

Takara Holdings Inc. Information Meeting

March 2022

2

Agenda

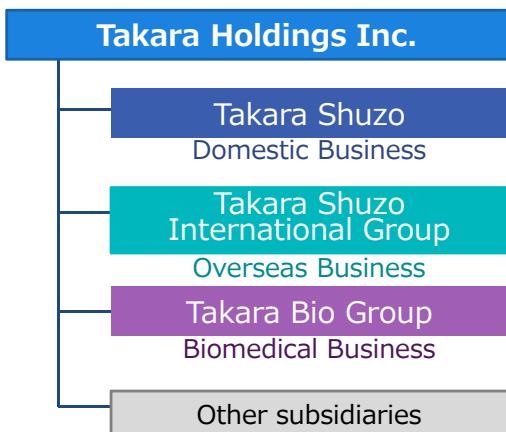
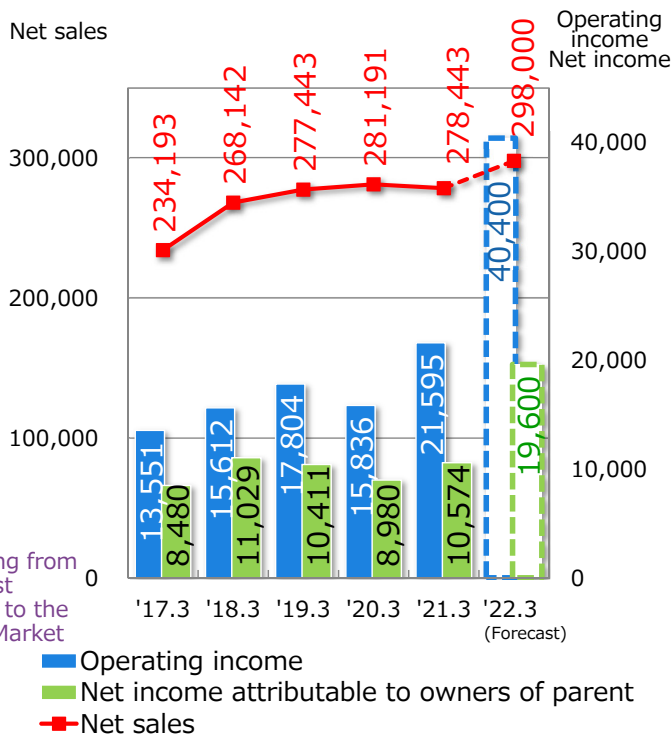
- 1. Overview of Takara Group**
- 2. Domestic Business**
- 3. Biomedical Business**
- 4. Overseas Business**
- 5. Sustainability**
- 6. Shareholder Returns**

About Takara Holdings Inc.

- Founded: 1925
- Listing: TSE first section
(Code: 2531) *Moving to the Prime Market*
- Head Office: Kyoto
- President: Mutsumi Kimura
- Market capitalization: ¥236.8 billion
(as of February 16, 2022)
- EBITDA: ¥30.8 billion
(FY ended March 2021)

◆ Business performance in the past six years (million yen)

All-time high expected for all reported data



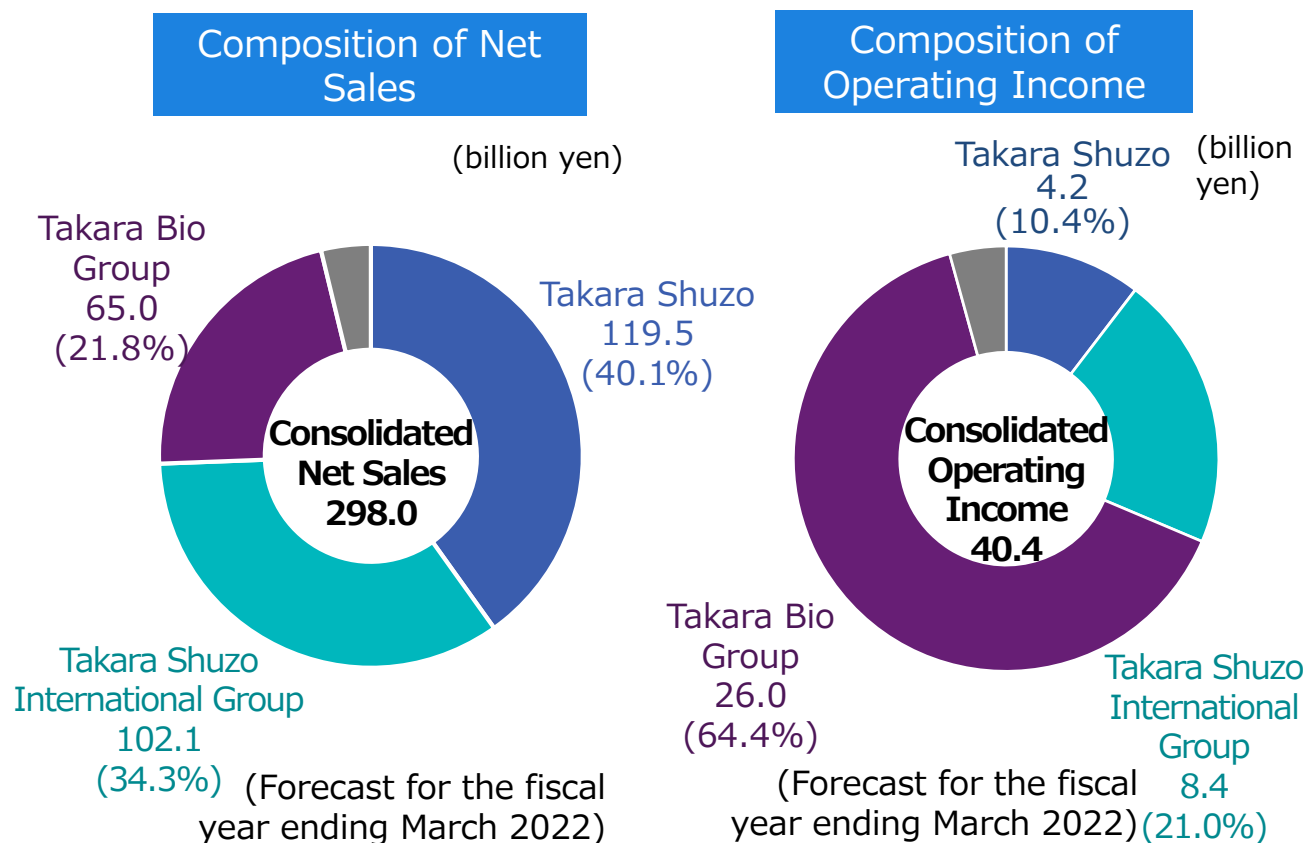
* Moving from TSE first section to the Prime Market

Takara Group Structure

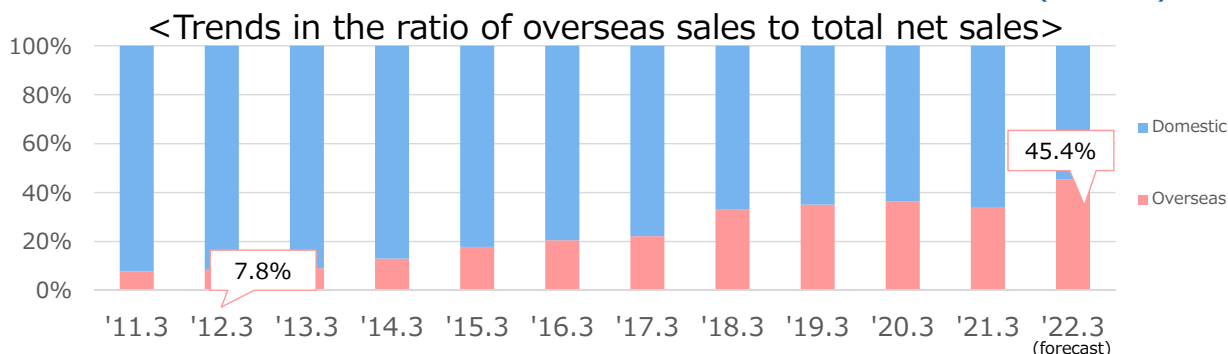
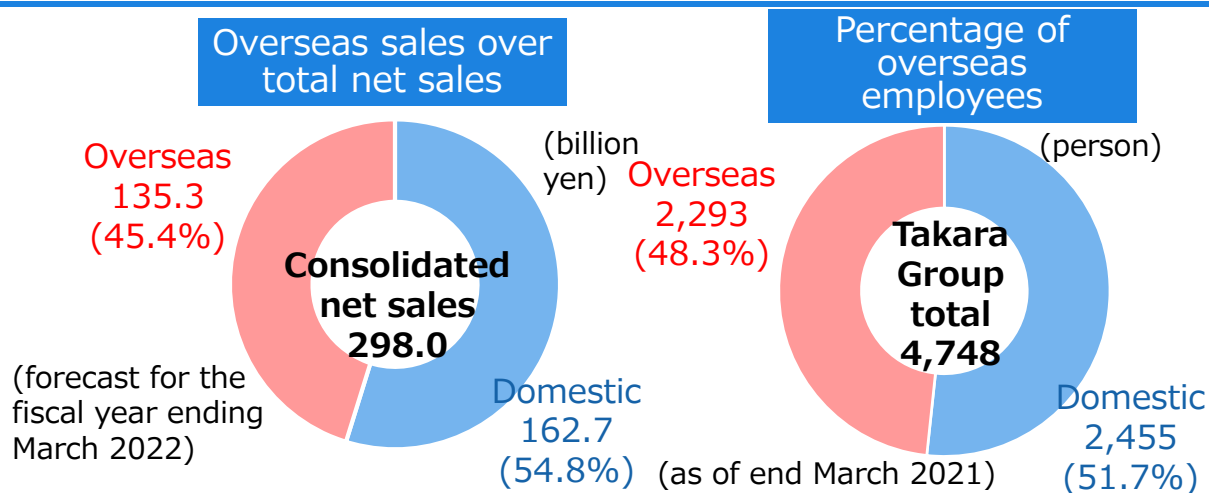


- 2002 Became a holding company. Changed the trade name from Takara Shuzo to Takara Holdings
Founded Takara Shuzo & Takara Bio
- 2004 Takara Bio listed on TSE Mothers section > 2016 TSE First section
- 2017 Founded Takara Shuzo International

Composition of Net Sales and Operating Income 5



Ratio of Overseas Business 6



*Domestic sales for the fiscal year ending March 2022 is smaller due to the adoption of the accounting standard for revenue recognition beginning in this fiscal year, which means the overseas sales over total net sales for this fiscal year is calculated on a different base from the prior years.

Long-term Management Vision “TGC100” 7

Long-term Management Vision “TaKaRa Group Challenge for the 100th” (TGC100)

A six-year management plan set to achieve the ideal future vision of the Group by 2025 (fiscal year ending March 2026), our 100th anniversary year

◆ Vision

- Smiles in Life -

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 food, and life science categories and help people connect with each other and lead healthy and fulfilling lives full of smiles.

Long-term Management Vision “TGC100” 8

◆ Management Policy

We will further reinforce our technical prowess, product competitiveness, and brand position so as to deliver diverse value to the *washu* and Japanese food markets and in the life science industry to establish a more prominent presence in Japan and the global market and ensure sustainable and accelerated growth.

◆ Business Strategies

Domestic Business (Takara Shuzo)	Overseas Business (Takara Shuzo International Group)	Biomedical Business (Takara Bio)
<p>Leverage its No.1 position in the <i>washu</i> market in Japan to switch to value-added business management, which will serve as a basis for achieving profitable growth, enhancing our corporate image, and continuing to be the No.1 global <i>washu</i> company^(*).</p> <p><small>*No.1 <i>washu</i> sales in Japan and overseas markets (exports + local production) combined</small></p>	<p>Aim to become the No.1 <i>washu</i> and Japanese food company^(*) abroad by bolstering the global sales of <i>washu</i>, expanding the global wholesaling network for Japanese food, and achieving further synergies across the Group in Japan and abroad.</p> <p><small>*No.1 <i>washu</i> sales in overseas markets (exports + local production) + No.1 wholesale of Japanese food in overseas markets</small></p>	<p>Aim to become a drug-discovery company poised to create new therapeutic modalities (treatments) by developing basic technologies for biological drug discovery through the research reagent and equipment business and the CDMO business.</p>
<p>Common Goal</p> <p>Takara Shuzo and the Takara Shuzo International Group will work together with a sense of unity to achieve the common goal of becoming the No.1 global <i>washu</i> and Japanese food company^(*). <small>*No.1 global <i>washu</i> sales + No.1 wholesale of Japanese food in overseas markets</small></p>		

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Domestic Business – Takara Shuzo

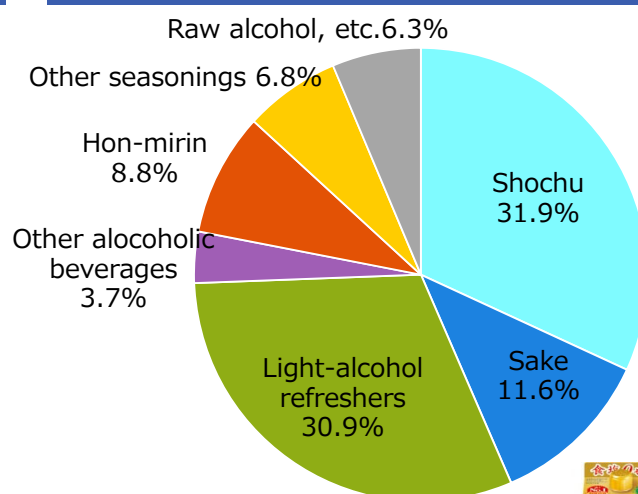
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◆ Main Products of Takara Shuzo



Shochu

◆ Sales by Business Category (Fiscal year ended March 2021)



Sake



Light-alcohol refreshers

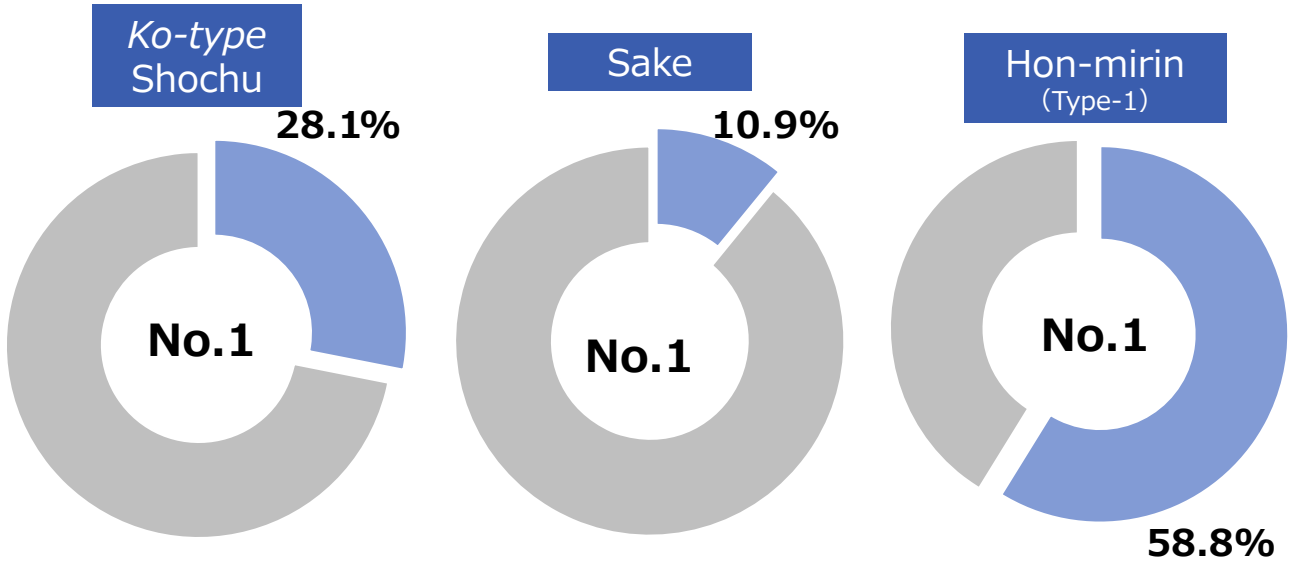


Seasonings

Large Market Shares in *washu* categories 11

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

(CY2020)

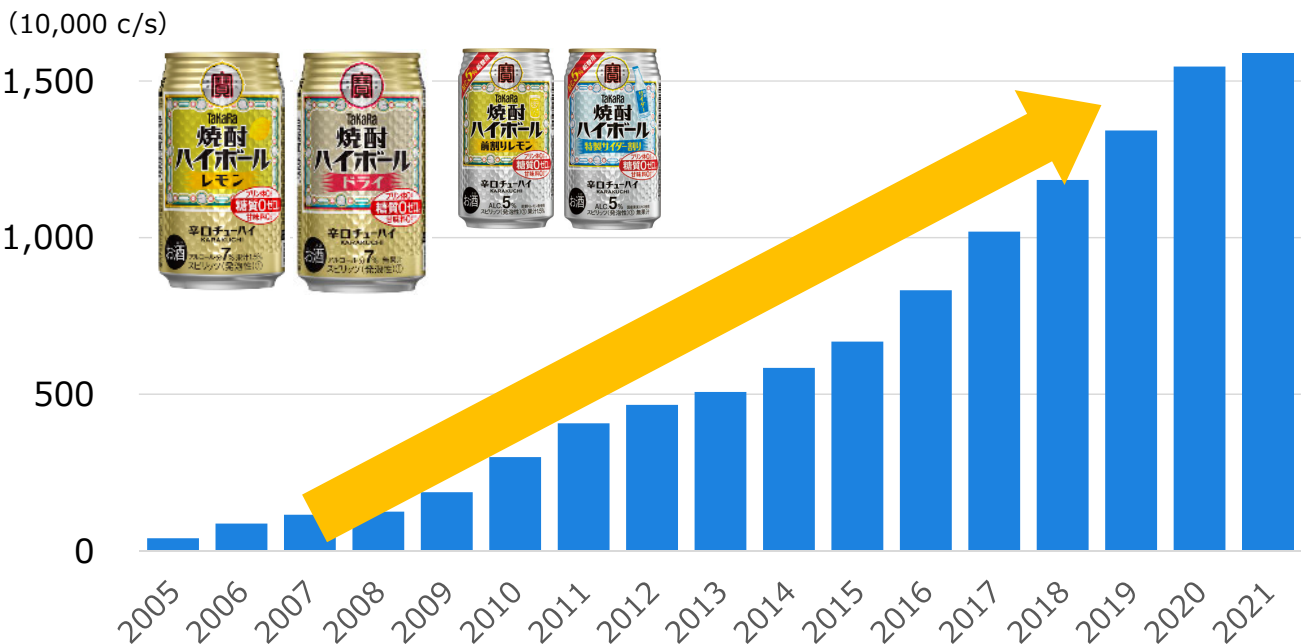


Data sources: *Ko-type* shochu and sake - estimated by the Company based on figures published by Nikkan Keizai Tsushin Co., Ltd.; Hon-mirin - estimated by the Company

Sales Trends of Takara Shochu Highball 12

Due to customer's satisfaction that comes from its dry flavor, and no or low carbs, TaKaRa Shochu Highball has been growing for 16 consecutive years. It's the fourth* largest-selling brand in the RTD market

*Based on data for 2021 estimated by the Jozo Sangyo Bulletin



Source: Actual sales results of the Company for the April-March periods (compiled in 350ml×24 cans equivalent)

Strengths Underpinning the Takara Brand 13

The Kurokabegura Distillery (Takanabe Town, Miyazaki Prefecture) holds about 85 varieties of barrel-aged shochu in about 20,000 casks.



Barrel cellar in Kurokabegura

A shochu with a brilliant aroma and clear, elegant flavor, brewed entirely with *imo* (sweet potatoes) *koji* treated with our proprietary "baisho (heat blast)" method



Sho Chiku Bai has been constantly winning gold award in the National New Sake Awards since 2003



Shirakabegura (Higashinada-ku, Kobe)

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



Development of High Value-added Items 14

Launching high value-added products that meet the changing consumer needs so as to improve profitability

The fruitiest-ever sake bursting with aroma ingredients



Sho Chiku Bai "Subaru" <Nama-chozo>

A zenryo imo shochu with a "isaina (genius)" quality that gives different aromas when enjoyed "with soda" and "on the rock"



Zenryo Imo Shochu "ISAINA"

Ethical & non-sweet chu-hi, Alc.5%

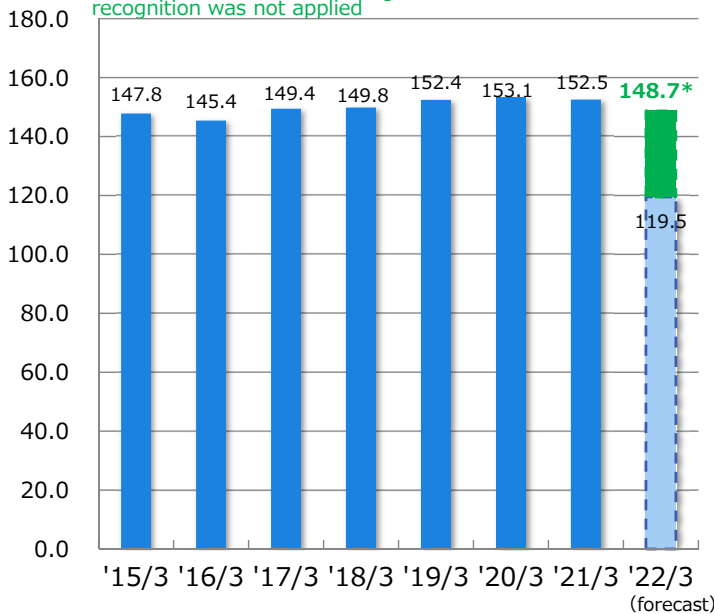


Takara Can Chu-Hi "Sumika" <#Japan-grown Yuzu>

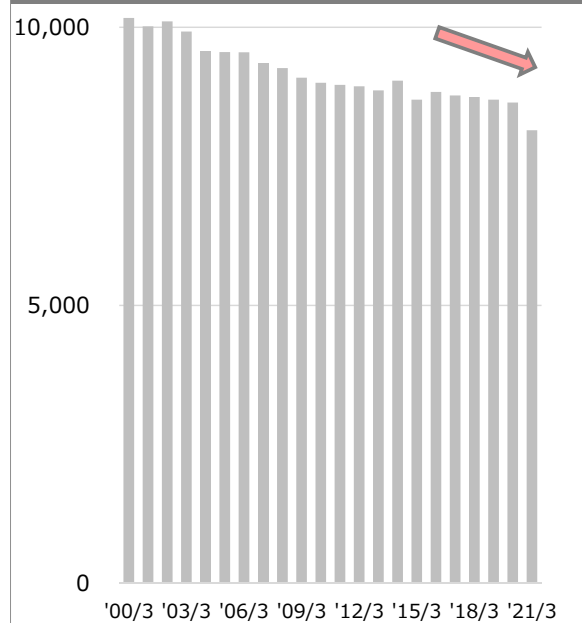
Takara Shuzo is maintaining steady sales amid the declining trends in taxed shipments of alcoholic beverages

◆ Net sales of Takara Shuzo (billion yen)

*Amount when the accounting standards for revenue recognition was not applied






(Reference) Trends in taxed shipments of alcoholic beverages (1,000 kl)



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

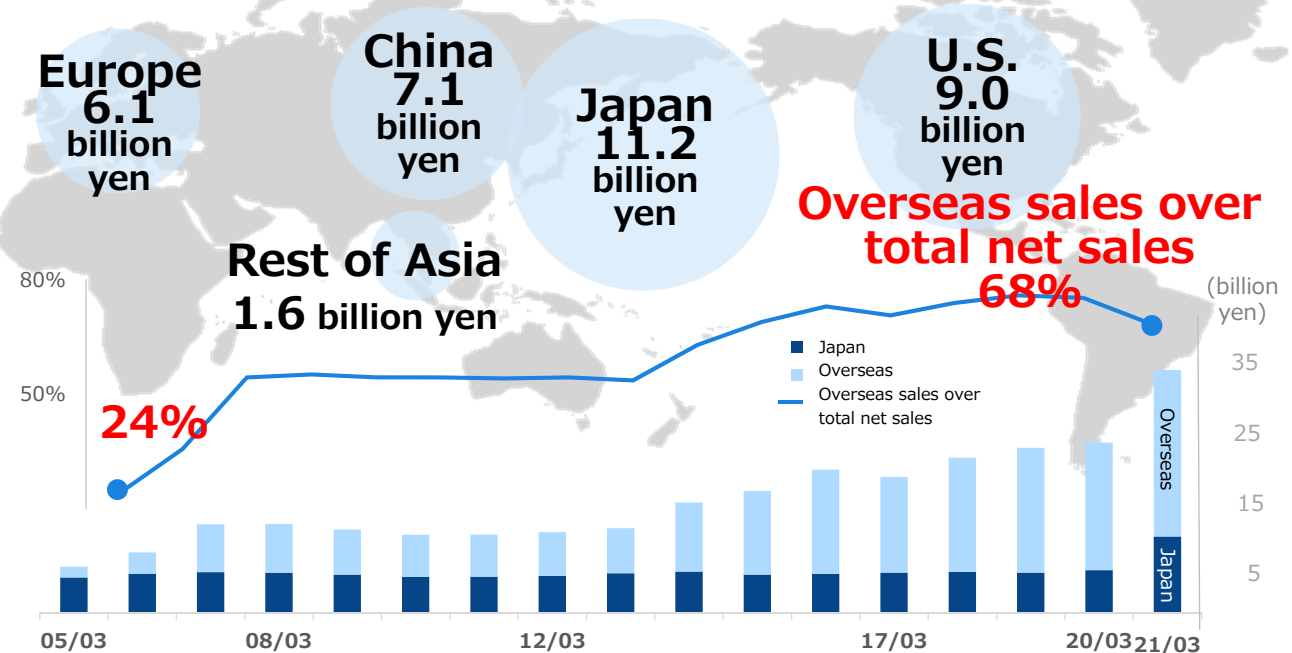
Reagents	Instruments	CDMO
 <p>Kits</p> <p>RetroNectin®</p>	 <p>PCR instruments</p> <p>Single-cell analysis system</p>	 <p>Contract services for gene analysis</p> <p>Contract services for cell processing</p>
<p>Approx. 10,000 items including enzymes for gene amplification and reagent kits</p>	<p>Instrument for gene amplification, equipment for cell analysis</p>	<p>We receive samples from researchers (customers) and deliver data and products</p>

CDMO : Contract Development and Manufacturing Organization. A business model of providing development and production services for biopharmaceuticals and other items on contract basis.

Expanding Reagent Business Overseas 18

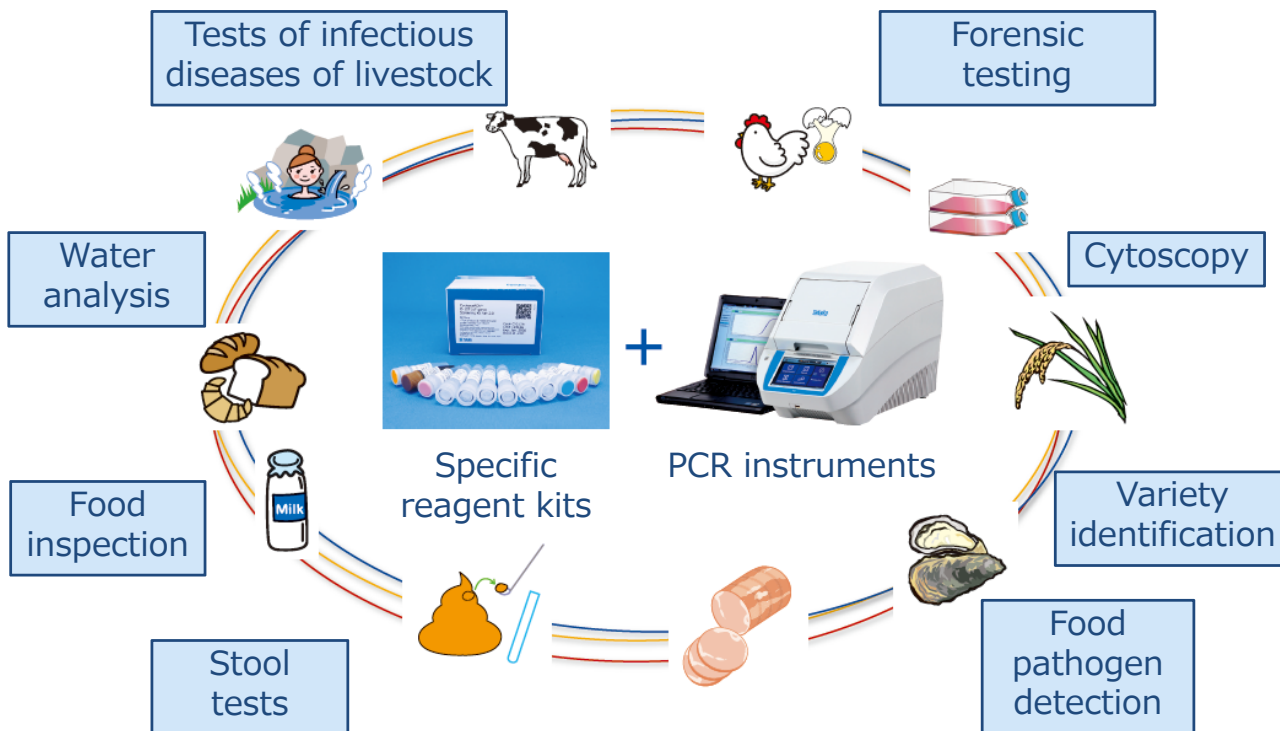
We are driving overseas expansion of reagent business under the “glocal” strategy of adapting to the state of bio research & development in each target market.

<Scale of sales of Takara Bio’s Reagent Business by region (Fiscal year ended March 2021) and trend of sales>



Providing PCR Reagents to Various Sectors 19

Takara Bio's PCR reagents are used for viral and bacterial detection in a range of fields from food and environment to application in clinical practices.



Developing New Facilities for Reagent Business 20

Progress in Optimizing R&D and Production Systems
New facilities in Japan and the United States begin operations

New domestic manufacturing facilities for in vitro diagnostics

Location	Head Office, Kusatsu, Shiga
Floor area	approx. 790 m ²
Mfg. capacity	8 million PCR reaction per month
Scale of investment	Approx. ¥1 billion

- They were selected by the Ministry of Economy, Trade and Industry to receive the "Project to Promote Domestic Investment for Supply Chain Measures."
- We have achieved a stable domestic supply of PCR testing reagents and reduced supply chain risks.



90 L fermenter



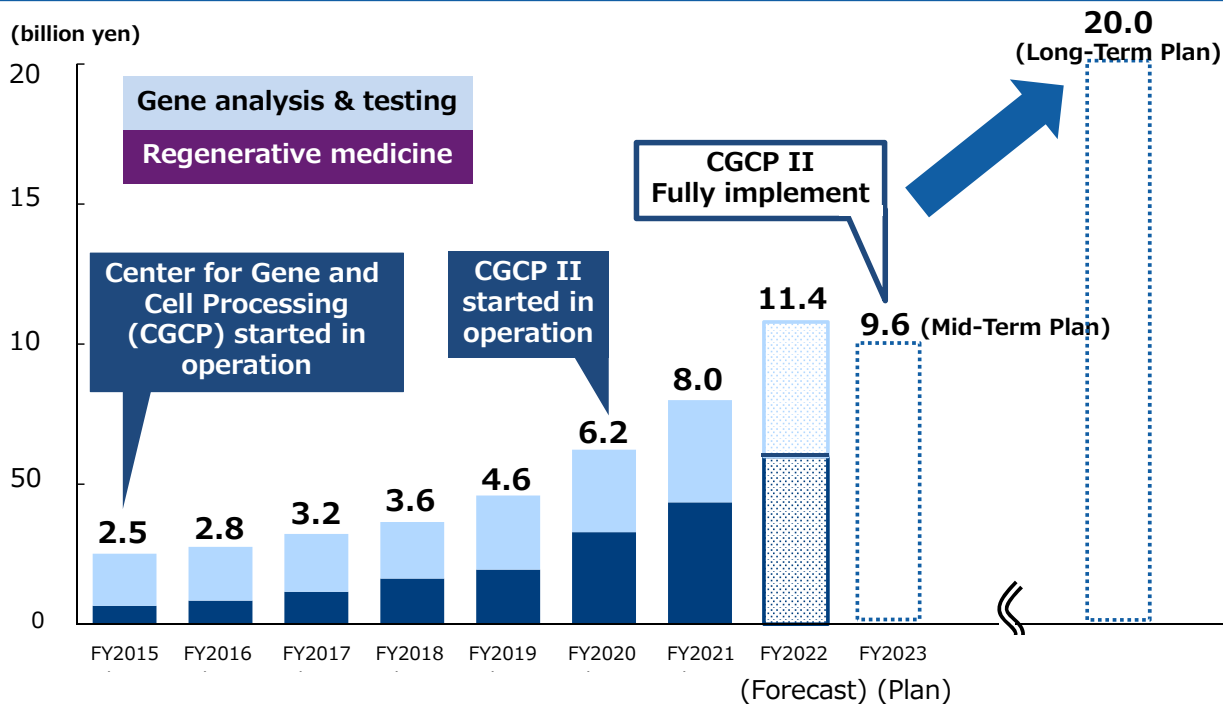
Automated filling system

New site of the U.S. subsidiary, Takara Bio USA

Location	San Jose, California (10 minutes by car from San Jose International Airport)
Land area	approx. 30,000 m ²
Building area	approx. 12,000 m ² (6,000 m ² × 2 bldg.)
Scale of investment	approx. ¥10 billion

- We will further strengthen and expand product development functions for advanced research such as gene analysis and single-cell analysis using next-generation sequencers.
- We will further improve productivity by optimizing the Group's R&D system.
- We have newly deployed production functions for PCR enzymes in the United States. This enables agile product supply in response to local demand.

Quantitative targets of Medium-Term Management Plan FY2023 already achieved. Aiming for CDMO business sales of ¥20 billion early



Developing Bases for CDMO Business

Fully implement the CGCPs to become the driving force for expanding CDMO business

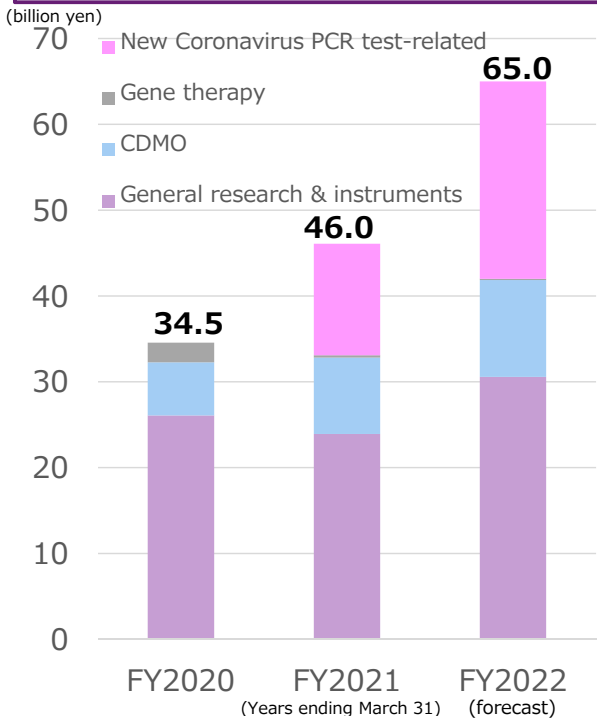


Head Office (Kusatsu, Shiga)

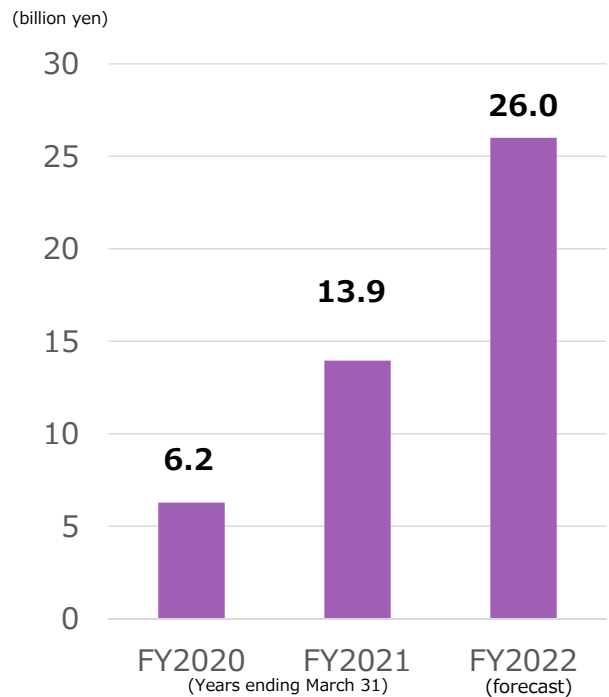
	3 Main Building	1 CGCP Building 1 (CGCP)	2 CGCP Building 2 (CGCP II)
Gene analysis and testing	Approx. 1,200 m ² Various NGS for large- to small-scale analysis Analyzable approx. 7,000 human genome/month		
Plasmid DNA Proteins		<ul style="list-style-type: none"> Single-use bio reactor: 200 L x 3 Rocking type shaking bio reactor: 25 L x 2 	<ul style="list-style-type: none"> Fermenter (90 L & 2,000 L) x 2 [Scheduled start of operation in 2022]
Virus vector		<ul style="list-style-type: none"> Total of 6 suites Multi-chamber flask (up to 40) Rocking type shaking bio reactor: 25 L x 2 	<ul style="list-style-type: none"> Single-use bio reactor (fixed bed system) x 1 Rocking type shaking bio reactor: 25 L x 2 Single-use bio reactor 200 L x 1, 200 L & 2,000 L x 1 [Scheduled start of operation in 2022]
Cell		<ul style="list-style-type: none"> Total of 11 suites Biosafety cabinet x 31 CO₂ incubator x 40 Closed-system automatic culturing system 	<ul style="list-style-type: none"> Total of 3 suites [Scheduled start of operation in 2023]
Quality testing		-	Approx. 1,900 m ² Microbiology & virus testing, PCR testing, cell testing, etc.
Aseptic filling		Automated filling system (3,000 vials/day)	Automated filling system (20,000 vials/day)

Expecting record high in both net sales and operating income, brought on by high growth

Trends in net sales

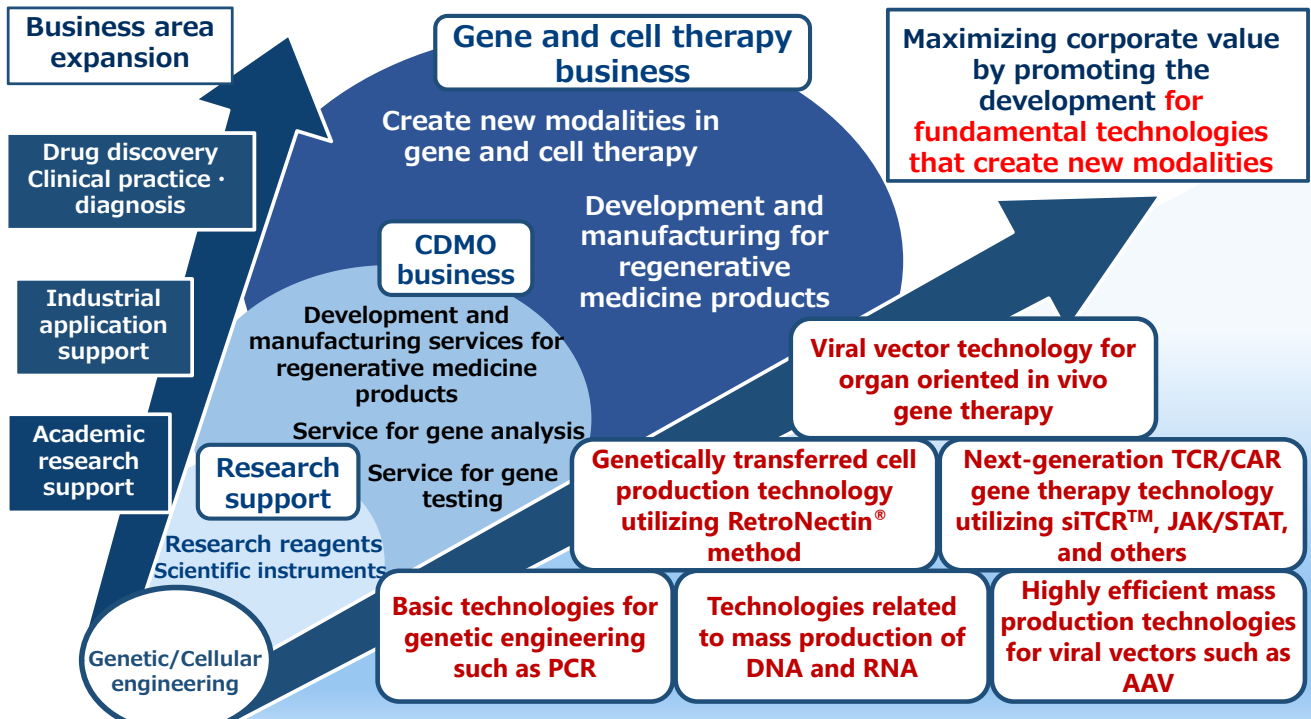


Trends in operating income



Promoting Business Development to Maximize Market Value 24

We will further accelerate business development by working on fundamental technologies that create new modalities



Agenda

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4. **Overseas Business**
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Overseas Business – Takara Shuzo International Group 26

Overseas Alcoholic Beverages Business

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

Exports



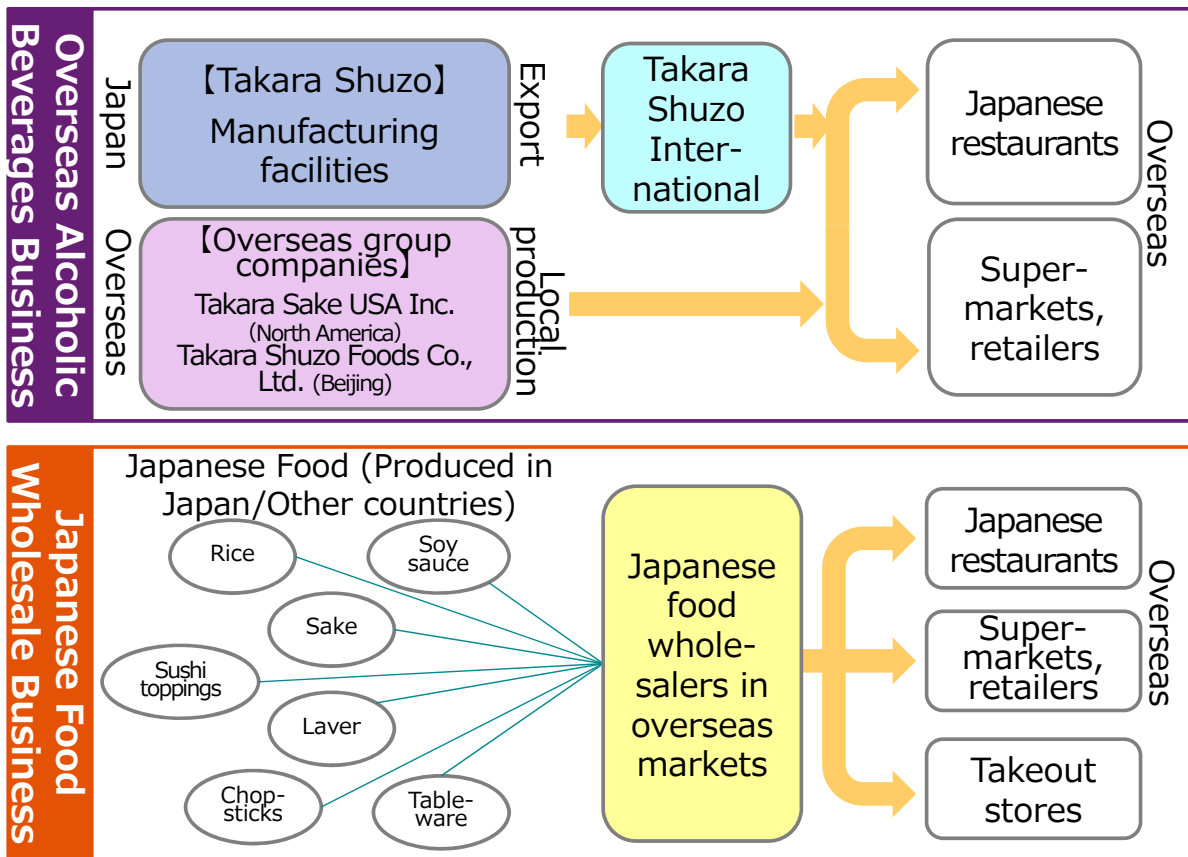
Local production in other countries



Japanese Food Wholesale Business in Overseas Markets

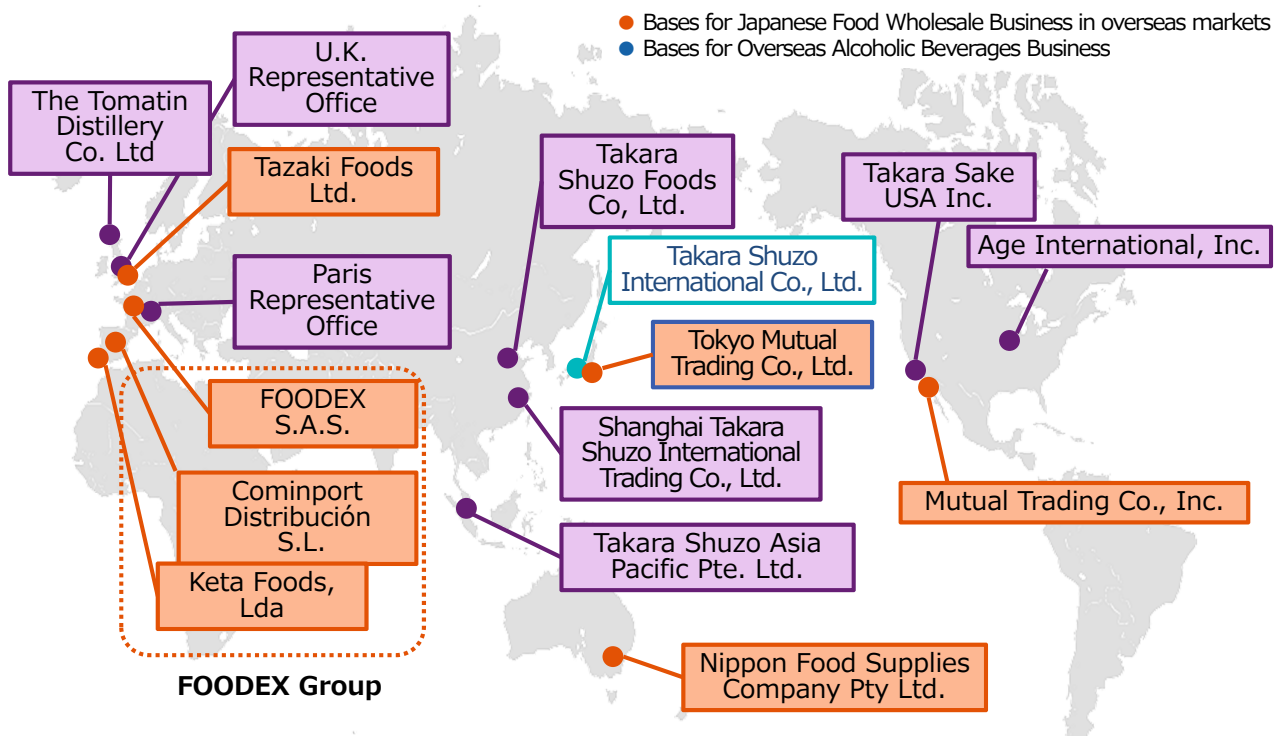
Providing Japanese food ingredients such as rice and sushi toppings as well as sake and seasonings to Japanese restaurants and retailers.



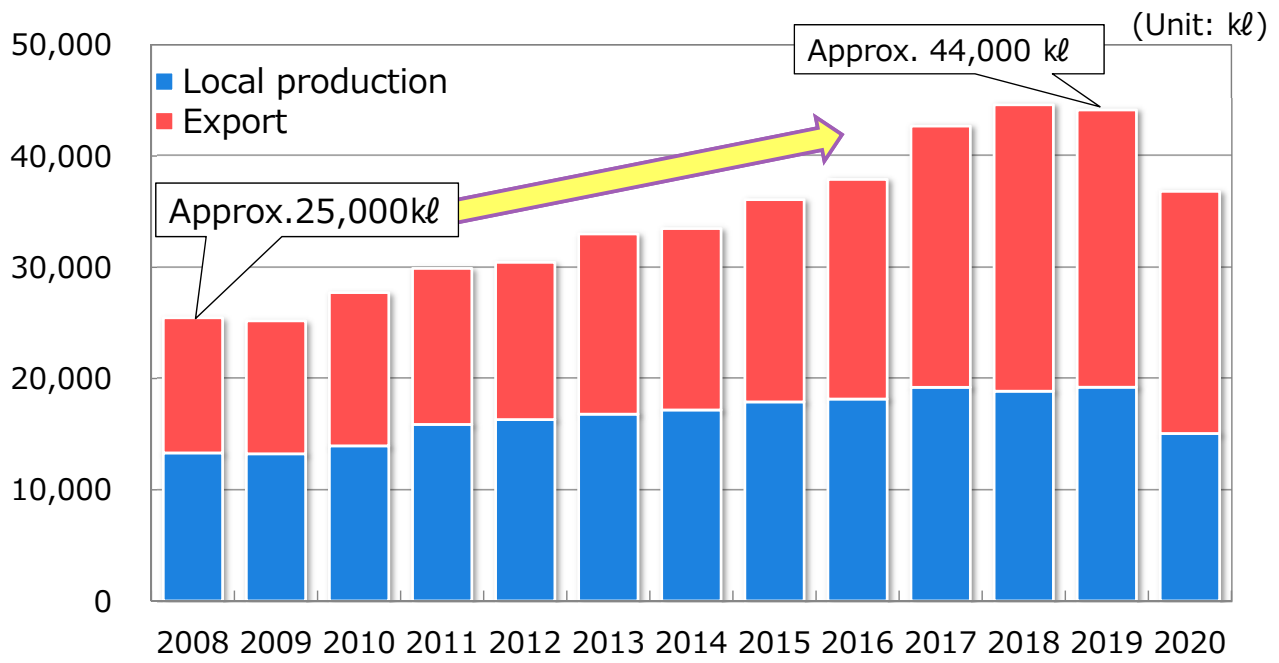


Overseas Bases

Expanding overseas alcoholic beverages business and Japanese food wholesale business on a global scale



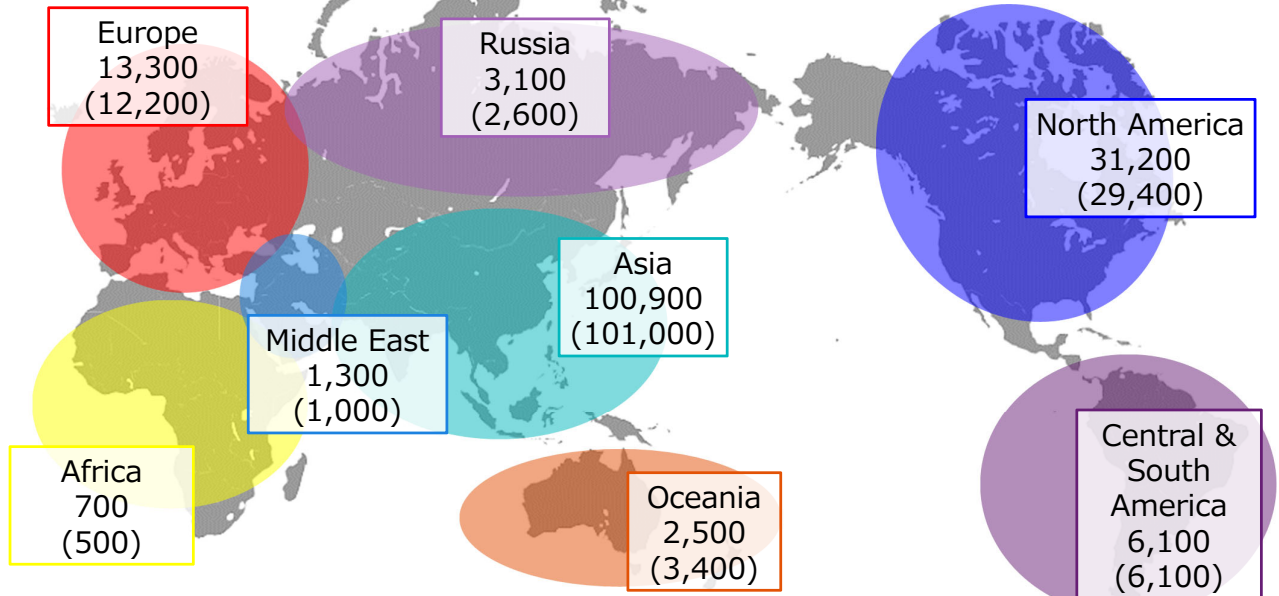
Overseas market for Sake has grown 1.8 times in 11 years, albeit recent slowdown due to COVID-19.



Data sources: Export: Trade Statistics of Japan
Local production: Jozo Sangyo Shimbun-sha (Figures are total of biggest four sake breweries.)

The number of Japanese restaurants abroad has nearly tripled in eight years and continues to grow despite the recent COVID-19 crisis.

<2006> Approx. 24,000 stores	→	<2013> 55,000	→	<2015> 89,000	→	<2017> 118,000	→	<2019> 156,000	→	<2021> Approx. 159,000 stores
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Data source: Ministry of Agriculture, Forestry and Fisheries * Figures on the upper row are the number of stores in 2021 and those in brackets on the bottom row are the figures for 2019.

Japan's food and agricultural exports in Jan-Dec 2021 topped 1 trillion yen for the first time

<Merits of Japanese Food>

• A joint research by Tohoku University and the National Cancer Center Japan revealed that a diet consisting of soybeans, seafood, green and yellow vegetables, pickles, seaweeds and green tea reduces the risk of mortality.

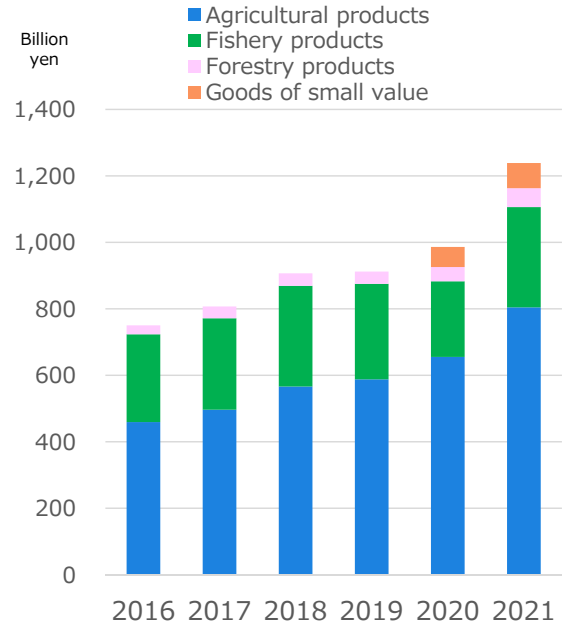
<High Image of Japanese Food Abroad>

• Lifestyle diseases are spreading in developed countries. Amid the rising consciousness for health, more eyes are on Japanese food as a source for the country's longevity.

• Japanese food is highly valued abroad for being healthy, tasty, safe, luxurious and of high quality.



Trends in the value of food & agricultural exports

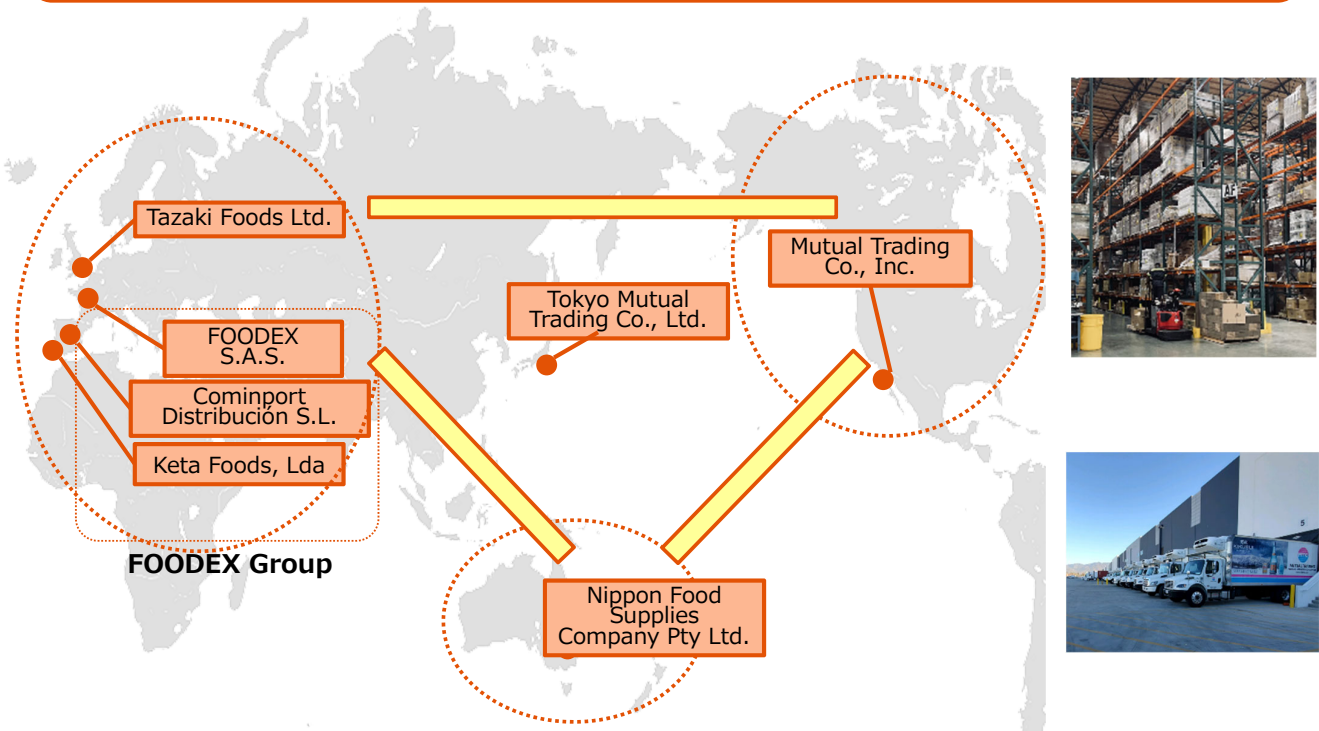


Global Expansion of Overseas Alcoholic Beverages Business

Bringing high quality products to the world from our production bases in Japan and abroad

- The Tomatin Distillery Co., Ltd.**
 - "Tomatin Decades II" Gold Outstanding, 2021 International Wine and Spirits Competition (IWSC)
- Takara Sake USA Inc.**
 - "Sho Chiku Bai Junmai Daiginjo" Gold, 2020 U.S. National Sake Appraisal Competition
- Takara Shuzo Foods Co., Ltd.**
 - "L'ATELIER DU SAKE" Gold, Feminalise World Wine Competition 2021 (in Paris)
- Takara Shuzo International Co., Ltd.**
- Age International, Inc.**
 - "Blanton Gold Edition" Gold, 2021 International Wine and Spirits Competition (IWSC)

Leveraging our worldwide wholesale network to create synergy by way of sharing information on popular items and enhancing procurement capability.



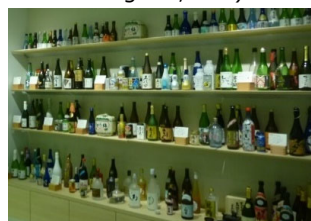
Japanese Food Wholesale Business in Overseas Markets<Products> 34

- Increasing supply of popular items such as sake, salmon or tuna, in addition to rice and other Japanese food ingredients.
- Offering vegan sashimi, plant-based items and other products in response to emerging needs.
- Increasing sales channels by developing retail routes and improving B2C shopping sites, in addition to suggesting more menu ideas (takeout items, etc.) to restaurants and bars.

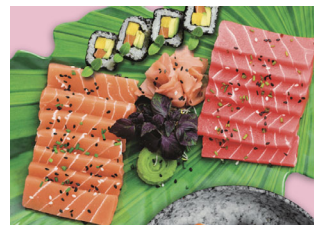
Rice, salmon
(Mutual Trading)



Sake showroom
(Tokyo Mutual Trading Co., Ltd.)



Vegan Sashimi
(Mutual Trading)



Plant-based chicken
(Foodex group)



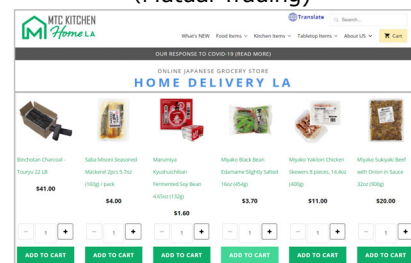
Takeout menu items
(Mutual Trading)



Condiments for takeout
gyoza dumpling (Tokyo Mutual Trading Co., Ltd.)



B2C shopping site "MTC Kitchen"
(Mutual Trading)





FOODEX Group
FOODEX S.A.S.

○ Launched a sake showroom

Opened in 2015 a sake showroom "L'Atelier du Saké" targeting food professionals, where French sake experts are working to promote Japanese sake.



Mutual Trading Co., Inc.

○ Contributing to the promotion of sake culture through school business

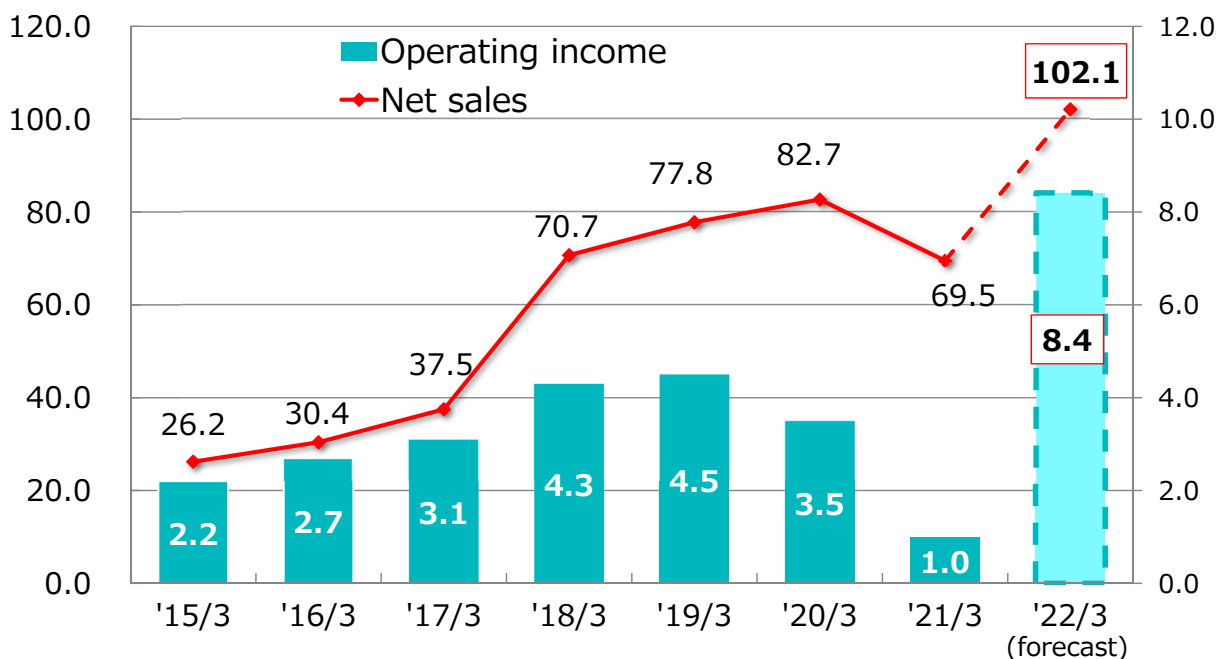
Runs the "Miyako Sushi & Washoku School" that trains sushi and Japanese cuisine chefs, which has produced 260 graduates to date.



Performance of Takara Shuzo International Group ³⁶

Net sales and operating income expected to hit record high for the fiscal year ending March 2022

◆ Performance trends (billion yen)



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Takara Group Sustainability

Long-term Management Vision “TaKaRa Group Challenge for the 100th”

Vision (where the Group wants to be)

Smiles in Life

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



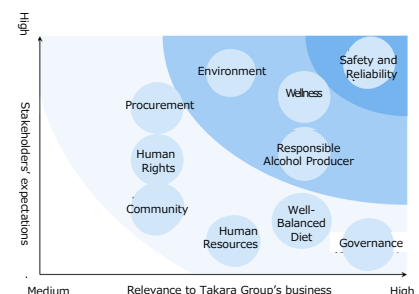
It is necessary to take greater initiatives to resolve various social issues if we are to continue to achieve the creation of social value through business activities into the future.

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”



Initiatives <Materiality: Environment, Human Rights> 39

Working to develop plans to reduce CO₂ emissions and human rights risks

Materiality	Initiatives	Key targets
Environment	Reduce CO ₂ emissions	<p>【2030 (Reduction rates are measured against 2018 levels)】 <Takara Shuzo, Takara Shuzo International Group> Reduce CO₂ emissions at production sites by 46% <Takara Bio Group> Reduce CO₂ emission intensity (CO₂ emissions per net sales) by 50%</p> <p>【2050】 <As the Group on a consolidated basis> Achieve net zero CO₂ emissions</p>
Human Rights	Initiatives to identify risks to human rights	<p>•Build a system to identify and evaluate risks to human rights across the Group's entire value chain by fiscal year 2022 and start initiatives to identify and evaluate risks to human rights by fiscal year 2023.</p>

Initiatives <Materiality: Responsible Alcohol Producer> 40

Began displaying the amount of alcohol contained in products on the packages, starting with selected products. Plan to display the information on packages of all consumer products sold in Japan by fiscal year 2025.

アルミ
あきかんはリサイクル

原材料名: 焼酎(国内製造)、レモン果汁、糖類/炭酸、香料、酸味料、カラメル色素
 内容量: 350ml
 アルコール分: 7%

製造者
 宝酒造株式会社
 京都市伏見区竹中町609
 ロット記号・製造所固有記号・賞味期限(年月)は缶底に表示
 お客様相談室
 075(241)5111
 (9時~17時 土日祝日を除く)
 www.takarashuzo.co.jp

栄養成分表示(100ml当たり)
 エネルギー 42kcal/
 たんぱく質 0g/脂質 0g/炭水化物 0g
 (糖質 0g、食物繊維 0g)/食塩相当量 0g

プリン体 0mg
 純アルコール量: 20g (350ml当たり)
 ※1: 食品添加物としての甘味料は使用していません

プリン体 0g※3
 糖質 0g※2
 甘味料 0g※1

辛口チューハイ
 KARAKUCHI
 お酒 ALC. 7%
 スピリッツ(発泡性)① 果汁1.5%

Working to create a healthy society with our PCR and other bio-based technologies



**High-speed direct PCR test kit
“SARS-CoV-2 Direct Detection
RT-qPCR Kit”**

Simple and speedy PCR tests

- We offer various food and environmental testing and diagnosis kits, including those used to test food poisoning caused by viruses such as norovirus and animal and plant infections such as Bovine leukemia and swine fever, in addition to COVID-19 test kits.
- For COVID-19 testing, we have built a simple and speedy PCR test system and developed and launched a high-speed PCR test kit that returns results in about one hour.

Prompt response to variants

- In anticipation of future new variants, we have built a system to develop, commercialize and mass produce special reagents that detect mutation in approximately three weeks.
(10 items on sale as of February 2022)

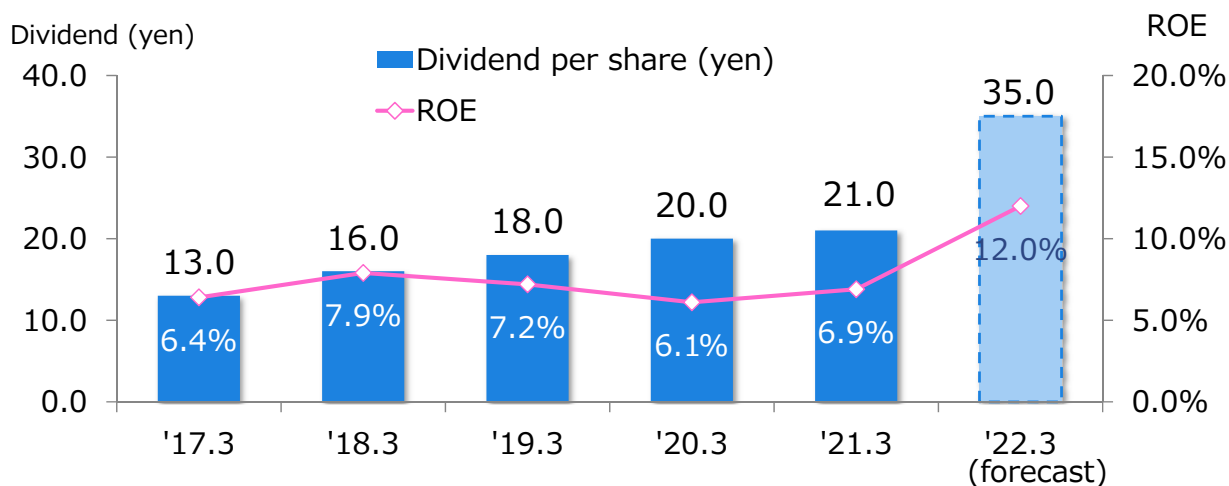
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◆ Shareholder Return Policy (Takara Group Medium-Term Management Plan FY2023)

- Continue stable dividend payments with a payout ratio in the upper 30% mark in line with sustainable profit growth.
- Flexibly implement the acquisition of treasury stocks.

◆ Dividends and ROE



To Increase Corporate Value

The Group aims to contribute to realizing sustainable society and to increase its corporate value by addressing climate change, human rights issues and other ESG challenges and creating social value on the back of its unique and well-balanced business portfolio.

