



The original disclosure in Japanese was released on February 16, 2017 at 16:00 (GMT+9)

To whom it may concern,

Company name:	Takara Holdings Inc.
Company representative:	Toshio Kakimoto, President
Securities code and stock exchange listings	2531 Tokyo (1st section)
Inquiries:	Takuya Kakemi, General Manager of Investor Relations Dept.
TEL:	(075)241-5124

Notice Regarding Establishment of a Subsidiary through Company Split
(Incorporation-Type Company Split)

Takara Shuzo Co., Ltd. (“Takara Shuzo”), a consolidated subsidiary of Takara Holdings, resolved at its Board of Directors’ meeting held on February 16, 2017 to spin off a part of its business through a company split (incorporation-type company split) and transfer it to a company to be established, tentatively named Takara Shuzo International Co., Ltd (“Takara Shuzo International”). Details of the company split are as described below.

Takara Shuzo International will allot and deliver all the shares issued in conjunction with the company split to Takara Shuzo, while at the same time Takara Shuzo will allocate all the shares allotted and delivered to Takara Holdings, the wholly owning parent company of Takara Shuzo, as dividends of surplus. Consequently, Takara Shuzo International will become a wholly owned subsidiary of Takara Holdings.

As the company split will be conducted between wholly owned subsidiaries of Takara Holdings, the particulars and content for disclosure have been partially abridged.

1. Objective of the Company Split

Under Takara Group Vision 2020, our long-term vision for the ten years beginning in April 2011, the Group is aggressively pursuing business strategies which include improving domestic business profitability, expanding and growing overseas business, and accelerating the growth of our Biomedical Business, aiming at business expansion in markets where Takara advantages can be leveraged domestically and overseas and building a well-balanced business structure that can hold up well to business environment changes.

The Takara Shuzo Group, the core of the Takara Group, has been engaged in the Overseas Alcoholic Beverages Business, which entails the manufacture and sales of alcoholic beverages in various countries. Since entering the Japanese Food Wholesale Business in the overseas market in April 2010, it has accelerated the expansion of its business scale outside Japan through the building of a Japanese food wholesale network by welcoming multiple companies into the group. Overseas net sales of the Takara Shuzo Group for the fiscal year ending March 31, 2017 are expected to reach approximately 35 billion yen, representing a seven-fold growth in its scale compared to before entering the Japanese Food Wholesale Business in the overseas market. As such, with the aim of responding to the overseas environment, which is different from the environment for

its domestic business, and allowing more agile and precise decision-making as well as the establishment and enhancement of business foundations including global locations, the Takara Shuzo Group has decided to spin off Takara Shuzo's overseas business and establish Takara Shuzo International to further expedite the growth of the Takara Shuzo Group's overseas business.

Going forward, backed by the worldwide expansion of the market for Japanese food, the Group will actively advance our overseas business development and further expand our business and increase our corporate value by spreading Japanese food culture around the world.

2. Outline of the Company Split

(1) Company Split Schedule

Resolution at Board of Directors' meeting approving the Company Split Plan (Takara Shuzo)	May 8, 2017 (scheduled)
General Shareholders' Meeting (Takara Shuzo)	June 29, 2017 (scheduled)
Date of the company split (effective date)	July 3, 2017 (scheduled)

(2) Method of the Company Split

This is an incorporation-type company split, with Takara Shuzo as the splitting company and the newly established Takara Shuzo International as the company succeeding.

(3) Allocation of Shares Related to the Company Split

In conjunction with the company split, the newly established Takara Shuzo International will issue 200 shares of common stocks, and allot and deliver them all to Takara Shuzo, the splitting company. At the same time, Takara Shuzo will allocate all the shares allotted and delivered to the Company, the wholly owning parent company of Takara Shuzo, as dividends of surplus.

(4) Handling of Share Warrants and Corporate Bonds with Share Warrants of the Splitting Company

The splitting company has not issued any share warrants or corporate bonds with share warrants.

(5) Reduction in Capital, etc. in the Company Split

Not applicable.

(6) Rights and Obligations to Be Succeeded to the Newly Established Company

The newly established company will succeed the assets, liabilities, contracts and other rights and obligations that belong to the transferred business of the splitting company as of the date of the company split.

(7) Prospect on Fulfillment of Obligations

Takara Holdings foresees no concerns in the certainty of fulfillment of obligations to be borne by the splitting company and the newly established company pertaining to the company split.

3. Outline of the Splitting Company and the Newly Established Company

	Splitting company (As of March 31, 2016)	Newly established company* (Planned as of July 3, 2017)
Company name	Takara Shuzo Co., Ltd.	Takara Shuzo International Co., Ltd. (tentative name)
Head office location	609 Takenaka-cho, Fushimi-ku, Kyoto, Japan	20 Naginataboko-cho, Shijo-dori Karasuma Higashi-iru, Shimogyo-ku, Kyoto Japan (scheduled)
Representative	Toshio Kakimoto, President	Undetermined
Business	Manufacture and sale of alcoholic beverages, seasonings, and raw alcohol	Management of group companies, and export and sale of alcoholic beverages, seasonings, etc.
Paid-in capital	1,000 million yen	10 million yen (scheduled)
Date of establishment	April 1, 2002	July 3, 2017 (scheduled)
Number of issued shares	20,000 shares	200 shares (scheduled)
Fiscal year end	March 31	March 31
Major shareholders and shareholding ratio	Takara Holdings Inc. 100%	Takara Holdings Inc. 100%

*The outline of the newly established company has not yet been determined and will be announced when finalized after the formulation of the Company Split Plan.

4. Financial Position and Business Performance of the Splitting Company for the Most Recent Fiscal Year

	Takara Shuzo Co., Ltd.
Fiscal year	Fiscal year ended March 31, 2016
Net assets	70,083 million yen
Total assets	120,509 million yen
Net assets per share	3,504,153.80 yen
Net sales	146,044 million yen
Operating income	3,325 million yen
Ordinary income	4,095 million yen
Net income	2,676 million yen
Net income per share	133,813.51 yen

5. Situation after the Company Split

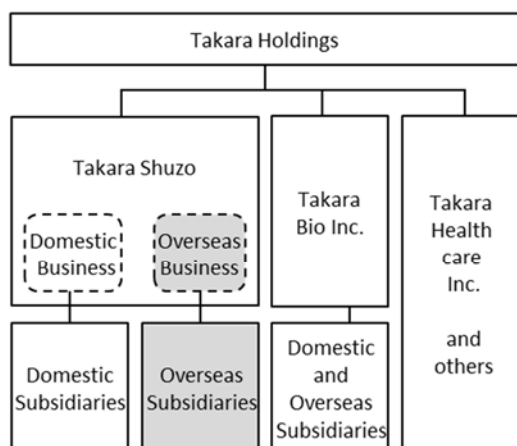
There will be no changes to the company name, head office location, business, capital, and fiscal year end of Takara Shuzo, the splitting company, as a result of the company split.

6. Future Outlook

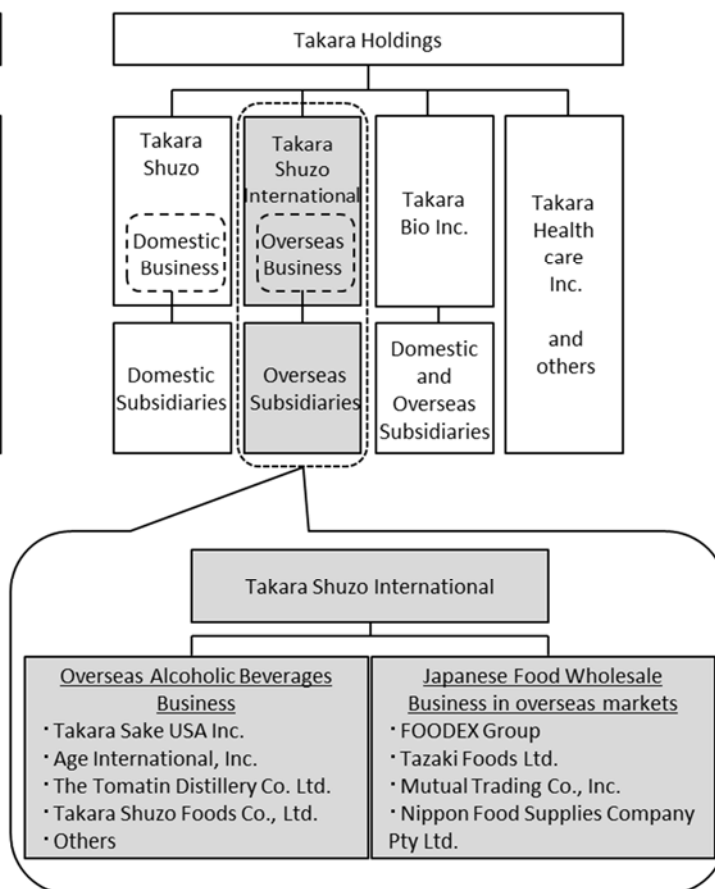
The company split will have an immaterial impact on consolidated business performance because both the splitting company and the newly established company are wholly owned subsidiaries of Takara Holdings.

(For reference) Our Management System

<As of February 16, 2017 (current system) >



<Planned as of July 3, 2017 (new system) >



Cautionary Statement on the Use of This Document

Statements in this document, other than those based on historical fact, concerning the current plans, prospects, strategies and expectations of the Company represent forecasts of future results. While such statements are based on the conclusions of management according to information available at the time of writing, they reflect many assumptions and opinions derived from information that includes major risks and uncertainties. Actual results may vary significantly from these forecasts due to various factors. Factors that could influence actual results include, but are not limited to, economic conditions, especially trends in consumer spending, as well as exchange rate fluctuations, changes in laws and government systems, pressure from competitors' prices and product strategies, declines in selling power of the Company's existing and new products, disruptions to production, violations of the Company's intellectual property rights, rapid advances in technology and unfavorable verdicts in major litigation.