

The original disclosure in Japanese was released on January 30, 2015 at 15:30 (GMT+9)

To whom it may concern,

Company name:	Takara Holdings Inc.
Stock exchange listings:	Tokyo (1 <sup>st</sup> section)
Securities code:	2531
Company representative:	Toshio Kakimoto, President
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Notice Regarding Absorption-type Merger (Simplified, Short Form Merger) of Consolidated Subsidiary

Kyoto, Japan—Takara Holdings Inc. announced that the meeting of the Board of Directors held on January 30, 2015 resolved to implement an absorption-type merger as outlined below for the Company's wholly owned subsidiary TaKaRa Network System Co., Ltd. (hereinafter "TaKaRa Network System") effective April 1, 2015.

As the merger is a simplified merger of a wholly owned consolidated subsidiary, the particulars and content for disclosure have been partially abridged.

1. Objective of the Merger

TaKaRa Network System is a wholly owned subsidiary of Takara Holdings and is engaged in the development, operation, and maintenance of information systems. In conjunction with the expansion of Takara Group, the merger is being conducted with the aim of strengthening TaKaRa Network System's capacity to support the Group and its risk handling ability more than in the past.

2. Outline of the Merger

(1) Merger schedule

Date of resolution approving merger agreement: January 30, 2015

Date of conclusion of merger agreement: January 30, 2015

Effective date of merger: April 1, 2015 (planned)

●The merger is a simplified merger pursuant to paragraph 3, Article 796 of the Companies Act of Japan for Takara Holdings and a short form merger pursuant to paragraph 1, Article 784 of the Companies Act for TaKaRa Network System. Therefore, neither company will hold a general meeting of shareholders to approve the merger agreement.

(2) Method of the Merger

The merger will be an absorption-type merger with Takara Holdings as the surviving entity, and TaKaRa Network System will be dissolved.

(3) Merger Ratio Details

There will be no issuance of new shares, capital increase or delivery of cash payment as a result of the merger.

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

Not applicable.

### 3. Outline of the Merging Companies (As of September 30, 2014)

	Surviving company		Absorbed company	
(1) Name	Takara Holdings Inc.		TaKaRa Network System Co., Ltd.	
(2) Address	20 Naginataboko-cho, Shijo-dori Karasuma Higashi-iru, Shimogyo-ku, Kyoto Japan		20 Naginataboko-cho, Shijo-dori Karasuma Higashi-iru, Shimogyo-ku, Kyoto Japan	
(3) Name and position of representative	Toshio Kakimoto, President		Masatoshi Ayabe, President	
(4) Description of business	Holding Company		Development, operation, and maintenance of information systems	
(5) Paid-in capital	13,226 million yen		30 million yen	
(6) Date of establishment	September 6, 1925		April 1, 1999	
(7) No. of issued shares	217,699,743 shares		600 shares	
(8) Fiscal year end	March 31		March 31	
(9) Major shareholders and shareholding ratio	The Master Trust Bank of Japan, Ltd. (Trust Account)	7.93%	Takara Holdings Inc.	100%
	Mizuho Bank, Ltd.	4.84%		
	The Norinchukin Bank	4.72%		
	Japan Trustee Services Bank, Ltd. (Trust Account)	4.68%		
(10) Financial position and business performance for the most recent fiscal year				
Fiscal year	Fiscal Year ended March 2014 (Consolidated)		Fiscal Year ended March 2014 (Non-consolidated)	
Net assets	146,422 million yen		202 million yen	
Total assets	238,577 million yen		583 million yen	
Net assets per share	603.44 yen		337,045.09 yen	
Net sales	209,568 million yen		1,426 million yen	
Operating income	9,490 million yen		115 million yen	
Ordinary income	9,909 million yen		116 million yen	
Net income	10,280 million yen		69 million yen	
Net income per share	50.83 yen		115,975.73 yen	

●Takara Holdings owns 16,473,370 shares of treasury stock but has been omitted from the list of major shareholders above. Treasury stock was also omitted in calculating the shareholding ratio of major shareholders.

#### 4. Situation after the Merger

There will be no change to the name, address, name and position of representative, description of business, paid-in capital, and fiscal year end of Takara Holdings as a result of the merger.

#### 5. Impact on Business Performance

The merger will have no impact on consolidated business performance because it is a merger with a wholly owned consolidated subsidiary of Takara Holdings.