

# Takara Holdings Inc. Information Meeting



December 2023

Hideo Takahashi, Managing Director

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# Overview of Takara Group

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<b>Trade name:</b>	<b>Takara Holdings Inc.</b>
<b>Founded:</b>	<b>1842</b>
<b>Established:</b>	<b>September 6, 1925</b>
<b>exchange listings:</b>	<b>2531 Tokyo (Prime section)</b>
<b>Head office:</b>	<b>Kyoto, Japan</b>
<b>Representative:</b>	<b>Mutsumi Kimura, President</b>
<b>Issued Capital:</b>	<b>¥13,226 million</b>
<b>Number of employees :</b>	<b>5,131</b> <b>(Takara Holdings Consolidated / as of March, 2023)</b>
<b>Consolidated Subsidiaries :</b>	<b>63 (as of September, 2023 )</b>

**Financial Performance for the fiscal year ending March 31, 2023 :**

**Net Sales (Consolidated) ¥ 350.6 billion**

**Operating income (Consolidated) ¥ 37.9 billion**

# Business Structure of Takara Group

## Takara Holdings Inc.

### Takara Shuzo

#### Domestic Business



### Takara Shuzo Int'l Group

#### Overseas Business

















### Takara Bio Group

#### Biomedical business



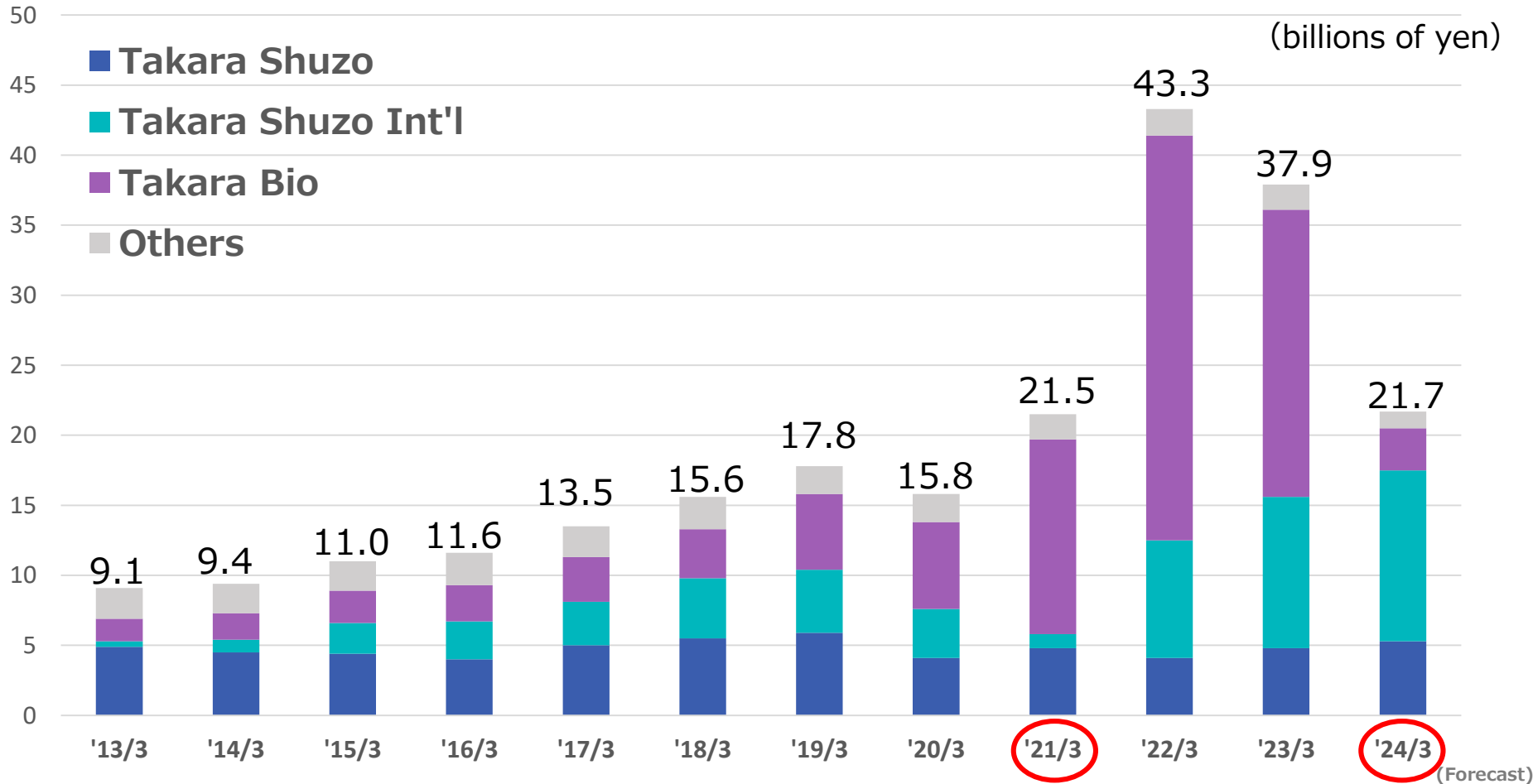
Others

# Business History

1842	 Founded in Takenakacho, Fushimi	 : Domestic Business  : Overseas Business  : Biomedical Business
1925	 Founded Takara Shuzo co., Ltd. (currently Takara Holdings Inc.)	
1951	 Started exporting the Sho Chiku Bai brand of sake to the U.S.	
1957	 Entered beer business (Withdrew in 1967)	
1979	 Launched the first domestically produced “restriction enzyme” as a reagent for genetic engineering research (launched the Biomedical Business)	
1983	 Founded Takara Sake USA Inc. to start manufacturing and selling Sho Chiku Bai produced in the U.S.	
2002	Executed a company split-up to transition to a holding company system/Changed the trade name to Takara Holdings Inc.	
2004	 Listed on the Tokyo Stock Exchange (TSE) Mothers	
2010	 Acquired shares of FOODEX S.A.S. (France) to enter the Japanese Food Wholesale Business in overseas market	
2014	 Completed the construction of the Center for Gene and Cell Processing/Started the CDMO business on a full scale	
2016	 Takara Bio Changed listing from the TSE Mothers to the First Section of the TSE	
2017	 Spun off the overseas business of Takara Shuzo co., Ltd. to establish Takara Shuzo International Co., Ltd.	

# Trend in Operating Income by business

Our strength lies in the fact that we have built well-balanced business structures that are resilient to changing conditions thanks to having multiple, fully independent businesses that differ in their content and areas of development



# Long term Management Vision

## Long term Management Vision 「TaKaRa Group Challenge for the 100<sup>th</sup>」

**A six-year management plan that defines the vision of the group and sets a milestone in FY2025 (fiscal year ending March 2026), when we will celebrate our 100th anniversary.**

### ◆ Vision

## Smiles in Life ~Smiles are Life's Treasures ~

The Takara Group aspires to use its proprietary technology to produce great tasting products and revolutionary biotechnology to safely and reliably deliver diverse value in the Washu(Japanese Traditional Alcoholic Beverages), Japanese food, and life science categories and help people connect with each other and lead healthy and fulfilling lives full of smiles.



# Medium-Term Management Plan for 2025

## Long-Term Management Plan “TaKaRa Group Challenge for the 100th (TGC100) ” (for 2020-2025)

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.



# Financial Targets of the Medium-Term Management Plan for 2025

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

Net sales

350.6 billion yen

Operating income

37.9 billion yen

Percentage of net sales from overseas operations

48.3%

ROE

11.0%

ROIC

8.8%

## Medium-Term Management Plan for 2025 Targets

420.0 billion yen or more

38.0 billion yen or more

60% or more  
(60% or more for Takara Group except for Takara Bio Group)

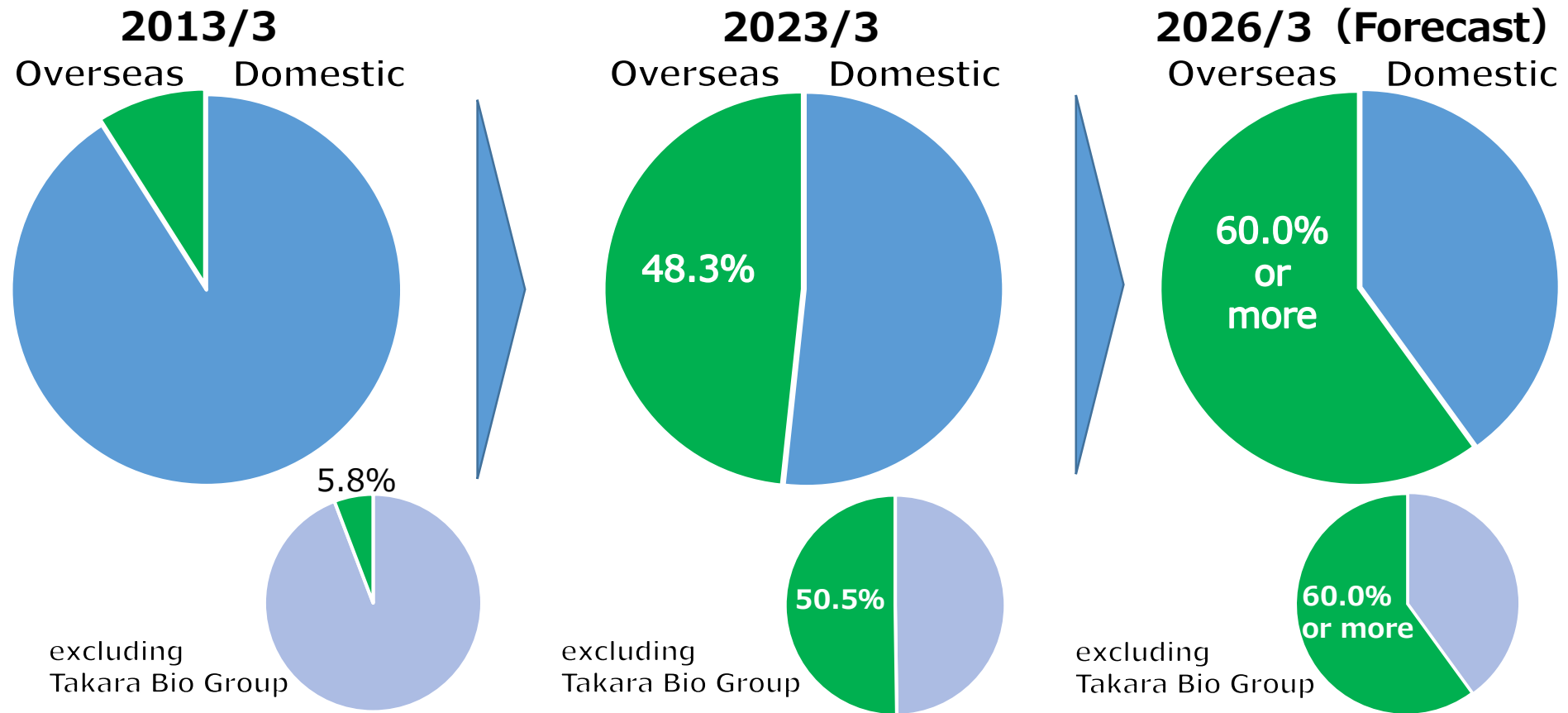
9.0% or more

7.5% or more

# Trends in Percentage of Net Sales from Overseas Operations

The percentage of net sales from overseas operations has been significantly expanding from 9.1% in the fiscal year ended March 31, 2013 to 48.3% in the fiscal year ended March 31, 2023. We aim to achieve 60% or more (and 60% or more excluding Biomedical Business) in the fiscal year ending March 31, 2026

## ◆ Percentage of net sales from overseas operations of the Takara Group



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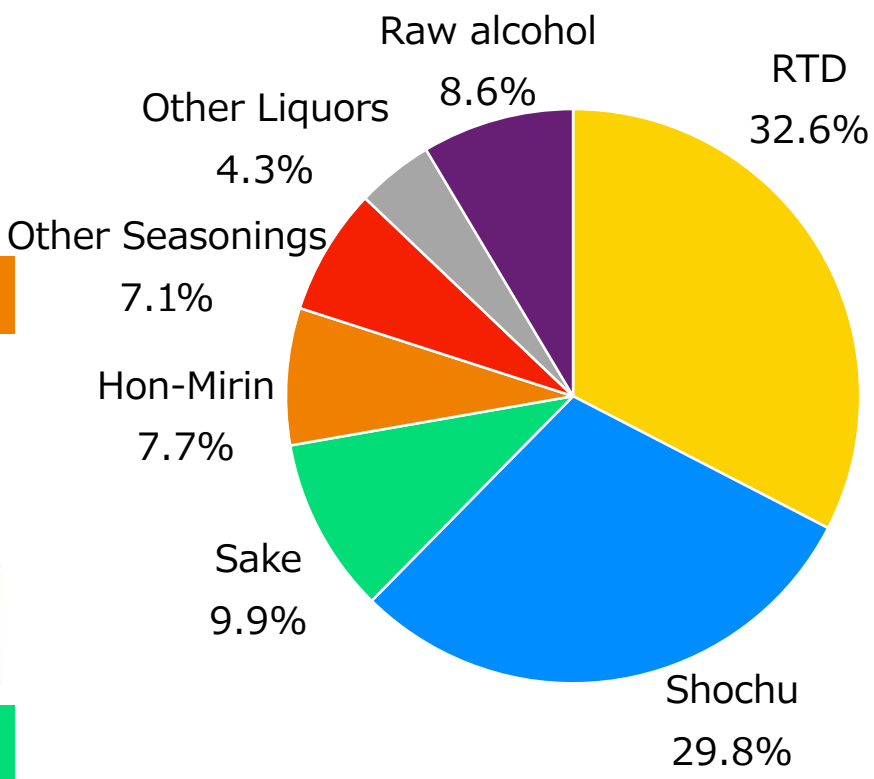
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# Main Products of Takara Shuzo

We manufacture and sell alcoholic beverages in a wide range of categories focusing on light-alcohol refreshers such as canned chu-hi, as well as Japanese traditional alcohol including shochu, sake and Hon-mirin

◆ Sales by Business Category (Fiscal year ended March 31, 2023)

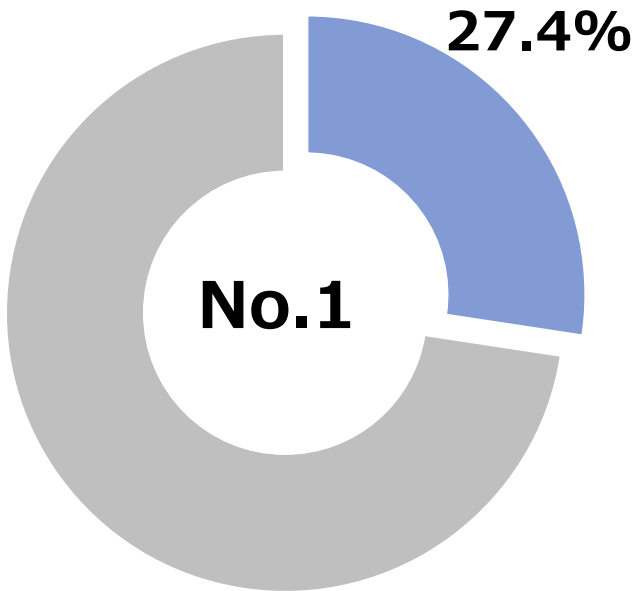


# Market Shares by Category

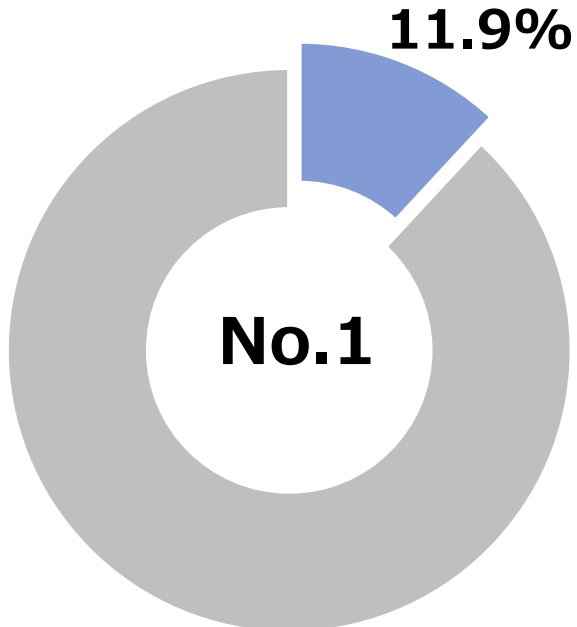
Holds top market shares in ko-type shochu, sake, Hon-mirin, and other washu categories

(2022)

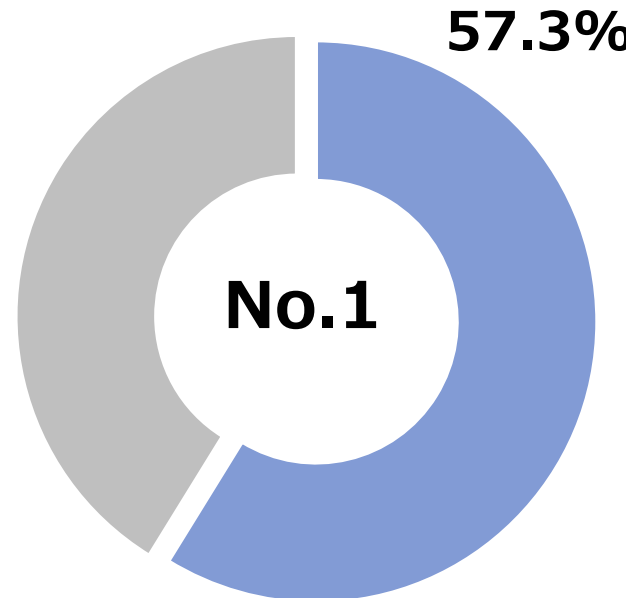
Ko-type shochu



Sake



Hon-Mirin



Data: Ko-type shochu·Sake: Our Estimates based on figures published by Nikkan Keizai Press, Hon-Mirin: Our Estimates

# Strengths Underpinning the Takara Brand

Engineering excellence and development capability nurtured in over 180 years of its history

- ◆ Barrel-aged shochu in about 20,000 casks (Kurokabegura in Miyazaki)



Barrel cellar in Kurokabegura

- ◆ Japanese sake brewing by combining traditional techniques and modern technologies (Shirakabegura in Hyogo)



- ◆ “Baisho (heat blast)” method achieved a brilliant aroma and clear, elegant flavor



- ◆ Development that accurately responds to consumer needs



Won Good Design Award 2021 for its two-staged cap that can be easily converted from wide to narrow mouth



# Takara Shuzo has created a new market

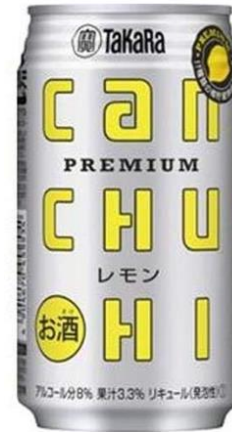
## ◇ Takara Shochu Jun



Released  
in 1977

Caused a shochu boom and created a new style to drink called "chu-hi".

## ◇ Takara Can Chu-Hi



Released  
in 1984

Japan's first canned Chu-Hi product.  
Created the RTD market.

## ◇ Takara Shochu Highball



Released  
in 2006

Launched in anticipation of the expansion of the dry chu-hi market

## ◇ Sho Chiku Bai Shirakabegura Mio



Released  
in 2011

Created a new market value of sparkling sake.



# Takara Shuzo: Business Strategy in the Medium-Term Management Plan for 2025

Basic  
policy

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

## ◆ Key Strategic Themes

- 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

# Brand Development Policy in the Medium-Term Management Plan for 2025

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

## ◆ 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

## ◆ Development plan of eight key brands over the three years of the Medium-Term Management Plan

	'23/3	
	Sales composition	Gross profit margin
Takara Shuzo total	100%	24%
Eight key brands	35%	28%
Other	65%	22%



	'26/3	
	Sales composition	Gross profit margin
Takara Shuzo total	100%	28%
Eight key brands	44%	31%
Other	56%	25%

# Initiatives of Brand Development <Takara Shochu Highball>

We run a BS program to convey the product's "cheap saloons concept," while working to create deeper fan experiences and acquire new users by featuring no carbs and strengthening sales of the alcohol content 5% series

- ◇Promote "cheap saloons concept" ◇Create deeper fan experiences and acquire new users
- Run advertisement tied up with TV commercials
- "No carbs" campaign
- Alcohol content 5% series




\*Labeled no carb when a product contains less than 0.5g of carbohydrates per 100ml in accordance with Japan's Food Labeling Standards.

# Initiatives of Brand Development

## <Sho Chiku Bai Shirakabegura "MIO" Sparkling Sake>

Introduce limited products that meet various needs to MIO and MIO CLEAR, two pillar items, to revitalize the brand, while implementing initiatives to acquire demand from inbound tourists

◇ Introduce limited products to the two pillar items MIO and MIO CLEAR



「MIO」、 「MIO」<CLEAR>



Released on  
November 7

「MIO」<PREMIUM RICH>

◇ Initiatives to acquire demand from inbound tourists



Promotion using social media posts, advertising signs at international airports, and apps for tourists visiting Japan

Worldwide advertising images

# Initiatives of Brand Development

## <Takara Karakuchi Zero Ball>

Appointed Shuzo Matsuoka again as the face of the product advertisement. Continuing from August, started running terrestrial TV commercials and digital advertisement in November to gain greater recognition

◇ Gain greater recognition through continued advertisement

### (1) Terrestrial TV commercials



Running period	Amount of advisement placed
From August 1 to August 15, 2023	Approx. 1,300 GRP
From November 24 to December 31, 2023	Approx. 2,000 GRP

### (2) Digital advertisement

- Delivery media: YouTube, TVer, Yahoo!, Google, etc.
- Delivery period: From November 24 (Fri) to January 8 (Mon)

- Advertisement catch copy:  
"Crisp and dry flavor perfect for a hefty meal!"



Advertising image



# Initiatives of Brand Development

## <Sho Chiku Bai "Subaru"> <ISAINA>

To revitalize the market of "Fragrant Washu," we ran a newspaper advertisement of Subaru, promoted ISAINA mixed with soda water at bars and restaurants along with digital advertisement, and acquired users

◆ Drive buying motives targeting people in 40s and 50s



Sho Chiku Bai "Subaru" <Nama-chozo>

• Newspaper advertisement to be posted (December)

◆ Offer menus featuring ISAINA with soda water at bars and restaurants. Expand recognition with digital advertisement



Zenryo Imo Shochu "ISAINA"

• Key visual      • Posted digital advertisement

# Takara Shuzo: Business Strategy Product development in the Medium-Term Management Plan for 2025

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

## ◆ Initiatives

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

# Initiatives of Product development <New brands>

Takara Hon-Mirin “Zeitaku Kome Koji” <made with 100% Japanese rice> has been released as the first product of the new brands



- Added an extra well-seasoned flavor and umami expected of users, in addition to the reassurance offered by 100% Japanese rice
- Volume and containers:  
500ml Rakuraku Chosetsu Bottle  
1,000ml PET bottle



# Initiatives of Product development <Existing brands>

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

## ◆ Elimination and consolidation scheduled

	As of March 31, 2023	To be discontinued during the fiscal year ending March 31, 2024
Number of items	1,174	70

As of October 31, 2023

\*Reference:

During the fiscal year ended March 31, 2023, 201 items out of 1,300 items were discontinued (75 items were released as new products).

# Other Initiatives

## <High-added-value Japanese sake> <Washu for inbound tourists>

Released high-added-value products from Sho Chiku Bai, the Japanese sake brand representing the nation, which conveys the “joy” and “tastiness” of drinking sake both domestically and internationally. Launched also products to address expanding demand from inbound tourists

◇High-added-value Japanese sake

◇Released products to address expanding demand from inbound tourists

Limited quantity only for professional-use channels



Initial shipment on October 17

Sho Chiku Bai Shirakabegura “Nend”

\*¥10,000



Released on September 16

Cho Tokusen Sho Chiku Bai Daiginjo “Migaki 39%” with gold leaf

\*¥3,500



Zenryo Imo Shochu “Ikkomon” Kiwami Enjuku

\*¥10,250

\*Retail prices for reference (tax excluded)

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# Overseas Business of Takara Shuzo Int'l Group

We develop two businesses:

Overseas Alcoholic Beverages Business

and Japanese Food Wholesale Business in Overseas

## ◆ Overseas Alcoholic Beverages Business

Net Sales forecast for the fiscal year ending March, 2024  
21.1 billion yen

Providing Sho Chiku Bai sake and other *washu* as well as whiskey worldwide through exports from Japan and local production in other countries.



## ◆ Japanese Food Wholesale Business in Overseas

Net Sales forecast for the fiscal year ending March, 2024  
142.7 billion yen

Providing Japanese food ingredients such as rice and sushi toppings as well as sake and seasonings to Japanese restaurants and retailers.



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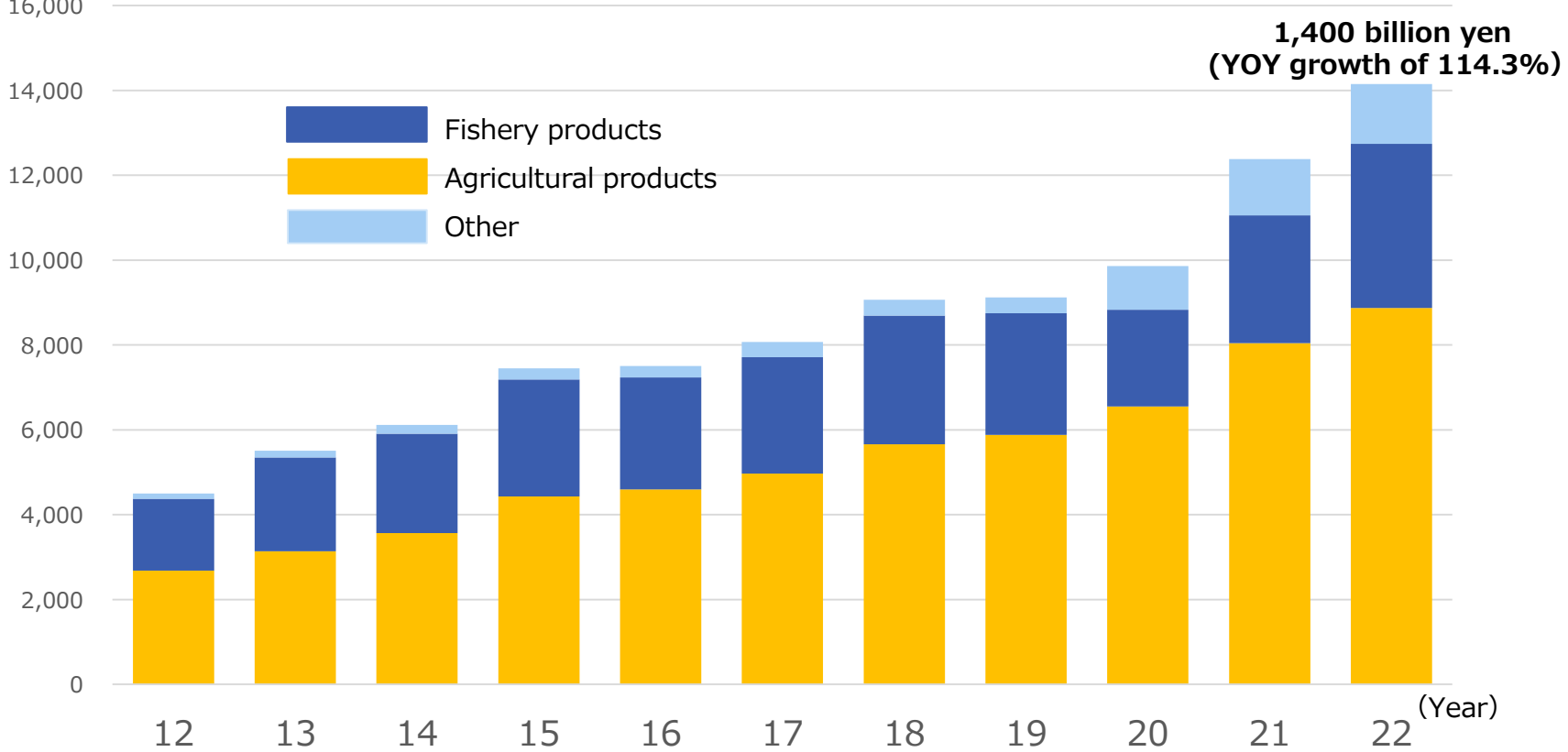
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# Market Environment: Growth of Export Market

Exports of Japan's agricultural, forestry and fishery products and foods are increasing every year. Growth in 2022 showed a year-on-year growth of 114.3%

◇ Trends in exports of Japan's agricultural, forestry and fishery products and foods

(Billions of yen)

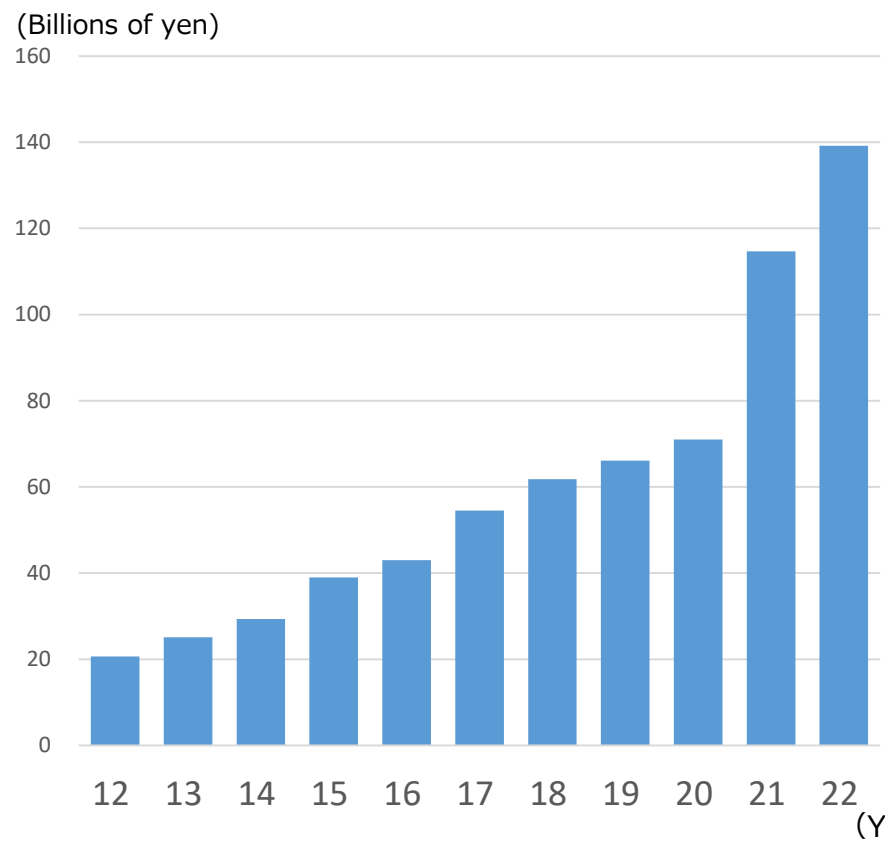


Data: Ministry of Agriculture, Forestry and Fisheries

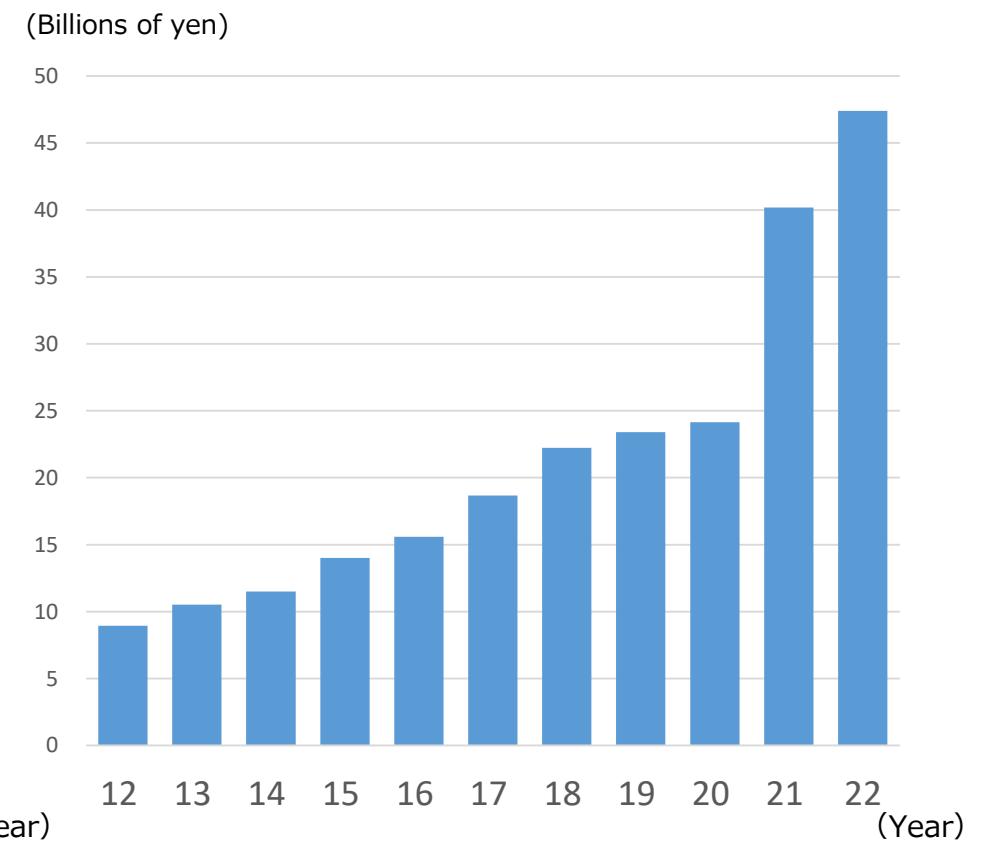
# Market Environment: Growth of Alcoholic Beverages and Japanese Sake

Alcoholic beverages are showing the same trend and further market expansion is expected. Japanese sake category is also growing

## Alcoholic beverages exports



## Japanese sake exports



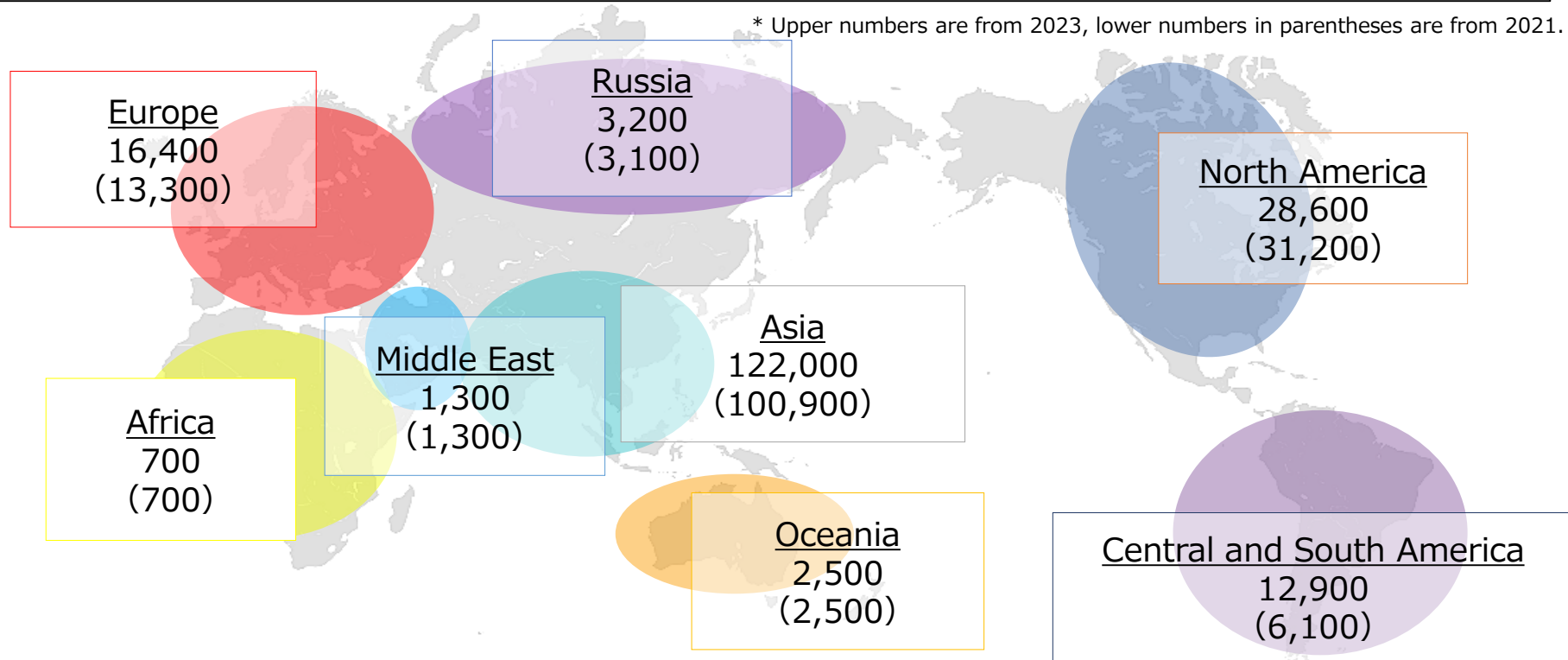
Data: Ministry of Agriculture, Forestry and Fisheries

# Market Environment: Growth of Japanese Restaurants Abroad

The number of Japanese restaurants in the world is rapidly growing, 3.4 times larger than that 10 years ago

<2013>		<2019>		<2021>		<b>&lt;2023&gt;</b>
Approx.	→	Approx.	→	Approx.	→	<b>Approx.</b>
55,000		156,000		159,000		<b>187,000</b>

\* Upper numbers are from 2023, lower numbers in parentheses are from 2021.



Data: Ministry of Agriculture, Forestry and Fisheries



# Market Environment: Regular and Popular Japanese Food Menus

Salmon, tuna and young yellowtail are popular sushi toppings.  
In noodles, ramen became established as a regular menu, while udon is also advancing

## Popular Japanese Food Menus① Sushi

Salmon



Tuna



young yellowtail



## Popular Japanese Food Menus ② Noodles

Ramen



Udon



# Market Environment: Evolved Japanese Food Menus

Overseas, strongly flavored menus and foods with crispy texture are gaining popularity.

California roll born from Japanese restaurants is now evolving into crunchy roll, dragon roll and other



Crunchy roll

- Topped with deep-fried tempura batter that gives crispy texture
- Made with imitation crab meat and avocado and served with eel sauce and mayonnaise



Dragon roll

- An inside-out sushi roll filled with tempura, topped with avocado and a slice of grilled eel
- Served with Kabayaki sauce



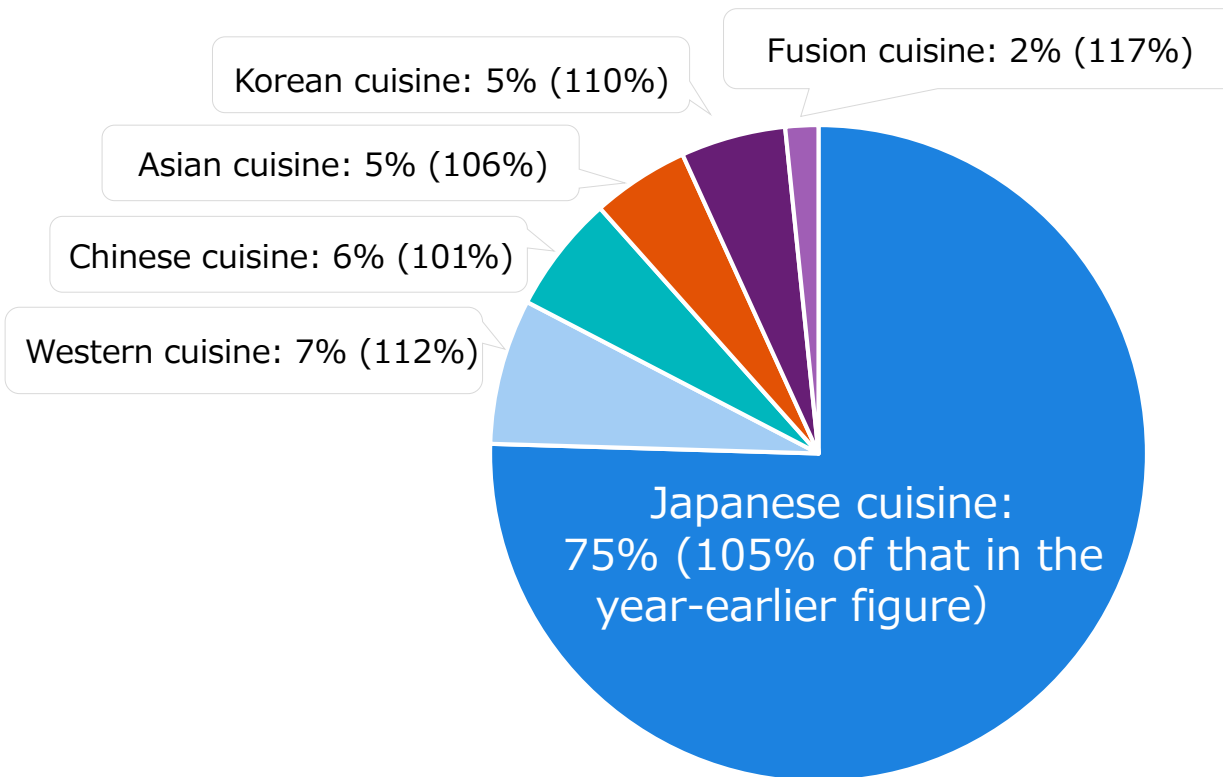
Rolled sushi using a soybean sheet

Colorful soybean sheet is used for those who are not big fans of laver

# Takara Shuzo Int'l Group: Group Company's Transaction Case

Although Japanese foods are mainly used at Japanese restaurants, they are increasingly adopted by various types of cuisine, such as Western, Asian and fusion cuisine

## ■ Composition of our customer bars and restaurants



Fusion restaurant in Paris  
with Japanese taste

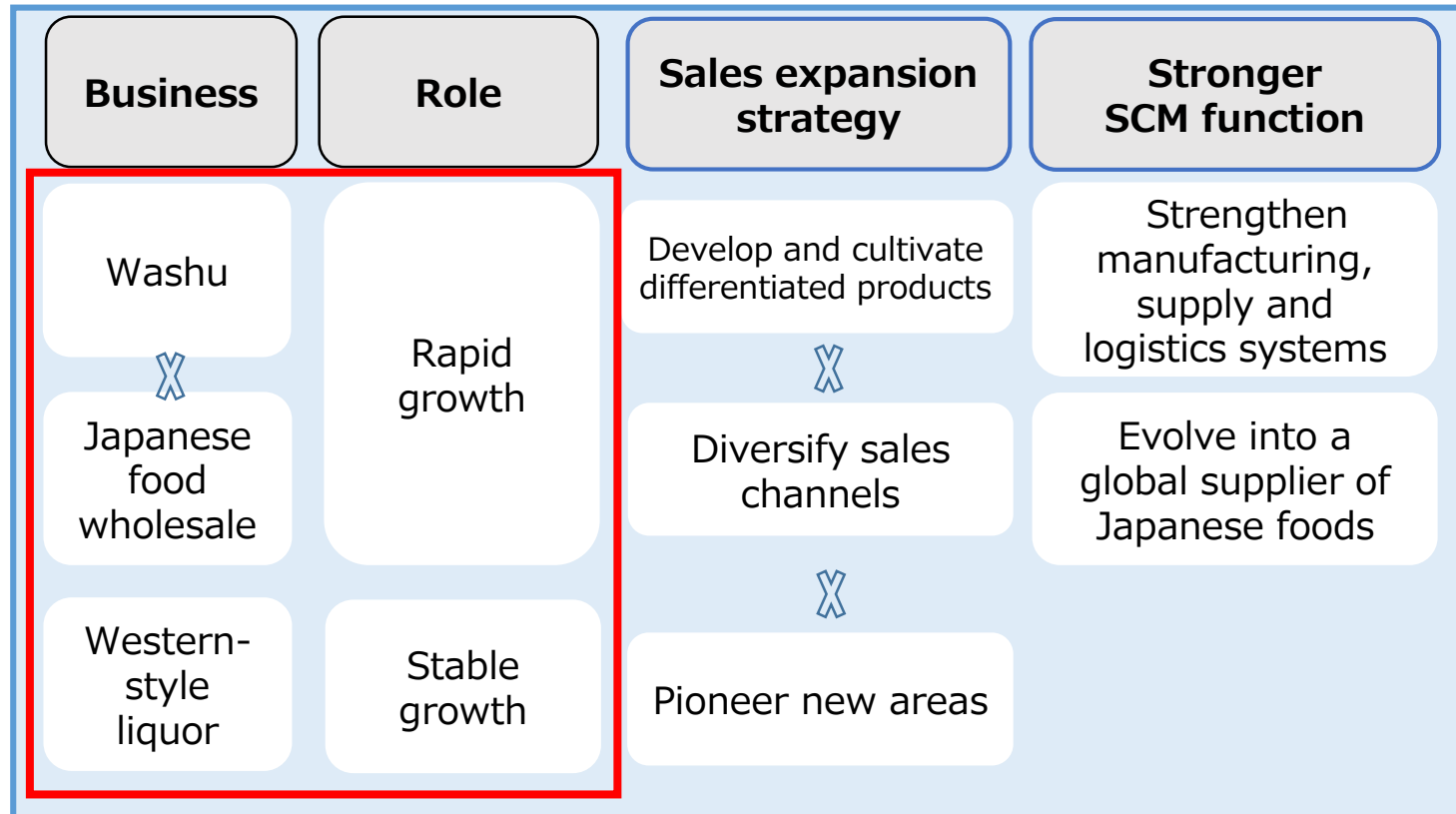
Data: Mutual Trading Co., Inc. (results of branches in Los Angeles and New York) as of September 30, 2023

# Takara Shuzo Int'l Group: Business Strategy in the Medium-Term Management Plan for 2025

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

## ◆ Business Strategy



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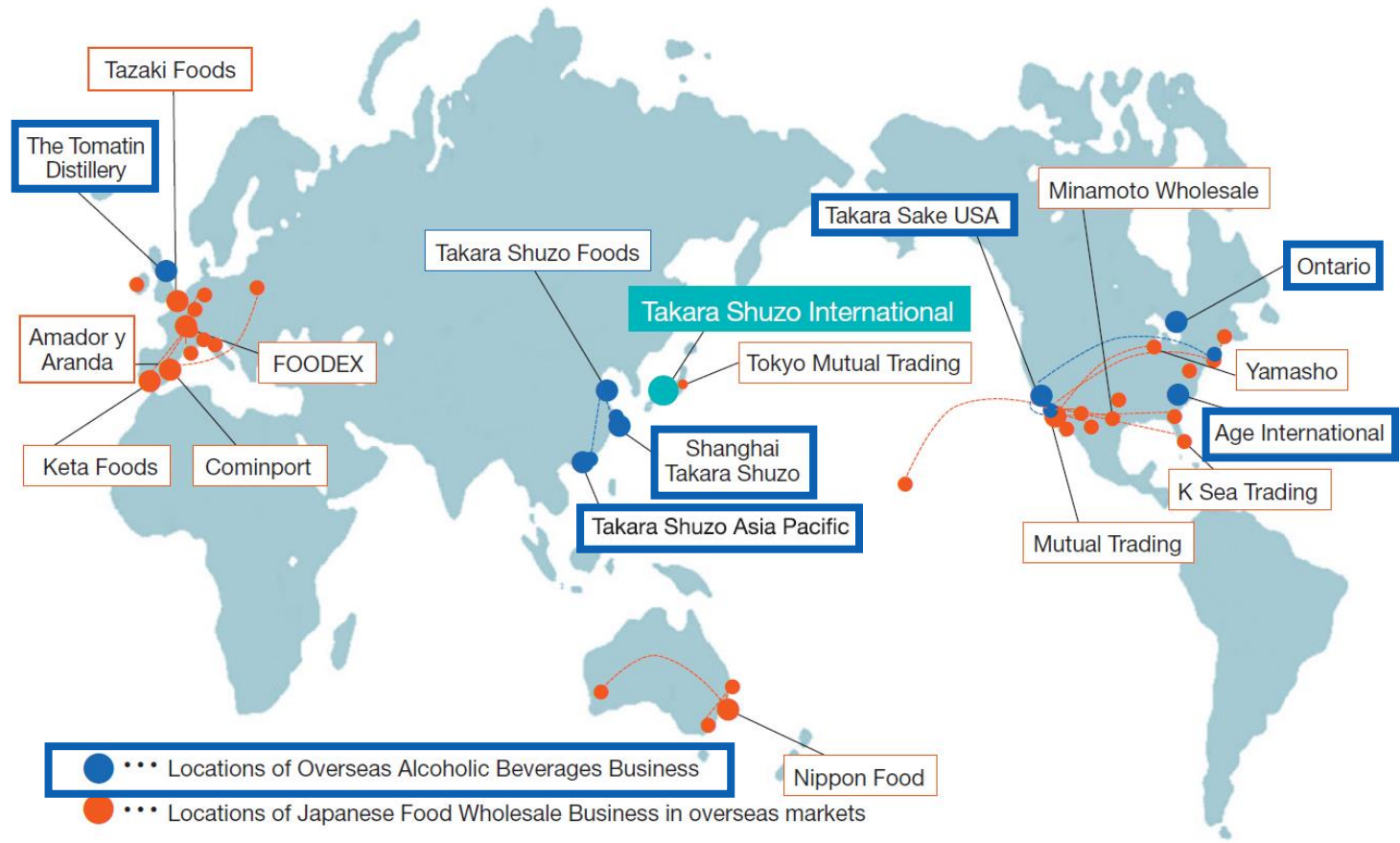
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# Business Sites of Overseas Alcoholic Beverages Business

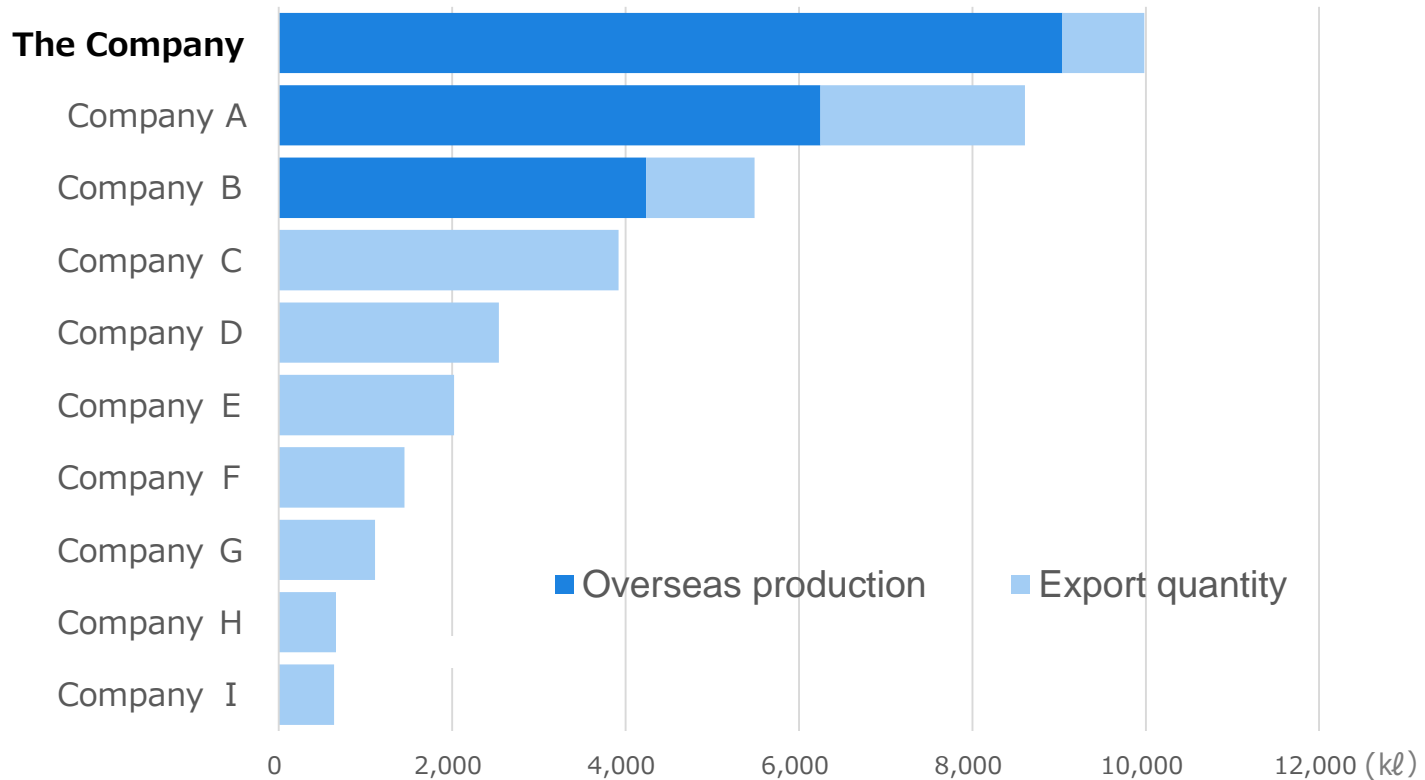
We have manufacturing sites in the U.S., China, the U.K., and Canada



# No.1 Company in Overseas Market for Sake

Hold No.1 position in the overseas market for sake in terms of a total of local production and export quantity

## ◇ Overseas production and export quantity of major sake manufacturers (2022)



Data: The Beverage & Food Statistics Monthly, May 2023

# Overseas Alcoholic Beverages Business (Washu)

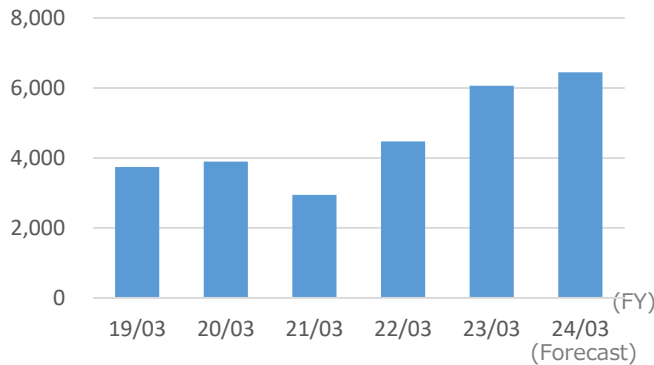
We manufacture Sho Chiku Bai and other traditional washu, including sake, mirin and plum brandy, in the U.S. and China. Leveraging local production, we also develop innovative, exclusive overseas products that address local market environment and needs

## ◆ Takara Sake USA



### ◆ Net Sales

(Millions of yen)

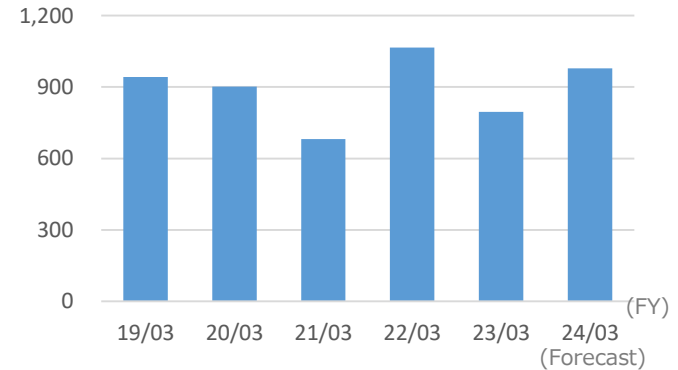


## ◆ Takara Shuzo Foods (China)



### ◆ Net Sales

(Millions of yen)





# Overseas Alcoholic Beverages Business (Washu) : <Initiatives of “Innovative SAKE” brewing>

Invested in WAKAZE and acquired 80% of the shares issued and outstanding of Ontario Limited in Canada. By combining the realm of “Innovative SAKE” brewing to that of “traditional washu” brewing, we create new appeal and value of washu

## ◇ WAKAZE (Japan)



Promote initiatives in cooperation with Takara Shuzo Int’l Group to manufacture WAKAZE brand products in the U.S. in next spring

## ◇ Ontario (Canada)



Promote sales of sake-based cocktails (sake cocktails) mixed with yuzu citrus and other fruit juice

# Overseas Alcoholic Beverages Business (Western-style liquor)

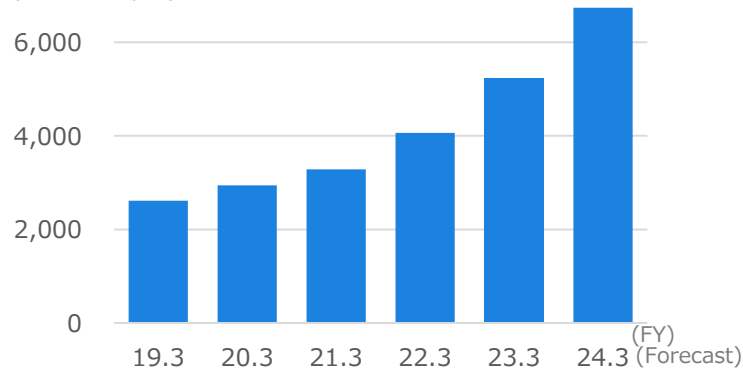
We aim to boost the value of our brands, such as Tomatin and Blanton's, and achieve stable earnings growth

## ◆ The Tomatin Distillery (Schotland, U.K.)



### ◆ Net Sales

(Millions of yen)



## ◆ Age International (Kentucky, U.S.)

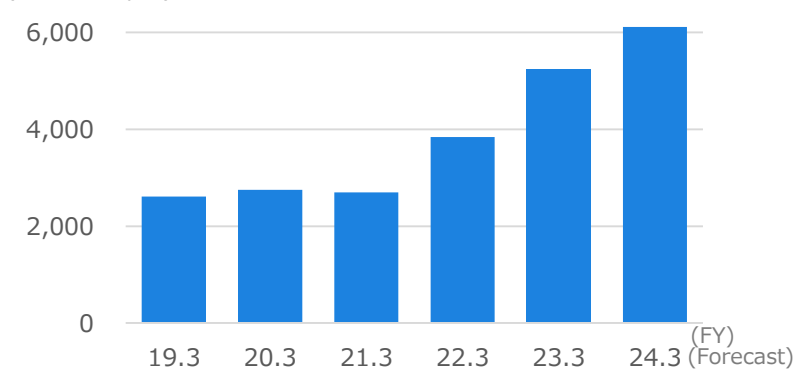


IWSC2023  
Silver Award



### ◆ Net Sales

(Millions of yen)



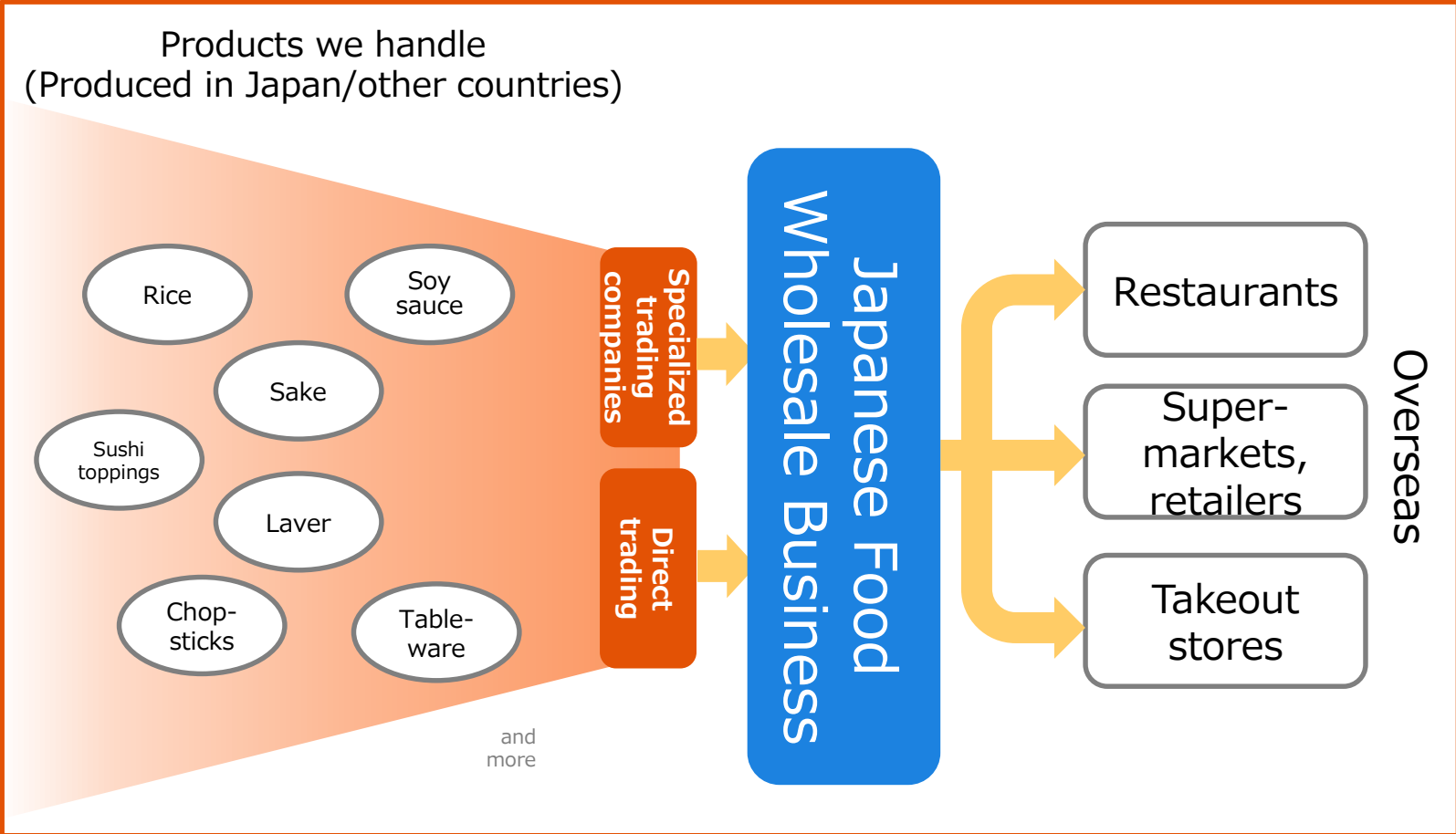
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# Business Model of Japanese Food Wholesale Business

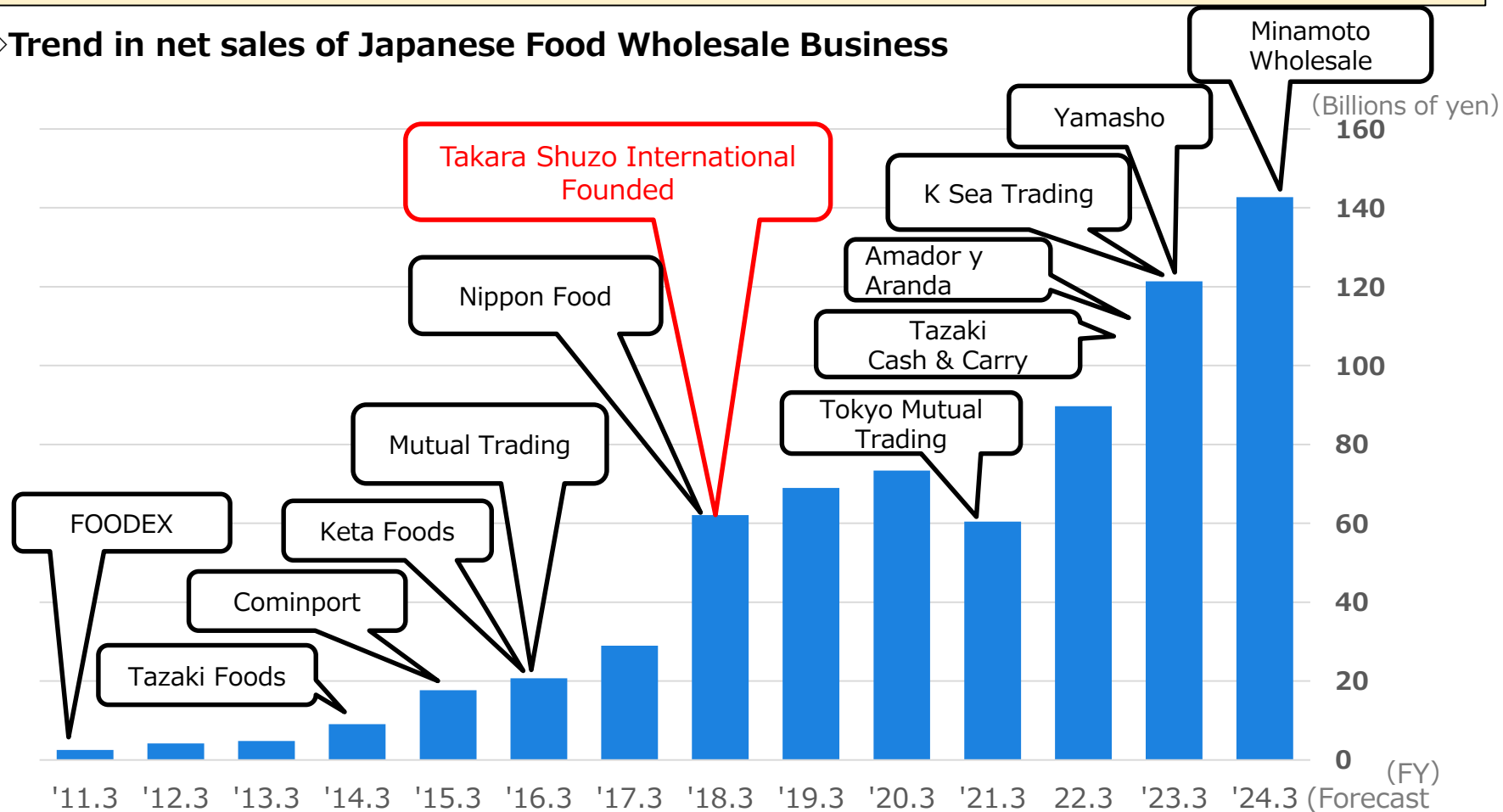
Our Japanese Food Wholesale Business imports products via routes involving specialized trading companies or through direct trading, and sell them to local restaurants and supermarkets



# Trend in Net Sales of Japanese Food Wholesale Business

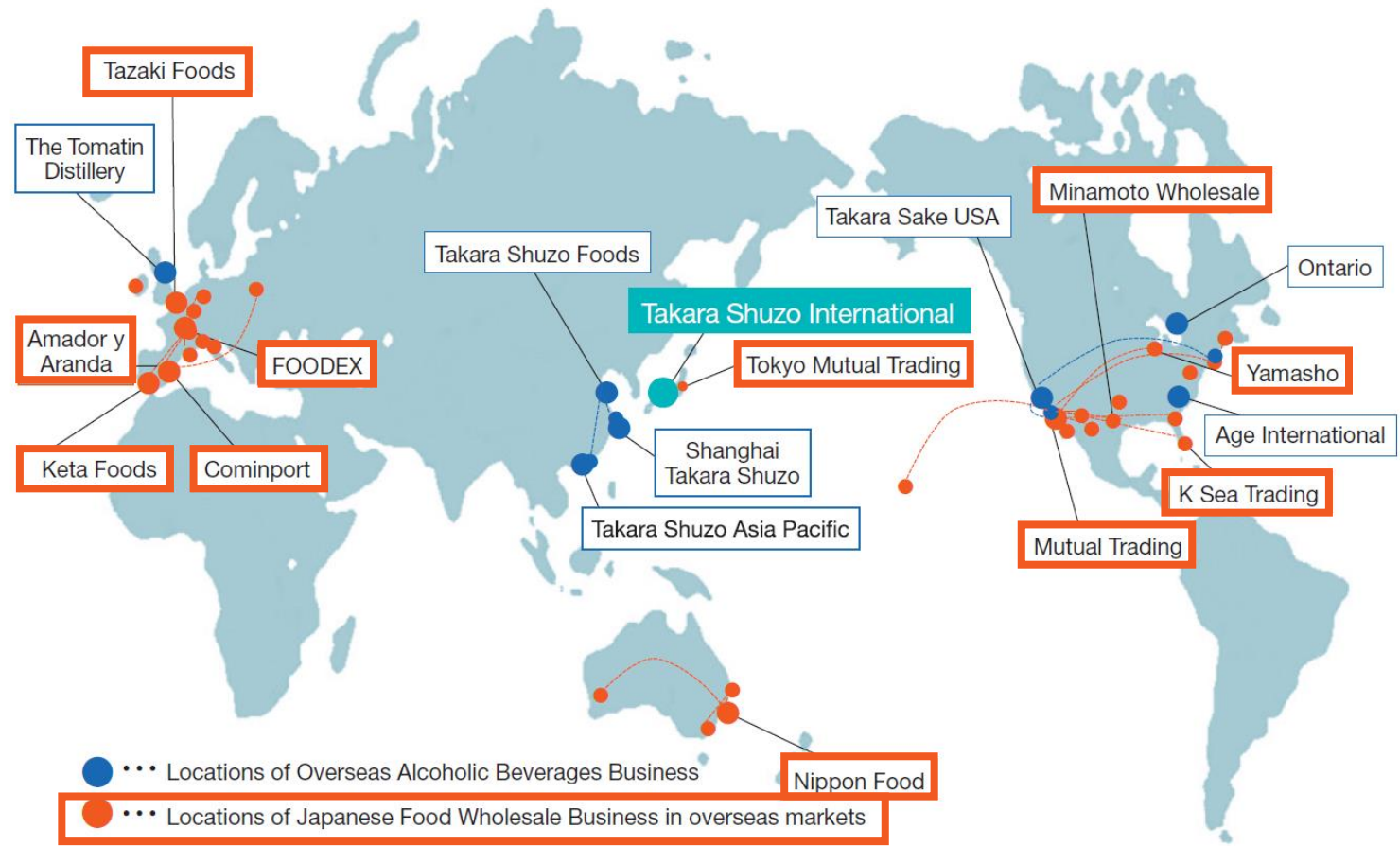
Established a worldwide network since its entry to the market in the fiscal year ended March 31, 2011, and showing a rapid growth

## ◇ Trend in net sales of Japanese Food Wholesale Business



# Business Sites of Japanese Food Wholesale Business

Leveraging our worldwide network in the U.S., Europe and Australia to create synergy by way of sharing information on popular items and enhancing procurement capability



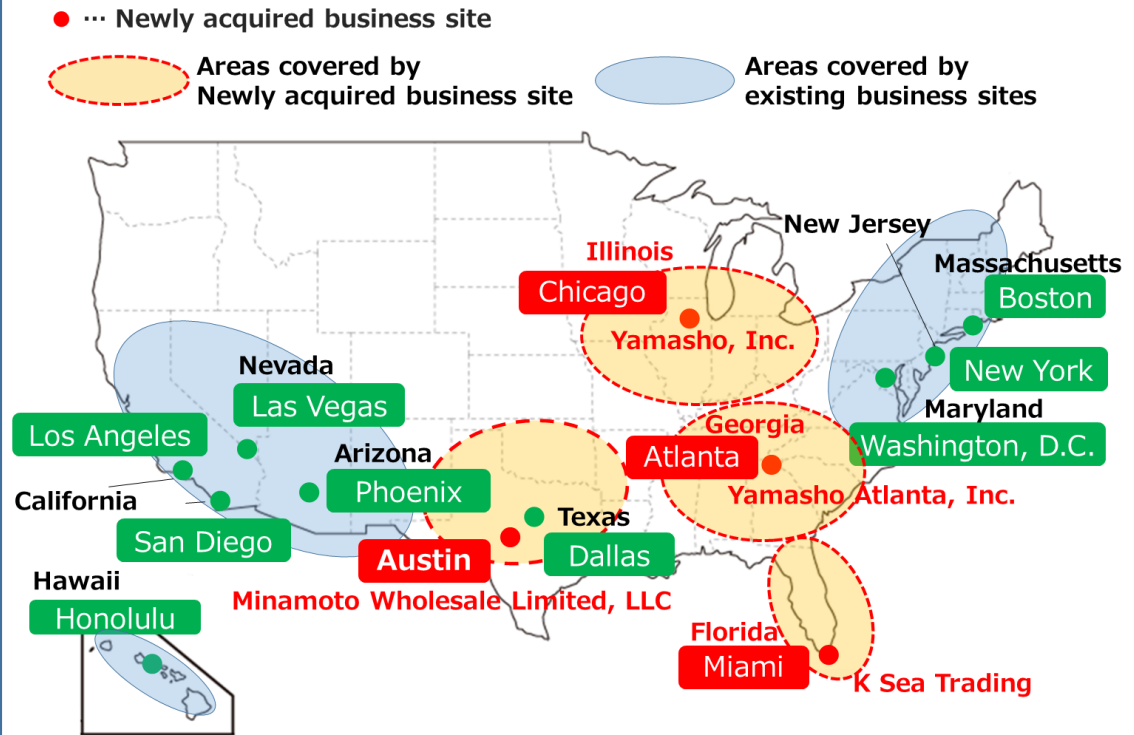
# Japanese Food Wholesale Business : <Initiatives in North America area>

The addition of Yamasho, Inc., K Sea Trading and Minamoto Wholesale Limited, LLC to the Group has expanded our network from 9 sites in 8 states to 13 sites in 11 states

- Number of sites as of December 2022: 9 sites in 8 states



- Number of sites as of November 2023: 13 sites in 11 states

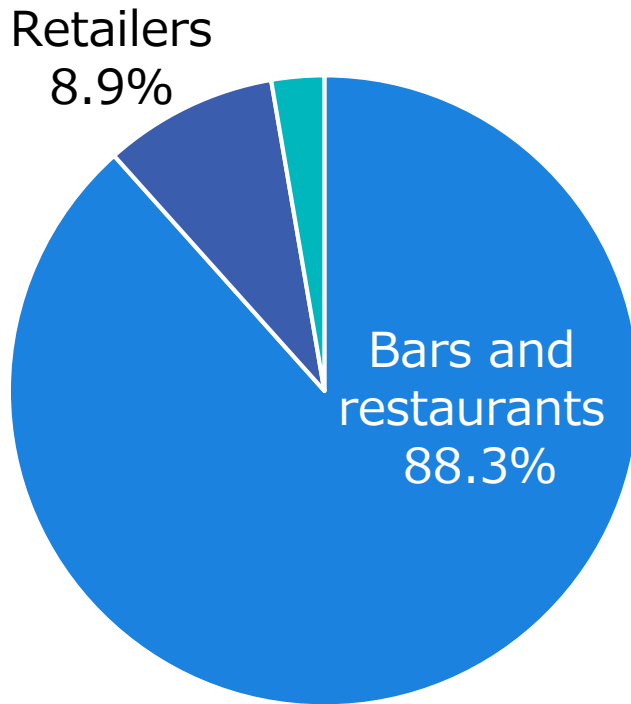




# Strengths of Takara Group's Japanese Food Wholesale Business

The Takara Group has its origins in production and sales of alcoholic beverages. As we boast know-how in alcoholic beverage sales and a wide variety of product lineup, bars and restaurants account for a large proportion of customers

## ◆ Composition of Takara Shuzo Int'l Group's customers by business type



Results for January-December 2022 (in monetary terms)



Promoted by bars and restaurants, MIO is growing rapidly overseas

# Strengths of Takara Group's Japanese Food Wholesale Business

We have high capability in proposing washu, with proposals offered by sommeliers specialized in washu and tasting seminars. Mutual Trading Co., Inc. has the No.1 sales in the U.S. sake market

## Tazaki Foods



## FOODEX



## Mutual Trading



Section of locally brewed sake in a showroom

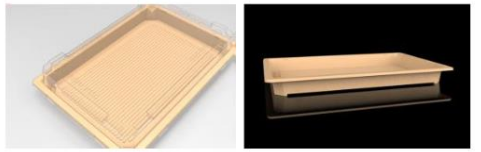


Tasting seminars



# Strengths of Takara Group's Japanese Food Wholesale Business

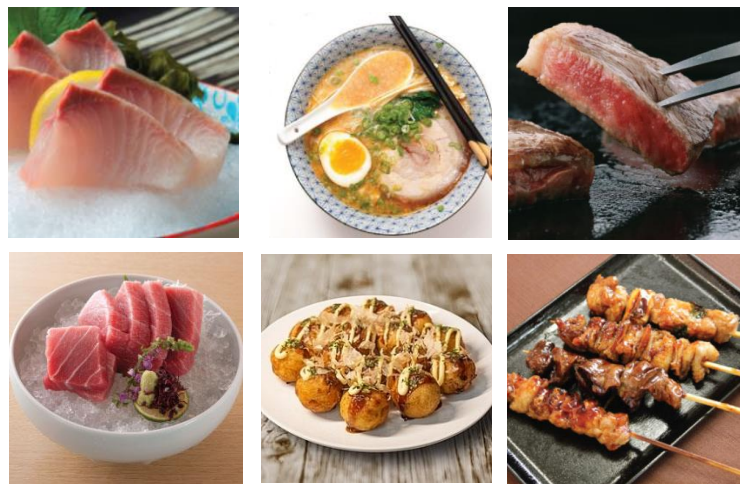
In addition to rice, seasonings and processed products like ramen, along with seafood and meats, we offer a wide variety of lineup covering plates, take-out containers, sustainability-aware containers, vegan foods and allergen-free products



Recycled plastic containers



Luncheon meat made from soybeans



Sashimi made of konnyaku



Lineup of vegan foods and allergen-free products

# Contents

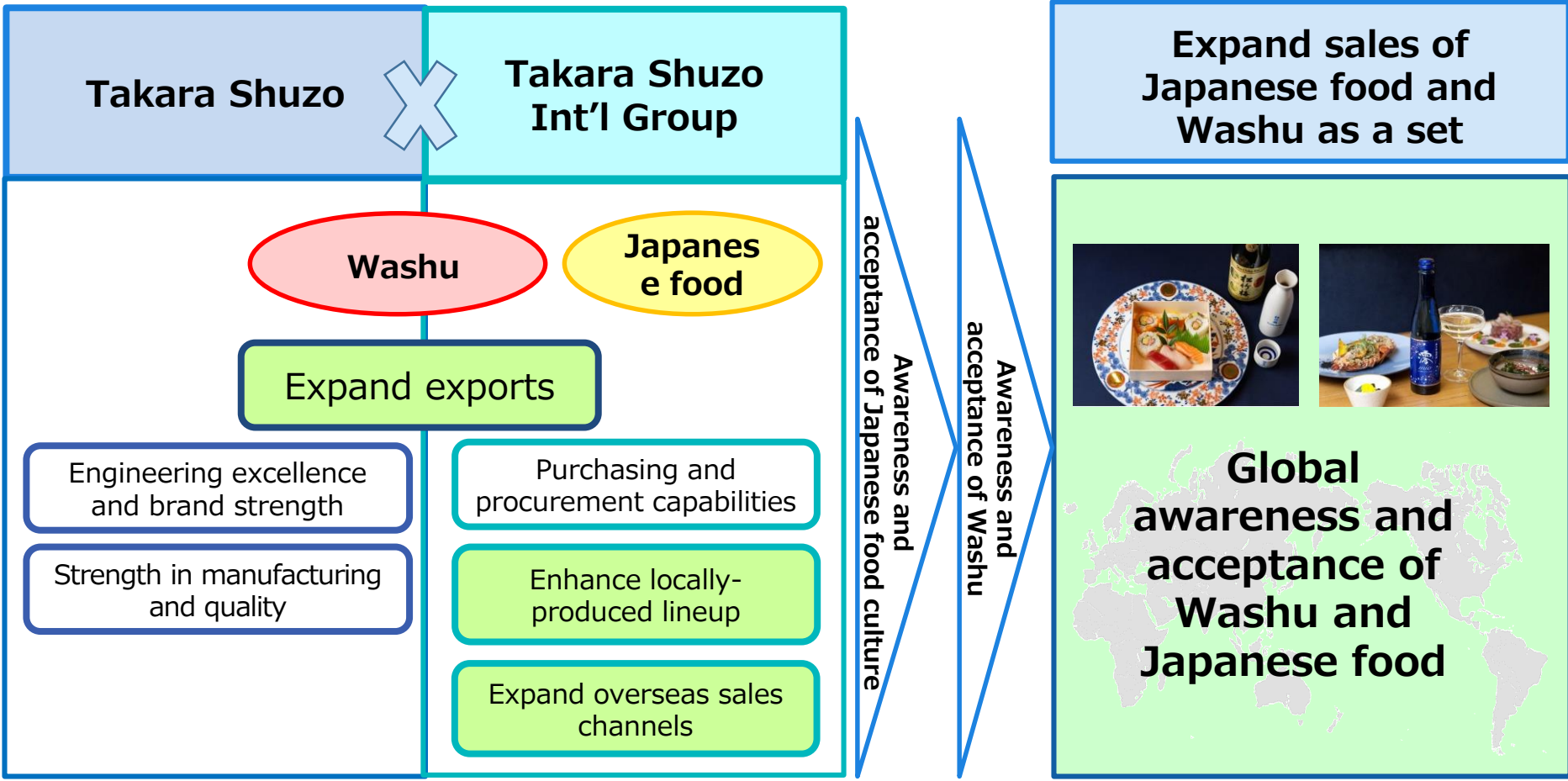
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# Collaboration with Takara Shuzo

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



# Overseas Alcoholic Beverages Business (Washu) : <Initiatives of Product development>

To nurture a high-quality brand image globally, launch high-added-value products from Sho Chiku Bai brand in overseas markets

Takara Shuzo X Takara Shuzo Int'l Group

◇ Japanese sake exclusively for export



For the U.S. only  
To be exported from November

\* Approx.  
¥12,000



For Hong Kong, Taiwan, South Korea and Singapore  
To be exported from November

\* Approx.  
¥10,000~  
¥12,000

Sho Chiku Bai Shirakabegura Yamahai Tokubetsu Junmai, stored in jars in an ice room for 10 years; 640ml

Sho Chiku Bai Gold Titled Sake Daiginjo; 640ml

\*Examples of estimated retail prices

# Overseas Alcoholic Beverages Business (Washu) : <Initiatives of Product development>

In the U.S., which is the largest ready-to-drink products market, we released TaKaRa CHU-HI, a canned chu-hi product that meets the local needs



A Japanese-born Chu-Hi with an authentic taste using Takara Shochu as a base, richly flavored with fruit juice



<Lemon>  
Alcohol content of 5.5%



<Fuji Apple>  
Alcohol content of 4.5%



<White Peach>  
Alcohol content of 4.5%

To be exported from December

For the U.S. only  
Available in Japanese and Asian retail chains

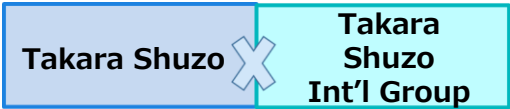
Estimated retail price is approx. 450 yen in Japanese yen



# Overseas Alcoholic Beverages Business (Washu) :

## <Initiatives of "Mio">

Strengthen the MIO lineup in overseas markets and launch exclusive overseas MIO products for the U.S., Asia and Europe



### Export volume of Sho Chiku Bai Shirakabegura "MIO" Sparkling Sake



	'23/3 result	'24/3 estimate
	76,000 C/S	83,000 C/S

(1 C/S is calculated as 300ml x 12 bottles)

### ◆ MIO exclusive overseas products



To be exported from November

\*(300ml)  
¥1,600  
  
\*(750ml)  
¥3,900

Sho Chiku Bai Shirakabegura "MIO" <CRISP> Sparkling Sake 300ml・750ml

For the U.S. only  
Available in Japanese and Asian retail chains



To be exported from December

\*¥1,000 (Hong Kong)  
¥1,250 (U.K.)

Sho Chiku Bai Shirakabegura "MIO" <NIGORI> Sparkling Sake 300ml

For Asia (Hong Kong, Taiwan, Singapore, etc.) and Europe

\*Examples of estimated retail prices

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# Sustainability

Long-term Management Vision「TaKaRa Group Challenge for the 100<sup>th</sup>」

**Vision**

**~Smiles in Life~**

Contribute to the realization of healthy and fulfilling daily lives that are filled with connections between people and people's smiles.



It is necessary to take greater initiatives to resolve various social issues if we are to continue to achieve the creation of social value through business activities into the future.

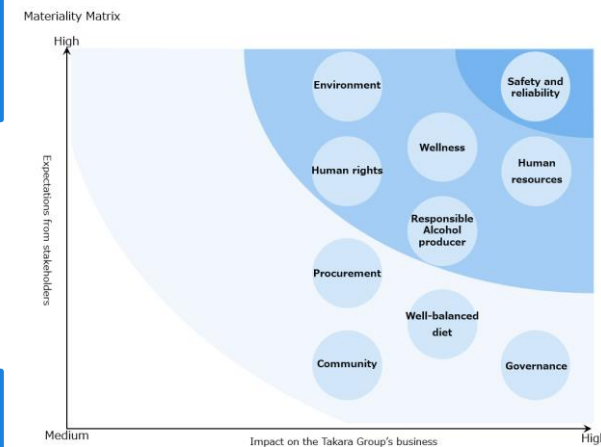
May 2020 Published the "Takara Group Sustainability Policy"

Selected 10 important issues (materialities)



Specific medium- to long-term goals need to be set based on the Sustainability Policy. Set target timings and levels to ensure effectiveness.

**June 2021 Published the "Takara Group Sustainability Vision"**

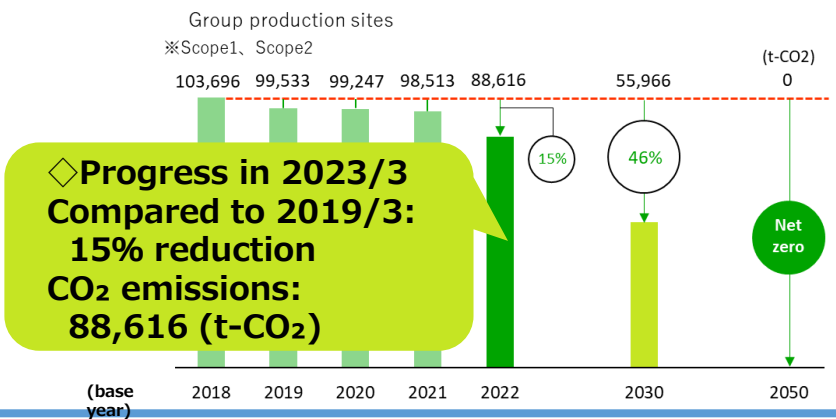


# CO2 emissions reduction

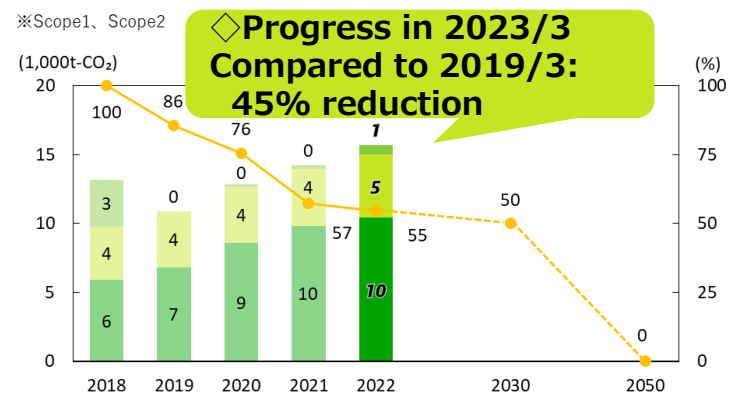
Formulating a roadmap to reduce CO2 emissions

2030	<ul style="list-style-type: none"> <li>Reduce CO2 emissions at Takara Shuzo and Takara Shuzo International Group production sites by 46% compared with 2019/3</li> <li>Reduce CO2 emission intensity (CO2 emissions per net sales) at Takara Bio Group by 50% compared with 2019/3</li> </ul>
2050	<ul style="list-style-type: none"> <li>Net zero CO2 emissions for the entire Takara Group</li> </ul>

◇ CO2 Emissions target at Takara Shuzo and Takara Shuzo Int'l Group production sites

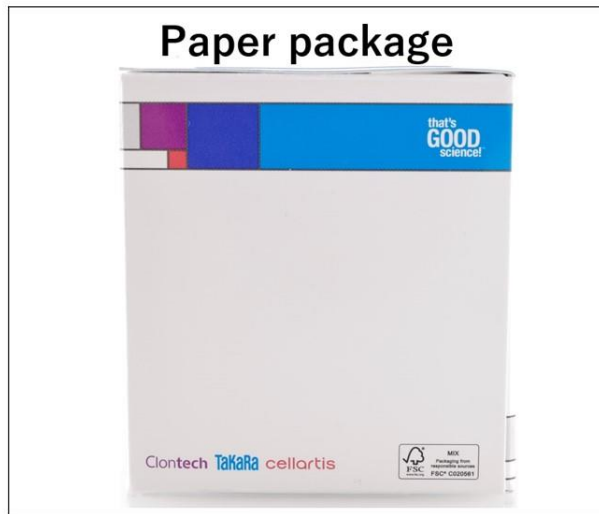


◇ CO2 emission reduction targets of Takara Bio Group (CO2 emissions per net sales)



# Switching to environmentally conscious product packages

Takara Bio Group adopted paper boxes or pouches made of aluminum-free PET film for packaging reagents, its mainstay products



Shifted to packages using FSC-certified materials and vegetable oil Ink



Switched from one side aluminum pouch to aluminum-free pouch

# Disclosure of the amount of alcohol contained, Implementing human rights due diligence processes

Working to add information on the amount of alcohol contained in our products for consumers. Implementing human rights due diligence processes, including interviews with suppliers

- ◆ Disclosure of the amount of alcohol contained
- ◆ Implementing human rights due diligence processes



Launched in limited quantity on October 10

Amount of alcohol contained is displayed on the back label

Zenryo Imo Shochu "Ikkomon" <Purple>



Plan to display the information on the packages of all consumer products sold in Japan, except for alcohol-based seasoning, by fiscal year 2025. Started providing information on some shochu products, following light-alcohol refreshers.

Based on site investigations and interviews with suppliers of crude distillation alcohol, we determined that there is a low risk of forced labor, child labor, and issues from the perspectives of health and safety and the environment.

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# Financial results for the six months ended September 30, 2023

## ◆ Financial results for the six months ended September 30, 2023

(Millions of Yen)

	Actual	Change	YOY(%)
Net Sales	163,172	▲1,107	▲0.7
Operating Income	12,464	▲7,150	▲36.5
Ordinary Income	13,032	▲6,940	▲34.7
Net Income attributable to owners of the parents (△:loss)	8,043	▲2,829	▲26.0

## ◆ Operating Income by segments

(Millions of Yen)

	Actual	Change	YOY(%)
Takara Holdings (Consolidated)	12,464	▲7,150	▲36.5
Takara Shuzo	3,952	1,892	+91.9
Takara Shuzo Int'l Group	6,256	597	+10.6
Takara Bio Group	1,410	▲9,460	▲87.0
Others	1,193	▲49	▲4.0
Elimination	▲348	▲131	—

# Financial forecasts for the fiscal year ending March 31, 2024 announced November 9, 2023

## ◆ Financial forecasts for the fiscal year ending March 31, 2024

(Millions of Yen)

	Forecast	Change	YOY(%)
Net Sales	341,000	▲9,665	▲2.8
Operating Income	21,700	▲16,245	▲42.8
Ordinary Income	22,500	▲16,206	▲41.9
Net Income attributable to owners of the parents (△:loss)	15,000	▲6,206	▲29.3

## ◆ Operating Income by segments

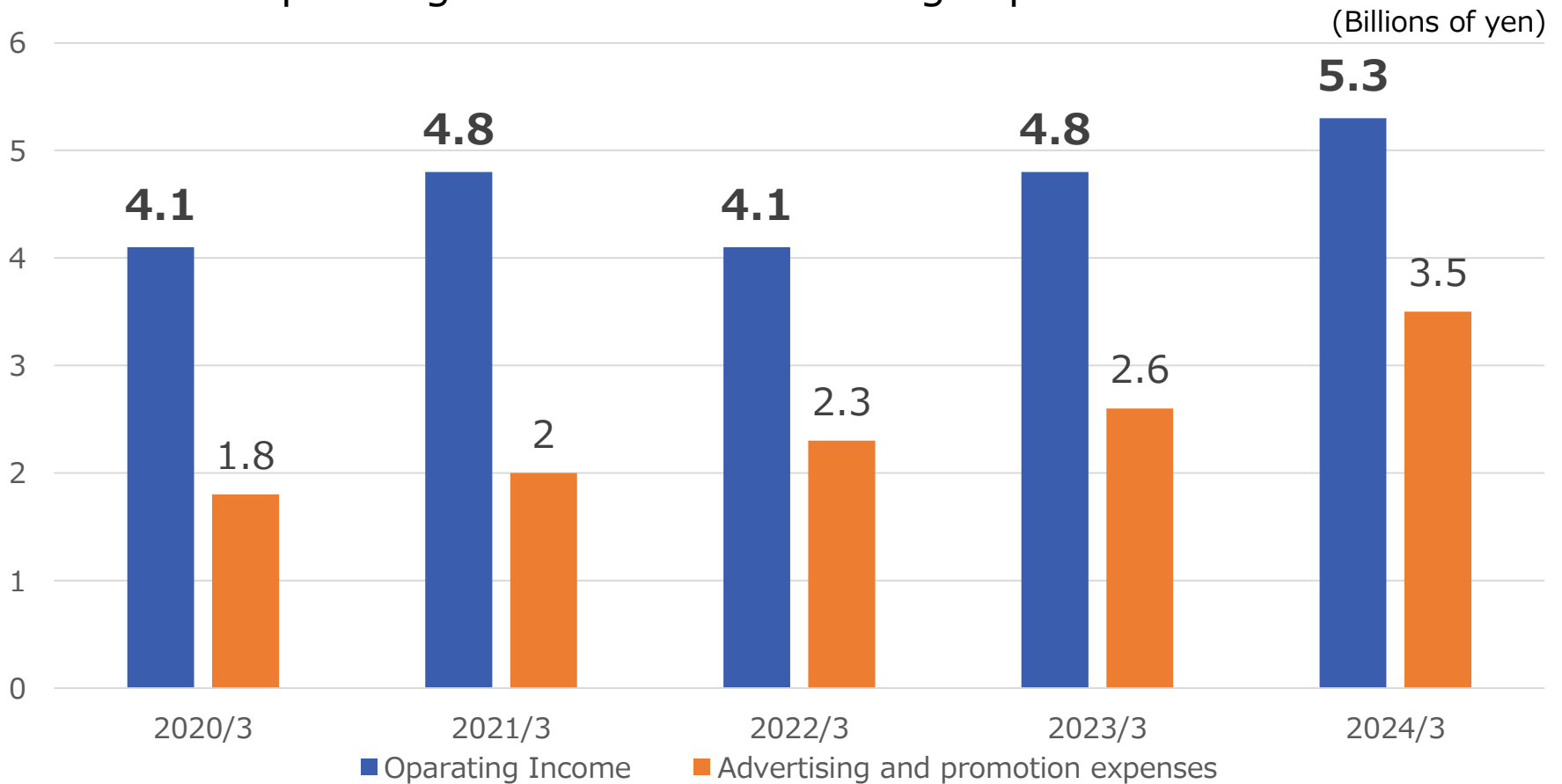
(Millions of Yen)

	Forecast	Change	YOY(%)
Takara Holdings (Consolidated)	21,700	▲16,245	▲42.8
Takara Shuzo	5,327	+436	+8.9
Takara Shuzo Int'l Group	12,200	+1,378	+12.7
Takara Bio Group	3,000	▲17,541	▲85.4
Others	2,371	+77	+3.4
Elimination	▲1,198	▲596	—

# Trends in Operating income (Takara Shuzo)

While maintaining profit levels, promote brand development by increasing advertising expenses

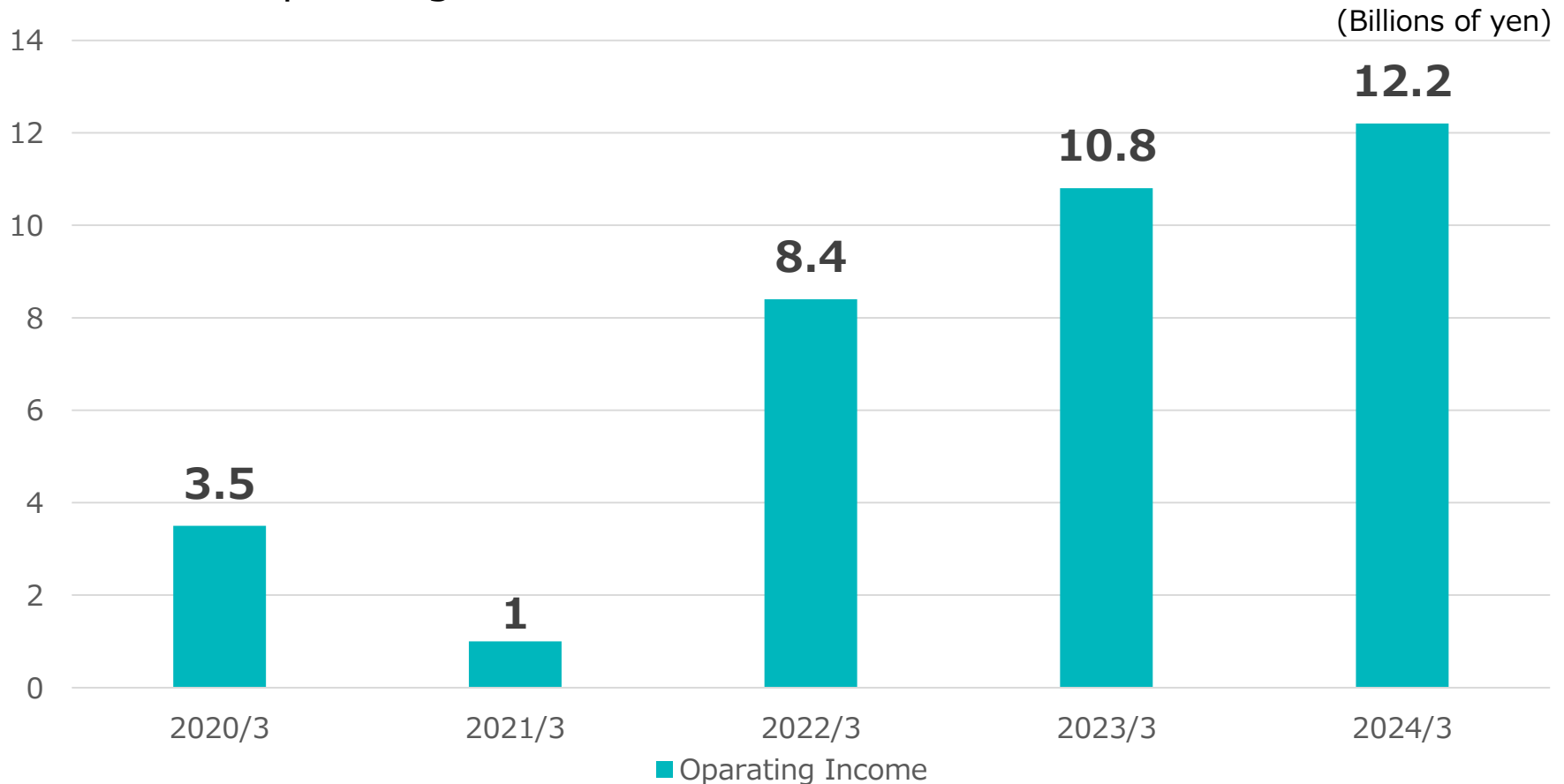
## ◆ Trends in operating income and advertising expenses



# Trends in Operating income (Takara Shuzo Int'l Group)

Despite some impact from lockdowns of major overseas cities during the pandemic, operating income grew significantly due to a rapid recovery in bars/restaurants market and wider acceptance of Japanese food

## ◆ Trends in operating income



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# Shareholder Return

## Financial policy

### <Medium-Term Management Plan for 2025>

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

### <Medium-Term Management Plan for 2025>

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

\*Dividend forecast for the current fiscal year: 27 yen

## Acquisition and cancellation of treasury stock

### <Acquisition>

- Number of shares to be acquired: 3.00 million shares (upper limit)
- Total cost of acquisition: ¥3.0 billion (upper limit)
- Period of acquisition: November 13, 2023 to February 20, 2024

### <Cancellation>

- Number of shares to be cancelled:  
Total number of shares to be acquired
- Scheduled cancellation date:  
February 29, 2024

## 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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