tax	7,615	7,838
Accrued expenses	5,456	4,312
Income taxes payable	2,107	986
Provision for bonuses	2,162	3,363
Other provision	1,868	2,036
Other	9,695	7,996
Total current liabilities	54,877	45,847
Noncurrent liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	10,334	10,348
Net defined benefit liability	8,407	8,465
Long-term deposits received	5,622	5,528
Other	6,792	6,808
Total noncurrent liabilities	51,156	51,150
Total liabilities	106,034	96,997
Net assets		
Shareholders' equity		
Capital stock	13,226	13,226
Capital surplus	3,196	1,879
Retained earnings	108,647	107,297
Treasury stock	(9,937)	(9,937)
Total shareholders' equity	115,132	112,465
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,098	10,091
Deferred gains or losses on hedges	558	526
Foreign currency translation adjustment	7,431	5,603
Remeasurements of defined benefit plans	(297)	(311)
Total accumulated other comprehensive income	16,791	15,909
Noncontrolling interests	26,481	25,549
Total net assets	158,404	153,924
Total liabilities and net assets	264,438	250,922

(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income**(Consolidated Statements of Income)****(For the Three Months Ended June 30, 2015 and 2014**

(Millions of Yen)

	FY2015 (Apr. 1, 2014 – June. 30, 2014)	FY2016 (Apr. 1, 2015 – June. 30, 2015)
Net sales	50,025	50,938
Cost of sales	31,031	31,323
Gross profit	18,994	19,615
Selling, general and administrative expenses	17,811	18,966
Operating income	1,182	649
Non-operating income		
Dividends income	221	231
Other	249	337
Total non-operating income	470	569
Non-operating expenses		
Interest expenses	121	115
Other	46	41
Total non-operating expenses	167	156
Ordinary income	1,486	1,061
Extraordinary income		
Gain on sales of investment securities	-	260
Other	4	4
Total extraordinary income	4	264
Extraordinary loss		
Loss on valuation of investment securities	-	23
Loss on sales and retirement of noncurrent assets	37	12
Directors' retirement benefits	34	-
Other	7	-
Total extraordinary losses	79	36
Income before income taxes and minority interests	1,411	1,289
Income taxes-current	920	1,224
Income taxes-deferred	(395)	(667)
Total income taxes	524	556
Net income	886	732
Net income attributable to the noncontrolling interest	75	70
Net income attributable to owners of the parent	811	662

**(Consolidated Quarterly Statements of Comprehensive Income)
(For the Three Months Ended June 30, 2015 and 2014)**

(Millions of Yen)

	FY2015 (Apr. 1, 2014 – June. 30, 2014)	FY2016 (Apr. 1, 2015 – June. 30, 2015)
Net income	886	732
Other comprehensive income		
Valuation difference on available-for-sale securities	637	992
Deferred gains or losses on hedges	(94)	(32)
Foreign currency translation adjustment	(1,181)	(2,032)
Remeasurements of defined benefit plans	(46)	(12)
Share of other comprehensive income of associates accounted for using equity method	(51)	(4)
Total other comprehensive income	(737)	(1,090)
Comprehensive income	149	(357)
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	361	(219)
Comprehensive income attributable to noncontrolling interest	(212)	(138)

**(3) Notes on Consolidated Quarterly Financial Statements
(Notes on Premise of Going Concern)**

No items to report.

(Notes on Material Changes in Shareholders' Equity)

No items to report.

(Segment Information)

I. Equivalent Period of Previous Fiscal Year (From April 1, 2014, to June 30, 2014)

1. Net sales and Income (Loss) by Reported Segment

<Information for the first quarter of the previous fiscal year prepared in accordance with classifications following changes>

(Millions of yen)

	Reported Segment				Other (Note: 1)	Total	Adjustment (Note: 2)	Amount recognized in consolidated quarterly statements of income (Note: 3)
	Takara Shuzo Group	Takara Bio Group	Takara Healthcare	Subtotal				
Net sales								
External customers	44,287	4,635	385	49,308	605	49,913	111	50,025
Intersegment	82	143	0	226	737	963	(963)	-
Total	44,370	4,779	385	49,535	1,342	50,877	(852)	50,025
Segment income (loss)	830	65	9	905	(2)	902	280	1,182

- Notes:
1. Other includes business segments that are not part of reported segments, such as the printing business and other subsidiaries.
 2. Details of adjustment amounts are as follows.
 - (1) Net sales to external customers are income from real estate rent recognized by the Company.
 - (2) Segment income (loss) comprises intersegment eliminations of ¥65 million and income of the Company not allocated to business segments of ¥215 million.
 3. Segment income (loss) has been adjusted to the operating income of consolidated quarterly statements of income.

2. Information on Impairment Loss on Non-current Assets, Goodwill, etc. by Reportable Segment

No items to report.

II. Period under Review (From April 1, 2015, to June 30, 2015)

1. Net sales and Income (Loss) by Reported Segment

(Millions of yen)

	Reported Segment				Other (Note: 1)	Total	Adjustment (Note: 2)	Amount recognized in consolidated quarterly statements of income (Note: 3)
	Takara Shuzo Group	Takara Bio Group	Takara Healthcare	Subtotal				
Net sales								
External customers	44,170	5,565	477	50,212	610	50,823	115	50,938
Intersegment	61	196	0	258	675	934	(934)	-
Total	44,231	5,761	478	50,471	1,286	51,757	(818)	50,938
Segment income	380	111	2	494	(20)	473	175	649

- Notes:
- Other includes business segments that are not part of reported segments, such as the printing business and other subsidiaries.
 - Details of adjustment amounts are as follows.
 - Net sales to external customers are income from real estate rent recognized by the Company.
 - Segment income comprises intersegment eliminations of ¥55 million and income of the Company not allocated to business segments of ¥119 million.
 - Segment income has been adjusted to the operating loss of consolidated quarterly statements of income.

2. Matters concerning Changes to Reporting Segments

(Changes to Classifications for Reporting Segments)

The Company implemented an absorption-type merger for consolidated subsidiary TaKaRa Network System Co., Ltd. on April 1, 2015. With the merger, the business of TaKaRa Network System, which was included in Other until the previous fiscal year, has been included in Adjustment from the first quarter of this fiscal year.

“Net sales and Income (Loss) by Reported Segment” for the first quarter of the previous fiscal year is presented with amounts reclassified following the relevant changes.

(Application of Revised Accounting Standard for Business Combinations, etc.)

As stated in “Change in Accounting Policy,” the “Revised Accounting Standard for Business Combinations” and other standards have been applied from the first quarter of this fiscal year. As a result, for subsidiaries the Company continues to control, differences arising due to changes in the ownership interest are entered in capital surplus and costs associated with the acquisition of ownership interests are now treated as expenses in the consolidated fiscal year in which they are incurred. In addition, for business combinations that are implemented after the beginning of the first quarter of 2015, revisions to the allocation of the cost of acquisitions as determined by provisional accounting treatment are reflected in the quarterly consolidated financial statements for the quarter in which the business combination took place.

As a result of these changes, segment income for the first quarter of this fiscal year decreased by ¥4 million for the Takara Shuzo Group as compared with the previous accounting method.

3. Information on Impairment Loss on Non-current Assets, Goodwill, etc. by Reportable Segment

No items to report.