

Takara Holdings Inc. Information Meeting



December 2023

Hideo Takahashi, Managing Director

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Overview of Takara Group

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

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



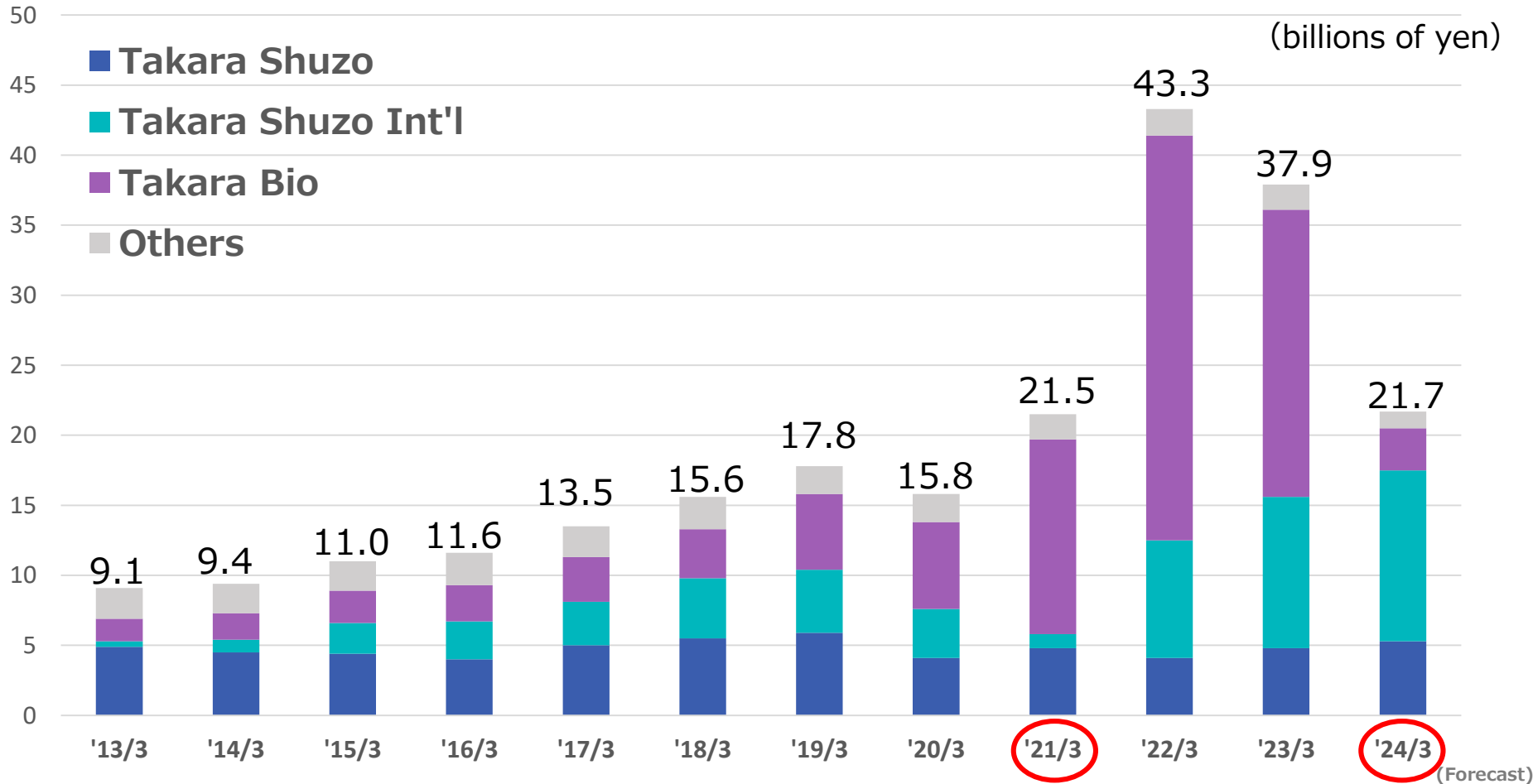
Others

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 100th」

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)

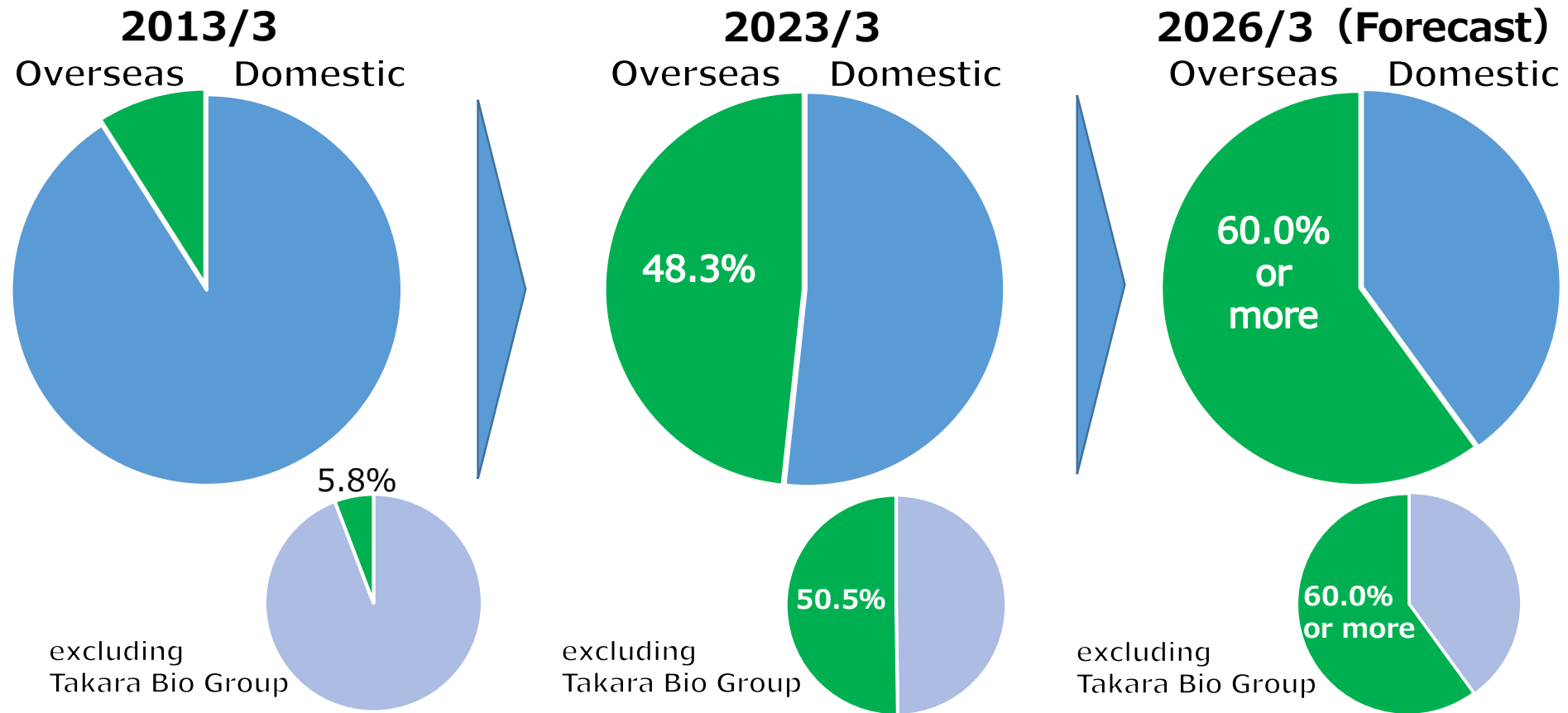
9.0% or more

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



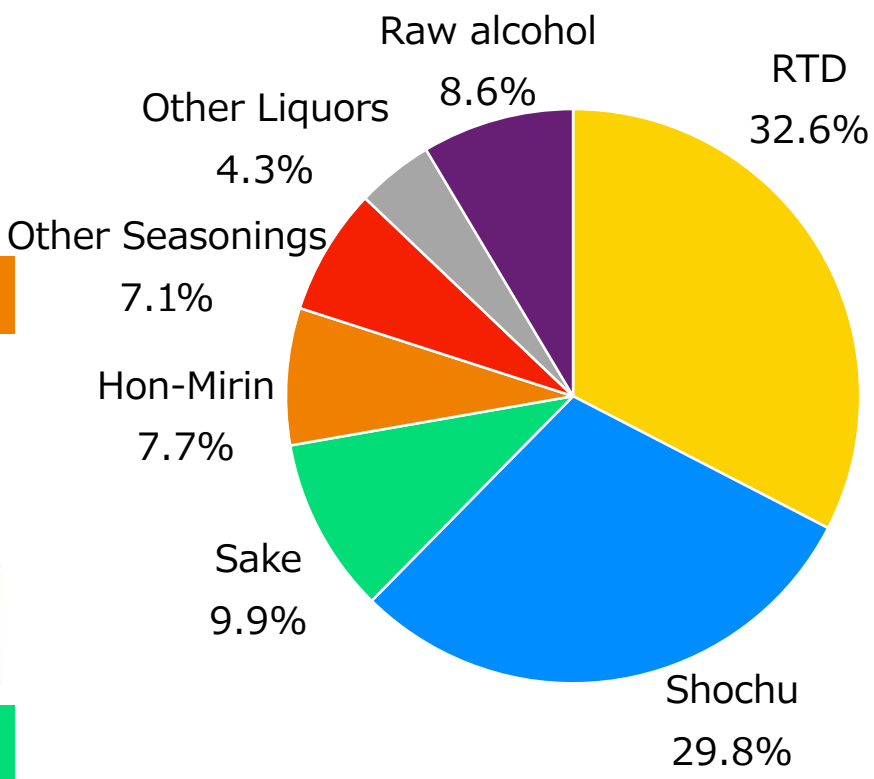
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Main Products of Takara Shuzo

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)

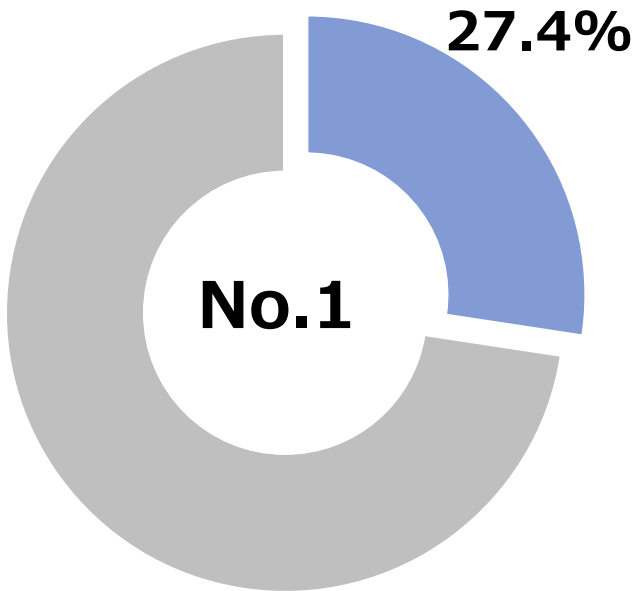


Market Shares by Category

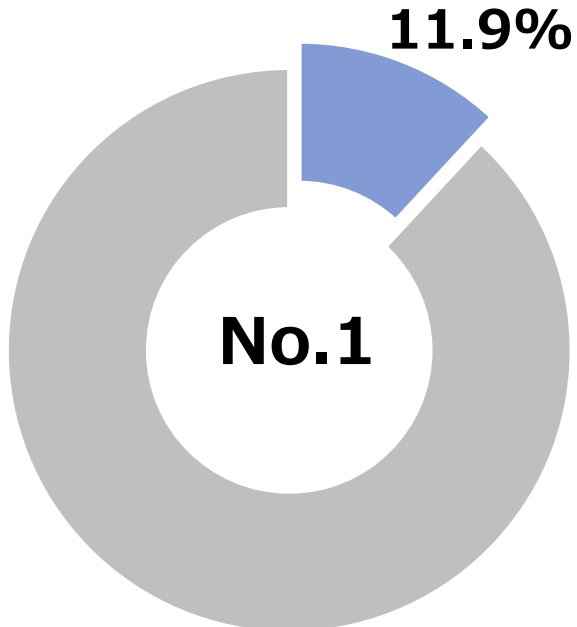
Holds top market shares in ko-type shochu, sake, Hon-mirin, and other washu categories

(2022)

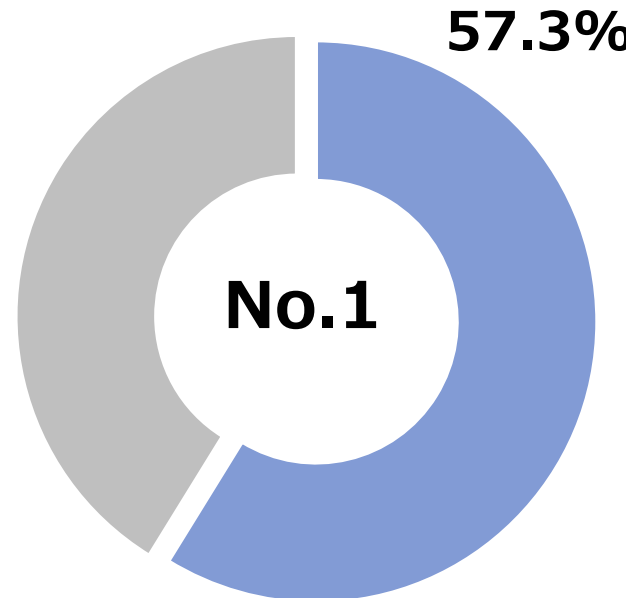
Ko-type shochu



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)



- ◆ 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: 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"
 - Run advertisement tied up with TV commercials
- ◆Create deeper fan experiences and acquire new users
 - "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

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">• 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 |

Initiatives of Product development

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).

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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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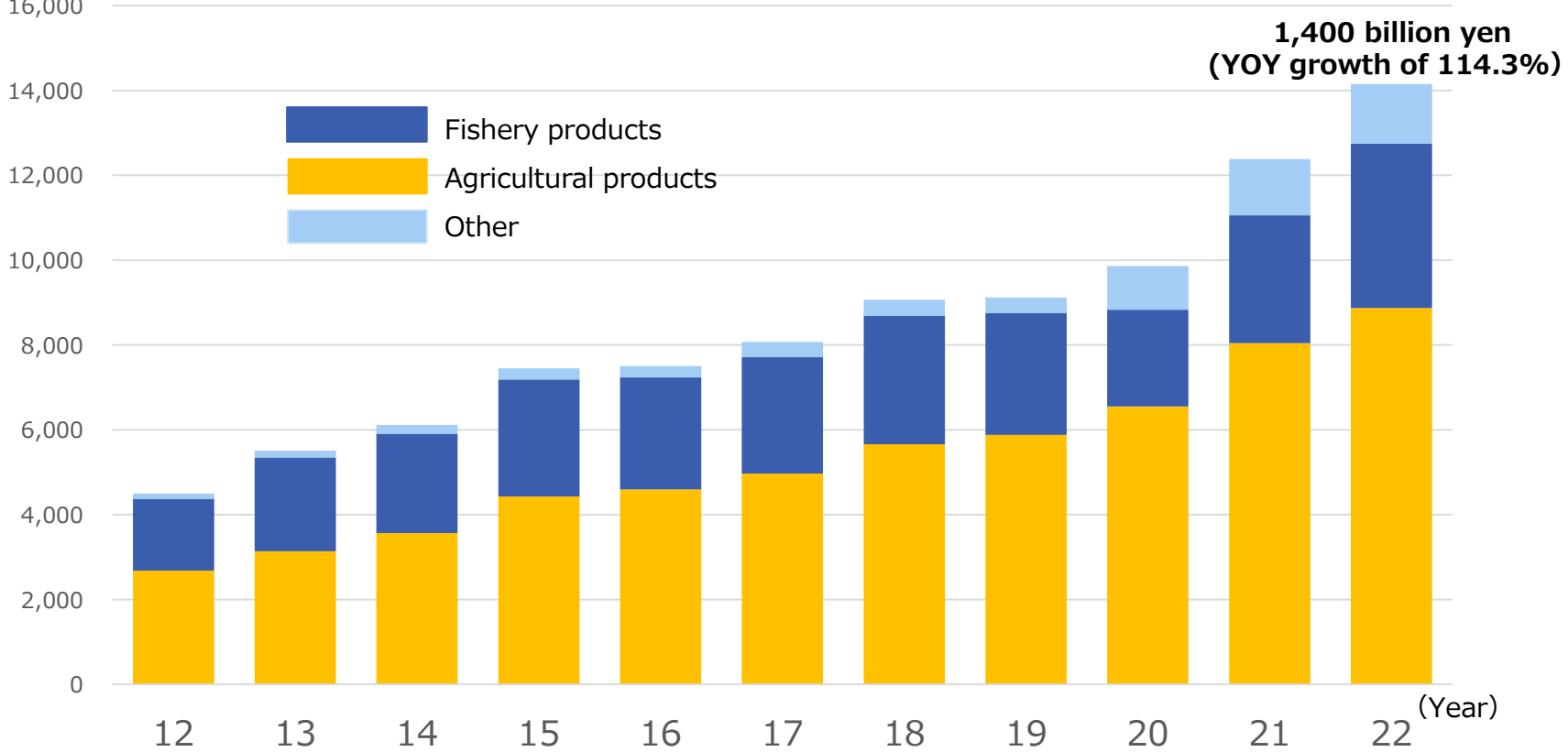
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Market Environment: Growth of Export Market

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)

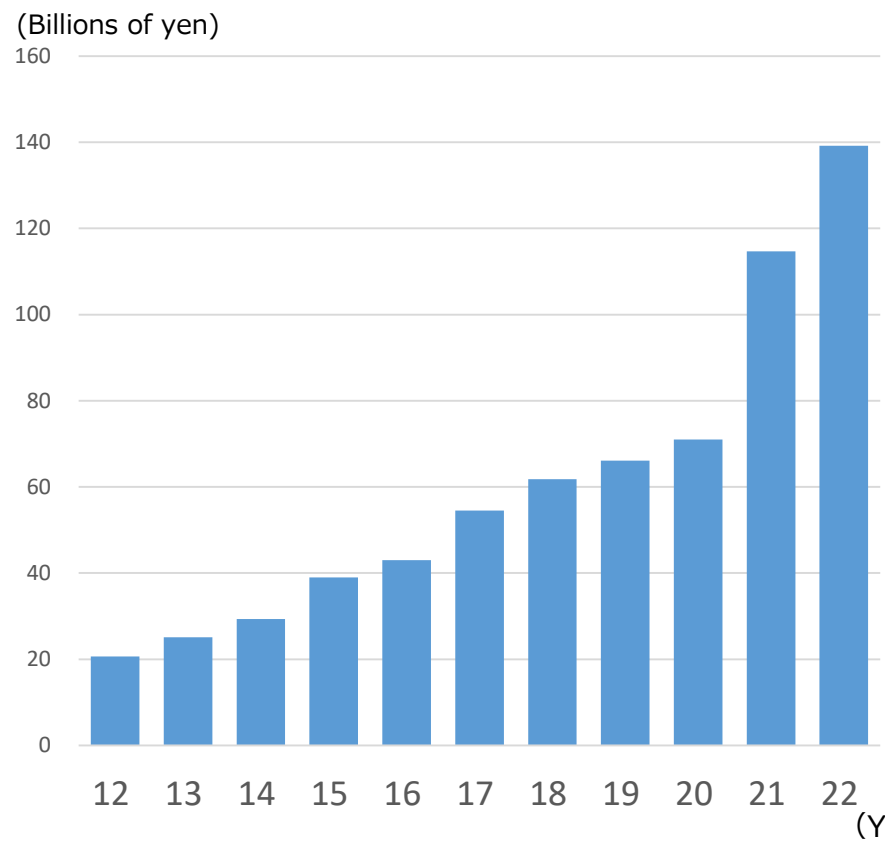


Data: Ministry of Agriculture, Forestry and Fisheries

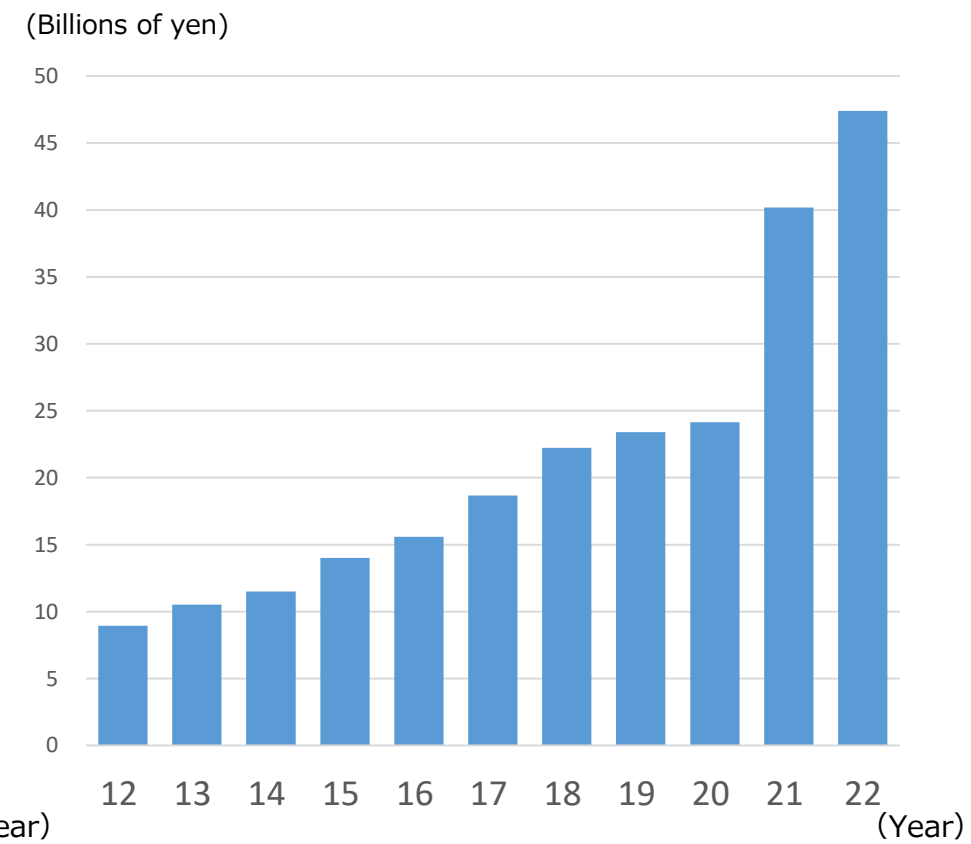
Market Environment: Growth of Alcoholic Beverages and Japanese Sake

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



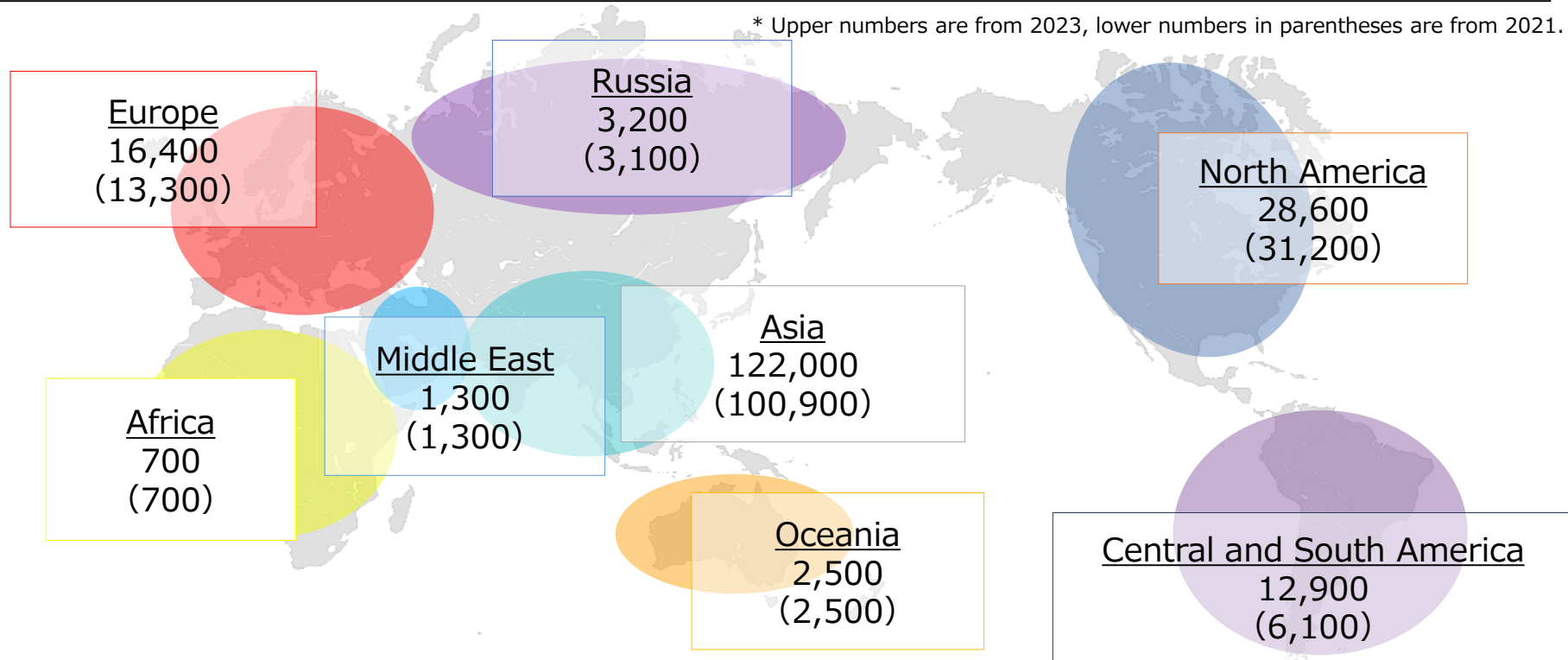
Data: Ministry of Agriculture, Forestry and Fisheries

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> | | <2023> |
| Approx. | → | Approx. | → | Approx. | → | Approx. |
| 55,000 | | 156,000 | | 159,000 | | 187,000 |

* 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



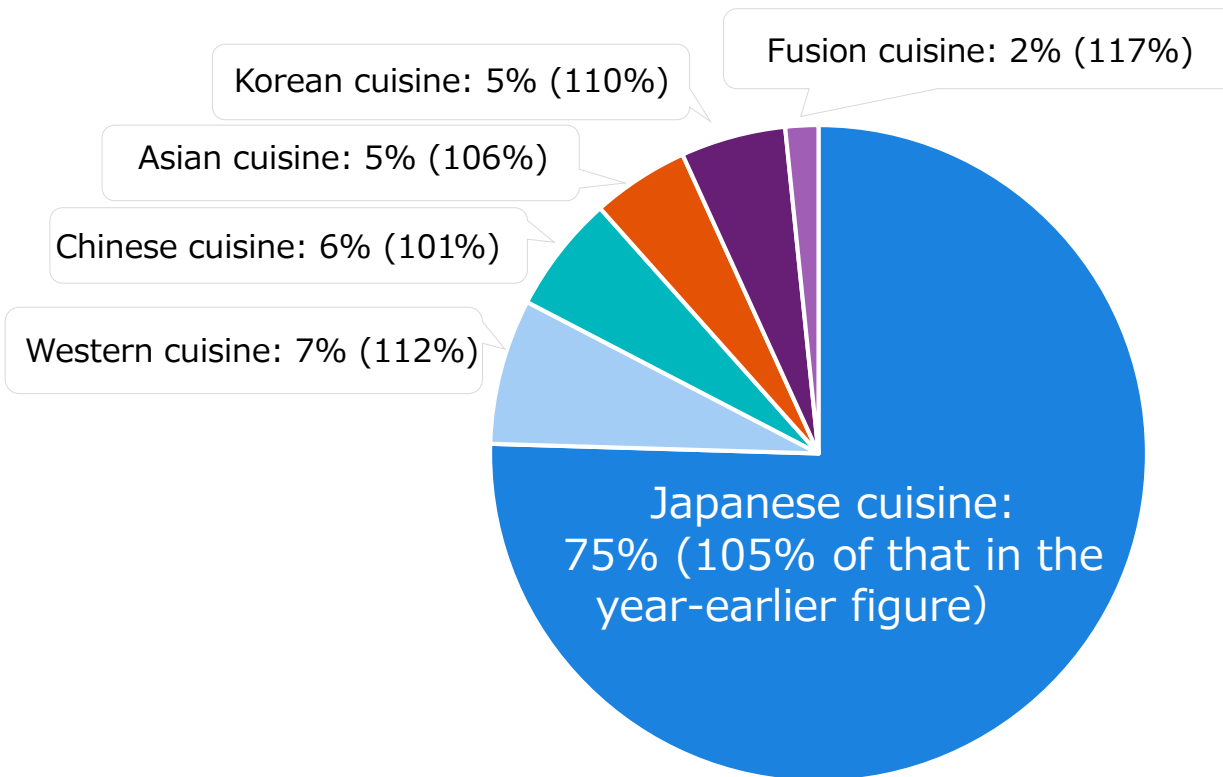
Udon



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

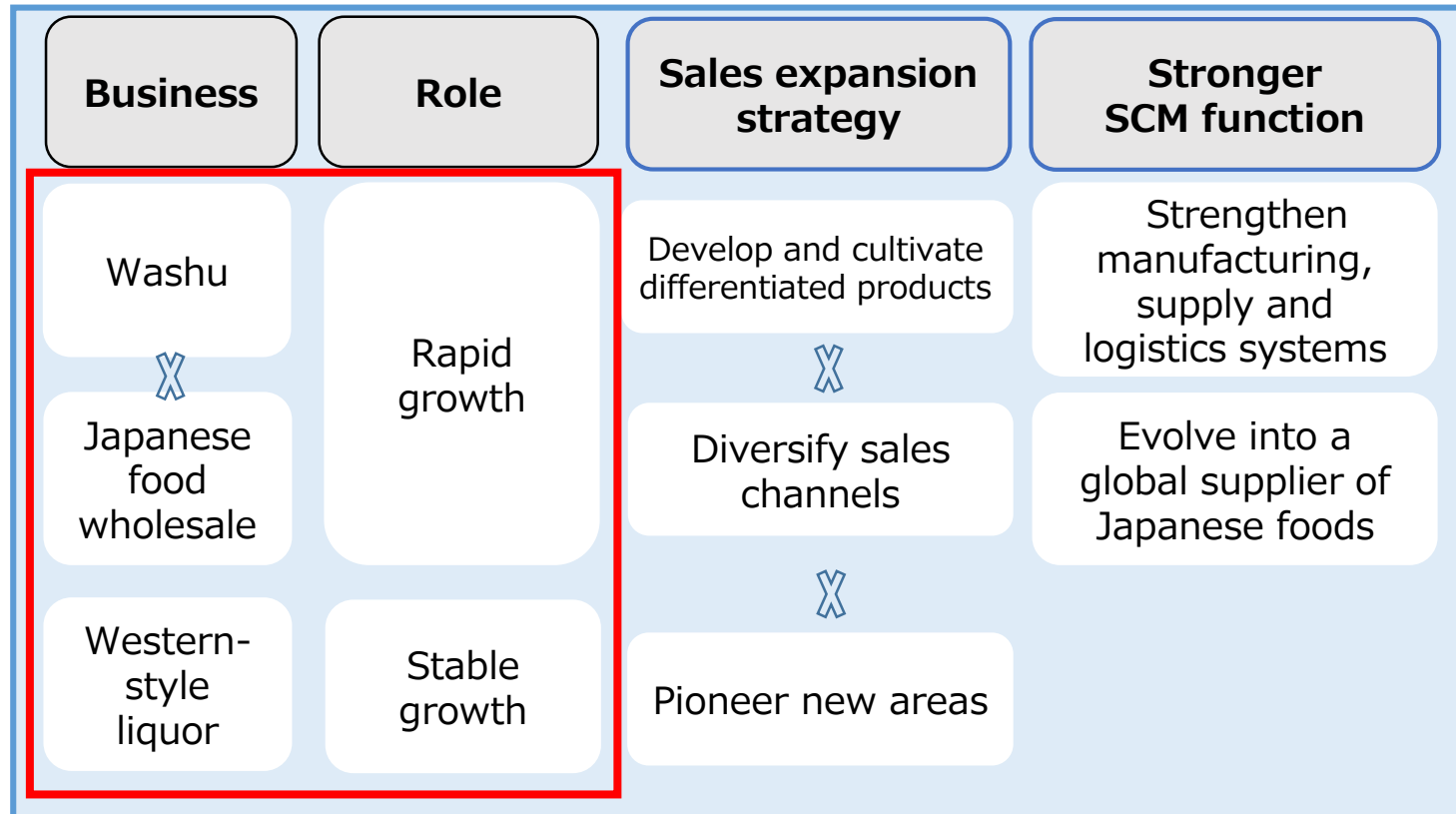
Data: Mutual Trading Co., Inc. (results of branches in Los Angeles and New York) as of September 30, 2023

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

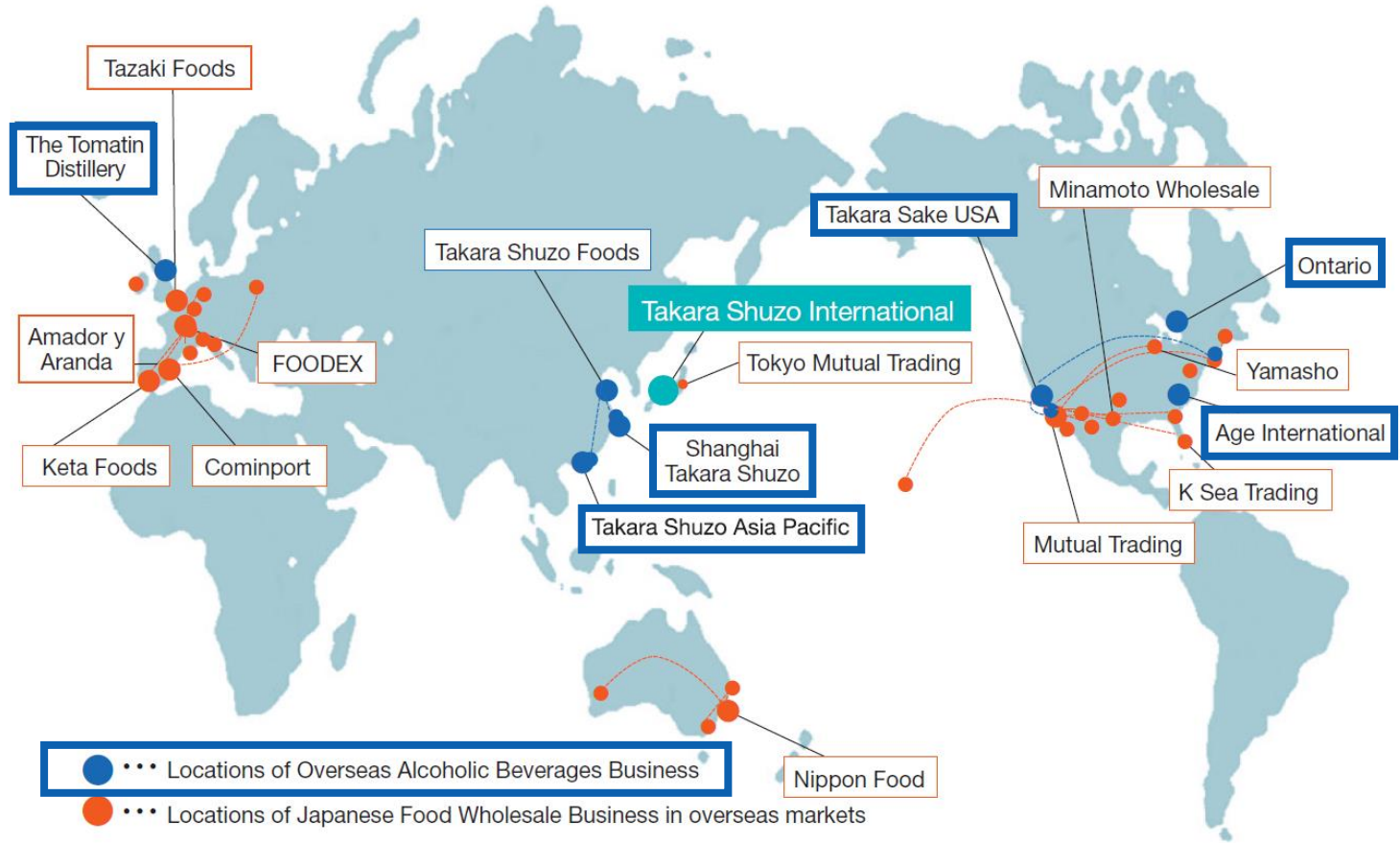
◆ Business Strategy



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Business Sites of Overseas Alcoholic Beverages Business

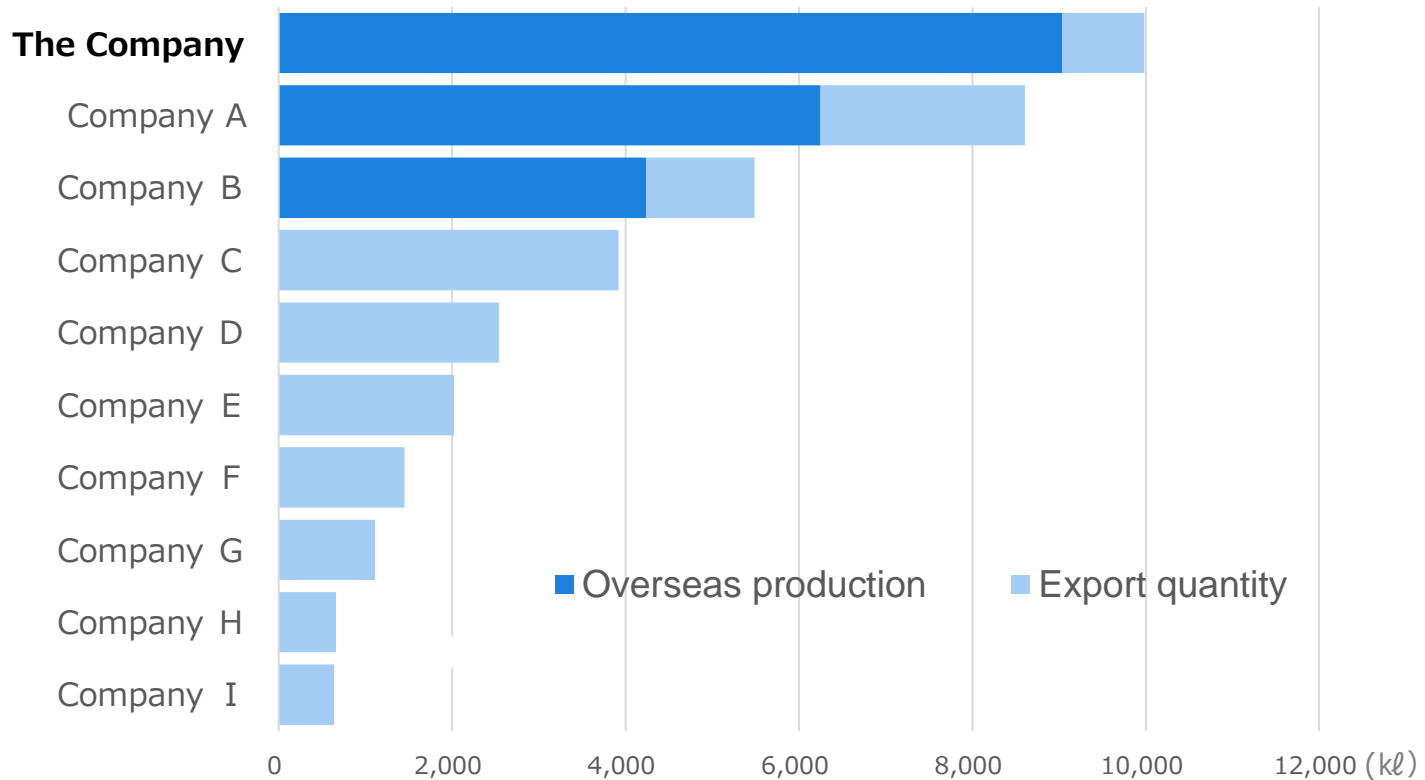
We have manufacturing sites in the U.S., China, the U.K., and Canada



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)

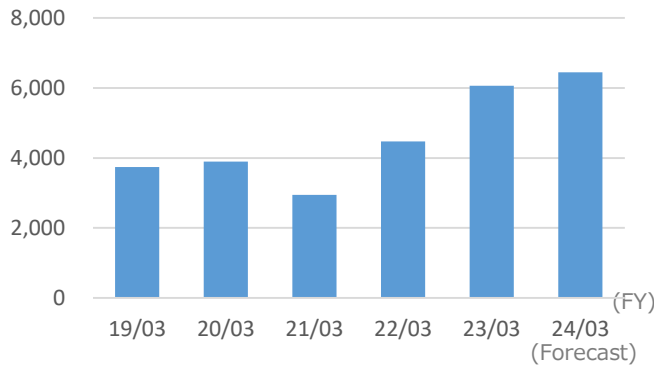
We manufacture Sho Chiku Bai and other traditional washu, including sake, mirin and plum brandy, in the U.S. and China. Leveraging local production, we also develop innovative, exclusive overseas products that address local market environment and needs

◆ Takara Sake USA



◆ Net Sales

(Millions of yen)

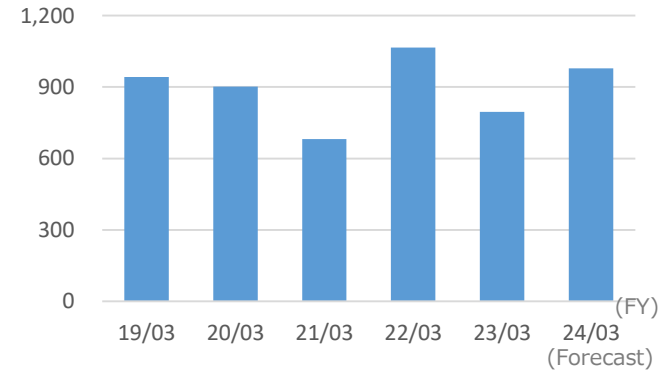


◆ Takara Shuzo Foods (China)



◆ 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)

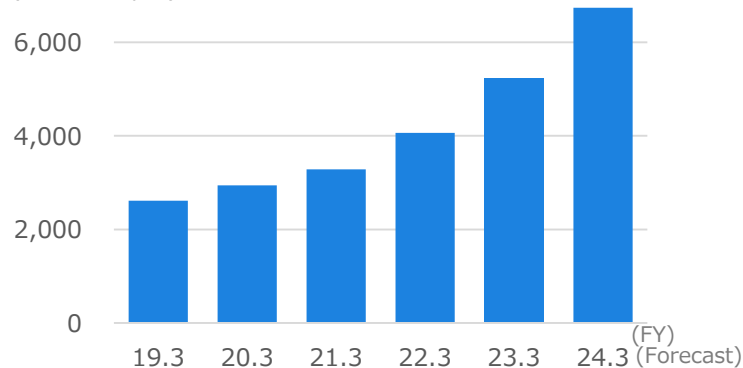
We aim to boost the value of our brands, such as Tomatin and Blanton's, and achieve stable earnings growth

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



◆ Net Sales

(Millions of yen)



◆ Age International (Kentucky, U.S.)

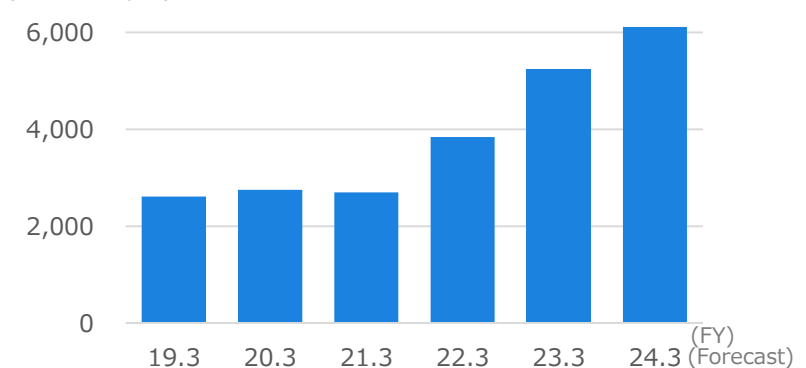


IWSC2023
Silver Award



◆ Net Sales

(Millions of yen)

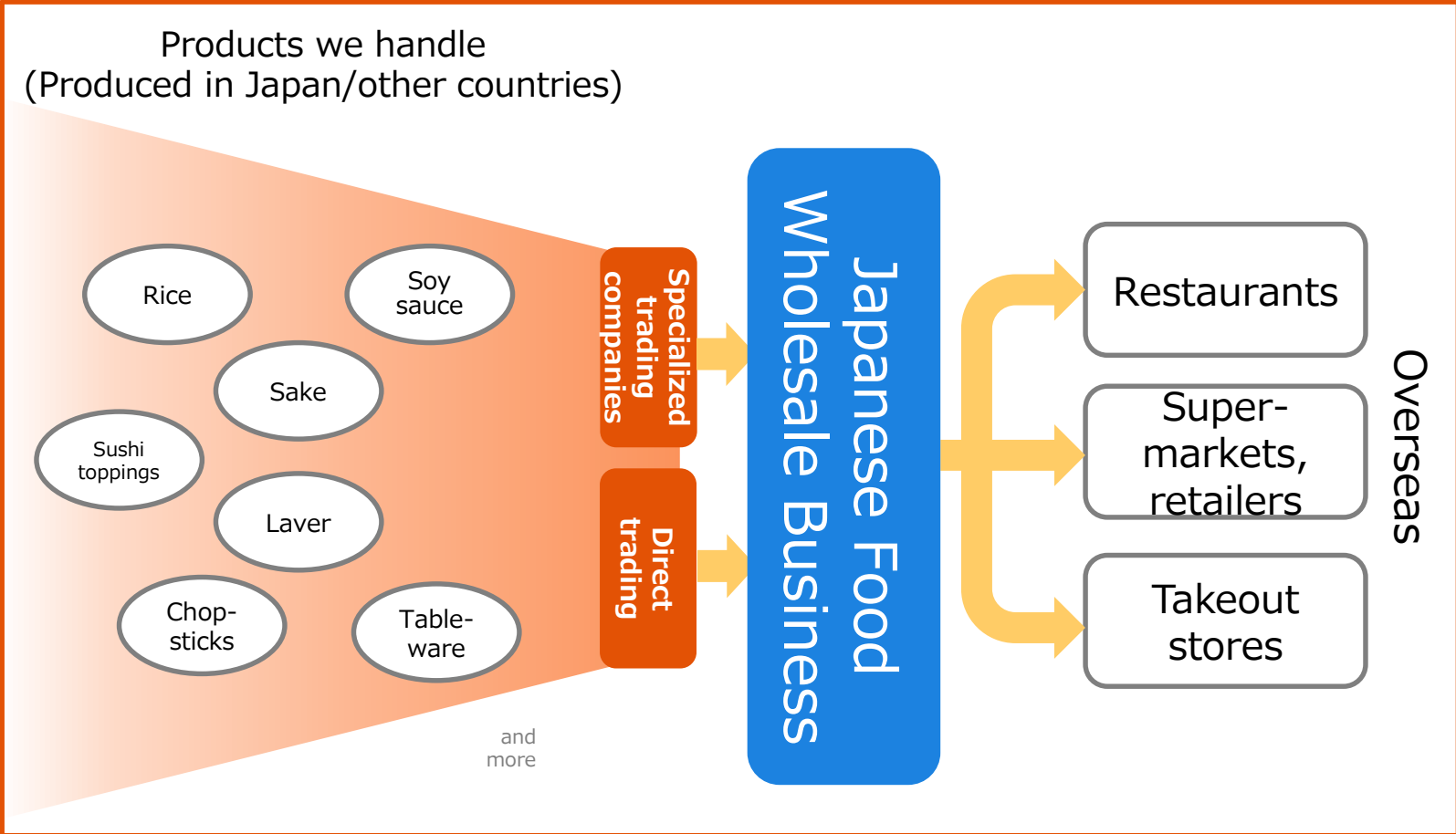


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Business Model of Japanese Food Wholesale Business

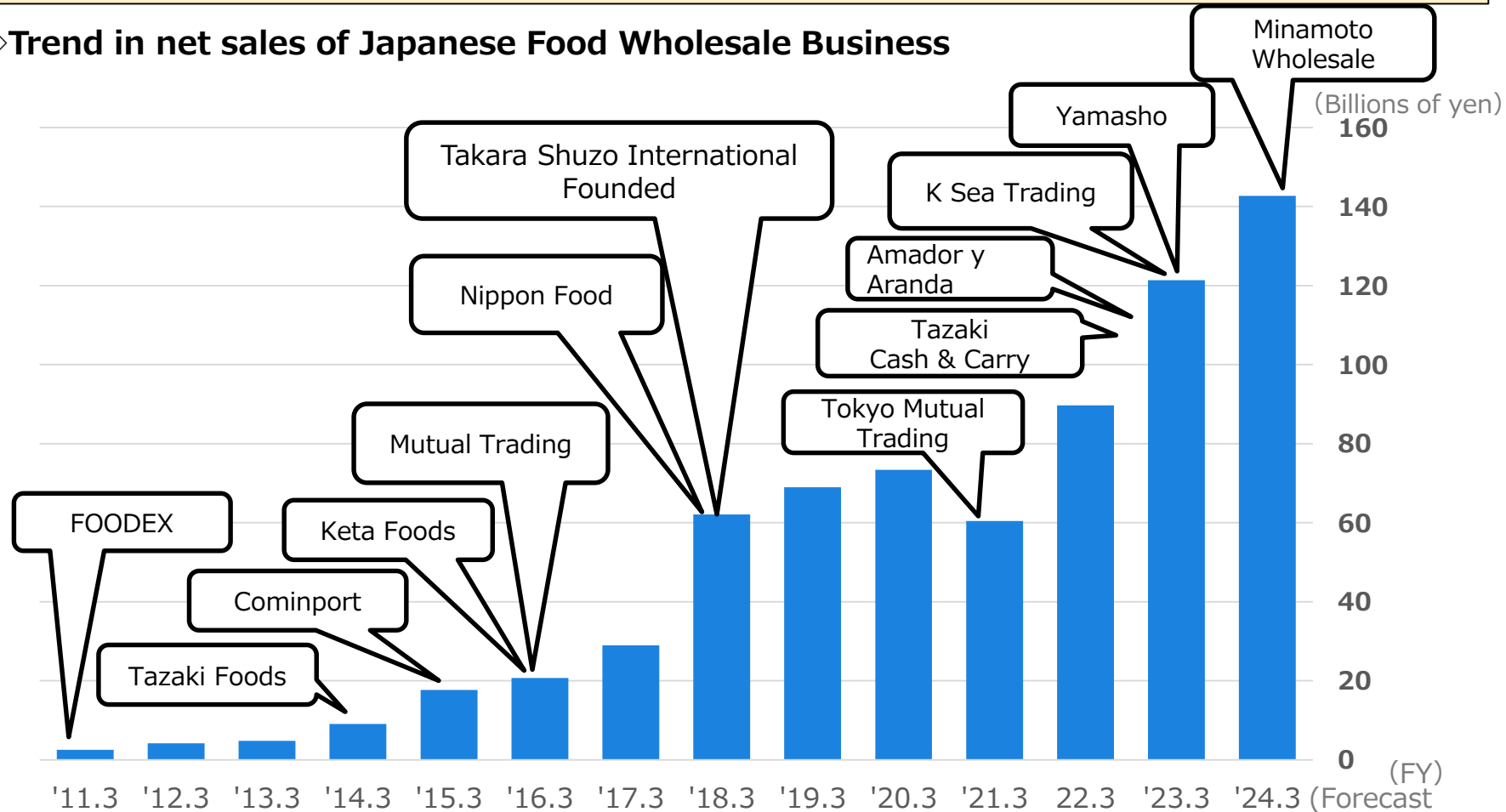
Our Japanese Food Wholesale Business imports products via routes involving specialized trading companies or through direct trading, and sell them to local restaurants and supermarkets



Trend in Net Sales of Japanese Food Wholesale Business

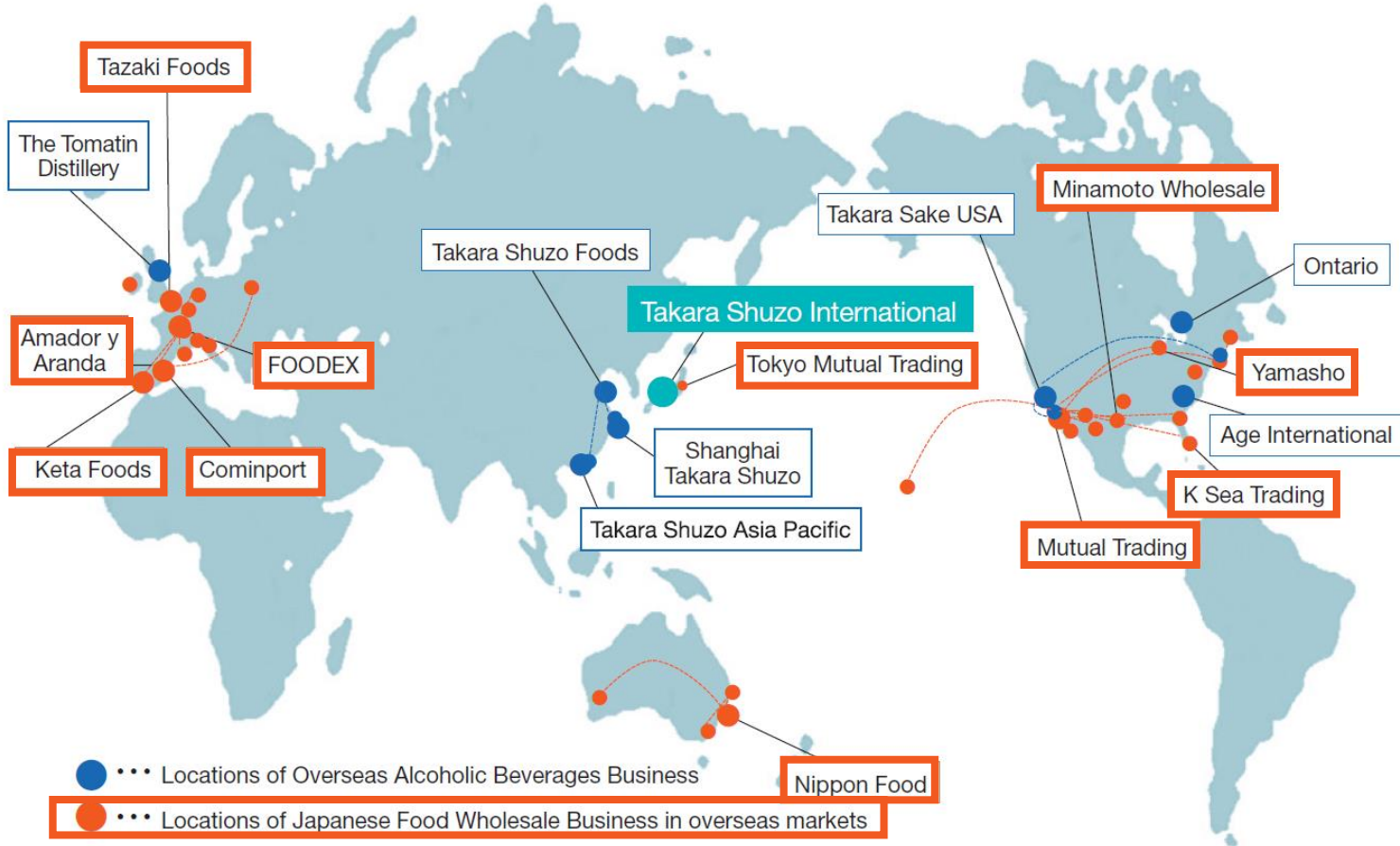
Established a worldwide network since its entry to the market in the fiscal year ended March 31, 2011, and showing a rapid growth

◇ 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



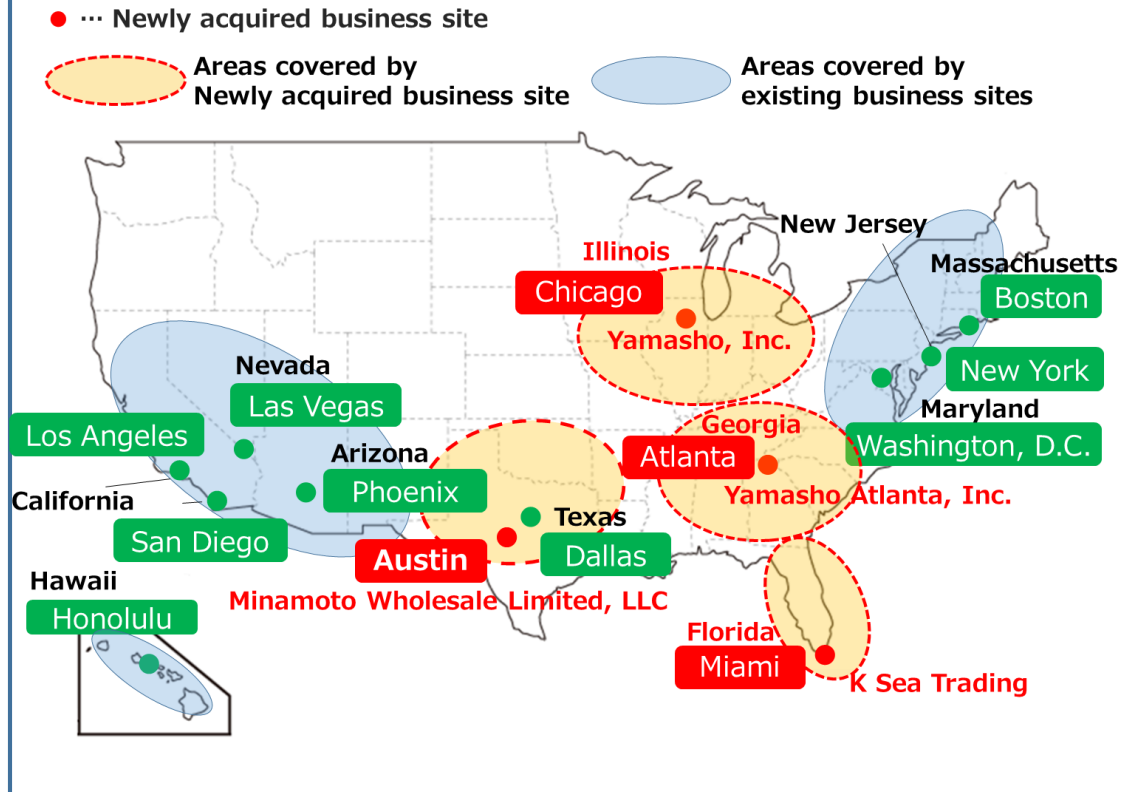
Japanese Food Wholesale Business : <Initiatives in North America area>

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



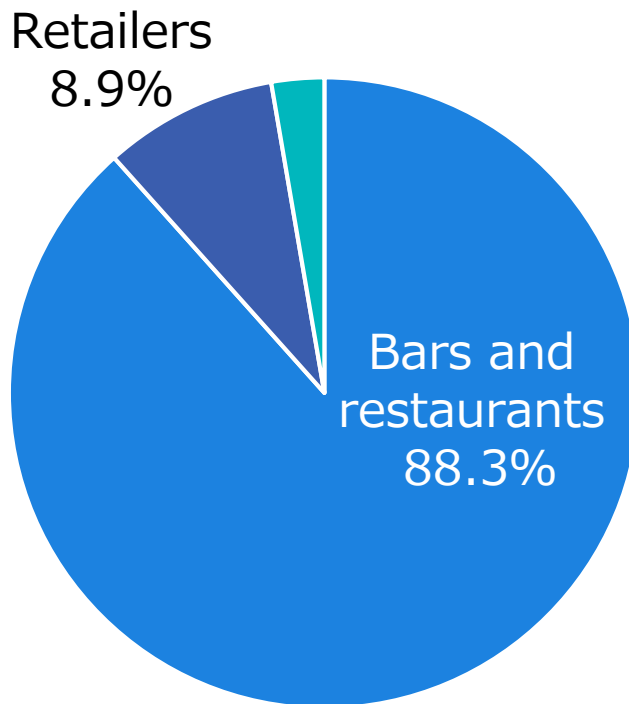
- Number of sites as of November 2023: 13 sites in 11 states



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

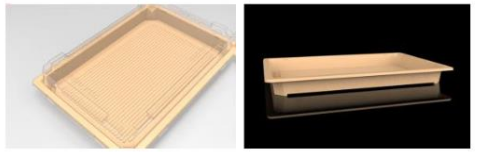


Tasting seminars



Strengths of Takara Group's Japanese Food Wholesale Business

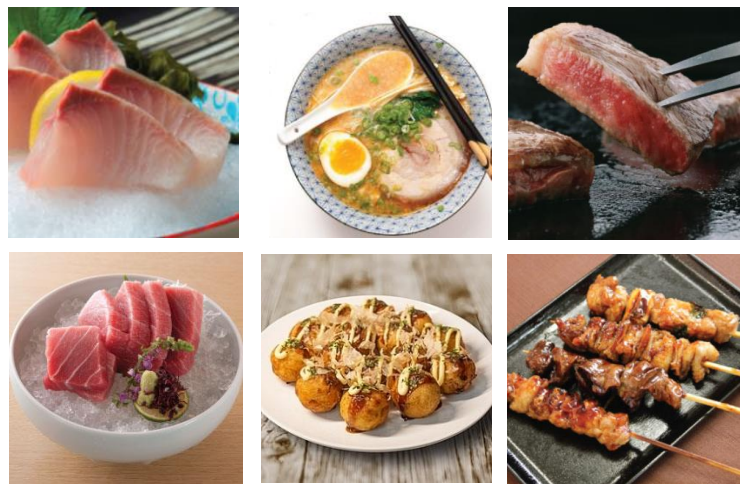
In addition to rice, seasonings and processed products like ramen, along with seafood and meats, we offer a wide variety of lineup covering plates, take-out containers, sustainability-aware containers, vegan foods and allergen-free products



Recycled plastic containers



Luncheon meat made from soybeans



Sashimi made of konnyaku



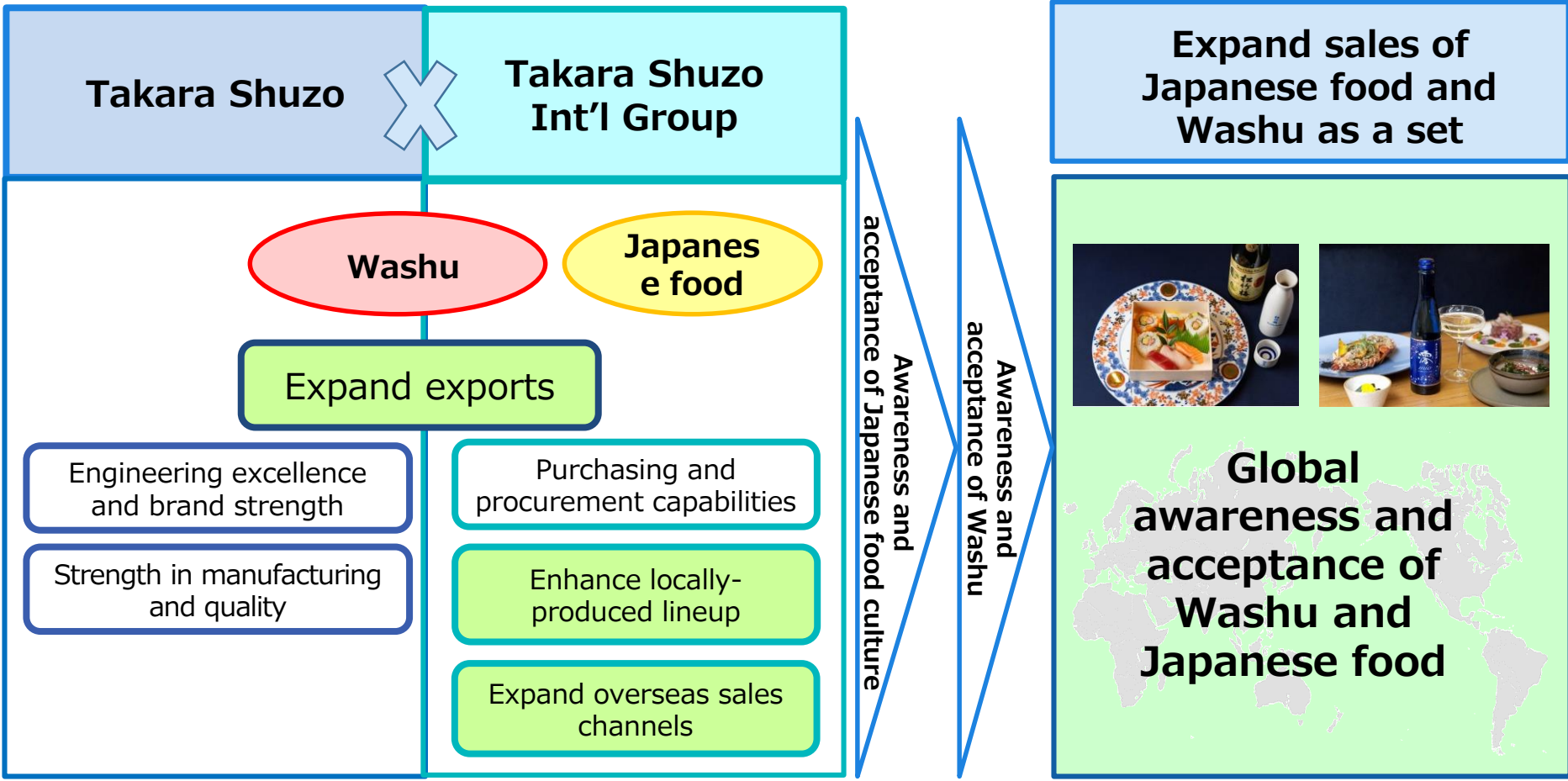
Lineup of vegan foods and allergen-free products

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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

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Business overview of Takara Bio Group

Our Bioindustry Business, which forms the bases for our technologies and profits, has biotech researchers around the world as its customers

Reagents



Reagent Kits



RetroNectin®

Approx. 10,000 items including enzymes for gene amplification and reagent kits (Several thousand to several hundred thousand yen or more)

Instruments



PCR Instruments



Single cell analysis system

Instrument for gene amplification, equipment for cell analysis (Several hundred thousand to several million yen or more)

CDMO



Gene analysis services

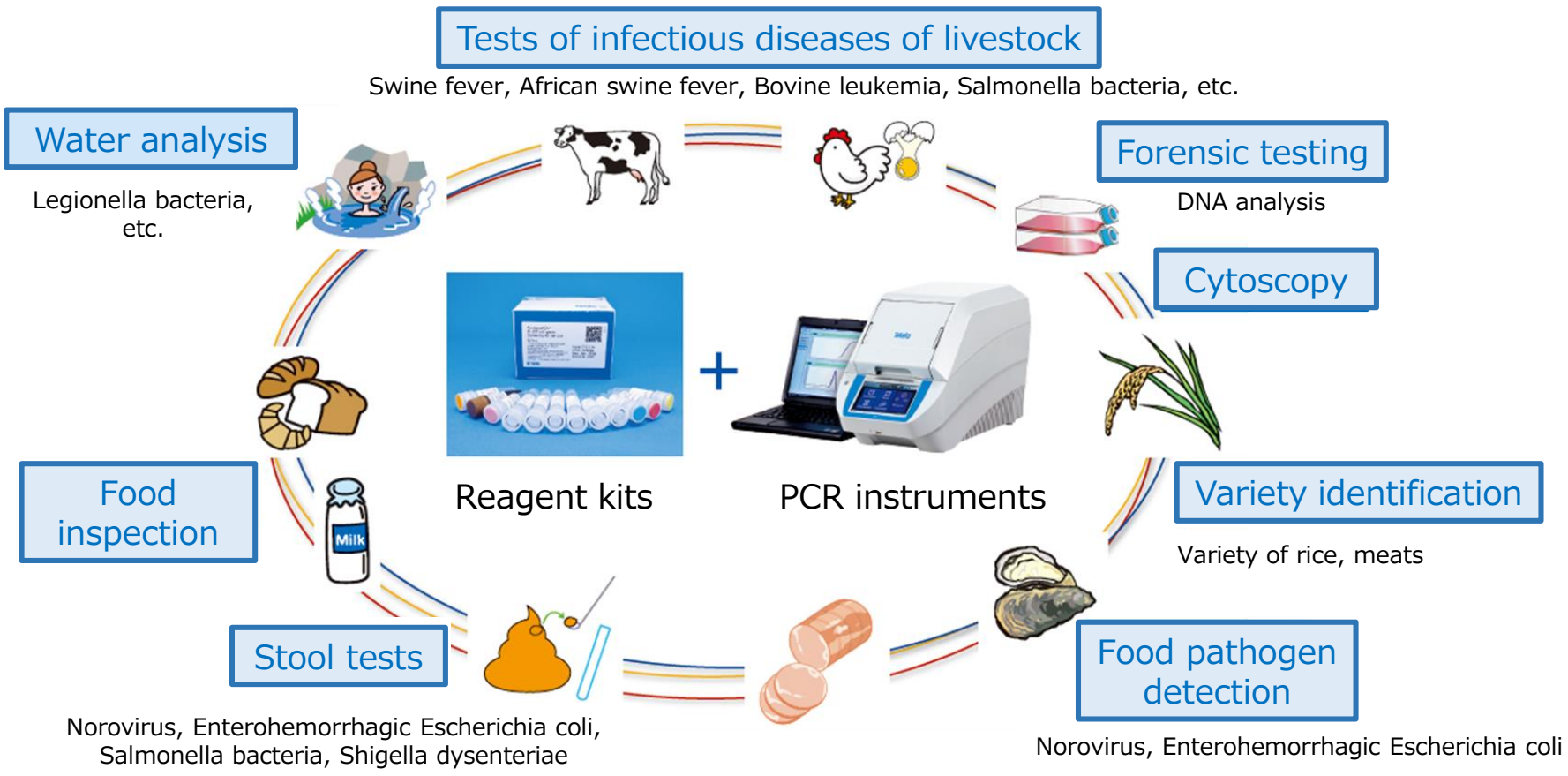


Cell processing services

We receive samples from researchers (customers) and deliver data and products (Several hundred thousand to several tens of million yen or more)

Providing PCR Reagents to Various Sectors

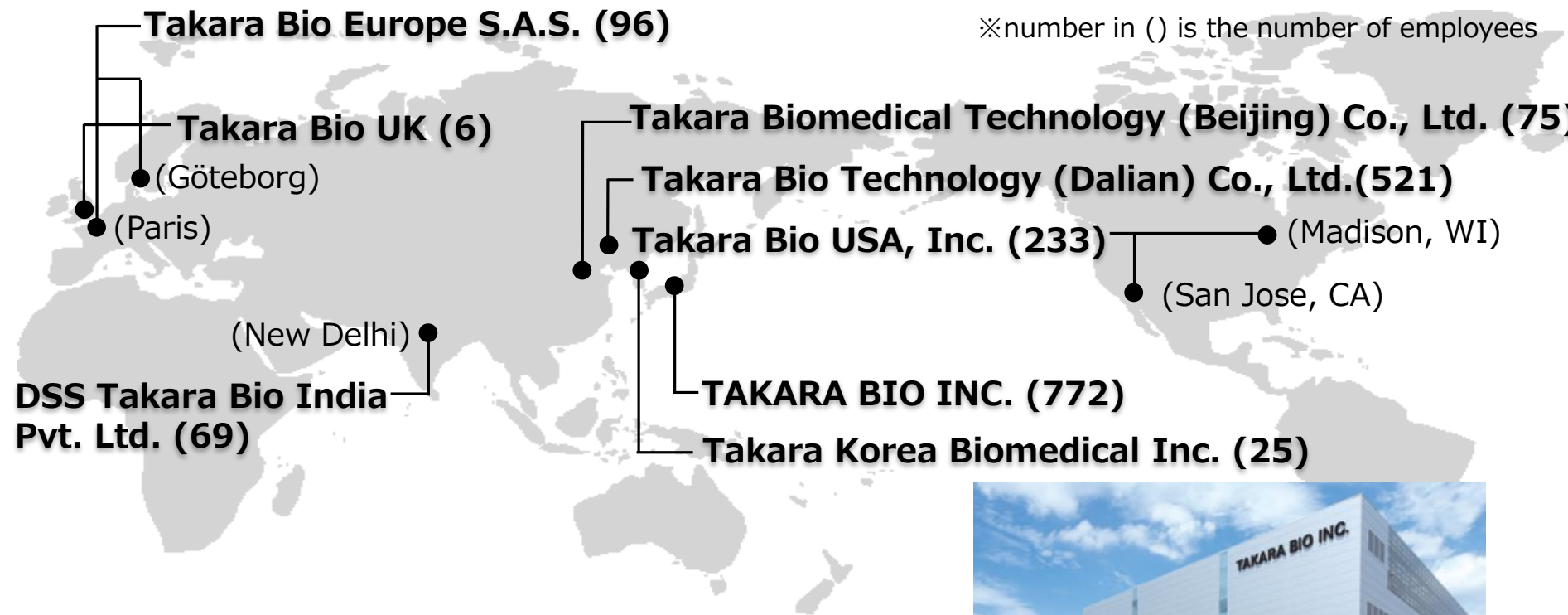
Since the acquisition of exclusive domestic sales rights for PCR system in 1988, Takara Bio's PCR reagents have been used for viral and bacterial detection in a range of fields from food and environment to application in clinical practices



Taken from Takara Bio's product catalog

Overseas Development of Reagent Business

A "glocal" system to build a sales network across the globe by developing manufacturing sites in India, the U.S. and Europe, in addition to China and Japan



Takara Bio head office (Kusatsu, Shiga)

Cellular medicine and gene therapies are positioned as focused investment areas in the government's basic growth strategies

◇ Basic Policy on Economic and Fiscal Management and Reform 2022

(2) Investment in science and technology/innovation

The power of science, technology and innovation is indispensable for converting social issues into engines of economic growth. In particular, the fields of quantum technologies, AI, and other biotechnology and medical fields such as biomanufacturing and, regenerative/cellular medicine and gene therapies are science and technology fields that are directly linked to Japan's national interests. Accordingly, we will set forth a clear national

◇ The grand design and action plan for the “New Form of Capitalism”

(4) Regenerative /cellular medicine and gene therapies

1) Regenerative and /cellular medicine and gene therapies

Initiatives in terms of regenerative /cellular medicine and gene therapies will include promoting clinical research and trials of new medical technologies, R&D oriented toward commercializing these medical technologies, strengthening the manufacturing platform for cells and vectors (media by which introduce genes to cells) utilized in treatments, and human resources development, leading to practical application of effective technologies. By breaking down the barriers existing between regenerative /cellular medicine and gene therapies, the

Market Environment : Market Size of Gene Therapies Area

Especially high growth rates are expected in the market size of gene therapies area

| Modality (therapeutic approach) | | Global market size | | Growth rate in 10 years |
|---------------------------------|------------------------|--------------------|--------------------|-------------------------|
| | | 2020 | 2030 | |
| Small molecule drugs | | 48,000 billion yen | 55,000 billion yen | 15% |
| Gene therapies | Ex vivo gene therapies | 140 billion yen | 2,000 billion yen | 1,328% |
| | In vivo gene therapies | 210 billion yen | 2,900 billion yen | 1,281% |

Data: Excerpt from a meeting material (December 23, 2020) of the government Headquarters for Healthcare Policy; edited by Takara Bio

Gene and Cell Processing Center

Takara Bio head office: One of the largest CDMO facilities in Japan for cellular medicine and gene therapeutic medicine



Center for Gene and Cell Processing (CGCP) Building 2

Operation started in January 2020
Approx. 14,500 m²
Manufacture and quality inspection of gene therapeutic medicine, new technology development research, technological development and manufacture of reagents for research, vector manufacturing, cell processing, cell banking and storage, GMP aseptic filling, etc.

CGCP Building 1

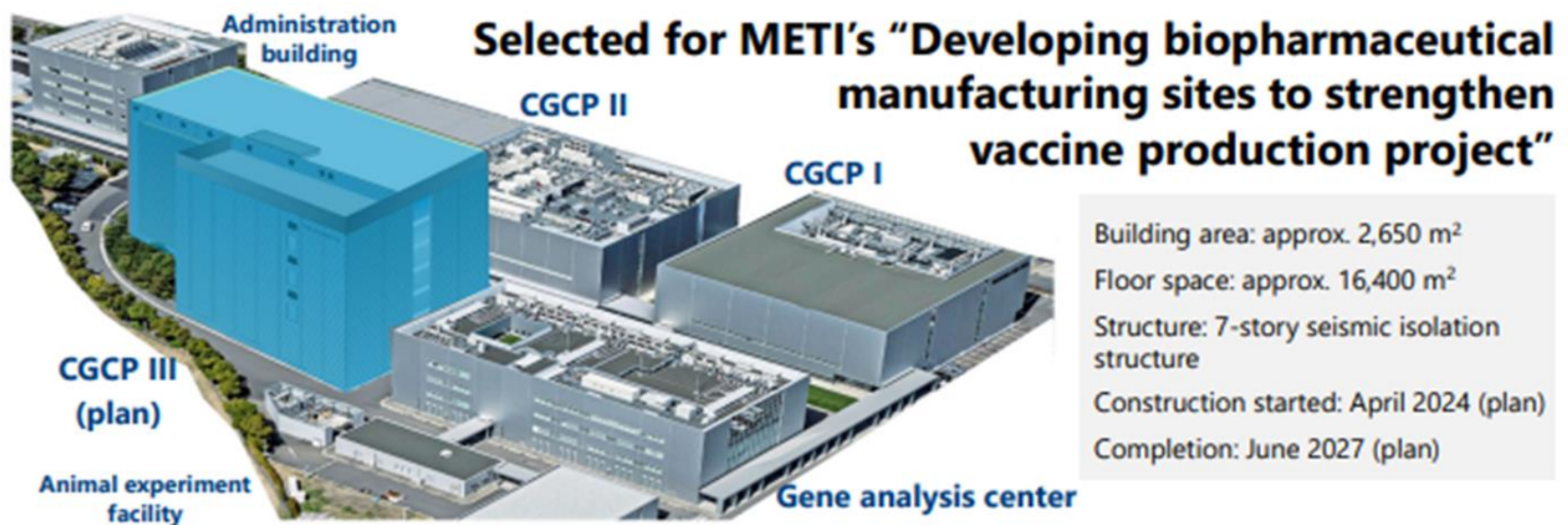
Operation started in October 2014
Approx. 6,700 m²
Vector manufacturing, cell processing, cell banking and storage, GMP aseptic filling, cell inspection, etc.

Main Building (3rd floor)

Operation started in August 2015
Approx. 1,200 m²
Gene analysis services

Gene and Cell Processing Center III Building Plan

Gene and Cell Processing Center III is scheduled to be completed in 2027 as a “dual-use” facility for large-scale manufacturing that will exceed the existing building



Selected for METI’s “Developing biopharmaceutical manufacturing sites to strengthen vaccine production project”

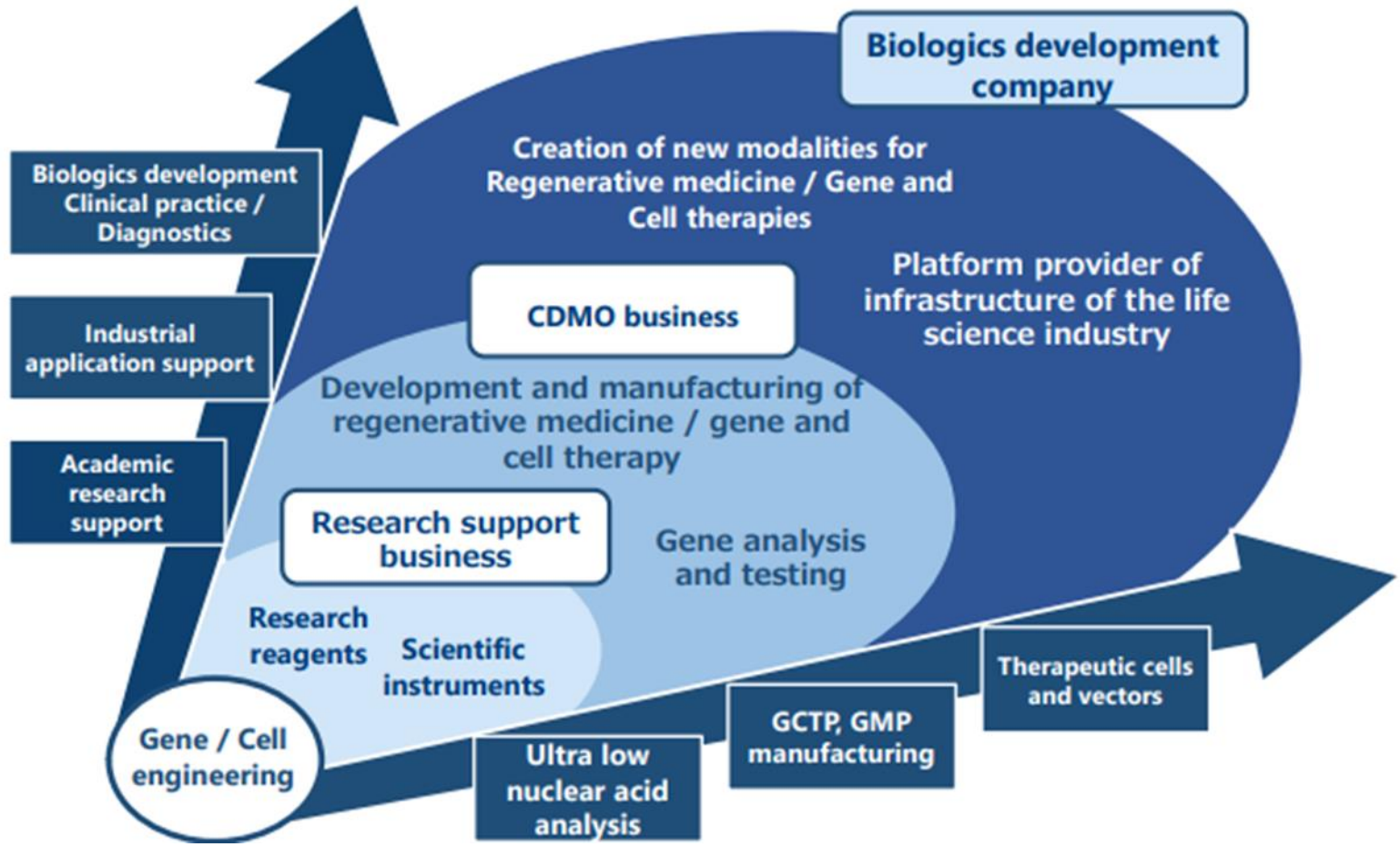
Building area: approx. 2,650 m²
 Floor space: approx. 16,400 m²
 Structure: 7-story seismic isolation structure
 Construction started: April 2024 (plan)
 Completion: June 2027 (plan)

Manufacture vaccines in emergencies and utilized in CDMO business/ R&D in normal times

| Our adaptation | Normal times | Emergency |
|------------------------------|--|--------------------------------------|
| 1. Vaccine production site | Various viral vectors for gene therapy mRNA drug substance | Viral vector vaccine mRNA vaccine |
| 2. Materials production site | RetroNectin [®] , mRNA production enzymes and other GMP grade reagents | Enzymes for mRNA production |

Business strategy

Aim to become a global platform provider of infrastructure for the life science industry



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Sustainability

Long-term Management Vision「TaKaRa Group Challenge for the 100th」

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.

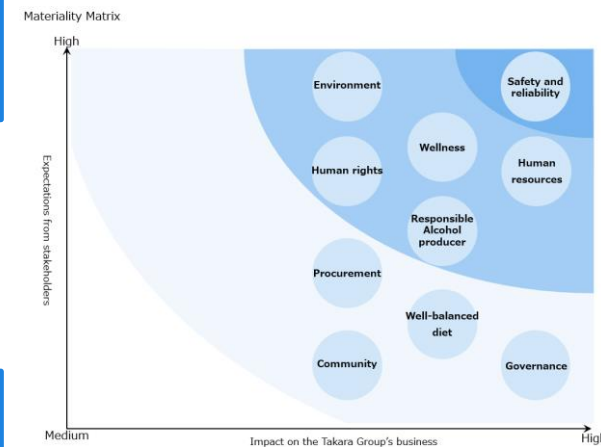
May 2020 Published the "Takara Group Sustainability Policy"

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"

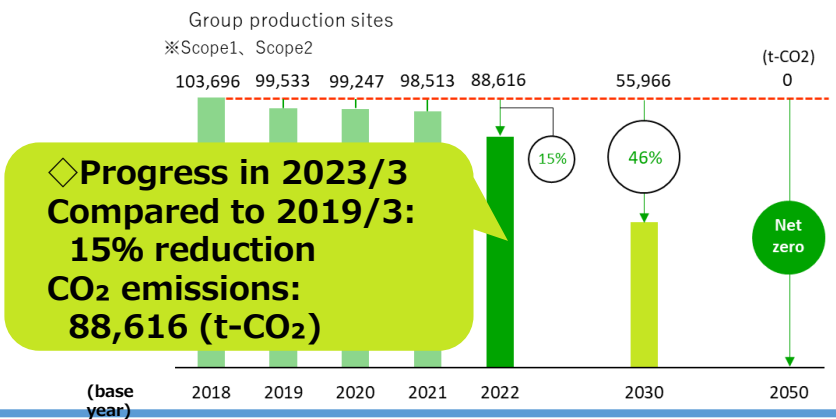


CO2 emissions reduction

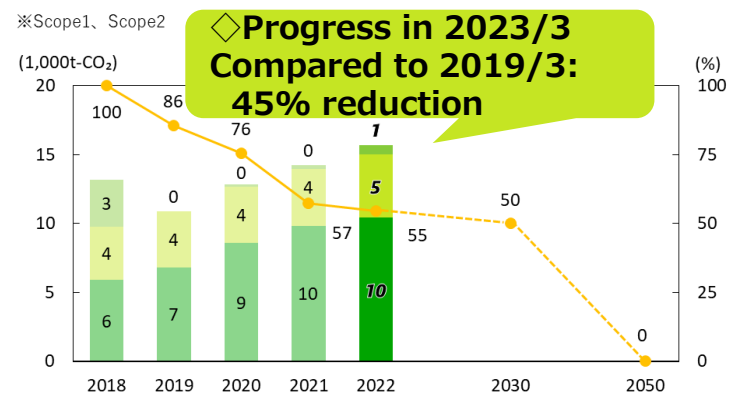
Formulating a roadmap to reduce CO2 emissions

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

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

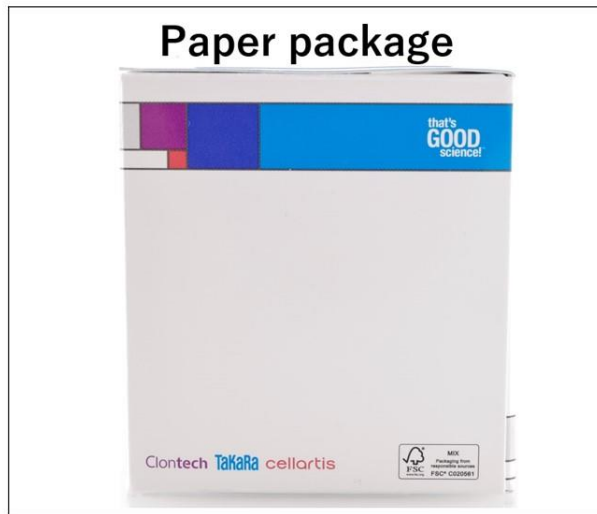


◇ CO2 emission reduction targets of Takara Bio Group (CO2 emissions per net sales)



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

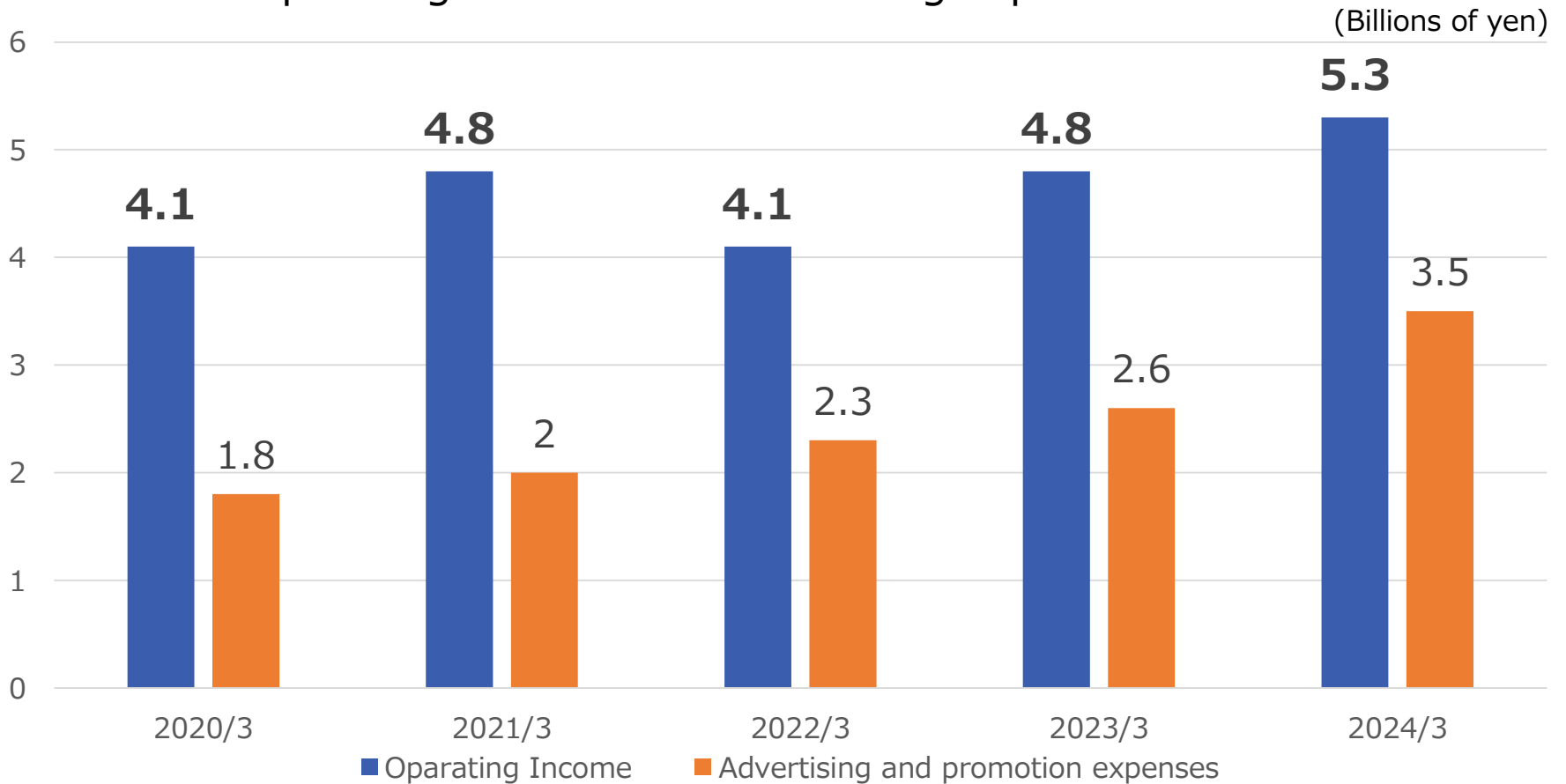
(Millions of Yen)

| | 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

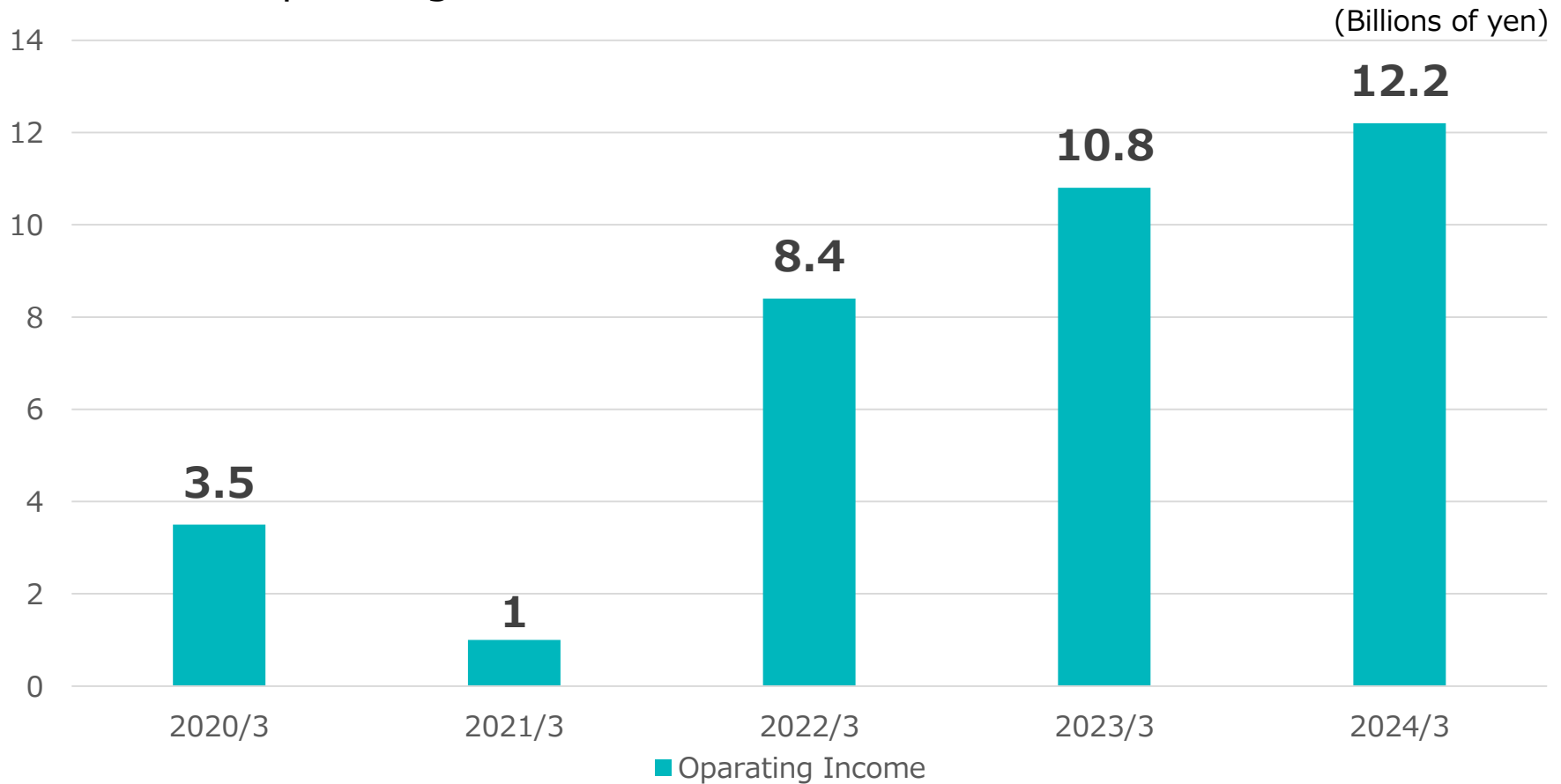
◆ Trends in operating income and advertising expenses



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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