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To whom it may concern,

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Company representative:	Toshio Kakimoto, President
Securities code and stock exchange listings	2531 Tokyo (1st section)
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Notice Regarding Subscription to Third-Party Allotment of Shares  
of Japanese Food Wholesaler in Australia (Nippon Food Supplies Company Pty Ltd.)  
by Consolidated Subsidiary (Takara Shuzo Co., Ltd.)

Takara Shuzo Co., Ltd. (“Takara Shuzo”), a consolidated subsidiary of Takara Holdings, resolved at its Board of Directors’ meeting held on January 16, 2017 to subscribe to third-party allotment of shares by Nippon Food Supplies Company Pty Ltd. (“Nippon Food”), a Japanese food wholesaler in Australia. Details of the subscription to third-party allotment of shares are as described below.

Through the subscription to third-party allotment of shares, Takara Shuzo’s ownership ratio of Nippon Food’s voting rights will be 51.0%, and therefore Nippon Food will become a consolidated subsidiary (specified subsidiary) of the Company.

1. Rationale for the subscription to third-party allotment of shares

Under Takara Group Vision 2020, our long-term vision for the ten years beginning in April 2011, the Group aims to expand business in markets where Takara advantages can be leveraged domestically and overseas and build a well-balanced business structure that can hold up well to business environment changes. In addition, the Takara Group Medium-Term Management Plan FY2017, the three-year management plan formulated as the second step of an action plan aimed at achieving the long-term vision, sets out a basic policy under which we will improve domestic business profitability and expand our overseas business, 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 and promotes efforts aimed at building a Japanese food wholesale network in the United States., Europe, and worldwide as one of our priority strategies.

The Takara Shuzo Group, which forms the core of the Takara Group, acquired the shares of Foodex S.A.S., a Japanese food wholesaler in France, in April 2010 and entered the Japanese Food Wholesale Business in overseas market. Subsequently, Takara Shuzo has proceeded to expand its Japanese food wholesale network in Europe welcoming Tazaki Foods Ltd., into the Group in September 2013 followed by Cominport Distribución S.L., which

operates in Spain and Poland in March 2014. In July 2016, Keta Foods, Lda of Portugal has also joined the Group. In the United States, Takara Shuzo has also strengthened its long-standing partnership with Mutual Trading Co., Inc. through the subscription to third-party allotment of its shares in November 2016, welcoming the company to the Group.

By welcoming Nippon Food, which is one of the Australia's major Japanese food wholesalers, to the Group through the subscription, the Group realizes its business expansion to Asia and Oceania, one of the significant strategic themes, along with the business growth in Europe and the United States. Going forward backed by the worldwide expansion of the market for Japanese food, the Group will actively advance the construction and expansion of a Japanese food wholesale network and further expand our business and increase our corporate value by spreading Japanese food culture around the world.

## 2. Overview of Nippon Food

(1) Name	Nippon Food Supplies Company Pty Ltd.		
(2) Location	Sydney, New South Wales, Australia		
(3) Representative	Harumasa Murayama, Director and CEO		
(4) Business	Import and wholesale of alcoholic beverages, food products, and seasonings		
(5) Capital	1,664 Thousand Australian dollars		
(6) Established	November 30, 2015		
(7) Principal shareholders and percentage of shares held	Harumasa Murayama 100.0%		
(8) Relationships between the listed company and the said company	Capital relationship	There is no relevant capital relationship.	
	Personnel relationship	There is no relevant personal relationship.	
	Transaction relationship	There is a transaction relationship between Nippon Food and the Takara Group consisting of the purchase and sale of products.	
(9) Number of officers and employees	Three Officers and 75 employees *as of January 2017		
(10) Fiscal year-end	December 31		
(11) (For reference*) Operating performance and financial position over the past three years			Units: Thousand Australian dollars
Fiscal year	Fiscal year ended June 30, 2014	Fiscal year ended June 30, 2015	Fiscal year ended June 30, 2016
Consolidated net assets	571	1,448	1,664
Consolidated total assets	7,415	11,379	19,343
Consolidated net sales	15,710	23,606	36,296
Consolidated operating income	1,426	1,234	340
Net income attributable to owners of the parent	1,168	876	216

\* Nippon Food accepted the transfer of the business of Kansai Foods Pty Ltd (a Japanese food wholesaler wholly owned by Mr. Harumasa Murayama) as of January 1, 2017. As such, figures for operating performance and financial position of Kansai Foods Pty. Ltd. (Fiscal year-end: June 30) are shown in the above table for reference.

### 3. Overview of Takara Shuzo

(1) Name	Takara Shuzo Co., Ltd.
(2) Location	609 Takenaka-cho, Fushimi-ku, Kyoto, Japan
(3) Representative	Toshio Kakimoto, President
(4) Business	Manufacture and sale of alcoholic beverages, seasonings, and raw alcohol
(5) Capital	1,000 million yen
(6) Established	April 1, 2002
(7) Principal shareholders and percentage of shares held	Takara Holdings Inc. 100%

### 4. Number of shares to be acquired, acquisition price and percentage of ownership before and after acquisition of shares

(1) Number of shares owned before transfer	0 shares (ownership ratio of voting rights: 0.0%)
(2) Number of shares to be acquired	510 shares
(3) Acquisition price	Acquisition price through subscription to third-party allotment 16,046 Thousand Australian dollars
(4) Number of shares owned after transfer	510 shares (ownership ratio of voting rights: 51.0%)

### 5. Schedule

(1) Resolution at Board of Directors' meeting	January 16, 2017
(2) Conclusion of share subscription through third-party allotment agreement	January 16, 2017 (scheduled)
(3) Payment date for share subscription through third-party allotment	January 17, 2017 (scheduled)

### 6. Impact on Earnings

Through the subscription, Nippon Food will become a consolidated subsidiary of the Company, but the impact on consolidated earnings for the fiscal year ending March 31, 2017 is expected to be immaterial, as it will be consolidated from the fiscal year ending March 31, 2018.

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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.