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To whom it may concern,

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Revision of Consolidated Business Results Forecast and Dividend Forecast (Increased Dividend)
 for the Fiscal Year Ending March 31, 2017

Takara Holdings is revising the consolidated business results forecast that it released on November 10, 2016, and the dividend forecast that it released on May 9, 2016, for the fiscal year ending March 31, 2017 (from April 1, 2016, to March 31, 2017), as stated below. These revisions were based on consideration of recent performance trends.

1. Revision of the business results forecast

(1) Revised figures for the business results forecast for the fiscal year ending March 31, 2017 (from April 1, 2016, to March 31, 2017)

(Millions of yen / %)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share
Previous forecast (A) (Nov. 10, 2016, announcement)	234,100	12,600	13,300	8,200	40.75 yen
Revised forecast (B)	234,100	13,100	13,800	8,300	41.25 yen
Difference (B – A)	0	500	500	100	-
Difference (%)	0.0	4.0	3.8	1.2	-
Reference: Previous business results (The fiscal year ended March 31, 2016)	225,364	11,680	12,840	7,055	35.06 yen

(2) Reason for revision

Consolidated net sales are unchanged from the previous forecast, as net sales for both Takara Shuzo Group and Takara Bio Group are in line with the forecast.

Meanwhile, due to the steady performance of the domestic alcoholic beverages business and the upswing in business results at overseas subsidiaries at Takara Shuzo Group, as well as Takara Bio Group's projected performance surpassing the forecast by revenues from gene therapy and other factors, income is expected to exceed the plan. Accordingly, the Company revised its forecast upwards for consolidated operating income by ¥500 million (4.0%), consolidated ordinary income by ¥500 million (3.8%), and net income attributable to owners of the parent by ¥100 million (1.2%), respectively.

2. Revision of the dividend forecast

(1) Details of revision

	Annual Dividend (yen)		
	End of 2nd quarter	Fiscal year-end	Total
Previous forecast (Announced May 9, 2016)		12.00	12.00
Revised forecast		13.00	13.00
Dividends paid in the fiscal year ending March 31, 2017			
Dividends paid in the fiscal year ended March 31, 2016		12.00 (Standard dividend: 11.00) (Commemorative dividend: 1.00)	12.00 (Standard dividend: 11.00) (Commemorative dividend: 1.00)

(2) Reason for revision

The Company's basic financial policy involves maintaining a strong balance sheet with a focus on capital efficiency and engaging in proactive investment into priority strategies to expand profits, while at the same time providing suitable returns to shareholders.

Specifically, as part of the Group's shareholder return policy to increase dividends based on consolidated operating income level, the deemed dividend payout ratio* (ratio of total dividends to operating income less adjusted taxes) target will be 30%. In addition, the Group will examine flexible implementation of share buybacks that will contribute to increasing capital efficiency on an as-needed basis.

Based on the aforementioned revision of the business results forecast and the shareholder return policy above, the Company revised its dividend forecast for the fiscal year ending March 31, 2017 to 13 yen per share.

The dividend for the fiscal year ending March 31, 2017 will be proposed at the 106th Ordinary General Meeting of Shareholders to be held in June, 2017.

* Deemed dividend payout ratio: Total dividends / Consolidated operating income x (1 - statutory effective tax rate) ≒ 30%

Further, today, consolidated subsidiary Takara Bio Inc. (The First Section of Tokyo Stock Exchange, securities code number: 4974) also announced revisions to the business results forecast and dividend forecast for the fiscal year ending March 31, 2017.

*The above-mentioned forecasts have been prepared based on the information available as of the date of announcement of this document and could differ from actual business results.

Forward - Looking Statements

Statements in this document, other than those based on historical fact, concerning the current plans, prospects, strategies and expectations of the Company and its Group 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.