

Directors and Audit & Supervisory Board Members (As of June 29, 2023)

Directors



Mutsumi Kimura (60)

Representative Director and President

- Apr. 1985 Joins the Company
- Apr. 2002 Director, TAKARA BIO INC.
- Jun. 2004 Managing Director, TAKARA BIO INC.
- Jun. 2007 Senior Managing Director, TAKARA BIO INC.
- Jun. 2009 Executive Vice President, TAKARA BIO INC.
- Jun. 2014 Director
Senior Managing Director, TAKARA SHUZO CO., LTD.
- Jun. 2016 Executive Vice President
- Jun. 2017 Director, TAKARA SHUZO CO., LTD. (incumbent)
- Jul. 2017 President, TAKARA SHUZO INTERNATIONAL CO., LTD.
- Jun. 2018 President (incumbent)
- Apr. 2020 Director, TAKARA SHUZO INTERNATIONAL CO., LTD. (incumbent)
- Jun. 2022 Director, TAKARA BIO INC. (incumbent)



Hideo Takahashi (61)

Managing Director
(Personnel, General Affairs, Public Relations & Investor Relations)

- Apr. 1985 Joins the Company
- Apr. 2012 General Manager of Personnel Division
- Jun. 2016 Executive Officer, General Manager of Personnel Division, TAKARA SHUZO CO., LTD.
- Jun. 2017 Executive Officer, General Manager of Personnel Division
- Jun. 2018 Director
Audit & Supervisory Board Member, TAKARA SHUZO CO., LTD.
- Jun. 2020 Audit & Supervisory Board Member, TAKARA SHUZO INTERNATIONAL CO., LTD.
- Jun. 2022 Managing Director (incumbent)



Koichi Nakao (61)

Director

- Apr. 1985 Joins the Company
- Apr. 2002 Director, TAKARA BIO INC.
- Jun. 2003 Managing Director, TAKARA BIO INC.
- Jun. 2004 Senior Managing Director, TAKARA BIO INC.
- Jun. 2007 Executive Vice President, TAKARA BIO INC.
- May 2009 President, TAKARA BIO INC. (incumbent)
President, Takara Bio USA Holdings Inc. (incumbent)
- Jun. 2009 Director (incumbent)



Keisuke Mori (60)

Director
(Business Management, Sustainability Promotion,
Accounting & Finance, Business Support & IT Promotion)

- Apr. 1985 Joins the Company
- Apr. 2008 General Manager of Administrative Innovation Division
- Apr. 2011 Concurrent General Manager of Corporate Planning Division
- Apr. 2012 General Manager of Business Management Division
- Jun. 2017 Executive Officer, General Manager of Business Management Division
- Jul. 2017 Audit & Supervisory Board Member, TAKARA SHUZO INTERNATIONAL CO., LTD.
- Jun. 2018 Director (incumbent)
- Jun. 2020 Audit & Supervisory Board Member, TAKARA SHUZO CO., LTD.



Masako Tomotsune (51)

External Director

- Oct. 2002 Joins Tanabe & Partners
- Apr. 2010 Self-Defense Forces Personnel Ethics Board Member
- Apr. 2013 Partner at Tanabe & Partners (incumbent)
- Jun. 2018 Director (incumbent)
- Jun. 2020 Outside Director (Audit & Supervisory Committee Member), The Kodensha Co., Ltd. (incumbent)



Tomoko Kawakami (58)

External Director

- Apr. 2009 Professor, Faculty of Business and Commerce, Kansai University
- Apr. 2015 Professor, Waseda Business School (Graduate School of Business and Finance) (incumbent)
- Jun. 2019 Director (incumbent)
- Dec. 2019 Examiner of Certified Public Accountant Examination
- Sep. 2022 Outside Director, BeNext-Yumeshin Group Co. (currently Open Up Group Inc.) (incumbent)
- Mar. 2023 Visiting Scholar, Shidler College of Business, University of Hawaii at Manoa (incumbent)



Takao Motomiya (66)

External Director

- Jul. 2016 Regional Commissioner, Takamatsu Regional Taxation Bureau, National Tax Agency
- Jul. 2017 Retired from National Tax Agency
- Dec. 2017 Tax accountant, Takao Motomiya Certified Tax Accountant Office (incumbent)
- Jun. 2023 Director (incumbent)

Audit & Supervisory Board Members

Teruaki Mitsui (61)

Standing Audit & Supervisory Board Member

- Apr. 1985 Joins the Company
- Apr. 2015 General Manager of Accounting & Shared Services Dept.
- Jun. 2017 Executive Officer, General Manager of Accounting & Shared Services Dept.
Audit & Supervisory Board Member, TAKARA SHUZO CO., LTD.
- Apr. 2020 Executive Officer, General Manager of Accounting Dept.
- Jun. 2020 Standing Audit & Supervisory Board Member (incumbent)
- Jun. 2021 Audit & Supervisory Board Member, TAKARA SHUZO CO., LTD. (incumbent)
Audit & Supervisory Board Member, TAKARA SHUZO INTERNATIONAL CO., LTD. (incumbent)

Toshihito Yamanaka (62)

Standing Audit & Supervisory Board Member
(External Audit & Supervisory Board Member)

- Apr. 2012 General Manager of Branch Banking Division III, Mizuho Bank, Ltd.
- Apr. 2013 Deputy Director-General of Group Human Resources Division, Mizuho Bank, Ltd.
- Jun. 2013 Retirement from Mizuho Bank, Ltd.
Standing Audit & Supervisory Board Member (incumbent)
Audit & Supervisory Board Member, TAKARA SHUZO CO., LTD.

Yoichi Suzuki (63)

Standing Audit & Supervisory Board Member

- Apr. 1983 Joins the Company
- Apr. 2012 General Manager of Hokkaido Branch, TAKARA SHUZO CO., LTD.
- Apr. 2014 General Manager of Tokyo Metropolitan Area Branch, TAKARA SHUZO CO., LTD.
- Jun. 2017 Executive Officer, General Manager of Tokyo Metropolitan Area Branch, TAKARA SHUZO CO., LTD.
- Apr. 2018 Executive Officer, Deputy General Manager of Seasonings & Alcohol Business Division, TAKARA SHUZO CO., LTD.
- Jun. 2018 Managing Executive Officer, General Manager of Seasonings & Alcohol Business Division, TAKARA SHUZO CO., LTD.
- Apr. 2020 Managing Executive Officer, Deputy of Sales (mainly Seasonings & Alcohol Business), TAKARA SHUZO CO., LTD.
- Jun. 2021 Standing Audit & Supervisory Board Member (incumbent)
Audit & Supervisory Board Member, TAKARA SHUZO CO., LTD. (incumbent)
Audit & Supervisory Board Member, TAKARA SHUZO INTERNATIONAL CO., LTD. (incumbent)

Satoshi Matsunaga (57)

Standing Audit & Supervisory Board Member
(External Audit & Supervisory Board Member)

- Apr. 2019 Managing Executive Officer, The Norinchukin Bank
- Apr. 2021 Standing Counsel, The Norinchukin Bank
- Jun. 2021 Retired from The Norinchukin Bank
Standing Audit & Supervisory Board Member (incumbent)

Akiko Yoshimoto (60)

Audit & Supervisory Board Member
(External Audit & Supervisory Board Member)

- Jul. 2019 Director-General of Secretariat, Central Labour Relations Commission, Ministry of Health, Labour and Welfare
- Oct. 2021 Retired from Ministry of Health, Labour and Welfare
- Feb. 2022 Senior Advisor, Boston Consulting Group (incumbent)
- Jun. 2022 Outside Director, Toenec Corporation (incumbent)
- Jun. 2023 Audit & Supervisory Board Member (incumbent)

Management's Discussion and Analysis

Overview of Management Results

In the fiscal year under review, ended March 31, 2023, the global economy showed a recovery mainly in the U.S. and Europe, but the outlook remained uncertain due to soaring raw material and energy prices, as well as concerns of a global economic recession caused by monetary tightening to curb inflation in the U.S. and Europe.

Under these economic circumstances, the Group has worked on the Takara Group Medium-Term Management Plan FY2023, which serves as the first step in the Group's action plans cited in its long-term management vision, TaKaRa Group Challenge for the 100th, announced in May 2020. In the fiscal year under review, which was the final year of the plan, the Group has been appropriately allocating and investing management resources in areas that should be strengthened, and has been focusing on rebuilding business structures and global corporate functions that consistently generate various forms of value that enhance profitability, while flexibly addressing environmental changes. In this way, the Group has focused on achieving sustainable growth in Japan and overseas and enhancing corporate value.

Net sales

In the fiscal year under review, net sales increased 16.5% year on year to ¥350,665 million, gross profit increased 5.6% year on year to ¥119,941 million, and SG&A expenses increased 16.8% year on year to ¥81,996 million. Operating income decreased 12.5% year on year to ¥37,945 million, ordinary income decreased 10.5% year on year to ¥38,706 million, and net income attributable to owners of the parent increased 2.1% year on year to ¥21,206 million.

Results by business segment were as follows.

(1) Takara Shuzo

Takara Shuzo gave the highest priority to supplying safe and secure products as a food manufacturer and focused on improving the product mix by developing new products with differentiation points that are supported by consumers and by nurturing high-profit products. In response to soaring raw material and energy prices, Takara Shuzo has committed to thorough cost reductions and efficiency improvement, as well as maintaining and improving profit margins by revising product prices.

As a result, net sales for Takara Shuzo increased 2.7% year on year to ¥122,921 million. Cost of sales increased 3.0% year on year to ¥93,645 million, and gross profit increased 1.6% year on year to ¥29,276 million. As SG&A expenses decreased 1.2% year on year to ¥24,385 million, affected mainly by decreases in personnel expenses and transportation costs due to more efficient transfer between workplaces, operating income increased 18.3% year on year to ¥4,890 million.

(2) Takara Shuzo International Group

The Takara Shuzo International Group operates the Overseas Alcoholic Beverages Business, which entails exports of alcoholic beverages from Japan and the manufacture and sale of alcoholic beverages in overseas locations, and the Japanese Food Wholesale Business in overseas markets, through which it sells Japanese food ingredients to Japanese food restaurants, retailers and other customers outside Japan.

Net sales for the Takara Shuzo International Group after the elimination of intersegment transactions rose 34.5% year on year to ¥137,483 million. Cost of sales increased 35.8% year on year to ¥95,088 million, and gross profit rose 31.9% year on year to ¥42,394 million. SG&A expenses rose 33.4% year on year to ¥31,573 million, primarily due to increases in personnel expenses and transportation costs. Accordingly, the Takara Shuzo International Group saw operating income increase 27.7% year on year to ¥10,821 million.

(3) Takara Bio Group

The Takara Bio Group is developing reagents/instruments that support research and development activities using

biotechnology and providing them to biotech researchers around the world as such activities become increasingly widespread. Furthermore, we are developing CDMO contract services to support the development and manufacture of regenerative and cellular medicine and gene therapy, which have been actively developed by pharmaceutical companies in recent years. CDMO refers to the business of contracting out the processes of pharmaceuticals from formulation development to manufacturing, and the Takara Bio Group is focusing on the field of gene therapy. In addition, in the gene therapy business, the Takara Bio Group is working to maximize the value of our proprietary platform technology for biologics discovery by manufacturing and selling manufacturing aids for gene therapy drugs, creating new modalities (therapeutic means), and advancing new clinical development projects.

As a result, net sales for the Takara Bio Group increased 15.4% year on year to ¥78,142 million. Cost of sales grew 80.5% year on year to ¥33,377 million mainly due to a change in sales mix, and gross profit decreased 9.0% year on year to ¥44,765 million. SG&A expenses were up 19.3% year on year to ¥24,224 million primarily due to increases in personnel expenses and R&D expenses. Operating income decreased 28.9% year on year to ¥20,541 million.

Other

The Other segment includes the real estate leasing business, the distribution business, and the wine import and sale business. Net sales of the Other segment increased 0.8% year on year to ¥30,950 million due to continued strong import and sale of wine. Cost of sales increased 0.5% year on year to ¥26,770 million, and gross profit increased 2.1% year on year to ¥4,179 million. SG&A expenses rose 0.8% year on year to ¥1,885 million due to an increase in transportation costs, and operating income was up 3.2% year on year to ¥2,293 million.

Financial position

(Assets)

At the end of the fiscal year under review, current assets totaled ¥241,513 million, an increase of ¥9,189 million compared with that at the end of the previous fiscal year. This was primarily due to an increase in cash and deposits of ¥16,375 million, and decreases in notes and accounts receivable-trade of ¥1,232 million and merchandise and finished goods of ¥5,360 million. Noncurrent assets were ¥157,661 million, an increase of ¥27,546 million compared with that at the end of the previous fiscal year. This was primarily due to increases of ¥9,143 million in property, plant and equipment and ¥17,831 million in investments and other assets, mainly due to the application of ASC Topic 842, "Leases." As a result, total assets were ¥399,174 million, an increase of ¥36,736 million compared with that at the end of the previous fiscal year.

(Liabilities)

At the end of the fiscal year under review, current liabilities totaled ¥67,454 million, a decrease of ¥11,696 million compared with that at the end of the previous fiscal year. This was primarily due to a decrease in current portion of bonds of ¥10,000 million. Noncurrent liabilities were ¥76,401 million, an increase of ¥17,670 million compared with that at the end of the previous fiscal year. This was primarily due to an increase of ¥15,417 million in other noncurrent liabilities mainly due to the application of ASC Topic 842, "Leases." As a result, total liabilities were ¥143,856 million, an increase of ¥5,973 million compared with that at the end of the previous fiscal year.

(Net assets)

At the end of the fiscal year under review, total net assets were ¥255,318 million, an increase of ¥30,762 million compared with that at the end of the previous fiscal year. This was primarily due to increases in retained earnings of ¥13,891 million, foreign currency translation adjustment of ¥9,355

million, and noncontrolling interests of ¥7,231 million. As a result, the equity ratio totaled 51.1%, compared with 49.8% at the end of the previous fiscal year.

Cash flows

Net cash provided by operating activities increased ¥29,101 million year on year to ¥45,478 million primarily due to income before income taxes of ¥39,692 million, depreciation and amortization of ¥9,118 million, a decrease in notes and accounts receivable-trade of ¥2,634 million, a decrease in inventories of ¥8,969 million, an increase in accrued consumption taxes of ¥2,104 million, and income taxes paid of ¥15,535 million.

Net cash used in investing activities resulted in expenditure of ¥10,474 million, an increase in expenditure of ¥74 million compared with that of the previous fiscal year primarily due to payments into time deposits of ¥23,167 million, proceeds from withdrawal of time deposits of ¥24,008 million, purchase of property, plant and equipment and intangible assets of ¥10,618 million, and purchase of shares of subsidiaries resulting in change in scope of consolidation of ¥1,068 million.

Net cash used in financing activities totaled ¥22,215 million (¥4,133 million provided in the previous fiscal year) primarily due to expenditure for redemption of bonds of ¥10,000 million, cash dividends paid of ¥7,305 million, dividends paid to noncontrolling interests of ¥1,579 million, and payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation of ¥1,551 million.

As a result, cash and cash equivalents at fiscal year-end, including effect of exchange rate change on cash and cash equivalents, stood at ¥91,785 million, up ¥16,056 million from the previous fiscal year-end.

Business Risks

Major risks that management believes could have a significant impact on the consolidated company's financial position, operating results, and cash flows are described below. Upon identification of the possibility of such risks, the Group will make its best efforts to avoid such an occurrence or take countermeasures against such an occurrence.

Descriptions related to the possible occurrence of events in the future are based on the Group's judgments as of March 31, 2023. Please note that the following descriptions do not cover all of the risk factors concerning investment decisions.

(1) Risks concerning consumer preferences and demand fluctuations

The majority of Takara Shuzo's sales are generated within Japan, and its market is highly vulnerable to changes in the tastes of consumers, which have been affected by the COVID-19 pandemic. Takara Shuzo therefore strives to develop both original products that meet the ever-changing tastes of consumers and unique products that differentiate the Company from competitors. However, changes in consumer trends have been accelerating recently. For this reason, if Takara Shuzo fails to offer attractive products that satisfy the tastes of consumers and reflect market trends, it may cause a decline in business growth and profitability. Furthermore, in Japan, population decline, the rapidly aging population, and the younger generation's shift away from drinking could lead to a decline in liquor demand, which may adversely affect business performance and financial position. Takara Shuzo is working to develop and nurture high-value-added products that meet consumer needs, such as SDGs-conscious products.

(2) Risks concerning market competition

(i) Takara Shuzo

In the Japanese alcoholic beverages and seasonings market, amid sluggish growth in the overall market, competition in

product development and marketing strategies with competing companies has intensified. The intensification of competition may lead to a decline in sales and profitability, by hindering the passing on of soaring raw material prices to product prices, which may adversely affect business performance and financial position. Takara Shuzo is striving to address these challenges by developing and cultivating products that are differentiated by its proprietary technologies, strengthening its brand power, carrying out sales activities that reflect the changes in distribution channels, price revision that can gain an understanding from the market, and engaging in thorough cost cutting and efficiency improvements to generate the funds to support these activities.

(ii) Takara Shuzo International Group

In the Overseas Alcoholic Beverages Business, the whisky market has many stalwart manufacturers around the world, while fierce competition with a large number of rival export companies producing overseas or manufacturing in Japan is also present in the Japanese alcoholic beverages market, including sake products. Furthermore, in the Japanese Food Wholesale Business overseas, while the size of the overseas market for Japanese food and alcoholic beverages is expanding, competition is also intensifying. If we are not able to remain competitive enough to surpass our rivals, the Group's business performance and financial position may be adversely affected. The Takara Shuzo International Group is striving to address these challenges by expanding bases through means such as M&As, and developing and cultivating appealing products with Takara Shuzo's technologies through collaboration with Takara Shuzo, while strengthening our brand power. We are also striving to enhance our product procurement capability, including intergroup procurement that takes advantage of group synergies, and to diversify our sales channels to add to the restaurant market, which is our strength.

(iii) Takara Bio Group

The Takara Bio Group holds a unique industrial position with a certain financial foundation, solid presence in the Asian market, and a broad lineup of proprietary technologies. However, manufacturing, sales and provision of research reagents, instruments and contract services, unlike medicines and medical devices, do not require permits and approvals. Therefore, the lack of barriers such as patents makes it relatively easy to enter these markets, and there are a large number of competing companies not only in Japan, but overseas as well.

In addition, in the gene therapy field, technological advances are fueling the development of therapeutic agents with a high level of safety and track records of efficacy, which is leading to approval for manufacturing and marketing overseas. With the expansion of market size in this field, many market participants, including major U.S. and European pharmaceutical manufacturers and start-ups, have launched initiatives to research and develop gene therapies.

In this environment, the Takara Bio Group is working independently and partnering with external bodies, such as universities, and companies to develop technologies and products. At the same time, if other companies are quicker than the Takara Bio Group in similar product or technology fields, it may adversely affect the product development and business performance of the Group. Taking such risks into account, the Takara Bio Group will strive to dominate the market and differentiate itself from competitors, by protecting the technologies and products developed by the Takara Bio Group as intellectual properties to the extent possible, and maintain price competitiveness by promoting cost reductions and strengthening its manufacturing structure.



(3) Risks concerning dependence on particular plants for manufacturing

(i) Takara Shuzo

Most of Takara Shuzo's alcoholic beverage products are manufactured at the Fushimi Plant (Fushimi Ward, Kyoto City) and Matsudo Plant (Matsudo City, Chiba Prefecture). In the event of a major earthquake or any other occurrence that disrupts operations in either of these areas, the manufacture and supply of products could decline significantly, adversely affecting Takara Shuzo's business performance and financial position. Takara Shuzo has established a Business Continuity Plan (BCP) for the entire company and for individual locations to ensure stable production and supply. It has also built a flexible production system through a system of mutual support that also encompasses the Kusu Plant (Yokkaichi City, Mie Prefecture).

(ii) Takara Bio Group

Most of the Takara Bio Group's mainstay reagents are manufactured by Chinese subsidiary Takara Biotechnology (Dalian) Co., Ltd. Any changes in the revenue trend of that subsidiary or other factors, such as suspension of its business for any reason, may adversely affect the Takara Bio Group's business strategies and performance. Taking such risks into account, we have established a multipolar manufacturing and research structure on a global scale, while considering the balance between improving efficiency and reducing risks.

(4) Risks concerning fluctuations of raw material prices

Takara Shuzo's procurement of raw materials could be indirectly affected by the climatic and economic conditions of supplier countries and regions. Ethanol for shochu and other products comes mainly from North and South America and Asia, and rice for sake and other products is procured in Japan; therefore, the prices of these raw materials are influenced by weather conditions in these areas and the market for the raw material. Furthermore, any impacts stemming from geopolitical factors on its global supply chain could lead to higher procurement prices for raw materials and fuel, and this could in turn lead to higher manufacturing costs, affecting our business performance and financial position. Takara Shuzo strives to diversify its raw material suppliers to ensure stable and advantageous procurement, as well as working to reduce costs through technological innovation.

(5) Risks concerning Japan's legal regulations

(i) Takara Shuzo

The Alcoholic Beverages Business of Takara Shuzo is subject to regulations specified under the Liquor Tax Act that governs liquor taxes and the licenses for the manufacturing and/or selling of alcoholic beverages in Japan. In accordance with the Liquor Tax Act, Takara Shuzo has obtained, in addition to the license as a seller, the license for manufacturing each type of product and for operating each manufacturing plant from the relevant taxation offices. In future business operations, Takara Shuzo will continue to be regulated by the Liquor Tax Act, and consequently any change to the liquor tax rates may affect selling prices and sales trends. In addition to complying with laws and regulations such as the Liquor Tax Act, Takara Shuzo strives to respond flexibly to revisions to legislation, implementing measures such as reviews of product strategies as necessary.

(ii) Takara Shuzo International Group

In the various countries where it is expanding its business, the Takara Shuzo International Group is subject to various government regulations, including export restrictions, tariff duties, and other types of import/export regulations, due to the need for permission to undertake business or investment, for national security reasons, or for other reasons. The Takara

Shuzo International Group is also subject to legislation governing trade, monopolies, patents, consumers, taxation, foreign currency exchange, transportation, human rights, and environmental and recycling issues. Any failure by the Group to comply with any of these legislative regulations may lead to the restriction of its activities or an increase in the costs of compliance. The Group will implement measures to mitigate these impacts through compliance with laws and regulations.

(iii) Takara Bio Group

In advancing research and development, the Takara Bio Group is subject to, and has a policy committed to observing, the Act on Prevention of Radiation Hazards due to Radioisotopes, etc., as well as the Act on the Conservation and Sustainable Use of Biological Diversity through Regulations on the Use of Living Modified Organisms ("Cartagena Act").

In addition, the in vitro diagnostic products and gene therapy products that have been developed and marketed by the Takara Bio Group are subject to regulations under the Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices and other related laws and regulations, and require approval or permission from the presiding government agencies in order to engage in commercial activities. If individual projects being advanced in research and development of the Takara Bio Group fail to receive the necessary approval, it may adversely affect the Group's business strategies.

(6) Risks concerning social attitudes toward drinking

It has been said that drinking alcoholic beverages in moderation generally relieves weariness, increases appetite, eases stress, and works as a social lubricant. On the other hand, many problems in habitual drinking have been pointed out, such as intoxication, organ damage due to chronic drinking, alcohol use disorder, under-age drinking, and damage to the fetus owing to drinking by pregnant women, characteristics of which are not seen in any other beverages or foods. If these alcohol-attributable problems become more serious within society, production and sales activities may be further regulated or otherwise affected, and the business performance and financial position of the Group may be affected. Recognizing these problems, Takara Shuzo and the Takara Shuzo International Group, as organizations producing and selling alcoholic beverages, are carrying out various activities, including the disclosure of the alcohol content of its main products on its website, based on the Basic Policy on Responsible Drinking established by the Group to spread the idea of "controlled, moderate drinking" from the viewpoint of meeting their social responsibilities by helping to maintain and improve people's health, as well as supporting the "global strategy to reduce the harmful use of alcohol" adopted by the World Health Organization (WHO) and working towards achieving its goals.

(7) Risks concerning R&D activities

The biotechnology-related industry covers a wide range of fields including the areas of regenerative and cellular medicine and gene therapy, the research support field directly targeting research departments at universities, public research institutes, and private businesses as well as inspection companies aimed at basic research and drug discovery, and other fields, such as environment, energy, food, and information.

In this situation, the Takara Bio Group believes that R&D activities covering a wide range of scope are extremely important to maintain the Group's competitive edge. However, there is no guarantee that the R&D activities will progress as planned. In particular, due to a long period of time required for clinical development in the gene therapy field, any delay in R&D activities may adversely affect the Takara Bio Group's business strategies and performance.

Moreover, the business environment surrounding the biotechnology industry is rapidly changing, and the Takara Bio Group's business environment may be significantly affected by new technological innovation and new entrants. Therefore, there is no guarantee that the ongoing R&D activities will always bear expected fruits and there is a possibility of not being able to achieve expected revenues.

(8) Risks concerning intellectual property rights

In biotechnology-related industries, where the success of business depends solely on the success of R&D activities, the Takara Bio Group protects technologies developed in-house with patents to prevent competitors from imitating them. The Takara Bio Group will continue placing the highest priority on applying for and obtaining patents in its R&D activities. Not all applications are registered, however, and if a registered patent is made invalid or lapses, the Takara Bio Group's business strategy or business performance may be affected.

Also, in future business operations, the Takara Bio Group is willing to acquire or buy licenses for necessary patent rights held by third parties, but this strategy may be prohibitively expensive. Further, if some patent right held by a third party becomes necessary and the Takara Bio Group is not able to acquire the license, it may affect the Group's business strategy and performance.

(9) Risks concerning impairment losses of fixed assets

The Group owns significant amounts of tangible and intangible fixed assets, including goodwill. If impairment losses are recorded in accordance with accounting standards for impairment of fixed assets due to sudden changes in the business environment or other factors, such losses may adversely affect the Group's business performance and financial position. The Group has set a rule in which certain investments must be approved by the Board of Directors or other body. For the assessment of investment effectiveness, the Group has set hurdle rates based on the NPV method and verifies its progress every fiscal year. The Group has also established a system for early detection of signs of impairment.

(10) Risks concerning fluctuations in exchange rates

Local currency-denominated items, including sales, expenses, and asset and liability accounts are translated into Japanese yen for the purpose of the preparation of the consolidated financial statements. The amount of these items recorded in the financial statements may be affected by the exchange rate at translation. When purchasing goods through import, procuring raw materials, or exporting products in a foreign currency, fluctuations in exchange rates may adversely affect the Group's business performance and financial position.

The Group uses currency options, enters into foreign currency forward contracts, and uses other exchange rate hedging transactions to minimize the adverse effects caused by short-to-medium-term fluctuations in exchange rates.

(11) Risks concerning product liability

All of the products developed and manufactured by the Group are exposed to the risk of product liability compensation. If any defect is found during the manufacturing, selling, or clinical testing process, or any health impairment is caused by an alcoholic beverage, food, drug, medical instrument, in vitro diagnostic product, regenerative medical products, research products or investigational drugs for clinical trial materials in particular, the Group may be subject to a product liability claim. A defect that results in large-scale product recalls or product liability compensation could not only cause a huge financial cost but also substantially affect the Group's reputation, business performance, and financial position.

Despite possessing product liability insurance in preparation for these risks, there is no guarantee that the insurance will be able to cover the full amount of the final compensation. In addition to compliance with laws and regulations, the Group is working to establish thorough quality control and risk management systems.

(12) Information security

The Group manages a vast amount of information, including personal information, making use of a number of IT systems related to its business operations. If the loss, leakage, or falsification of such personal and/or other internal information or ransomware attack occurs, the Group could lose its credibility among the general public, in addition to business disruption and response costs. In addition, if it becomes impossible to conduct business operations for a certain period of time due to system malfunctions or cyberattack, the continuation of business activities may be adversely affected. These risks are expanding due to the advancement of digital transformation and the expansion of work-from-home. The Group has established "Information Management Regulations" and an "IT Security Policy" and undergoes third-party assessments of IT security to strengthen measures against risks.

(13) Risks concerning lawsuits

The Group strives to observe all the laws and regulations relevant to its business operations by enhancing its compliance measures. However, as the Group conducts its business both within and outside Japan, there remains a risk of a third party filing a suit over such issues as the Product Liability Law, intellectual property rights, or a claim for compensation for an invention irrespective of whether or not the Group or its employees have violated any law. If a court case were to be brought against the Group, or if the court decision were to go against the Group, the Group's business performance and financial position may be adversely affected. The Group thoroughly complies with laws and regulations and has established a system to receive advice and checks from the legal department and external experts when concluding important contracts.

(14) Risks concerning natural disasters and accidents

The business activities of the Group may be obstructed by physical and human damage resulting from natural disasters such as storms, earthquakes, lightning, floods, and droughts, accidents such as fire, and the global pandemic of infectious diseases. Taking into account such risks, the Group strives to conduct inspections and training and improve its contact system and business continuity plan (BCP) in order to minimize the spread of damage in the event of disaster.

The Company's Risk Compliance Committee chaired by the President of the Company is responsible for overall risk control of the Group. Under the supervision of the committee, each division in charge is engaged in activities to prevent and mitigate risks surrounding the Group concerning law and social ethics, product safety and quality, and health and safety, among others.



Eleven-Year Consolidated Financial Summary

(Fiscal year ended March 31, 2023)

	Millions of yen*3					Millions of yen*3					Thousands of *5 U.S. dollars	
	2023/3	2022/3	2021/3	2020/3	2019/3	2018/3	2017/3	2016/3	2015/3	2014/3	2013/3	2023/3
For the Years Ended March 31												
Net sales*1	¥350,665	¥300,918	¥278,443	¥281,191	¥277,443	¥268,142	¥234,193	¥225,364	¥219,490	¥209,568	¥200,989	\$ 26,169,141
Takara Shuzo	122,921	119,710	152,537	153,141	152,457	149,839	149,452	145,492	147,884	149,633		917,320
Takara Shuzo International Group	137,483	102,186	69,589	82,765	77,834	70,717	37,540	30,490	26,233	16,481		1,025,992
Takara Bio Group	78,142	67,699	46,086	34,565	35,841	32,312	29,375	29,729	25,969	23,905		583,149
Others (Domestic Group Companies)	30,950	30,719	29,238	31,801	32,742	36,412	39,017	41,050	42,980	43,123		230,970
Adjusted amounts	(18,832)	(19,396)	(19,007)	(21,082)	(21,431)	(21,140)	(21,193)	(21,398)	(23,577)	(23,575)		(140,537)
Cost of sales	230,723	187,376	162,849	172,574	168,694	163,529	140,182	135,868	134,390	129,447	123,630	1,721,813
Gross profit	119,941	113,541	115,594	108,617	108,749	104,612	94,010	89,495	85,099	80,121	77,359	895,082
Selling, general and administrative (SG&A) expenses	81,996	70,187	93,999	92,781	90,945	88,999	80,458	77,815	74,003	70,631	68,225	611,910
Operating income (loss)*1	37,945	43,354	21,595	15,836	17,804	15,612	13,551	11,680	11,096	9,490	9,133	283,171
Takara Shuzo	4,890	4,135	4,879	4,175	5,948	5,569	5,071	4,082	4,428	4,513		36,492
Takara Shuzo International Group	10,821	8,472	1,043	3,532	4,532	4,393	3,182	2,752	2,270	907		80,753
Takara Bio Group	20,541	28,902	13,952	6,274	5,463	3,555	3,202	2,667	2,302	1,954		153,291
Others (Domestic Group Companies)	2,293	2,222	1,803	2,018	1,954	2,318	2,167	2,058	1,654	1,581		17,111
Adjusted amounts	(601)	(379)	(84)	(164)	(95)	(224)	(72)	120	440	533		(4,485)
Income before income taxes	39,692	40,961	20,583	15,643	17,658	18,903	14,520	12,548	11,453	18,642	9,256	296,208
Net income attributable to owners of the parent	21,206	20,769	10,574	8,980	10,411	11,029	8,480	7,055	5,706	10,280	4,687	158,253
Depreciation and amortization	10,295	9,589	9,298	8,874	7,827	7,702	6,213	6,180	5,537	4,997	4,973	76,828
Capital expenditures	14,165	16,213	13,775	14,195	10,671	6,414	6,658	6,003	9,533	8,967	5,282	105,708
Research and development (R&D) expenses	8,949	6,484	5,914	4,259	4,708	5,063	4,550	4,608	3,754	3,376	3,090	66,783
Net cash provided by (used in) operating activities	45,478	16,376	27,100	11,744	13,508	16,265	12,826	10,373	9,545	7,233	7,967	339,388
Net cash provided by (used in) investing activities	(10,474)	(10,399)	(6,738)	(3,690)	(9,213)	(19,916)	16,200	(10,864)	(10,253)	(12,254)	(3,672)	(78,164)
Net cash provided by (used in) financing activities	(22,215)	4,133	(1,506)	(11,653)	(4,243)	(5,570)	(2,828)	(9,482)	6,819	2,562	1,229	(165,783)
Free cash flow	35,003	5,977	20,362	8,054	4,295	(3,650)	29,026	(490)	(708)	(5,021)	4,295	261,216
As of March 31												
Total assets	¥399,174	¥362,438	¥306,918	¥283,882	¥287,106	¥284,281	¥274,368	¥253,253	¥264,438	¥238,577	¥207,586	\$ 2,978,910
Interest-bearing debt	51,793	60,655	50,256	46,070	47,427	47,982	47,852	42,837	48,324	38,909	43,098	386,514
Total net assets	255,318	224,555	191,535	181,329	179,795	176,217	165,920	156,148	158,404	146,422	114,318	1,905,358
Total shareholders' equity	203,951	180,420	156,884	147,762	148,197	145,111	135,043	130,386	131,923	121,431	100,040	1,522,022
Per Share of Common Stock (Yen and U.S. dollars):												(U.S. dollars)
Basic net income	¥ 107.26	¥ 105.05	¥ 53.48	¥ 45.11	¥ 52.15	¥ 54.97	¥ 42.15	¥ 35.06	¥ 28.36	¥ 50.83	¥ 23.01	\$ 0.80
Total equity	1,031.60	912.58	793.53	747.39	742.36	726.90	671.11	647.97	655.60	603.44	493.14	7.70
Annual dividends	38.00	37.00	21.00	20.00	18.00	16.00	13.00	12.00	10.00	11.00	9.00	0.28
Ratios:												
Return on assets (ROA)	5.6%	6.2%	3.6%	3.1%	3.6%	3.9%	3.2%	2.7%	2.3%	4.6%	2.3%	—
Return on equity (ROE)	11.0	12.3	6.9	6.1	7.1	7.9	6.4	5.4	4.5	9.3	4.8	—
Equity ratio	51.1	49.8	51.1	52.1	51.6	51.0	49.2	51.5	49.9	50.9	48.2	—
D/E ratio	25.4	33.6	32.0	31.1	32.0	33.1	35.4	32.9	36.6	32.0	43.1	—
Dividend payout ratio	35.4	35.2	39.3	44.3	34.5	29.1	30.8	34.2	35.3	21.6	39.1	—

*1 Starting in the year ended March 31, 2018, we reorganized our business segments. Net sales and operating income (loss) for the years ended March 31, 2014 to 2017 have been calculated based on business segments restructured after the change.

*2 From the fiscal year ended March 31, 2022, in accordance with the adoption of the Accounting Standard for Revenue Recognition, a part of expenses that were previously accounted for as SG&A expenses were deducted from net sales. The net sales and SG&A expenses for the fiscal year ended March 31, 2021 and before are figures before the adoption of the Accounting Standard for Revenue Recognition.

*3 Japanese yen amounts are rounded down to the nearest million yen.

*4 The Company adopted Partial Amendments to Accounting Standard for Tax Effect Accounting from the fiscal year ended March 31, 2019, and some of the figures for the fiscal year ended March 31, 2018 have been restated.

*5 The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥134 to U.S. \$1, the approximate rate of exchange at March 31, 2023.



Consolidated Balance Sheet

TAKARA HOLDINGS INC. and consolidated subsidiaries
Year ended March 31, 2023

	Millions of yen		Thousands of U.S. dollars
	2023	2022	2023
ASSETS			
CURRENT ASSETS:			
Cash and deposits	¥ 96,820	¥ 80,445	\$ 722,537
Notes and accounts receivable-trade	61,624	62,856	459,880
Electronically recorded monetary claims-operating	8,093	7,403	60,395
Merchandise and finished goods	57,812	63,172	431,432
Work in process	1,718	2,012	12,820
Raw materials and supplies	7,372	7,458	55,014
Other	8,765	9,422	65,410
Allowance for doubtful accounts	(694)	(449)	(5,179)
Total current assets	241,513	232,323	1,802,335
NONCURRENT ASSETS:			
Property, plant and equipment			
Buildings and structures	76,265	69,584	569,141
Accumulated depreciation	(39,487)	(36,902)	(294,679)
Buildings and structures, net	36,778	32,682	274,462
Machinery, equipment and vehicles	90,919	88,453	678,500
Accumulated depreciation	(75,654)	(73,447)	(564,582)
Machinery, equipment and vehicles, net	15,265	15,006	113,917
Land	20,861	20,170	155,679
Lease assets	1,520	1,512	11,343
Accumulated depreciation	(731)	(605)	(5,455)
Lease assets, net	789	907	5,888
Construction in progress	3,662	1,782	27,328
Other	28,496	24,046	212,656
Accumulated depreciation	(16,962)	(14,848)	(126,582)
Other, net	11,533	9,198	86,067
Total property, plant and equipment	88,890	79,747	800,810
INTANGIBLE ASSETS:			
Goodwill	10,668	10,070	79,611
Other	5,262	5,290	39,268
Total intangible assets	15,931	15,360	118,888
INVESTMENTS AND OTHER ASSETS:			
Investment securities	30,573	29,228	228,156
Net defined benefit asset	1,054	907	7,865
Deferred tax assets	2,170	2,682	16,194
Other	19,103	2,253	142,559
Allowance for doubtful accounts	(64)	(64)	(477)
Total investments and other assets	52,838	35,006	394,313
Total noncurrent assets	157,661	130,114	1,176,574
TOTAL ASSETS	¥ 399,174	¥ 362,438	\$ 2,978,910

* The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥134 to U.S. \$1, the approximate rate of exchange at March 31, 2023.

TAKARA HOLDINGS INC. and consolidated subsidiaries
Year ended March 31, 2023

	Millions of yen		Thousands of U.S. dollars
	2023	2022	2023
LIABILITIES			
CURRENT LIABILITIES:			
Notes and accounts payable-trade	¥ 21,775	¥ 20,973	\$ 162,500
Short-term loans payable	4,919	5,497	36,708
Current portion of bonds	—	10,000	—
Accrued alcohol tax	5,815	7,172	43,395
Accrued expenses	6,368	5,579	47,522
Income taxes payable	2,220	6,602	16,567
Provision for bonuses	3,380	3,161	25,223
Other	22,975	20,164	171,455
Total current liabilities	67,454	79,151	503,388
NONCURRENT LIABILITIES:			
Bonds payable	20,000	20,000	149,253
Long-term loans payable	15,186	15,248	113,328
Lease obligations	4,452	3,005	33,223
Deferred tax liabilities	4,855	3,969	36,231
Net defined benefit liability	8,925	8,944	66,604
Other	22,980	7,562	171,492
Total noncurrent liabilities	76,401	58,730	570,156
Total liabilities	143,856	137,882	1,073,552
NET ASSETS			
SHAREHOLDERS' EQUITY:			
Capital stock	13,226	13,226	98,701
Capital surplus	1,994	2,499	14,880
Retained earnings	163,825	149,933	1,222,574
Treasury stock	(1,682)	(1,682)	(12,552)
Total shareholders' equity	177,363	163,976	1,323,604
ACCUMULATED OTHER COMPREHENSIVE INCOME:			
Valuation difference on available-for-sale securities	12,974	12,216	96,820
Deferred gains or losses on hedges	286	412	2,134
Foreign currency translation adjustment	13,686	4,330	102,134
Remeasurements of defined benefit plans	(359)	(515)	(2,679)
Total accumulated other comprehensive income	26,588	16,443	198,417
Noncontrolling interests	51,366	44,135	383,328
Total net assets	255,318	224,555	1,905,358
TOTAL LIABILITIES AND NET ASSETS	¥ 399,174	¥ 362,438	\$ 2,978,910

Consolidated Statement of Income

TAKARA HOLDINGS INC. and consolidated subsidiaries
Year ended March 31, 2023

	Millions of yen		Thousands of U.S. dollars
	2023	2022	2023
NET SALES	¥ 350,665	¥ 300,918	\$ 2,616,902
COST OF SALES	230,723	187,376	1,721,813
Gross profit	119,941	113,541	895,082
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	81,996	70,187	611,910
Operating income	37,945	43,354	283,171
NONOPERATING INCOME:			
Interest income	265	176	1,977
Dividends income	800	590	5,970
Rental income from real estate	176	157	1,313
Other	436	568	3,253
Total nonoperating income	1,678	1,492	12,522
NONOPERATING EXPENSES:			
Interest expenses	324	330	2,417
Foreign exchange losses	222	807	1,656
Other	370	477	2,761
Total nonoperating expenses	917	1,615	6,843
ORDINARY INCOME	38,706	43,230	288,850
EXTRAORDINARY INCOME:			
Gain on sale of noncurrent assets	264	88	1,970
Gain on sale of investment securities	674	—	5,029
Insurance claim income	678	100	5,059
Other	63	4,470	470
Total extraordinary income	1,681	4,658	12,544
EXTRAORDINARY LOSS:			
Loss on sale and retirement of noncurrent assets	499	407	3,723
Loss on voluntary product recall	—	1,190	—
Other	195	5,329	1,455
Total extraordinary losses	694	6,928	5,179
INCOME BEFORE INCOME TAXES	39,692	40,961	296,208
INCOME TAXES-CURRENT	10,144	11,900	75,701
INCOME TAXES-DEFERRED	857	(309)	6,395
TOTAL INCOME TAXES	11,001	11,590	82,097
NET INCOME	28,690	29,370	214,104
NET INCOME ATTRIBUTABLE TO THE NONCONTROLLING INTEREST	7,483	8,601	55,843
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	¥ 21,206	¥ 20,769	\$ 158,253

Consolidated Statement of Cash Flows

TAKARA HOLDINGS INC. and consolidated subsidiaries
Year ended March 31, 2023

	Millions of yen		Thousands of U.S. dollars
	2023	2022	2023
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Income before income taxes	¥ 39,692	¥ 40,961	\$ 296,208
Depreciation and amortization	9,118	8,425	68,044
Impairment loss	—	185	—
Amortization of goodwill	998	875	7,447
Increase (decrease) in provision for sales promotion expenses	—	(2,049)	—
Interest and dividends income	(1,066)	(767)	(7,955)
Interest expenses	324	330	2,417
Insurance claim income	(678)	(100)	(5,059)
Loss (gain) on sale and retirement of non-current assets	235	319	1,753
Loss (gain) on sale of investment securities	(674)	—	(5,029)
Decrease (increase) in notes and accounts receivable-trade	2,634	(7,109)	19,656
Decrease (increase) in inventories	8,969	(21,235)	66,932
Increase (decrease) in notes and accounts payable-trade	(252)	3,920	(1,880)
Increase (decrease) in liquor taxes payable	(1,358)	281	(10,134)
Increase (decrease) in accrued consumption taxes	2,104	(1,890)	15,701
Increase (decrease) in other current liabilities	(1,261)	3,372	(9,410)
Other, net	835	(112)	6,231
Subtotal	59,621	25,406	444,932
Interest and dividends income received	1,053	787	7,858
Interest expenses paid	(340)	(334)	(2,537)
Income taxes paid	(15,535)	(10,253)	(115,932)
Proceeds from insurance income	678	100	5,059
Subsidies received	—	671	—
Net cash provided by (used in) operating activities	45,478	16,376	339,388
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES:			
Payments into time deposits	(23,167)	(15,513)	(172,888)
Proceeds from withdrawal of time deposits	24,008	14,758	179,164
Purchase of property, plant and equipment and intangible assets	(10,618)	(14,762)	(79,238)
Proceeds from sale of property, plant and equipment and intangible assets	430	1,326	3,208
Purchase of investment securities	(517)	(43)	(3,858)
Proceeds from sale of investment securities	793	—	5,917
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,068)	—	(7,970)
Other, net	(334)	3,834	(2,492)
Net cash provided by (used in) investing activities	(10,474)	(10,399)	(78,164)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES:			
Net increase (decrease) in short-term borrowings	(435)	66	(3,246)
Repayments of long-term borrowings	(363)	(55)	(2,708)
Proceeds from issuance of bonds	—	9,927	—
Redemption of bonds	(10,000)	—	(74,626)
Cash dividends paid	(7,305)	(4,147)	(54,514)
Dividends paid to noncontrolling interests	(1,579)	(763)	(11,783)
Repayments of lease obligations	(919)	(710)	(6,858)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(1,551)	(175)	(11,574)
Other, net	(61)	(8)	(455)
Net cash provided by (used in) financing activities	(22,215)	4,133	(165,783)
EFFECT OF EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS	3,267	2,758	24,380
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	16,056	12,869	119,820
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	75,729	62,860	565,141
CASH AND CASH EQUIVALENTS AT END OF PERIOD	¥ 91,785	¥ 75,729	\$ 684,962



Major Consolidated Subsidiaries

(As of March 31, 2023)

Note: Percentage of equity owned in parentheses indicates percentage of indirectly owned equity.

Name	Address	Issued capital	Percentage of equity owned	Line of business
Takara Shuzo (Domestic Business)				
TAKARA SHUZO CO., LTD.	20 Naginataboko-cho, Shijo-dori Karasuma Higashi-iru, Shimogyo-ku, Kyoto 600-8688, Japan	¥1,000 million	100.0%	Manufacture and sale of alcoholic beverages, seasonings, and raw alcohol
Takara Shuzo International Group (Overseas Business)				
TAKARA SHUZO INTERNATIONAL CO., LTD.	20 Naginataboko-cho, Shijo-dori Karasuma Higashi-iru, Shimogyo-ku, Kyoto 600-8688, Japan	¥10 million	100.0%	Management of group companies, export and sale, etc. of alcoholic beverages and seasonings
Tokyo Mutual Trading Co., Ltd. (Japan)	4-26-4, Taito, Taito-ku, Tokyo 110-0016, Japan	¥60 million	(51.0%)	Export and sale of foods, alcoholic beverages, sundries, etc.
Takara Sake USA Inc.	708 Addison St., Berkeley, CA 94710, U.S.A.	US\$7,000 thousand	(100.0%)	Manufacture, sale, export, and import and sale of alcoholic beverages
Age International, Inc.	229 W.Main St., Frankfort, KY 40602, U.S.A.	US\$250 thousand	(100.0%)	Sale of bourbon whiskey
Mutual Trading Co., Inc.	4200 Shirley Avenue, El Monte, CA 91731	US\$2,616 thousand	(70.7%)	Import and wholesale of alcoholic beverages, foods, seasonings, etc.
The Tomatin Distillery Co. Ltd	Tomatin, Inverness-shire, IV13 7YT Scotland, U.K.	£3,297 thousand	(94.2%)	Manufacture and sale of Scotch whisky
Tazaki Foods Ltd	12 Innova Way, Enfield, EN3 7FL, U.K.	£2,357 thousand	(100.0%)	Import and wholesale of alcoholic beverages, foods, seasonings, etc.
FOODEX S.A.S.	64 Rue du Ranelagh, 75016 Paris, France	€10,250 thousand	(100.0%)	Import and wholesale of alcoholic beverages, foods, seasonings, etc.
Cominport Distribución S.L.	Avenida Marconi nave 1 - P.A.E. Neysa Sur - 28021, Madrid, Spain	€143 thousand	(100.0%)	Import and wholesale of alcoholic beverages, foods, seasonings, etc.
Keta Foods, Lda	Parque Industrial - Olival das Minas, Rua dos Quintanilhas, No.2 2625-577 Vialonga, Portugal	€15 thousand	(100.0%)	Import and wholesale of alcoholic beverages, foods, seasonings, etc.
Nippon Food Supplies Company Pty Ltd	Warehouse 9 & 10, Building 3, 161 Manchester Road, Auburn NSW 2144, Australia	A\$17 million	(51.0%)	Import and wholesale of alcoholic beverages, foods, seasonings, etc.
Takara Shuzo Foods Co., Ltd.	No.31 Nanyuan West St. Fengtai District Beijing, China 100076	RMB130,000 thousand	(92.0%)	Manufacture, sale, and import and sale of alcoholic beverages
Shanghai Takara Shuzo International Trading Co., Ltd.	Shenergy International Building 18th Floor, Room 1808A, No.1, FuXing Middle RD, Huangpu District, Shanghai, China 200021	US\$600 thousand	(100.0%)	Import and sale of alcoholic beverages and foods

Takara Bio Group (Biomedical Business)

TAKARA BIO INC.	Nojihigashi 7-4-38, Kusatsu, Shiga 520-0058, Japan	¥14,965 million	60.9%	Development, manufacture and sales of reagents and equipment, contract manufacturing, genetic medicine
Takara Bio USA, Inc.	2560 Orchard Parkway, San Jose, CA 95131, U.S.A.	US\$83 thousand	(100.0%)	Development, manufacture and sales of reagents and equipment
Takara Bio Europe S.A.S.	34 rue de la Croix de Fer 78100 Saint-Germain-en-Laye, France	€891 thousand	(100.0%)	Sales of reagents and equipment, and contract manufacturing
Takara Bio UK Ltd.	Wilberforce House, Station Road, LONDON NW4 4QE	£100 thousand	(100.0%)	Sales of reagents and equipment
DSS Takara Bio India Private Limited	A-5 Mohan Co-op Industrial Estate, Mathura Road, New Delhi, 110044, India	Rs.110 million	(51.0%)	Manufacture and sale of reagents
Takara Biotechnology (Dalian) Co., Ltd.	No.19 Dongbei 2nd Street, Development Zone, Dalian, China 116600	¥2,350 million	(100.0%)	Development, manufacture, sales within the Group of reagents, and contract manufacturing
Takara Biomedical Technology (Beijing) Co., Ltd.	Life Science Park, 22 KeXueYuan Road Changping District, Beijing 102206 China	¥1,330 million	(100.0%)	Sales of reagents and equipment
Takara Korea Biomedical Inc.	601, New T Castle, 108, Gasan Digital 2-ro, Geumcheon-gu, Seoul 08506, Korea.	₩3,860 million	(100.0%)	Sales of reagents and equipment

Others (Domestic Group Companies)

Taihei Printing Co., Ltd.	1 Butai-cho, Fushimi-ku, Kyoto 612-8338, Japan	¥90 million	100.0%	Printing, web production, and digital services
Kawahigashi Shoji Co., Ltd.	20 Naginataboko-cho, Shijo-dori Karasuma Higashi-iru, Shimogyo-ku, Kyoto 600-8008, Japan	¥30 million	100.0%	Real estate leasing
Total Management Business Co., Ltd.	20 Naginataboko-cho, Shijo-dori Karasuma Higashi-iru, Shimogyo-ku, Kyoto 600-8008, Japan	¥20 million	100.0%	Marketing research, sales promotion planning, and temporary staffing service
Takara Butsuryu System Co., Ltd.	55-13 Osumihama, Kyotanabe, Kyoto 610-0343, Japan	¥50 million	100.0%	Transportation, warehousing, automobile service, non-life insurance agent, travel agent, etc.
Takara Yoki Co., Ltd.	20 Naginataboko-cho, Shijo-dori Karasuma Higashi-iru, Shimogyo-ku, Kyoto 600-8008, Japan	¥30 million	100.0%	Wholesale of glass bottles
Takara Bussan Co., Ltd.	5-487 Shinmachi Fushimi-ku, Kyoto 612-8081, Japan	¥10 million	100.0%	Sale of foods and feed
Luc Corporation, Ltd.	2-12, 3-chome, Akasaka, Minato-ku, Tokyo 107-0052, Japan	¥80 million	100.0%	Import and sale of wine



Investor Information

(As of March 31, 2023)

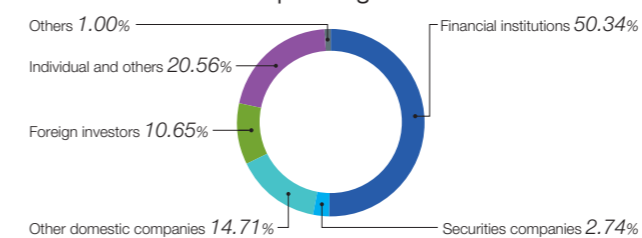
Trade Name	TAKARA HOLDINGS INC.	Established	September 6, 1925
Business	Holding company	Issued Capital	¥13,226 million
Head Office	20 Naginataboko-cho, Shijo-dori Karasuma Higashi-iru, Shimogyo-ku, Kyoto 600-8688, Japan	Company Representative	Mutsumi Kimura, President
Telephone	+81-75-241-5130	Website	www.takara.co.jp/english

Stock and Investor Information

Common Stock Authorized Issued and Outstanding	870,000,000 shares 199,699,743 shares
Number of Shareholders	83,851
Stock Listings (Common Stock)	Prime Market of Tokyo Stock Exchange, Inc.
Securities Code Number	2531
Shareholder Registry Administrator	Mizuho Trust & Banking Co., Ltd. 3-3 Marunouchi 1-chome, Chiyoda-ku, Tokyo
Inquiries to Shareholder Registry Administrator	Mizuho Trust & Banking Co., Ltd. Stock Agency Transfer Department 8-4, Izumi 2-chome, Suginami-ku, Tokyo 168-8507, Japan Telephone: 0120-288-324 (toll free, within Japan only)
Annual Meeting of Shareholders	The annual meeting of shareholders of the Company is normally held in June each year in Kyoto, Japan. In addition, the Company may hold a special meeting of shareholders whenever necessary by giving at least two weeks, advance notice to shareholders.

Independent Auditor Deloitte Touche Tohmatsu LLC

Distribution of ownership among shareholders



Principal shareholders

Name	Number of shares held (Thousand shares)	Percentage of shares held (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	35,910	18.16
Custody Bank of Japan, Ltd. (Trust Account)	16,994	8.60
Mizuho Bank, Ltd.	9,738	4.93
The Norinchukin Bank	9,500	4.81
Meiji Yasuda Life Insurance Company	5,370	2.72
Bank of Kyoto, Ltd.	5,000	2.53
Tokio Marine & Nichido Fire Insurance Co., Ltd.	3,878	1.96
KOKUBU GROUP CORP.	3,489	1.77
Takara Group Employees' Shareholding Association	3,208	1.62
Japan Alcohol Trading CO., LTD.	3,000	1.52

Notes: (1) Number of shares held is rounded down to the nearest thousand.
(2) The percentage of shares held was calculated excluding 1,995 thousand shares of treasury stock.

Bond ratings

Rating institution	Long-term rating	Short-term rating
Rating and Investment Information, Inc. (R&I)	A/Stable	a-1
Japan Credit Rating Agency, Ltd. (JCR)	A+/Stable	J-1

Stock Price Range on the Tokyo Stock Exchange (¥en)

