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**Consolidated Financial Statements for the Third Quarter Ended December 31, 2012 (Full Document)
FY2013 (April 1, 2012 - March 31, 2013) [UNAUDITED]**

Company name: Takara Holdings Inc.
 Stock exchange listings: Tokyo Stock Exchange (1st section) and Osaka Stock Exchange (1st section)
 Code number: 2531
 URL: <http://www.takara.co.jp/>
 Company representative: Toshio Kakimoto, President
 Contact: Takuya Kakemi, General Manager of Financial & Investor Relations Dept.
 TEL: (075)241-5124
 Quarterly statement filing date (as planned): February 08, 2013

- 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 nine months ended December 31, 2012 (April 1, 2012 – December 31, 2012)

(1) Operating results

Note: Percentages indicated changes from the previous fiscal year.

	Nine months ended December 31, 2012		Nine months ended December 31, 2011	
	(Millions of yen)	(%)	(Millions of yen)	(%)
Net sales	155,025	0.7	153,915	4.0
Operating income	9,160	(5.8)	9,725	4.9
Ordinary income	9,245	(7.5)	9,999	7.5
Net income	4,826	14.2	4,224	(11.2)
Net income per share (Yen)	23.66		20.39	
Fully diluted net income per share (Yen)	23.66		-	
(Reference) Comprehensive income	5,466	111.2	2,588	-

(2) Financial position

	As of December 31, 2012	As of March 31, 2012
	(Millions of yen)	(Millions of yen)
Total assets	207,248	197,437
Net assets	109,746	107,659
Equity ratio (%)	46.6	48.0
(Reference) Equity	96,476	94,783

2. Dividends

	Dividend per share (Yen)		
	Year ended March 31, 2012	Year ending March 31, 2013	Year ending March 31, 2013 (Forecast)
First quarter end	-	-	
Second quarter end	-	-	
Third quarter end	-	-	
Year end	9.00		9.00
Annual	9.00		9.00

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

3. Forecast for the year ending March 31, 2013 (April 1, 2012 – March 31, 2013)

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

	Year ending March 31, 2013	
	(Millions of yen)	(%)
Net sales	202,200	1.8
Operating income	9,500	2.5
Ordinary income	9,650	0.3
Net income	4,600	15.1
Net income per share (Yen)	22.58	

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 : Yes
 - 4) Restatement : No
- (4) Number of outstanding shares (common stock)
 - 1) Number of outstanding shares at year end (Treasury stocks are included)

As of December 31, 2012 :	217,699,743
As of March 31, 2012 :	217,699,743
 - 2) Number of treasury stocks at year end

As of December 31, 2012 :	15,094,318
As of March 31, 2012 :	12,277,683
 - 3) Average number of outstanding shares

Nine months ended December 31, 2012 :	204,014,617
Nine months ended December 31, 2011 :	207,207,093

Contents of the attached document

1. Qualitative Information for the Nine Months Ended December 31, 2012 -----	2
(1) Consolidated Financial Results -----	2
(2) Consolidated Financial Position -----	4
(3) Consolidated Forecasts -----	4
2. Matters Concerning Summary Information (Notes) -----	4
Changes in Accounting Policies, Changes in Accounting Estimates, or Restatement -----	4
3. Consolidated Quarterly Financial Statements -----	5
(1) Consolidated Quarterly Balance Sheets -----	5
(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income -----	7
Consolidated Quarterly Statements of Income	
(For the Nine Months Ended December 31, 2012 and 2011) -----	7
Consolidated Quarterly Statements of Comprehensive Income	
(For the Nine Months Ended December 31, 2012 and 2011) -----	8
(3) Notes on Premise of Going Concern -----	9
(4) Notes on Material Changes in Shareholders' Equity -----	9
(5) Segment and Other Information -----	9
○ Supplement for the Consolidated Quarterly Financial Statements	

1. Qualitative Information for the Nine Months Ended December 31, 2012

(1) Consolidated Financial Results

In the nine months ended December 31, 2012, conditions in the Japanese economy remained highly opaque due to factors such as the ongoing strength of the Japanese yen, the sovereign debt crisis in Europe, and the economic slowdown in emerging countries. These negative factors offset the benefits of the post-Great East Japan Earthquake reconstruction demand that supported the economy throughout the period. Following the general election in Japan, anticipation for the new political balance led to a rise in Japanese stock prices and the depreciation of the yen, both seen late in 2012. However, it is currently unclear whether these positive trends will continue or prove to be only temporary improvements.

In this environment, we sought to heighten corporate value by establishing a balanced business structure that is readily adaptable to changing conditions. These efforts adhered to the basic policy of the Takara Group Medium-Term Management Plan FY2014: “Aiming to realize the Takara Group Vision 2020 (long-term management vision), achieve stable growth in Japan while expanding business base in order to grow significantly overseas.”

In the domestic alcoholic beverages business, the Group focused efforts on developing original new products and cultivating brands catering to diversifying customer preferences. In the seasonings and raw alcohol business, the Group sought to increase sales by offering products carefully tailored to the needs of each business customer.

In the overseas alcoholic beverages business and the Japanese food ingredients wholesale business, the Group aimed to accelerate growth by spreading Japanese food culture around the world.

In the genetic engineering research business, the Group actively worked to supply new products and services in the real-time polymerase chain reaction (PCR) and advanced cell biology fields, which promise to become growth markets. In the gene medicine business, the Group advanced the clinical development of gene and cell therapies actively. Further, in the health foods business, the Group endeavored to expand operations by developing and marketing health foods with a focus on the properties of traditional Japanese foodstuffs.

In the period under review, consolidated net sales edged up 0.7% year on year, to ¥155,025 million. Partly reflecting higher raw material prices, the cost of sales rose 1.4% year on year, to ¥94,618 million. Gross profit edged down 0.4% year on year, to ¥60,407 million. Selling, general, and administrative (SG&A) expenses were up 0.7% year on year, to ¥51,246 million, due mainly to a rise in sales promotion expenses. Operating income declined 5.8% year on year, to ¥9,160 million.

In regard to non-operating income and expenses, non-operating expenses rose due to such factors as bond issuance cost arising from bond issuance. As a result, ordinary income decreased 7.5% year on year, to ¥9,245 million.

In regard to extraordinary gain and loss, gain on revision of retirement benefit plan of ¥345 million was recorded and the loss on disaster of ¥783 million recorded during the corresponding period of the previous fiscal year disappeared. Due to these and other factors, income before income taxes and minority interests decreased 2.5% year on year, to ¥8,614 million. Total income taxes decreased following a reduction in income tax rates as well as the decline in deferred tax assets recorded on December 31, 2011, following changes in income tax rates, thus resulting in lower income tax expenses. Accordingly, net income increased 14.2% year on year, to ¥4,826 million.

Results by business segment were as follows.

[Takara Shuzo Group]

In the period under review, the new inclusion of KOUGAKU ENGINEERING CO., LTD., as a consolidated subsidiary resulted in a 0.5% year-on-year increase in sales, to ¥138,367 million.

By product category, in the mainstay shochu category, we saw favorable sales of *Honkaku shochu Kuro Yokaichi*, but sales of other shochu products were poor, and overall shochu sales decreased as a result. As for light-alcohol refreshers, overall sales declined because lower sales of *Takara Can Chu-Hi Jika-Shibori*—due to absence of the previous fiscal year’s extraordinary factors resulting from the Great East Japan Earthquake—counteracted the continued strong sales of *Takara Shochu High Ball*. Meanwhile, sake posted higher revenues thanks to higher sales of such products as *Sho-Chiku-Bai Ten* and sparkling sake *Sho-Chiku-Bai Shirakabe-gura Mio* and the strengthening of the lineup of products in simple pouch-pack containers that are easy to store and generate less waste after disposal. Other alcoholic beverages; *hon mirin*, alcohol-based seasoning; other seasonings; and raw alcohol each achieved higher revenues.

Cost of sales increased to a greater extent than net sales due to rising material prices. As a result, gross profit decreased 1.0% year on year, to ¥51,372 million. SG&A expenses edged down 0.1% year on year, to ¥43,789 million, reflecting lower administrative costs, which offset higher sales promotion costs.

Due to the above, operating income in this segment decreased 5.9% year on year, to ¥7,582 million.

[Takara Bio Group]

For the period under review, this business segment grew net sales 3.5% year on year, to ¥13,916 million. This was due to higher revenues posted in the genetic engineering research business following an increase in sales for research reagents as well as to the strong performance of the gene medicine business.

The genetic engineering research business posted higher revenues due to an increase in sales for research reagents—despite the effects of yen appreciation—which compensated for lower revenues from scientific instruments. Also, in the gene medicine business revenues rose as a result of favorable sales of cell culture media, gas-permeable bags, and other products. The agribio business recorded a decline in revenues due to year-on-year decreases in sales of health foods and mushroom products.

Cost of sales rose together with net sales, and gross profit was up 3.6% year on year, to ¥7,640 million, accordingly. SG&A expenses increased 6.6% year on year, to ¥6,932 million, due to higher R&D expenses and personnel expenses. The amount of this increase was higher than the one seen in gross profit.

As a result of the above, this business segment's operating income decreased 18.9% year on year, to ¥707 million.

[Takara Healthcare]

For the period under review, sales in this business segment decreased 15.6% year on year, to ¥1,612 million. While sales of health food products were relatively unchanged year on year, sales in the tea beverage PB (private brand) supply business dropped significantly.

In earnings, although the cost of sales ratio decreased following a change in the distribution of sales, gross profit was down 10.5% year on year, to ¥598 million. Ongoing outlays for advertising costs geared toward nurturing businesses led to an operating loss of ¥22 million in this segment.

[Other]

The other segment represents business segments that are not included in the reported segments. Net sales in this segment decreased 2.1% year on year, to ¥5,654 million, and operating income rose 17.5% year on year, to ¥136 million.

Breakdown of sales results by product category

Segment	Equivalent Period of Previous Fiscal Year (From April 1, 2011, to December 31, 2011)	Period under Review (from April 1, 2012, to December 31, 2012)	YoY Comparison
Product category	Amount (Millions of yen)	Amount (Millions of yen)	(%)
Takara Shuzo Group			
Shochu	57,605	55,734	96.8
Sake	16,813	17,781	105.8
Light-alcohol refreshers	21,581	20,010	92.7
Other alcoholic beverages	7,940	8,443	106.3
Alcoholic beverages total	103,941	101,970	98.1
<i>Hon Mirin</i>	11,879	11,834	99.6
Other seasonings	5,846	6,208	106.2
Seasonings total	17,725	18,043	101.8
Raw alcohol, etc.	4,927	5,141	104.3
Transportation	6,716	8,549	127.3
Other	4,359	4,663	107.0
Total	137,671	138,367	100.5
Takara Bio Group	13,443	13,916	103.5
Takara Healthcare	1,910	1,612	84.4
Other	5,775	5,654	97.9
Sales not allocated to business segments and intersegment transactions	(4,884)	(4,525)	-
Total	153,915	155,025	100.7

Note: Amounts include alcohol tax but do not include consumption tax.

(2) Consolidated Financial Position

Total assets stood at ¥207,248 million as of December 31, 2012, up ¥9,811 million from the previous fiscal year-end. Total current assets rose ¥8,304 million from the previous fiscal year-end due to the ¥12,051 million increase in notes and accounts receivable-trade, a result of the busy season that occurs at the end of each calendar year. This offset a ¥1,494 million decrease in cash and deposits and a ¥4,049 million decrease in securities for the management of surplus funds. Total noncurrent assets rose ¥1,507 million following a ¥489 million increase in property, plant and equipment and a ¥1,606 million increase in investment securities.

Total liabilities stood at ¥97,502 million as of December 31, 2012, up ¥7,724 million from the previous fiscal year-end. Total current liabilities rose ¥3,463 million due to a ¥2,932 million increase in accrued alcohol tax. Total noncurrent liabilities rose ¥4,261 million as a result of the issuance of ¥10,000 million worth of bonds and the redemption of ¥5,000 million worth of bonds.

Total net assets as of December 31, 2012, amounted to ¥109,746 million, an increase of ¥2,086 million from the previous fiscal year-end. This was due to a ¥2,975 million rise in retained earnings, which was the result of the recording of net income of ¥4,826 million and dividends payments of ¥1,851 million. This offset a ¥1,575 million increase in treasury stock, which reduces total net assets. The treasury stock was acquired as part of shareholder returns measures.

(3) Consolidated Forecasts

On November 5, 2012, the Company revised consolidated forecasts for net sales only. On December 31, 2012, performance was slightly below forecasts. However, this divergence was minimal, and the Company thus chose not to revise the forecasts released on November 5, 2012.

2. Matters Concerning Summary Information (Notes)

Changes in Accounting Policies, Changes in Accounting Estimates, or Restatement

(Changes that are difficult to distinguish between changes in accounting policies and changes in accounting estimates)
In accordance with an amendment of the Corporation Tax Act, from the first quarter of current fiscal year, the Company and certain of its domestic subsidiaries have changed to depreciation methods based on the amended Corporation Tax Act for property, plant and equipment acquired on or after April 1, 2012, for which depreciation methods pursuant to the Corporation Tax Act prior to its amendment had been applied.

Further, for the period under review the effect of this on operating income, ordinary income, and income before income taxes and minority interests is negligible.

3. Consolidated Quarterly Financial Statements
(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	As of Mar. 31, 2012	As of Dec. 31, 2012
Assets		
Current assets		
Cash and deposits	30,843	29,348
Notes and accounts receivable-trade	50,721	62,773
Short-term investment securities	15,660	11,611
Merchandise and finished goods	20,847	20,832
Work in process	886	1,637
Raw materials and supplies	2,747	3,098
Other	4,442	5,161
Allowance for doubtful accounts	(71)	(81)
Total current assets	126,078	134,382
Noncurrent assets		
Property, plant and equipment	41,996	42,486
Intangible assets		
Goodwill	3,531	3,396
Other	1,704	1,605
Total intangible assets	5,236	5,002
Investments and other assets		
Investment securities	18,450	20,057
Other	5,895	5,537
Allowance for doubtful accounts	(219)	(217)
Total investments and other assets	24,126	25,377
Total noncurrent assets	71,359	72,866
Total assets	197,437	207,248
Liabilities		
Current liabilities		
Notes and accounts payable-trade	13,976	13,538
Short-term loans payable	5,018	5,020
Current portion of bonds	5,000	5,000
Accrued alcohol tax	10,589	13,522
Accrued expenses	3,977	4,973
Income taxes payable	2,207	2,195
Provision for sales promotion expenses	1,708	2,087
Other provision	2,028	1,154
Other	6,740	7,218
Total current liabilities	51,247	54,710
Noncurrent liabilities		
Bonds payable	20,000	25,000
Long-term loans payable	496	475
Provision for retirement benefits	9,625	8,910
Long-term deposits received	5,881	5,667
Other	2,527	2,738
Total noncurrent liabilities	38,530	42,791
Total liabilities	89,777	97,502

(Millions of yen)

	As of Mar. 31, 2012	As of Dec. 31, 2012
Net assets		
Shareholders' equity		
Capital stock	13,226	13,226
Capital surplus	3,195	3,195
Retained earnings	88,012	90,987
Treasury stock	(6,922)	(8,497)
Total shareholders' equity	97,512	98,912
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,805	2,950
Deferred gains or losses on hedges	(17)	15
Foreign currency translation adjustment	(5,516)	(5,401)
Total accumulated other comprehensive income	(2,728)	(2,435)
Minority interests	12,876	13,269
Total net assets	107,659	109,746
Total liabilities and net assets	197,437	207,248

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

(For the Nine Months Ended December 31, 2012 and 2011)

(Millions of Yen)

	FY2012_3Q (Apr. 1, 2011 - Dec. 31, 2011)	FY2013_3Q (Apr. 1, 2012 - Dec. 31, 2012)
Net sales	153,915	155,025
Cost of sales	93,282	94,618
Gross profit	60,633	60,407
Selling, general and administrative expenses	50,907	51,246
Operating income	9,725	9,160
Non-operating income		
Dividends income	359	348
Other	407	369
Total non-operating income	766	717
Non-operating expenses		
Interest expenses	379	400
Other	113	233
Total non-operating expenses	492	633
Ordinary income	9,999	9,245
Extraordinary income		
Gain on sales of noncurrent assets	213	179
Gain on revision of retirement benefit plan	—	345
Compensation for transfer	193	—
Gain on sales of investment securities	2	—
Other	14	142
Total extraordinary income	424	666
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	299	528
Loss on valuation of investment securities	415	375
Contribution for withdrawal from employees pension fund	—	260
Loss on disaster	783	—
Other	94	133
Total extraordinary losses	1,592	1,297
Income before income taxes and minority interests	8,831	8,614
Income taxes-current	3,553	3,287
Income taxes-deferred	806	189
Total income taxes	4,360	3,477
Income before minority interests	4,471	5,137
Minority interests in income	246	311
Net income	4,224	4,826

(Consolidated Quarterly Statements of Comprehensive Income)

(For the Nine Months Ended December 31, 2012 and 2011)

(Millions of Yen)

	FY2012_3Q (Apr. 1, 2011 - Dec. 31, 2011)	FY2013_3Q (Apr. 1, 2012 - Dec. 31, 2012)
Income before minority interests	4,471	5,137
Other comprehensive income		
Valuation difference on available-for-sale securities	(911)	143
Deferred gains or losses on hedges	(19)	33
Foreign currency translation adjustment	(923)	152
Share of other comprehensive income of associates accounted for using equity method	(28)	0
Total other comprehensive income	(1,882)	329
Comprehensive income	2,588	5,466
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	2,536	5,119
Comprehensive income attributable to minority interests	51	347

(4) Notes on Premise of Going Concern

No items to report.

(5) Notes on Material Changes in Shareholders' Equity

No items to report.

(6) Segment and Other Information

(Segment Information)

I. Equivalent Period of Previous Fiscal Year (From April 1, 2011, to December 31, 2011)

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	137,052	12,977	1,906	151,935	1,723	153,659	256	153,915
Intersegment	618	465	3	1,088	4,052	5,140	(5,140)	-
Total	137,671	13,443	1,910	153,024	5,775	158,799	(4,884)	153,915
Segment income (loss)	8,055	872	(87)	8,840	115	8,956	769	9,725

- 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 (loss) comprises intersegment eliminations of ¥84 million and income of the Company not allocated to business segments of ¥685 million.
 - Segment income (loss) has been adjusted to the operating income of consolidated quarterly statements of income.

2. Information on Impairment Loss on Noncurrent Assets, Goodwill, etc. by Reportable Segment

No significant items requiring inclusion.

II. Period under Review (From April 1, 2012, to December 31, 2012)

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	137,774	13,502	1,609	152,886	1,811	154,697	327	155,025
Intersegment	592	413	2	1,009	3,843	4,852	(4,852)	-
Total	138,367	13,916	1,612	153,895	5,654	159,550	(4,525)	155,025
Segment income (loss)	7,582	707	(22)	8,267	136	8,403	757	9,160

- 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 (loss) comprises intersegment eliminations of ¥89 million and income of the Company not allocated to business segments of ¥667 million.
 - Segment income (loss) has been adjusted to the operating income of consolidated quarterly statements of income.

2. Information on Impairment Loss on Noncurrent Assets, Goodwill, etc. by Reportable Segment

No significant items requiring inclusion.