



**Financial results for the fiscal year ending March 31, 2023
and medium-term management plan briefing**

May 16, 2023
Takara Holdings Inc.

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I . Financial results for the fiscal year ending March 31, 2023

Takara Holdings (Consolidated) Financial Performance for the fiscal year ending March 31, 2023

Consolidated Statements of Income

(Millions of Yen)

		'23/3 Actual	Change from '22/3		Effect of change in exchange rates on net sales Change
			Change	YOY(%)	
	Takara Shuzo	122,921	3,211	+2.7	—
	Takara Shuzo International Group	137,483	35,297	+34.5	16,336
	Takara Bio Group	78,142	10,442	+15.4	4,238
	Other	30,950	230	+0.8	—
	Adjustment	(18,832)	564	—	—
Net sales		350,665	49,746	+16.5	20,575
Gross profit		119,941	6,399	+5.6	
SG&A expenses		81,996	11,808	+16.8	
	Takara Shuzo	4,890	754	+18.3	
	Takara Shuzo International Group	10,821	2,348	+27.7	
	Takara Bio Group	20,541	(8,360)	(28.9)	
	Other	2,293	71	+3.2	
	Adjustment	(601)	(222)	—	
Operating income (loss)		37,945	(5,408)	(12.5)	
Ordinary income (loss)		38,706	(4,524)	(10.5)	
Extraordinary income		1,681	(2,977)	(63.9)	
Extraordinary loss		694	(6,233)	(90.0)	
Net income attributable to owners of the parent (loss)		21,206	437	+2.1	

※Extraordinary losses in the previous fiscal year include Takara Shuzo's voluntary product recall costs of 1,190 million yen and Takara Bio Group's loss on reduction of fixed assets of 4,470 million yen.

Takara Holdings (Consolidated) Financial Performance for the fiscal year ending March 31, 2023

Consolidated Balance Sheets

(Millions of Yen)

	'22/3	'23/3	Change
Current assets	232,323	241,513	9,189
Cash and deposits	80,445	96,820	16,375
Notes and accounts receivable-trade	70,260	69,717	(542)
Inventories	72,643	66,904	(5,739)
Others	8,975	8,072	(903)
Noncurrent assets	130,114	157,661	27,546
Property, plant and equipment	79,747	88,890	9,143
Intangible assets	15,360	15,931	571
Investments and other assets	35,006	52,838	17,831
Total assets	362,438	399,174	36,736

	'22/3	'23/3	Change
Current liabilities	79,151	67,454	(11,696)
Notes and accounts payable-trade	20,973	21,775	802
Loans and bonds	15,497	4,919	(10,578)
Others	42,681	40,760	(1,921)
Noncurrent liabilities	58,730	76,401	17,670
Loans and bonds	35,248	35,186	(61)
Others	23,482	41,215	17,733
Total liabilities	137,882	143,856	5,973
Total shareholders' equity	163,976	177,363	13,386
Capital stock and Capital surplus	15,725	15,220	(505)
Retained earnings	149,933	163,825	13,891
Treasury stock	(1,682)	(1,682)	(0)
Accumulated other comprehensive income	16,443	26,588	10,144
Noncontrolling interests	44,135	51,366	7,231
Total net assets	224,555	255,318	30,762
Total liabilities and net assets	362,438	399,174	36,736

Takara Holdings (Consolidated) Financial Performance for the fiscal year ending March 31, 2023

Consolidated Statements of Cash Flows

(Millions of Yen)

	'22/3 Actual	'23/3 Actual	Change
cash flows from operating activities	16,376	45,478	29,101
cash flows from investing activities	(10,399)	(10,474)	(74)
free cash flow	5,977	35,003	29,026
cash flows from financing activities	4,133	(22,215)	(26,348)
Effect of exchange rate change on cash and cash equivalents	2,758	3,267	508
Cash and cash equivalents at end of period	75,729	91,785	16,056

Capital expenditures, Depreciation and Amortization, Amortization of goodwill

(Millions of Yen)

	'23/3 Actual	Change from '22/3	
		Change	YOY(%)
Capital expenditures	14,165	(2,047)	(12.6)
Depreciation and Amortization	9,118	693	8.2
Amortization of goodwill	998	123	14.1

Takara Shuzo Financial Performance for the fiscal year ending March 31, 2023

Statements of Income

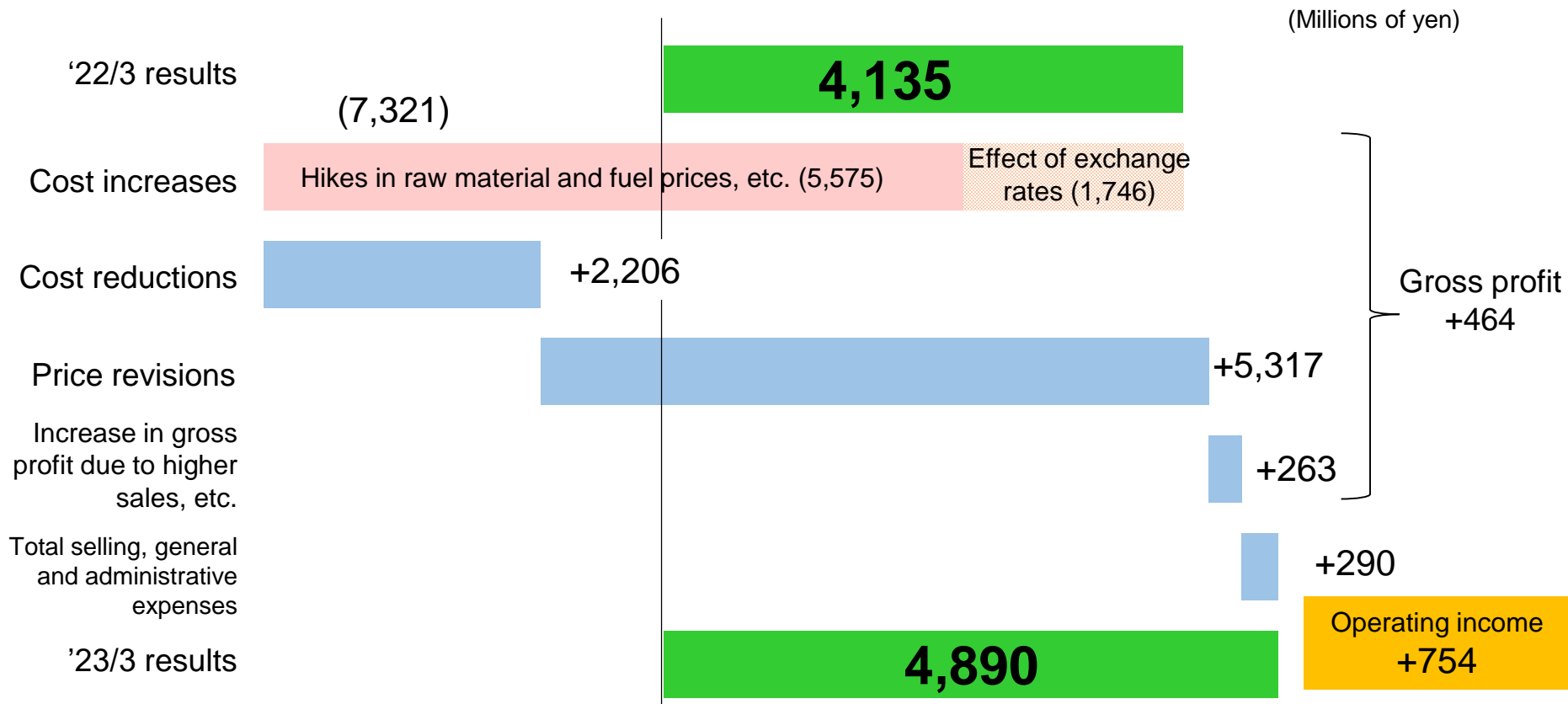
(Millions of Yen)

		'23/3 Actual	Change from '22/3	
			Change	YOY(%)
	Shochu	36,597	(1,337)	(3.5)
	Sake	12,145	(658)	(5.1)
	Light-alcohol refreshers	40,069	2,392	+6.3
	Other liquors	5,328	(138)	(2.5)
	Hon Mirin	9,477	380	+4.2
	Other seasonings	8,780	220	+2.6
	Raw alcohol	10,522	2,353	+28.8
	Net sales	122,921	3,211	+2.7
	Gross profit	29,276	464	+1.6
	SG&A expenses	24,385	(290)	(1.2)
	Operating income(Δ:loss)	4,890	754	+18.3

Analysis of the Change in Operating Income for the fiscal year ending March 31, 2023 (Takara Shuzo)

Income increased, with the impact of hikes in raw material and fuel prices and the effect of exchange rate movements offset by cost reductions and price revisions

◆ Year-on-year change in operating income (positive factors are shown with a plus sign, and negative factors are shown in parentheses)



Takara Shuzo Int'l Group Financial Performance for the fiscal year ending March 31, 2023

Statements of Income

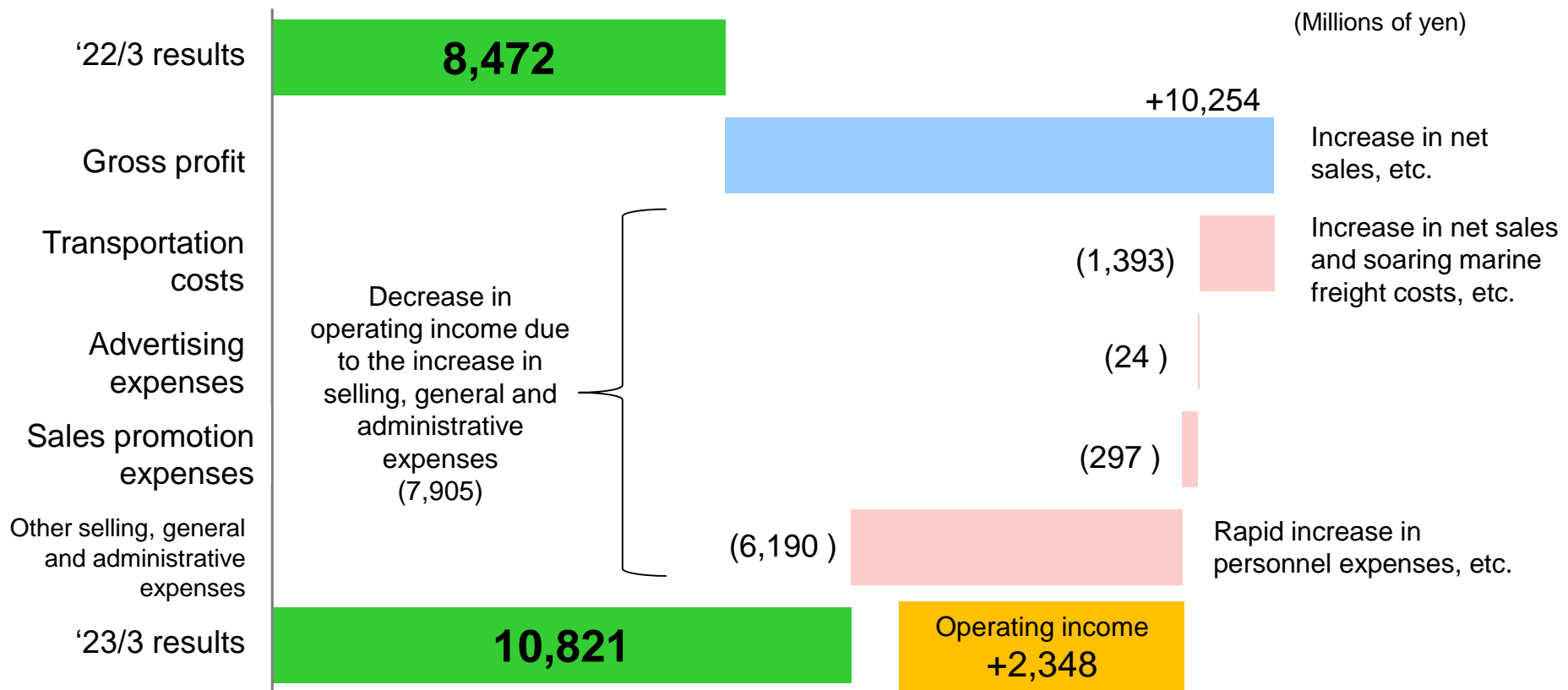
(Millions of Yen)

	'23/3 Actual	Change from '22/3		Effect of change in exchange rates on net sales Change from '22/3
		Change	YOY(%)	
Overseas Alcoholic beverages business	18,253	4,189	+ 29.8	2,401
Japanese food wholesale business in overseas markets	121,354	31,626	+ 35.2	14,330
Other	2,847	2,785	+ 4,475.1	(396)
Elimination	(4,972)	(3,303)	–	
Net sales	137,483	35,297	+ 34.5	16,336
Gross profit	42,394	10,254	+ 31.9	
SG&A expenses	31,573	7,905	+ 33.4	
Overseas Alcoholic beverages business	4,895	1,114	+ 29.5	
Japanese food wholesale business in overseas markets	7,559	1,446	+ 23.7	
Other	1,700	2,634	–	
Elimination	(3,334)	(2,846)	–	
Operating income(Δ:loss)	10,821	2,348	+ 27.7	

Analysis of the Change in Operating Income for the fiscal year ending March 31, 2023 (Takara Shuzo Int'l Group)

Gross profit increased due to an increase in sales. This offset a rise in selling, general and administrative expenses to achieve an increase in income

◆ Year-on-year change in operating income (positive factors are shown with a plus sign, and negative factors are shown in parentheses)





II. Medium-Term Management Plan for 2022 Review

Positioning of Medium-Term Management Plan for 2022

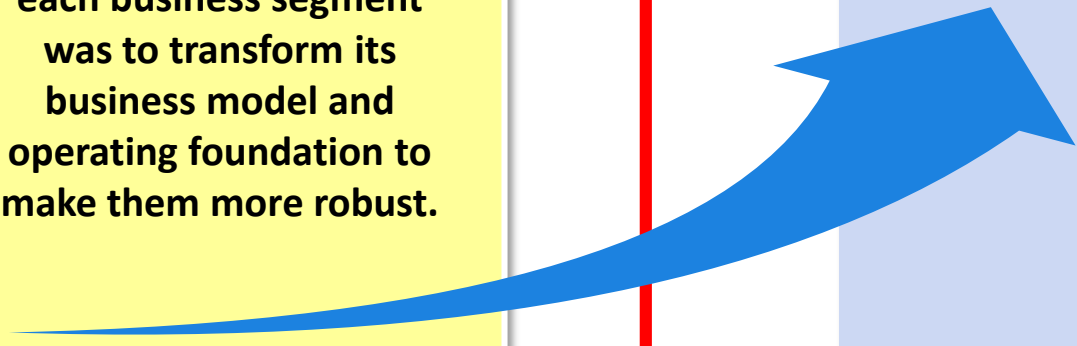
Long-Term Management Plan
“TaKaRa Group Challenge for the 100th (TGC100) ”
(for 2020-2025)
Vision ~Smiles in Life~

Medium-Term Management Plan for 2022
for 2020-2022

Medium-Term Management Plan for 2025
for 2023-2025

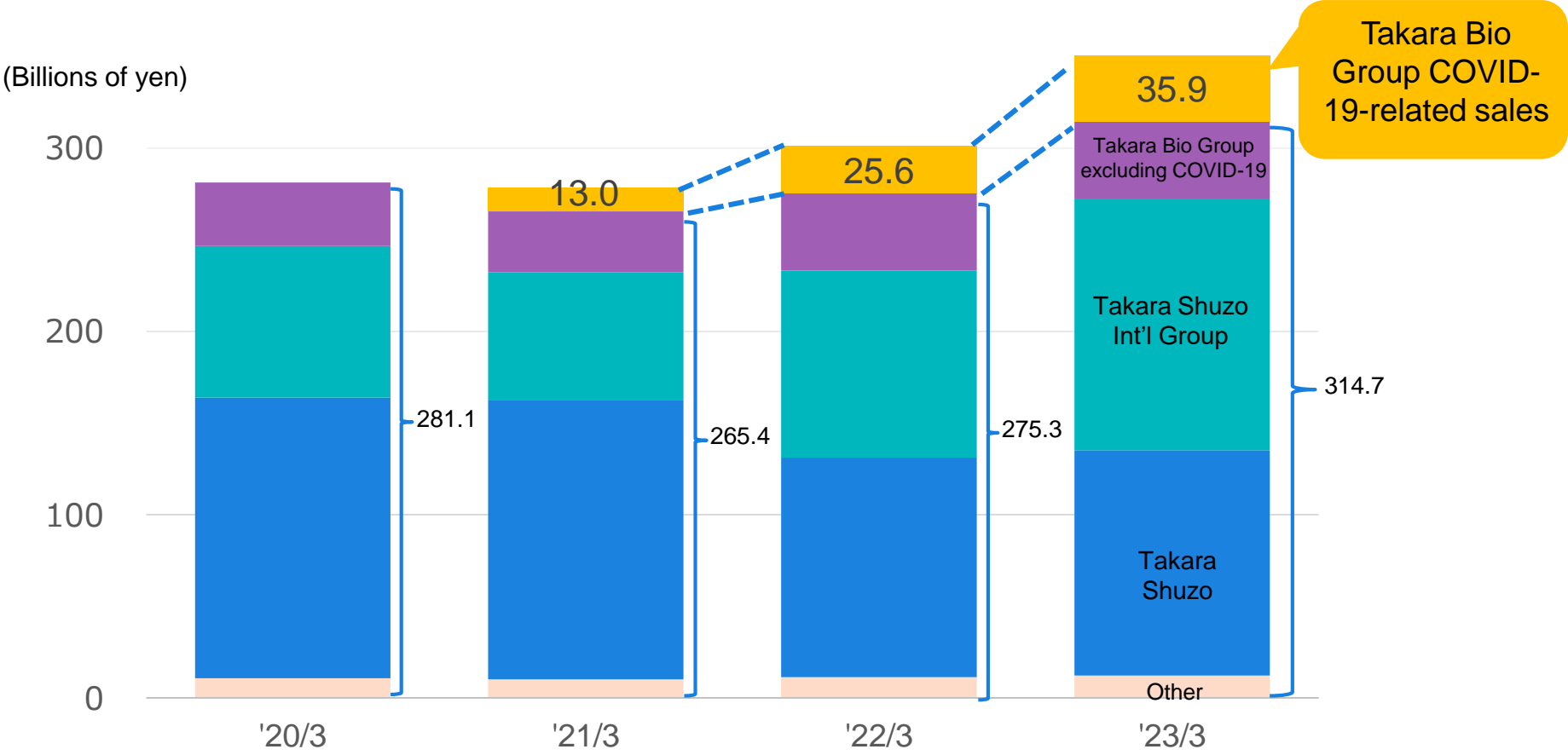
During this period,
each business segment
was to transform its
business model and
operating foundation to
make them more robust.

During this period,
Takara Group intends to
accelerate investing in
businesses in growth and
high-priority fields to increase
the Group's enterprise value



Medium-Term Management Plan for 2022: Trend in Net Sales by Business

Net Sales increased for the whole Takara Group, led by the Takara Shuzo Int'l Group and Takara Bio Group, even after eliminating the effect of COVID-19-related sales in the Takara Bio Group.



* From '22/3, some of the expenses previously treated as selling, general and administrative expenses are deducted directly from net sales, pursuant to the application of the Accounting Standard for Revenue Recognition, etc.

Medium-Term Management Plan for 2022: Operating Income by Business

Income rose across all businesses. We achieved an especially large increase in the Takara Shuzo Int'l Group and Takara Bio Group, our growth businesses.

	'20/3		'23/3
Takara Shuzo	4.1 billion yen		4.8 billion yen
Takara Shuzo Int'l Group	3.5 billion yen		10.8 billion yen
Takara Bio Group	6.2 billion yen		20.5 billion yen
Domestic Group	2.0 billion yen		2.2 billion yen

Medium-Term Management Plan for 2022: Results on Financial Targets

COVID-19 had a significant effect on business performance, but we achieved all of our financial targets.
 We also exceeded our long-term management plan targets.

Medium-Term Management Plan for 2022 Financial targets		Long-term management vision (TGC100)	'23/3
Net sales	300 billion yen or more	340 billion yen or more	350.6 billion yen
Operating income	17.4 billion yen or more	23 billion yen or more	37.9 billion yen
Percentage of net sales from overseas operations	39.0% or more	44.0% or more	48.3%
ROE	7% or more	8% or more	11.0%



Medium-Term Management Plan for 2022: Achievements and Issues by Business

Achievements

Issues

Takara Shuzo

- Implemented price revisions and engaged in companywide cost reduction efforts, keeping cost hikes under control and improving profit margins

- Improve the product mix by developing and fostering hit products and cultivating existing brands
- Strengthen equipment for safety and security

Takara Shuzo Int'l Group

- Diversified sales channels, including mass retailers, online sales, etc.
- Increased operating income by expanding wholesale sales of Japanese food overseas and appropriately responding to cost hikes through price revisions, etc.

- Expand Washu exports through collaboration with Takara Shuzo
- Further enhance our Japanese food wholesale network
- Strengthen management systems at overseas Group companies

Takara Bio Group

- Built systems for mass production and stable supply to meet the sudden rise in COVID-19 testing demand
- Redeveloped our global SCM systems
- Made investments in R&D exceeding the Medium-Term Management Plan to establish a base for future growth

- Ensure an annual growth rate of 7% through measures such as strengthening new product development for research reagents
- Expand the CDMO business through the complete implementation of Building 2 of the Center for Gene and Cell Processing and active efforts to develop manufacturing-related technologies

Sustainability Initiatives

We have established and announced the Sustainability Policy and Sustainability Vision, presenting the Ten Important Issues (Materiality) and our policy to engage with these issues. We worked on initiatives for each materiality.

May 2020: Announced the Takara Group Sustainability Policy

June 2021: Announced the Takara Group Sustainability Vision

Major achievements during the term of the Medium-Term Management Plan for 2022

- Disclosure based on the TCFD framework (Takara Holdings and Takara Bio)
- Created an emissions reduction roadmap to achieve our CO₂ emissions reduction targets
- Promoted human rights due diligence
- Promoted efforts to resolve social issues through our business activities
 - Launched non-alcoholic beverages and promoted zero-salt cooking sake (Takara Shuzo)
 - Promoted awareness and acceptance of Washu and Japanese food culture through trade shows, etc. (Takara Shuzo Int'l Group)
 - Supported COVID-19 countermeasures through the stable supply of PCR and antigen testing kits in Japan (Takara Bio Group)



III. Medium-Term Management Plan for 2025

1 . Medium-Term Management Plan for 2025 Overview

Positioning of Medium-Term Management Plan for 2025

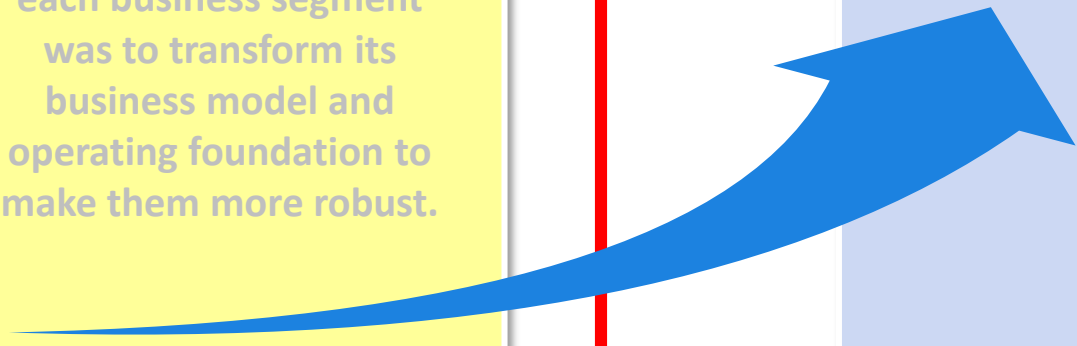
Long-Term Management Plan
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(for 2020-2025)
Vision ~Smiles in Life~

Medium-Term Management Plan for 2022
for 2020-2022

Medium-Term Management Plan for 2025
for 2023-2025

During this period,
each business segment
was to transform its
business model and
operating foundation to
make them more robust.

During this period,
Takara Group intends to
accelerate investing in
businesses in growth and
high-priority fields to increase
the Group's enterprise value



1. Medium-Term Management Plan for 2025 Overview

◆ Corporate Management Objectives

During this period, Takara Group intends to accelerate investing in businesses in growth and high-priority fields to increase the Group's enterprise value

The Takara Group intends to accelerate investing in businesses in growth and high-priority fields and motivate employees to achieve greater productivity and drive innovation at work.

In addition, we will establish and enhance the Group's two unique business models with global and sustainable implications. All these efforts will enable us to remain on the growth path and achieve the Group's Vision. Furthermore, we will upgrade our corporate communications programs as part of our efforts to increase the Group's enterprise value.

※ Growth and high-priority fields

Takara Shuzo : Enhance the safety and security of production systems; develop and nurture "hit" products; focused brand development

Takara Shuzo Int'l Group : Expand food wholesale sites in North America and Europe; expand Washu (A general term for Japanese traditional alcoholic beverages under the Liquor Tax Act such as refined sake, shochu, and mirin, including innovative Japanese alcoholic beverages that incorporate Japanese elements)

Takara Bio Group : Expand the reagents and equipment business; expand the CDMO (contract development and manufacturing organization) business; maximize the value of drug discovery platform technologies

1. Overview of the Medium-Term Management Plan for 2025

◆ Financial Targets

In addition to enhancing net sales and operating income and raising the percentage of net sales from overseas operations, we aim to improve investment efficiency in the medium and long term.

	Medium-Term Management Plan for 2022 Results	Medium-Term Management Plan for 2025 Targets
Net sales	350.6 billion yen	420.0 billion yen or more
Operating income	37.9 billion yen	38.0 billion yen or more
Percentage of net sales from overseas operations	48.3%	60% or more <small>(60% or more for Takara Group except for Takara Bio Group)</small>
ROE	11.0%	9.0% or more
ROIC	8.8%	7.5% or more

1. Overview of the Medium-Term Management Plan for 2025

◆ Five Key Strategic Initiatives

- ① Invest in businesses in growth and high-priority fields and ensure ROIC-driven corporate management
- ② Establish and strengthen the Takara Group's two unique business models
- ③ More aggressively invest in the Group's intangible assets, including human capital and IT
- ④ Step up group-wide efforts to drive corporate sustainability
- ⑤ Upgrade corporate communications programs

1. Overview of the Medium-Term Management Plan for 2025

◆ Cash flow plan (3-year cumulative)

We aim to enhance corporate value by implementing investment in businesses in growth and high-priority fields on a level exceeding cash flow from operating activities.

(Billions of yen)

	Takara Group Consolidated	Takara Shuzo	Takara Shuzo Int'l Group Consolidated	Takara Bio Group Consolidated
I Operating CF	87.4	20.0	28.2	34.6
II Investing CF	(87.7)	(21.0)	(20.0)	(45.4)
III Free CF	(0.2)	(0.9)	8.1	(10.7)
IV Financing CF	(22.9)	(9.1)	(0.4)	(9.8)
V Total	(23.1)	(10.0)	7.7	(20.5)



Ⅲ. Medium-Term Management Plan for 2025

2. Establish and strengthen Takara's unique business models

2. Establish and strengthen Takara Group's two unique business models

Takara Shuzo/Takara Shuzo Int'l Group and Takara Bio Group will each establish and strengthen unique business models that achieve both business enhancement and social sustainability.

**Takara Shuzo and
Takara Shuzo Int'l Group
[Washu and Japanese food market]**

Bolster the global awareness and acceptance of Japanese food culture

Expand Takara's global sales of Washu and Japanese food

**Takara Bio Group
[Life science industry]**

Perform the role of a prominent platform provider of a critical infrastructure for the global life science industry

**Expand the reagents and equipment business
Substantially expand the CDMO business
Maximize the value of drug discovery platform technologies**

2. Establish and strengthen Takara Group's two unique business models

Expand Takara's global sales of Washu and Japanese food by Takara Shuzo/Takara Shuzo Int'l Group

**Takara Shuzo and
Takara Shuzo Int'l Group**
[Washu and Japanese food market]

Bolster the global awareness and acceptance of Japanese food culture

Expand Takara's global sales of Washu and Japanese food

Takara Bio Group

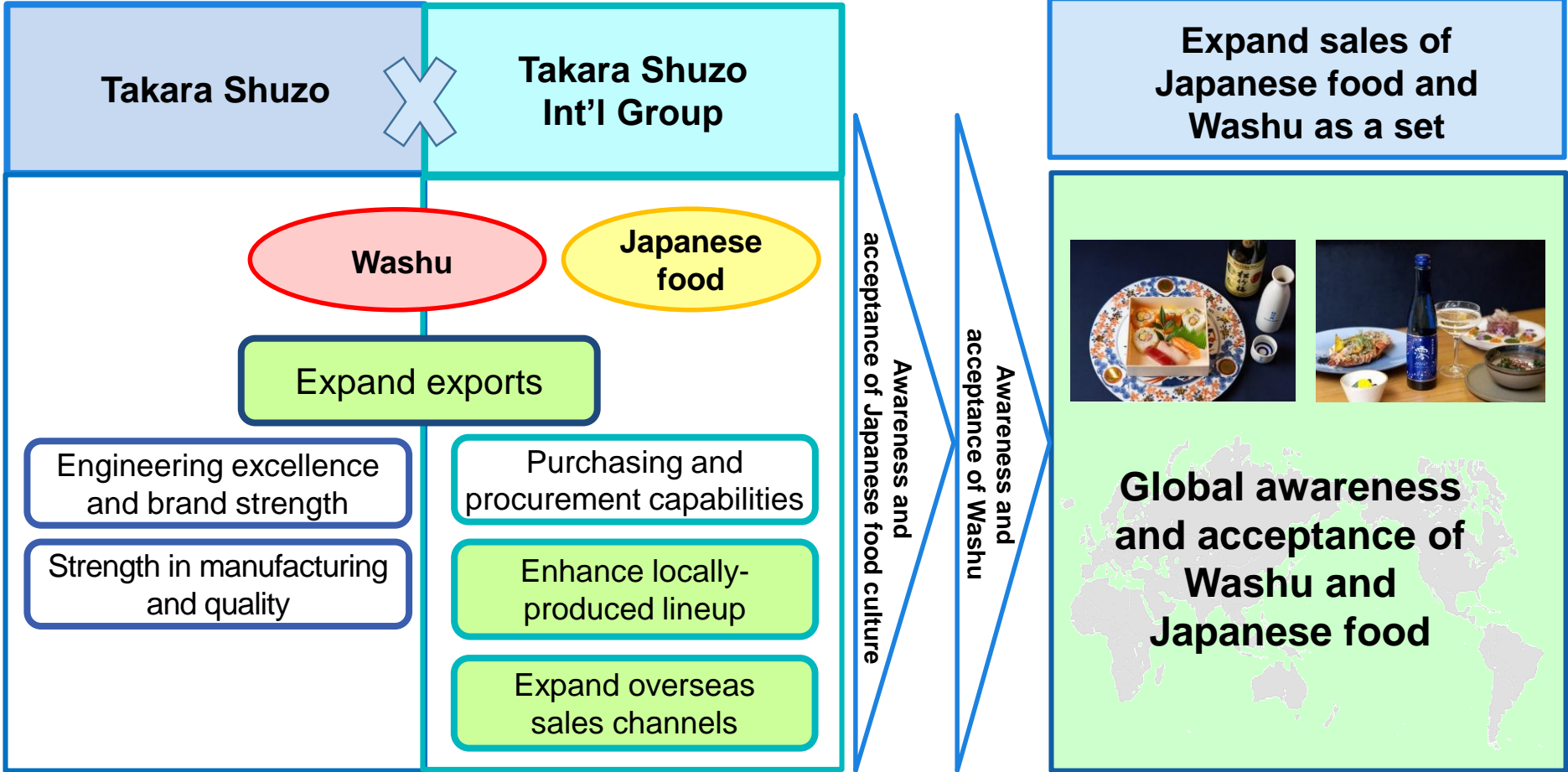
[Life science industry]

Perform the role of a prominent platform provider of a critical infrastructure for the global life science industry

Expand the reagents and equipment business
Substantially expand the CDMO business
Maximize the value of drug discovery platform technologies

2. Establish and strengthen Takara Group's two unique business models

We will gain maximum leverage from the engineering excellence and brand strength of Takara Shuzo and the Japanese food wholesale network of Takara Shuzo Int'l Group to bolster global awareness and acceptance of Washu and Japanese food through the Takara Group's unique business models.



2. Establish and strengthen Takara Group's two unique business models

Further boost the presence of the Takara Bio Group in the life science industry

**Takara Shuzo and
Takara Shuzo Int'l Group**
[Washu and Japanese food market]

Bolster the global awareness and acceptance of Japanese food culture

Expand Takara's global sales of Washu and Japanese food

Takara Bio Group
[Life science industry]

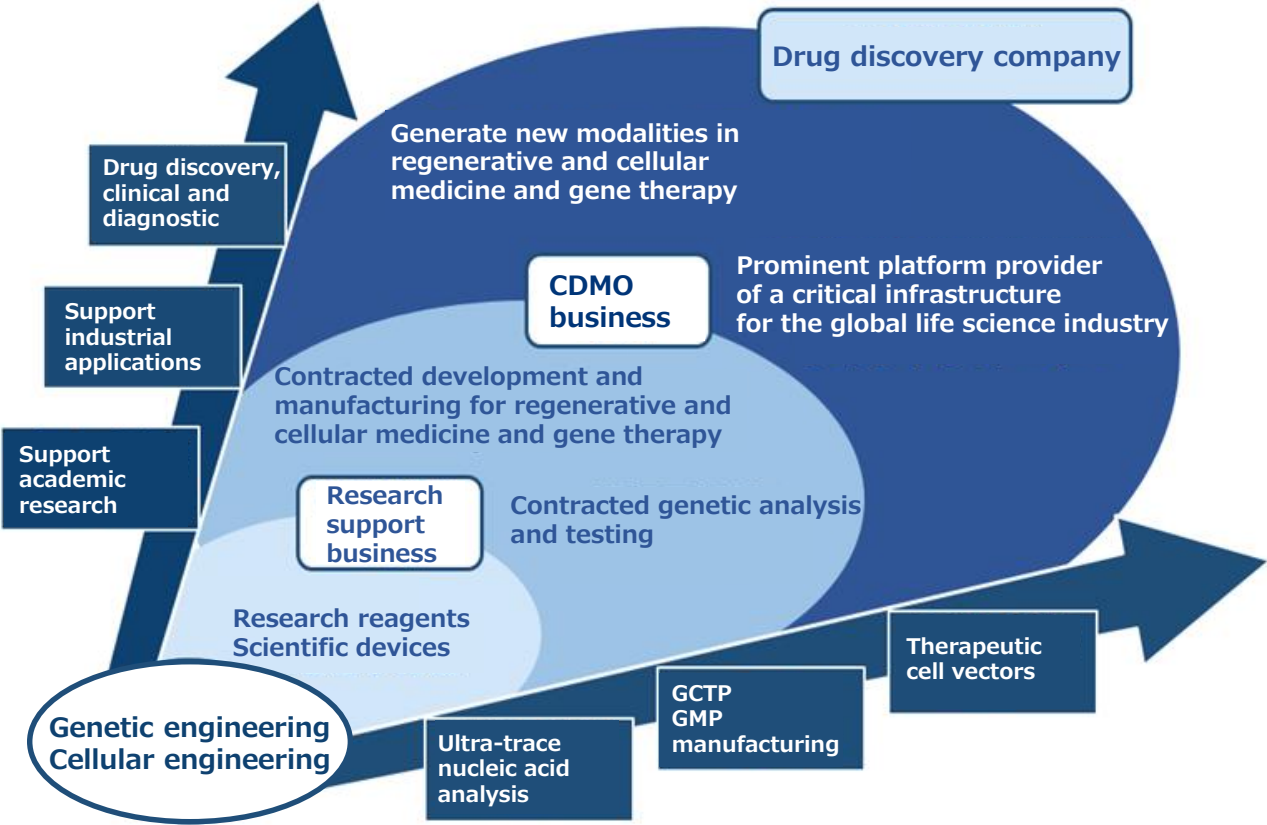
Perform the role of a prominent platform provider of a critical infrastructure for the global life science industry

Expand the reagents and equipment business
Substantially expand the CDMO business
Maximize the value of drug discovery platform technologies

2. Establish and strengthen Takara Group's two unique business models

We will strengthen our development and manufacturing capabilities to accelerate our business expansion into clinical and drug-discovery areas. We will provide techniques, products and services underpinned by Takara Bio's unique technologies as a global platform provider for the life science industry.

Prominent platform provider of a critical infrastructure for the global life science industry





Ⅲ. Medium-Term Management Plan for 2025

3 . Takara Shuzo

3. Takara Shuzo: Business Strategy

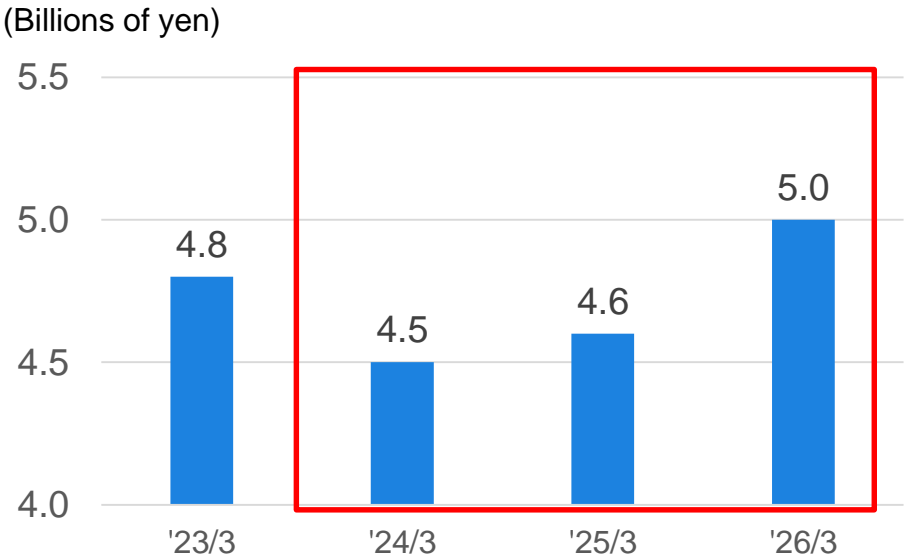
Basic policy

We will engage in thorough brand development, raise profit margins, and expand Washu into global markets.

Medium-Term Management Plan targets: Net sales of 123.2 billion
Operating income of 5.0 billion yen

- Strengthen product and brand development capabilities to substantially boost profit and profit margins
- Expand key brands and exports
- Strengthen and continue initiatives with a primary focus on safety and security
- Continue and advance companywide cost reductions

• Operating income targets under Medium-Term Management Plan for 2025



3. Takara Shuzo: Business Strategy

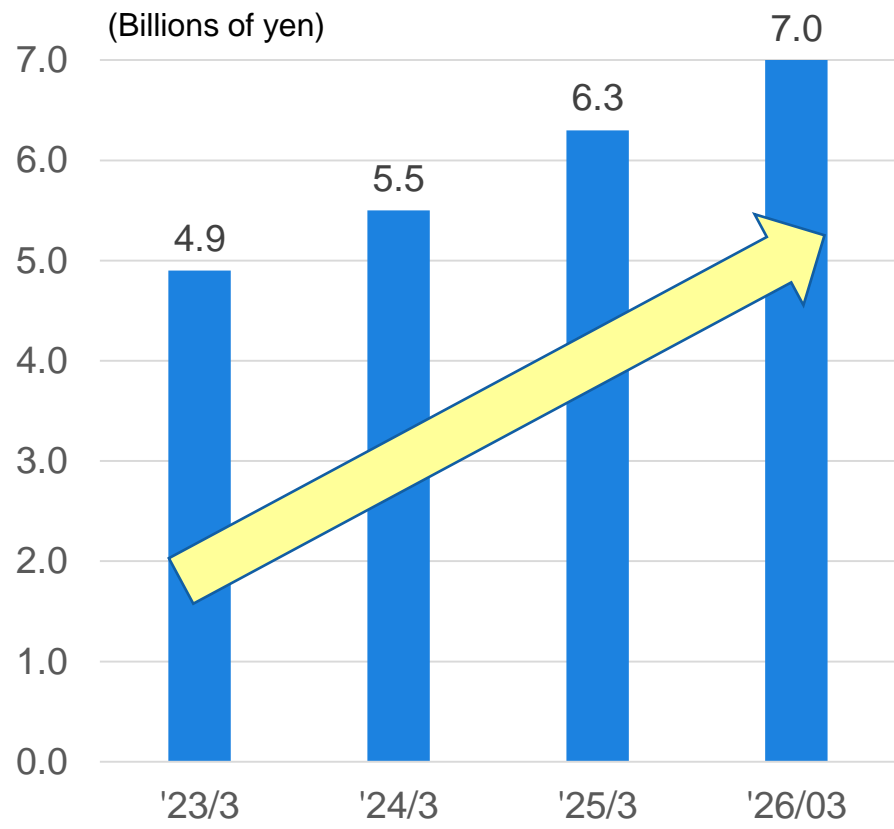
Brand development	We will develop stronger brands through increased expenditure on promotion, etc. for the eight key brands.
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◆ Eight key brands



- Gokujo <Takara Shochu>
- Takara Shochu Highball and Takara Karakuchi Zero Ball
- Sho Chiku Bai Shirakabegura “MIO” Sparkling Sake, Sho Chiku Bai Subaru
- Ikkomon and ISAINA 100% pure sweet potato shochu products
- Takara Mirin

◆ Key brand development expenditure plan



3. Takara Shuzo: Business Strategy

Product development	We will develop technologically differentiated new products with high profit margins and carefully select them for launch. For existing products, we will implement a focused brand policy.
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◆ Initiatives

Approach and initiatives	
New brands (New market creation)	<p>Unearth potential needs to provide a new and unprecedented quality of liquor and added value</p> <p>*Launch around one carefully-selected item in each category over three years</p>
Existing brands	<ul style="list-style-type: none"> • Implement focused brand maintenance and renewal, including initiatives for growth, maintenance, and termination • Aim to improve profit margins by adding value through enhanced quality and the revision of product specifications

3. Takara Shuzo: Business Strategy

Expanding exports	We will collaborate with the Takara Shuzo Int'l Group to expand exports, centered on developing Sho Chiku Bai Shirakabegura "MIO" Sparkling Sake into global brand.
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◆ Initiatives

Approach and initiatives	
Develop Sho Chiku Bai Shirakabegura "MIO" Sparkling Sake into a global brand	Develop products combining Takara Shuzo's techniques and overseas demand, and reimport overseas popularity to revitalize the brand



Worldwide advertising images



Illustration of reimporting information from overseas



3. Takara Shuzo: Business Strategy

Investment
plan

We plan to invest in safe and secure product manufacturing, based on our experience of a voluntary product recall in 2021, and invest to reduce CO₂ emissions.

(Billions of yen)

Investments	Planned investment over the 3 years of the Medium-Term Management Plan
Total	21.0
Investment in safety and security and CO ₂ emissions reduction	14.3
Other	6.7



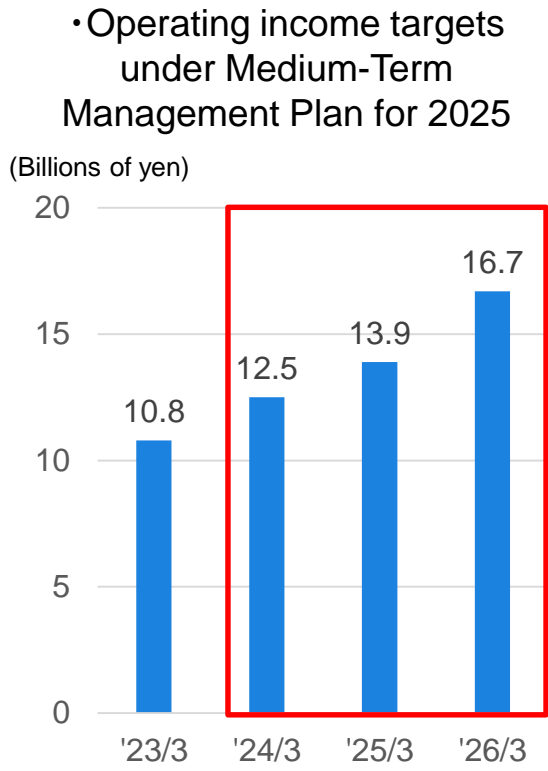
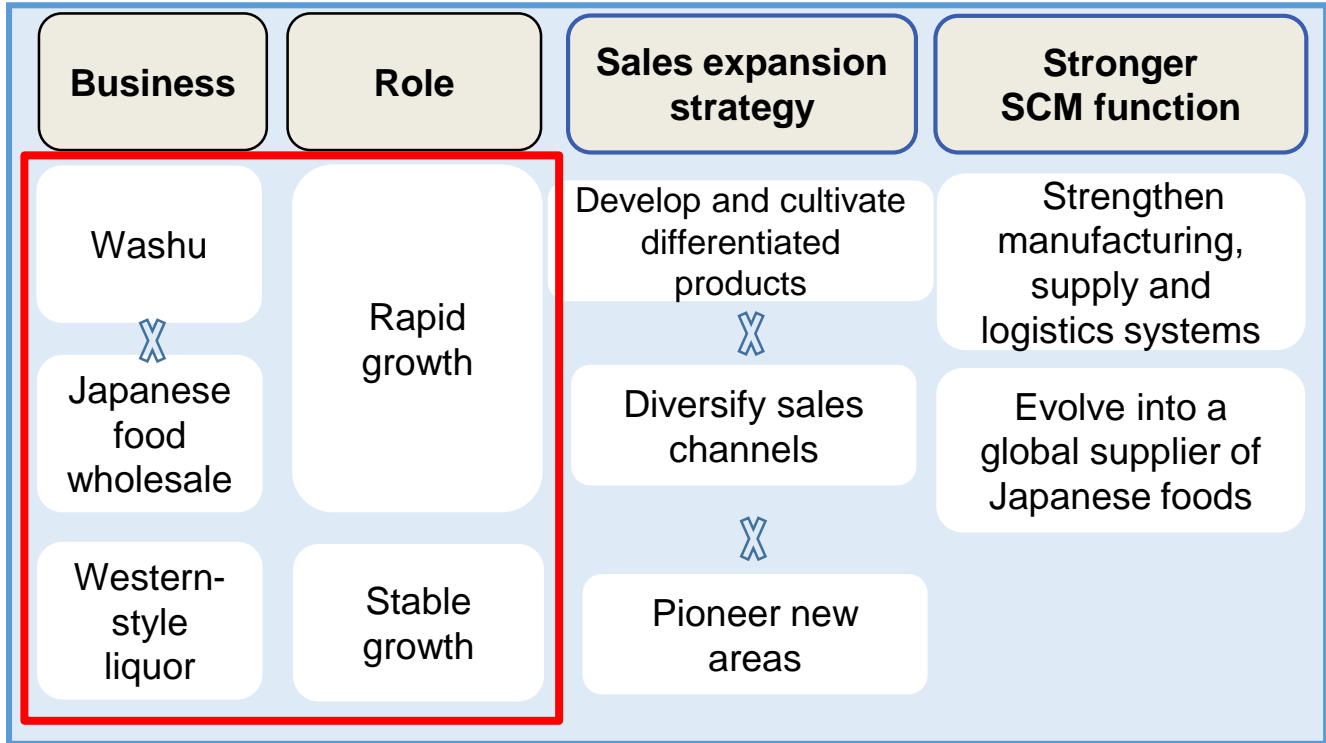
Ⅲ. Medium-Term Management Plan for 2025

4. Takara Shuzo Int'l Group

4. Takara Shuzo Int'l Group: Business Strategy

Basic policy	We will achieve revenue growth for the whole Group through the rapid growth of the Washu and Japanese food wholesale business and the stable growth of Western-style liquor business.
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◆ Business strategy	Medium-Term Management Plan targets: Net sales of 218.0 billion yen Operating income of 16.7 billion yen
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4. Takara Shuzo Int'l Group: Business Strategy

Overseas Alcoholic Beverages Business (Washu)

Business Policy

We will aim for the rapid growth of the Washu business, maximizing synergies between Takara Shuzo and overseas Group companies.

- Develop innovating products and new products capturing local needs through the combined efforts of Takara Shuzo, the Takara Shuzo Int'l Group and overseas Group companies
- Thoroughly cultivate existing markets and pioneer new markets
 - Expand exports to the United States, centered on “MIO,” and expand new export destinations
- Respond to the global rise in raw materials and energy prices
- Penetrate US mass retailing chains and bar/restaurant chains and thoroughly cultivate Japanese and Asian sales routes through the introduction of new products and by reinforcing proposals
- Accumulate know-how through collaboration with WAKAZE

4. Takara Shuzo Int'l Group: Business Strategy

Japanese Food Wholesale Business

Business Policy

We will promote the diversification of sales channels, pioneer new areas, and develop and cultivate differentiated products to achieve rapid growth significantly exceeding market growth.

Area strategy: North America

- Develop new bases through M&A and organic expansion
- Enhance services for existing bars, restaurants and retailers
- Expand alcoholic beverage offerings and develop products for retail sales
- Develop markets for key products such as alcoholic beverages including Sho Chiku Bai Shirakabegura “MIO” Sparkling Sake, Wagyu beef, non-food products and others
- Diversify sales channels by pioneering retail sales routes in the United States



Mutual Trading Co., Inc. (United States)

4. Takara Shuzo Int'l Group: Business Strategy

Japanese Food Wholesale Business

Area strategy: Europe

- Firmly maintain our top market share in Europe and aim for further growth
 - Expand our access and capture demand from independent bars and restaurants
 - Develop the retail and commercial processing markets
- Achieve business growth, including the expansion of the Washu business
 - Strengthen and enhance proposal-based sales pivoting on Japanese food recipes
 - Utilize Amador y Aranda S.L. to penetrate into southern Spain
- Proceed with the optimization of warehouse locations and functions within Spain



FOODEX SAS (France)



L'Atelier du Sake

4. Takara Shuzo Int'l Group: Business Strategy

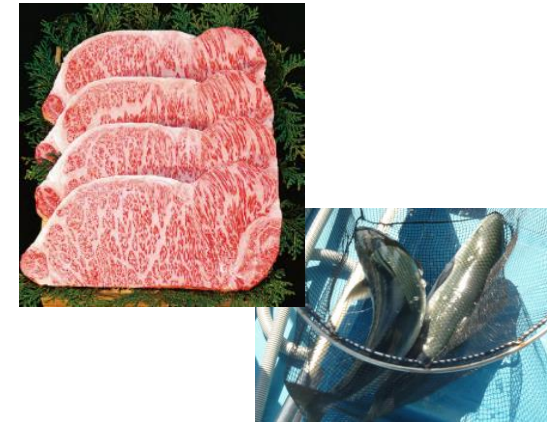
Japanese Food Wholesale Business

Procurement: Tokyo Mutual Trading Co., Ltd.

- Aim for the stable supply of focus products (Japanese sake, yellowtail, Wagyu beef, etc.) and the reduction of purchase costs
- Unearth and develop new high-added-value foods produced in Japan
- Expand trading and strengthen support
 - Strengthen capabilities to work with Mutual Trading Co., Inc.
 - Expand the trading of Washu, foods, and non-food products with overseas Group companies
- Strengthen the IT platform and streamline operations



Tokyo Mutual Trading Co., Ltd.
(display booth)



Wagyu beef and yellowtail bound for Mutual Trading Co., Inc.

4. Takara Shuzo Int'l Group: Business Strategy

Overseas Alcoholic Beverages Business (Western-style liquor)

Business policy

We aim to boost the value of our brands, such as Tomatin and Blanton's, and achieve stable earnings growth.

- Strengthen sales of high-value-added bottle products, particularly the Tomatin bottle, and boost brand appeal by upgrading the visitor center
- Enhance the brand value of Blanton's and expand sales globally



An exclusive item only available on distillery tours



Blanton's

4. Takara Shuzo Int'l Group: Business Strategy

We plan to invest actively in initiatives such as the expansion of our Japanese food wholesale network and the extension of our warehousing function.

◆ Investment plan

(Billions of yen)

Investments	Planned investment over the 3 years of the Medium-Term Management Plan
Total	20.0
<ul style="list-style-type: none">• Investment in expanding bases through M&A, etc.• Extending warehousing function• Enhancing manufacturing and bottling capacity	16.9
Other	3.1



III. Medium-Term Management Plan for 2025

- 5. Human Capital Management
- 6. Sustainability
- 7. Financial and Shareholder Return Policies
- 8. Medium-Term Management Plan for 2025
Systematic Chart

5. Human Capital Management

<Takara Group Human Resources Policy>

In the Takara Group, we take the perspective that people are indispensable assets and our employees are “human resources.”

While we believe that a company is an organization comprising all of its individual employees and that the collective power of “human resources” is the source of a company’s growth and development, we also believe that the evolution of corporate culture and “human resources” is indispensable for the further increase in corporate value and the achievement of business continuity.

We aim to create “a workplace that is full of vitality and positivity, and a corporate culture that nurtures people” from the perspective of respect for human beings, and within that to foster “human resources that achieve a balanced combination of working adult, member of society, and individual human being.”

Foster human resources who will be responsible for the next generation and global human resources

Increase the number of women in management positions and provide job opportunities for people up to 70 years old

Boost employee engagement



6. Sustainability

We will promote compliance with global disclosure standards and more substantial initiatives. We will work to resolve social issues through our business activities and enhance the value chain that supports resolving social issues.

◆ Stronger actions to be taken

Perspective	Actions
Resolve social issues through the business of providing products and services	<p>【Well-balanced diet】 Promote the appeal and new value of Washu and Japanese food, etc.</p> <p>【Wellness】 Support global life sciences research and development; provide health conscious products, etc.</p>
Enhance the value chain that supports resolving social issues	<p>【Environment】 Implement CO₂ emissions reduction plans (by investing in facilities, among others)</p> <p>【Responsible Alcohol Producer】 Raise awareness around proper consumption of alcoholic beverages (prohibition of drinking by persons under the age of 20; prohibition of driving under the influence of alcohol, etc.) and market responsibly</p> <p>【Human Rights】 Implement human rights due diligence processes</p>

6. Sustainability

◆ Resolving social issues through the business of providing products and services

Activities using showrooms and sake sommeliers to boost awareness and appreciation of Japanese food and Washu



Broad-based support for life science research and the life science industry through the Takara Bio Group and the development of non-alcoholic beverages by Takara Shuzo



6. Sustainability

◆ Enhancing the value chain that supports resolving social issues

Installed solar panels at Kurokabegura in Miyazaki (Takanabe, Miyazaki)



Implemented human rights due diligence processes based on the Guiding Principles on Business and Human Rights



Added information on the amount of alcohol contained in the Takara Shochu Highball and Takara Maruoroshi series on product packaging



- Takara Shochu Highball (from Nov. 2021)
- Takara Maruoroshi series (from Mar. 2022)

7. Financial and Shareholder Return Policies

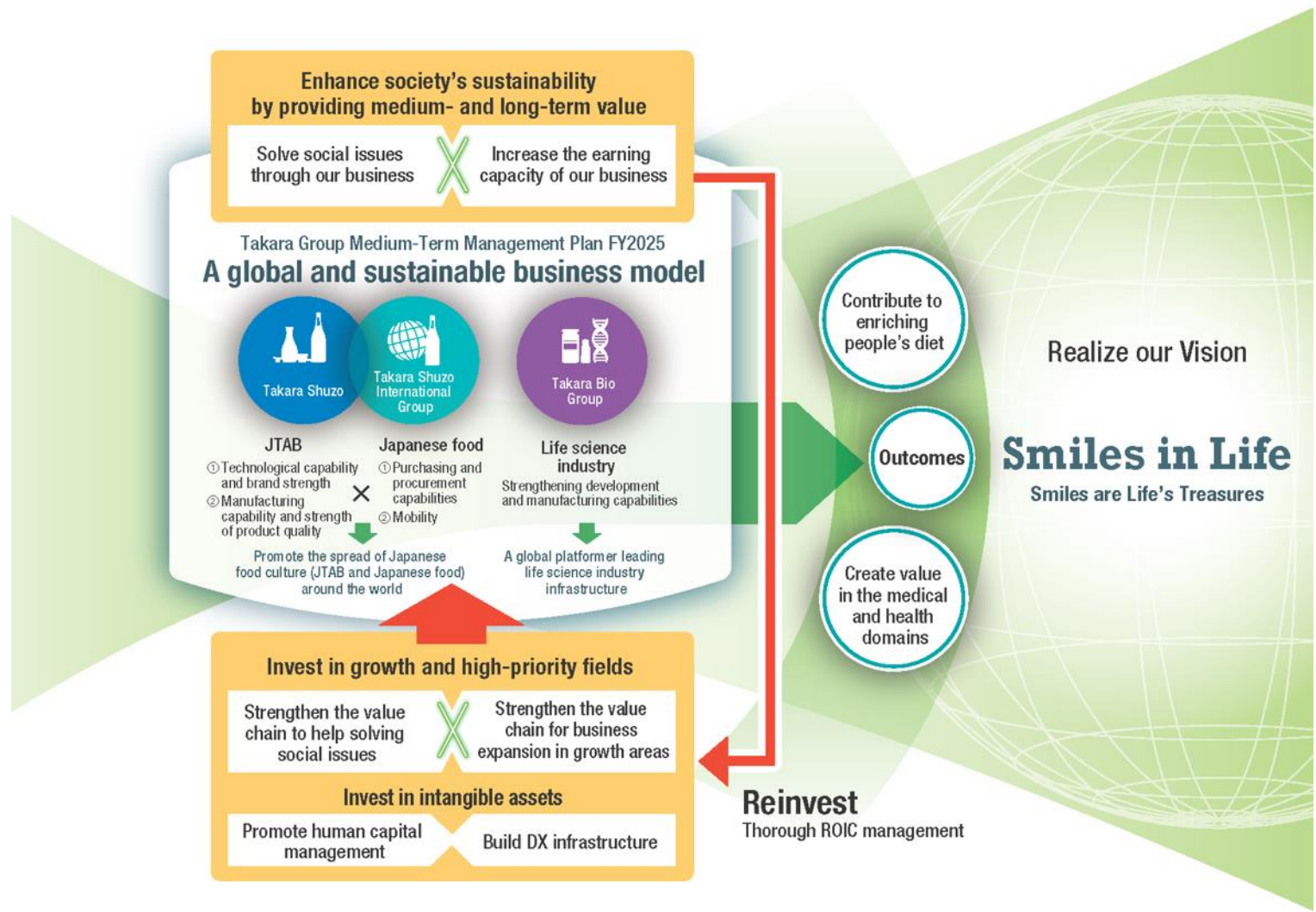
Financial policy

Create cashflow by increasing the efficiency of assets and through the sale of strategic shareholdings while enhancing global cash management, for the purpose of accelerating investments in growth and high-priority fields based on the maintenance of sound financial fundamentals

Shareholder return policy

Provide shareholder returns commensurate with profit levels (payout ratio of about 35%)

8. Takara Group Medium-Term Management Plan for 2025 Systematic Chart (Vision realization process)





**IV. Financial forecasts
for the fiscal year ending March 31, 2024**

Takara Holdings (Consolidated) Financial forecasts for the fiscal year ending March 31, 2024

Consolidated Statements of Income

(Millions of Yen)

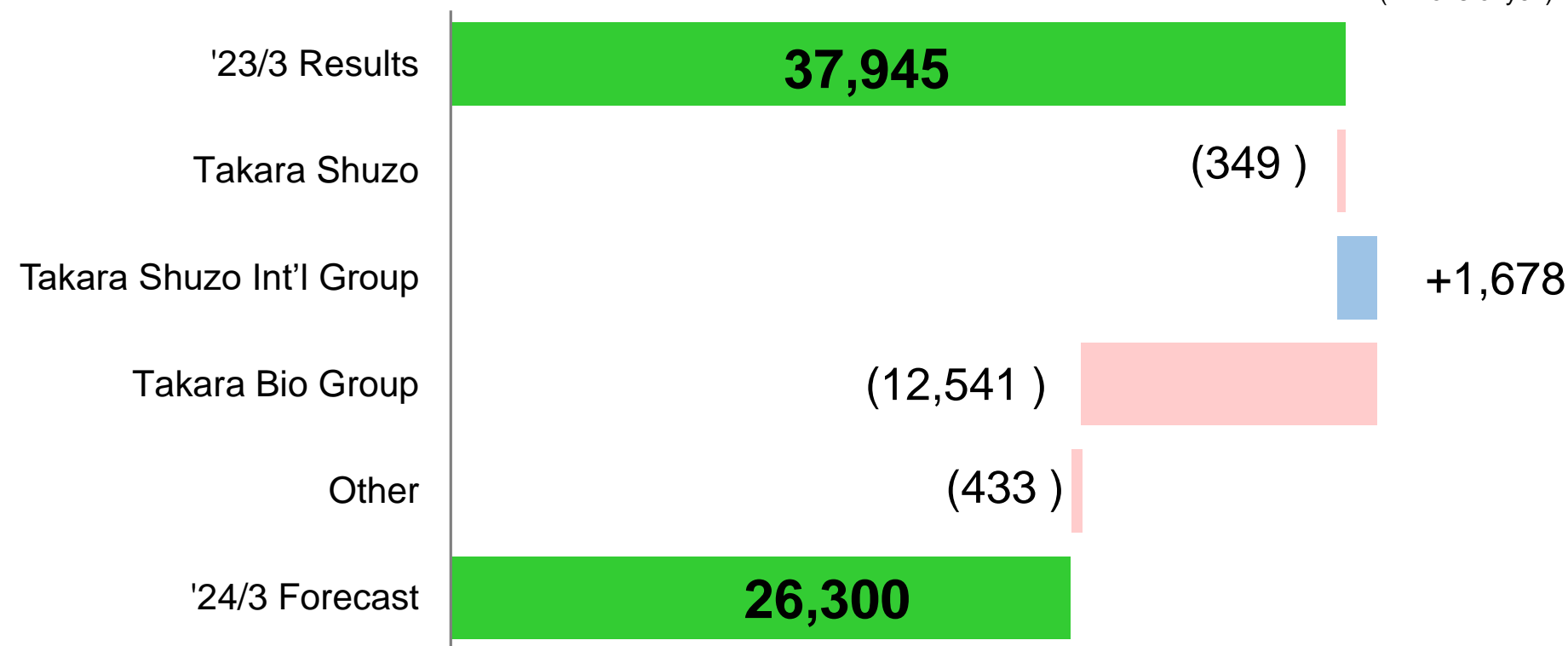
		'24/3 Forecast	Change from '23/3		Effect of change in exchange rates on net sales Change
			Change	YOY(%)	
	Takara Shuzo	123,526	604	+0.5	—
	Takara Shuzo International Group	165,700	28,216	+20.5	6,531
	Takara Bio Group	53,300	(24,842)	(31.8)	1,081
	Other	31,215	264	+0.9	—
	Adjustment	(18,741)	91	—	—
	Net sales	355,000	4,334	+1.2	7,612
	Gross profit	120,900	958	+0.8	
	SG&A expenses	94,600	12,603	+15.4	
	Takara Shuzo	4,541	(349)	(7.1)	
	Takara Shuzo International Group	12,500	1,678	+15.5	
	Takara Bio Group	8,000	(12,541)	(61.1)	
	Other	2,327	33	+1.4	
	Adjustment	(1,068)	(466)	—	
	Operating income(Δ:loss)	26,300	(11,645)	(30.7)	
	Ordinary income(Δ:loss)	26,800	(11,906)	(30.8)	
	Extraordinary income	8	(1,673)	(99.5)	
	Extraordinary loss	508	(186)	(26.9)	
	Net income attributable to owners	15,000	(6,206)	(29.3)	

Change in Operating Income for the fiscal year ending March 31, 2024 by Business

By business, operating income is forecast to increase for the Takara Shuzo Int'l Group but decrease for Takara Shuzo and the Takara Bio Group, leading to an overall decrease in operating income for the Takara Group.

◆ Year-on-year change in operating income (positive factors are shown with a plus sign, and negative factors are shown in parentheses)

(Millions of yen)



Takara Holdings (Consolidated) Cash Flow Plan and Financial Targets for the fiscal year ending March 31, 2024

◆ Cash Flow Plan

(Billions of yen)

	Takara Holdings (Consolidated)	Takara Shuzo	Takara Shuzo International Group	Takara Bio Group
I Operating CF	23.0	5.9	8.3	7.2
II Investment CF	(31.8)	(4.9)	(10.5)	(16.0)
III Free CF	(8.7)	1.0	(2.1)	(8.7)
IV Financial CF	(9.5)	(3.2)	(0.1)	(5.0)
V Total	(18.2)	(2.2)	(2.2)	(13.7)

◆ Financial Targets

Percentage of net sales from overseas operations	56.3% (54.7% or more for Takara Group except for Takara Bio Group)
ROE	7.2%
ROIC	5.8%

Takara Shuzo Financial forecasts for the fiscal year ending March 31, 2024

Statements of Income

(Millions of Yen)

		'24/3 Forecast	Change from '23/3	
			Change	YOY(%)
	Shochu	33,401	(3,196)	(8.7)
	Sake	11,518	(627)	(5.2)
	Light-alcohol refreshers	42,391	2,321	+5.8
	Other liquors	5,039	(289)	(5.4)
	Hon Mirin	9,697	219	+2.3
	Other seasonings	8,860	79	0.9
	Raw alcohol	12,618	2,095	+19.9
	Net sales	123,526	604	+0.5
	Gross profit	31,137	1,860	+6.4
	SG&A expenses	26,596	2,210	+9.1
	Operating income(Δ:loss)	4,541	(349)	(7.1)

Takara Shuzo Int'l Group Financial forecasts for the fiscal year ending March 31, 2024

Statements of Income

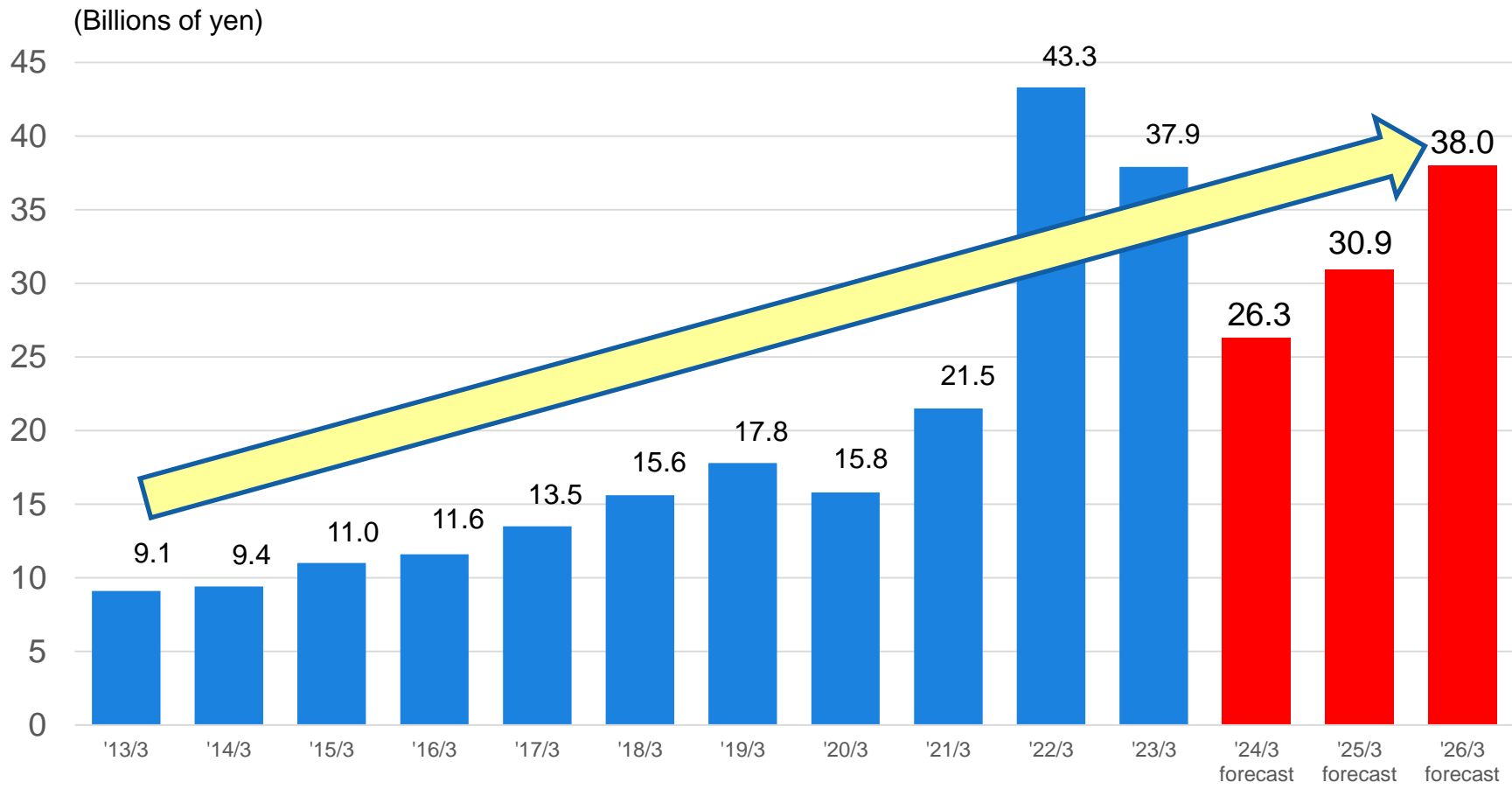
(Millions of Yen)

	'24/3 Forecast	Change from '23/3		Effect of change in exchange rates on net sales Change from '23/3
		Change	YOY(%)	
Overseas Alcoholic beverages business	21,106	2,852	+15.6	788
Japanese food wholesale business in overseas markets	147,207	25,852	+21.3	5,903
Other	247	(2,600)	(91.3)	(160)
Elimination	(2,861)	2,111	—	
Net sales	165,700	28,216	+20.5	6,531
Gross profit	52,195	9,800	+23.1	
SG&A expenses	39,695	8,121	+25.7	
Overseas Alcoholic beverages business	5,860	964	+19.7	
Japanese food wholesale business in overseas markets	8,837	1,277	+16.9	
Other	(1,320)	(3,020)	—	
Elimination	(877)	2,457	—	
Operating income(Δ:loss)	12,500	1,678	+15.5	

Takara Holdings: Forecast Trend in Consolidated Operating Income

We will accelerate investment in growth and high-priority fields, firmly establish Takara's two unique and inimitable business models of "bolstering the global awareness and acceptance of Japanese food culture" and "performing the role of a prominent platform provider of a critical infrastructure for the global life science industry," and use these as a basis for earnings growth.

◆ Forecast trend in consolidated operating income



We will progressively achieve our vision of “Smiles in Life ~ Smiles are Life’s Treasures ~” by contributing to a well-balanced diet for people around the world through Washu and Japanese food, and by supporting healthy lifestyles through our biomedical businesses.

TAKARA HOLDINGS INC.

TAKARA SHUZO CO., LTD.

TAKARA SHUZO INTERNATIONAL CO., LTD.

TAKARA BIO INC.

Contribute to a
well-balanced
diet for
everyone

Create value in
the medical
and healthcare
domains

Smiles in Life

~ Smiles are Life’s Treasures ~



笑顔は人生の宝

「タカラ」上掲いたは、
皆さんは本業をつくる命だと思われたい。と、
願っています。タカラグループが事業をつくるための「笑顔」、
たくましく笑顔で、あなたを笑顔にしたいと考えています。

100年以上にわたる歴史を継いでいる製パンの技術も、
世界に広がる日本食文化のネットワークやお客様の満足度、
健全な成長環境、貴族子弟教育の環境をバイオテクノロジー、
すべてに実現しています。

例えば、今までのお菓子で、ニュー・オールドを、
研究や開発の現場でも、あなたを笑顔にするため。

笑顔は人生の宝、
笑顔に広がる日本食文化のネットワークやお客様の満足度、
健全な成長環境、貴族子弟教育の環境をバイオテクノロジー、
すべてに実現しています。

宝ホールディングス株式会社
宝ホールディングス株式会社 / 宝ホールディングス株式会社 / 宝ホールディングス株式会社

Smiles in Life



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Forward-Looking Statements

Statements in this presentation, 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.

<Inquiry>

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