The original disclosure in Japanese was released on May 9, 2013 at 16:00 (GMT+9).

Consolidated Financial Statements for the Year Ended March 31, 2013
FY2013 (April 1, 2012 - March 31, 2013) [UNAUDITED]

Company name:	Takara Holdings Inc.
Stock exchange listing:	Tokyo Stock Exchange (1st section) and Osaka Stock Exchange (1st section)
Code Number:	2531
URL:	http://www.takara.co.jp/
Company representative:	Toshio Kakimoto, President
Contact:	Takuya Kakemi, General Manager of Financial & Investor Relations Dept. TEL : (075)241-5124

Scheduled date of general shareholders' meeting: June 27, 2013
Scheduled date of starting delivery of dividends: June 28, 2013

Notes:
1. The accompanying financial statements have been prepared in accordance with accounting principles and practices generally accepted in Japan.
2. Amounts are rounded down to the nearest million yen.

1. Results for the year ended March 31, 2013 (April 1, 2012 – March 31, 2013)

(1) Operating results

Note: Percentages indicated changes from the previous fiscal year.

	Year ended March 31, 2013		Year ended March 31, 2012	
	(Millions of yen)	(%)	(Millions of yen)	(%)
Net sales	200,989	1.2	198,690	4.7
Operating income	9,133	(1.4)	9,264	11.2
Ordinary income	9,296	(3.3)	9,617	14.1
Net income	4,687	17.3	3,995	5.5
Net income per share (Yen)	23.01		19.32	
Fully diluted net income per share (Yen)	22.99		-	
Return on equity		4.8		4.2
Ordinary income to total assets ratio		4.6		4.9
Operating income to net sales ratio		4.5		4.7
Note: Comprehensive income	10,158	183.9	3,577	658.9
Reference: Income (loss) from equity method investment	96		49	

(2) Financial position

	As of March 31, 2013	As of March 31, 2012
	(Millions of yen)	(Millions of yen)
Total assets	207,586	197,437
Net assets	114,318	107,659
Equity ratio (%)	48.2	48.0
Net assets per share (Yen)	493.14	461.41
Reference: Equity	100,040	94,783

(3) Cash flow

	Year ended March 31, 2013	Year ended March 31, 2012
	(Millions of yen)	(Millions of yen)
Cash flow from operating activities	7,967	9,013
Cash flow from investing activities	(3,672)	(4,779)
Cash flow from financing activities	1,229	(3,265)
Cash and cash equivalents, end of year	35,287	29,165

2. Dividends

	Dividend per share (Yen)		
	Year ended March 31, 2012	Year ended March 31, 2013	Year ending March 31, 2014 (Forecast)
First quarter end	-	-	-
Second quarter end	-	-	-
Third quarter end	-	-	-
Year end	9.00	9.00	9.00
Annual	9.00	9.00	9.00
Total dividend (Millions of yen)	1,851	1,825	
Payout ratio (%)	46.6	39.1	37.3
Dividend on equity (%)	2.0	1.9	

3. Forecast for the year ending March 31, 2014 (April 1, 2013 – March 31, 2014)

Note: Percentages indicated changes from the same period of the previous fiscal year.

	Six months ending September 30, 2013		Year ending March 31, 2014	
	(Millions of yen)	(%)	(Millions of yen)	(%)
Net sales	96,300	0.6	206,300	2.6
Operating income	2,000	(31.0)	9,200	0.7
Ordinary income	2,000	(30.4)	9,400	1.1
Net income	850	109.6	4,900	4.5
Net income per share (Yen)	4.19		24.15	

4. Others

(1) Important changes in subsidiaries : No

(2) Changes in accounting policies, accounting estimates and retrospective restatement

1) Changes based on revisions of accounting standard : Yes

2) Changes other than ones based on revisions of accounting standard : No

3) Changes in accounting estimates : Yes

4) Restatement : No

(3) Number of outstanding shares (common stock)

1) Number of outstanding shares at year end (Treasury stocks are included)

As of March 31, 2013 : 217,699,743

As of March 31, 2012 : 217,699,743

2) Number of treasury stocks at year end

As of March 31, 2013 : 14,833,716

As of March 31, 2012 : 12,277,683

3) Average number of outstanding shares

Year ended March 31, 2013 : 203,697,868

Year ended March 31, 2012 : 206,794,360

(Reference) Non-consolidated financial review

1. Results for the year ended March 31, 2013 (April 1, 2012 – March 31, 2013)

(1) Operating results

Note: Percentages indicated changes from the previous fiscal year.

	Year ended March 31, 2013		Year ended March 31, 2012	
	(Millions of yen)	(%)	(Millions of yen)	(%)
Net sales	4,025	13.1	3,560	(35.2)
Operating income	2,887	17.5	2,458	(42.9)
Ordinary income	2,723	2.9	2,646	(31.7)
Net income	2,629	50.2	1,750	(17.3)
Net income per share (Yen)	12.89		8.45	
Fully diluted net income per share (Yen)	-		-	

(2) Financial position

	As of March 31, 2013	As of March 31, 2012
	(Millions of yen)	(Millions of yen)
Total assets	117,144	109,441
Net assets	75,417	74,471
Equity ratio (%)	64.4	68.0
Net assets per share (Yen)	371.76	362.06
(Reference) Equity	75,417	74,471

Contents of the attached document

1. Analysis of Financial Results and Financial Position

(1) Analysis of Financial Results

1) Financial Results for the Fiscal Year under Review

In the fiscal year under review, ended March 31, 2013, there were signs of hope for recovery in the Japanese economy as the long-persisting pressure of yen appreciation was relieved and the stock market began to recover. However, the deflation trend continued and recovery in consumer spending was limited. Overseas, the European sovereign debt crisis calmed, but foreign exchange trends were unstable and growth rates in emerging countries began to slow. Accordingly, the operating environment still remains highly opaque.

In this environment, we endeavored to improve corporate value through the establishment of a balanced organizational structure that is resilient to changes in the environment by acting in accordance with the Takara Group Medium-Term Management Plan FY2014, which has "aiming to realize the Takara Group Vision2020, achieve stable growth in Japan while expanding business base in order to grow significantly overseas" as its basic policy. The Takara Group Vision 2020 embodies our long-term management vision.

Due to such efforts, consolidated net sales increased 1.2% year on year, to ¥200,989 million, enabling us meet the goal outlined in the Takara Group Medium-Term Management Plan FY2014 a year ahead of schedule.

Gross profit was nearly unchanged from the previous fiscal year, rising only 0.2%, to ¥77,359 million. Raw material prices remained high, which, coupled with the high ratio of cost of sales to net sales of newly consolidated KOUGAKU ENGINEERING CO., LTD., resulted in a slight rise in the overall ratio of cost of sales to net sales. However, this was offset by increased net sales.

In selling, general and administrative (SG&A) expenses, we continued to implement thorough cost cutting measures to respond to the harsh operating environment, and administrative expenses declined. However, promotion expenses were up as a result of aggressive sales promotion activities for new products. As a result, SG&A expenses rose by a slight 0.4%, to ¥68,225 million, and operating income declined 1.4%, to ¥9,133 million, accordingly.

In regard to non-operating income and expenses, non-operating income declined slightly, and non-operating expenses such as bond issuance cost and interest expenses were higher. Accordingly, ordinary income decreased 3.3%, to ¥9,296 million

In regard to extraordinary income and loss, extraordinary losses such as loss on valuation of investment securities were higher than in the previous fiscal year, when loss on disaster was incurred. However, these losses were offset by significant increases in extraordinary income such as gain on sales of noncurrent assets. As a result, income before income taxes and minority interests increased 7.7%, to ¥9,256 million. Net income was up 17.3% year on year, to ¥4,687 million, due to the rebound from the decline in deferred tax assets accompanying the revision of the effective income tax rate recorded during the previous fiscal year.

Results by business segment were as follows.

(Takara Shuzo Group)

Competition in the Group's mainstay alcoholic beverages and foods business has continued to intensify due to the decline of the drinker population, changes in consumer preferences, and the reorganization of the secondary market following the recent deregulations. Also, as there is no clear projection of when the unemployment situation or income levels will recover, consumer confidence remains low and consumers are increasingly trending toward lower priced items, making it difficult to shift the high prices of raw materials to product selling prices. These factors are resulting in an exceptionally severe operating environment. Moreover, the rapid depreciation of the Japanese yen that began in late 2012 is expected to result in further increases in the price of imported raw materials.

In this environment, the Group focused on providing consumers with safe and high-quality products, and worked to nurture its brands with its rich product lineup and its range of high-quality products differentiated through solid technological superiority.

The Group will continue advancing product development ventures from a customer-based perspective to propose new drinking customs through the provision of new products backed by innovative technologies.

The following is a breakdown of the business segment's sales by product.

[Alcoholic beverages]

Shochu

Sales of *Honkaku* shochu *Kuro Yokaichi* and *Kohaku no Yokaichi*, which was launched in March 2012, were strong. As a result, overall sales of *honkaku* shochu were up, regardless of lower sales of *Ikkomon* 100% sweet-potato-based shochu and other *honkaku* shochu labels.

In *ko*-type shochu, new-type shochu labels, such as *Takara Shochu Jun* and *Japan*, continued to record sales declines. Sales of standard *ko*-type shochu were also down. Accordingly, overall sales of *ko*-type shochu decreased significantly.

As a result, overall shochu sales decreased 4.0% year on year, to ¥70,499 million.

Sake

Consumption in the domestic sake market continues to decline with each coming year, but Takara Shuzo is diligently undertaking new initiatives with the aim of reviving interest in sake. Sales of *Sho-Chiku-Bai Ten*, a full-bodied, sharp tasting sake created using the company's unique two-step yeast fermentation process, in the easy to store and dispose of “eco-pouch” increased year on year. Further, sparkling sake *Sho-Chiku-Bai Shirakabe-gura Mio* earned recognition as a sake that offers a new experience with its faintly sour and slightly sweet taste and refreshing bubbly texture, resulting in impressive sales of this product both in Japan and overseas.

Due to the strong sales of these new products, as well as for *Sho-Chiku-Bai Gokai*, only for sale to restaurants and bars, sales of Takara Shuzo’s sake products were up for the second consecutive year.

Meanwhile, overseas subsidiaries Takara Sake USA Inc. (US) and Takara Shuzo Foods Co., Ltd. (China) saw favorable sales increases.

As a result, overall sake sales increased 3.7% year on year, to ¥21,737 million.

Light-alcohol refreshers

In March 2013, we introduced into our lineup of light-alcohol refreshers the new liqueur *Carina*. Developed using proprietary technologies, this liqueur features a jelly-like texture the likes of which have never been felt before. Characterized by its syrupy consistency and fruity sweetness, *Carina* lets customers experience the joy of transforming this alcoholic beverage into its jelly-like state by shaking it, and this beverage is off to a strong start accordingly. In addition, we reinvented the *Takara Can Chu-Hi Surioroshi* series, which is nostalgic to its fans of old and fresh and exciting to the younger generation. In March 2013, this series was reborn, now with the sweet, refreshing taste of thick pulpy fruit juice.

In dry-type *chu-hi* products, *Takara Shochu High Ball*, which is popular for its dry and rich texture, continued its impressive sales streak from the previous fiscal year. The substantial increase in sales of this product drove up overall sales of light-alcohol refreshers.

Conversely, sales of *Takara Can Chu-Hi Jika-Shibori*, a line of *chu-hi* drinks into which the juice of fresh fruits is squeezed directly, decreased drastically due to absence of the previous fiscal year’s extraordinary factors resulted from the Great East Japan Earthquake.

As a result of these factors, light-alcohol refreshers sales decreased 3.1% year on year, to ¥25,888 million, regardless of sales contributions from new products.

Other alcoholic beverages

The whiskey high ball boom in Japan contributed to the favorable sales experienced by domestically produced whisky. Overseas, meanwhile, AGE INTERNATIONAL INC. (US), recorded sales increases for bourbon whiskey and The Tomatin Distillery Co., Ltd. (UK), likewise recorded higher sales for Scotch whisky. Accordingly, sales of other alcoholic beverages were up 2.5%, to ¥11,046 million.

As a result, total alcoholic beverages sales decreased 2.1% year on year, to ¥129,171 million.

[Seasonings]

Takara Shuzo has traditionally dealt in home-use seasonings and seasonings for use by restaurants and bars. Expanding on this range, it has begun addressing demand from food processors and manufacturers of ready-prepared meals, which is expected to continue to grow into the future. In home-use seasonings, we launched *Takara Hon Mirin Junryo eco pouch*, and advertised the salt-free nature of *Ryori-no-Tame-no Seishu*, thereby demonstrating our passionate drive for quality. At the same time, we worked to develop new products that respond to the needs of food processors and manufacturers of ready-prepared meals by conducting product development ventures from the perspectives of such users. While use of *mirin* has continued to decline, sales of cooking sake and food seasonings were favorable, resulting in an overall increase in domestic sales of seasonings.

Overseas, demand from food processors in China continued to recover, leading to sales growth that, when combined with sales seen in the United States, led to an increase in overseas seasoning sales.

As a result, total seasonings sales increased 1.1% year on year, to ¥22,383 million.

[Raw alcohol, etc.]

As the price of ethanol, an ingredient used as to make the raw material alcohol sold for business uses, continued to rise, the company was forced to implemented painful pricing measures and aggressive sales strategies. However, sales of industrial alcohol increased. Coupled with the benefits of our persistent price revisions, this drove sales in the raw alcohol, etc. category up 6.3% year on year, to ¥6,922 million.

[Transportation]

Net sales in the transportation business were up 33.8%, to ¥12,162 million, due to increased external sales and the results of our efforts to spread operations into related business areas, as well as the addition of sales from KOUGAKU ENGINEERING CO., LTD., following its consolidation in April 2012.

[Other]

In the other category, the Japanese food ingredients wholesale business of FOODEX S.A.S. (France), recorded substantial increases in sales. These increases were significant even after conversion to a yen basis, regardless of the unfavorable exchange balance created by the strong yen and weak euro. As a result, sales in this category increased 8.2%, to ¥6,306 million.

Due to the abovementioned factors, particularly the rise in net sales in the transportation business following the consolidation of KOUGAKU ENGINEERING CO., LTD., which compensated for the lower sales of mainstay alcoholic beverages, total net sales for the Takara Shuzo Group increased 0.8% year on year, to ¥176,946 million. Cost of sales was up 1.7%, to ¥112,384 million, due to higher costs of sales ratios following rises in raw material prices, and gross profit declined 0.7%, to ¥64,562 million. SG&A expenses were down 0.2%, to ¥58,174 million, following reduced depreciation and amortization as well as administrative expenses. As a result of these factors, operating income was down 5.6%, to ¥6,387 million.

(Takara Bio Group)
Utilizing biotechnology developed over many years, the Takara Bio Group concentrated management resources on three areas: the genetic engineering research business, the gene medicine business, and the agribio business, and worked to improve business results.

Genetic engineering research business
As the Takara Bio Group's core business, the genetic engineering research business mainly provides products and services that support research and development activities in biotechnology-related fields. Such activities are becoming increasingly widespread.

Looking at individual product categories, sales of mainstay research regents were up, regardless of the impacts of the strong yen. Sales of scientific instruments, meanwhile, decreased due to lower sales of mass spectrometry systems. Conversely, sales in the contract research services business increased year on year.

As a result, the sales of the business increased 4.3% year on year, to ¥16,997 million.

Gene medicine business
In this business, recent rapid progress in cell biology is shortening the distance between basic research and clinical application, and practical applications of regenerative medicine are advancing rapidly. Against this backdrop, the gene medicine business sells cell culture media and gas-permeable bags and also provides technical support services to medical institutions conducting cancer immunotherapy. In addition, the business is focusing efforts on early commercialization of gene therapy and cell therapy for cancer and AIDS utilizing the RetroNectin® Method, a highly efficient gene transduction technology; the RetroNectin® expansion-culture system, a highly efficient lymphocyte propagation technology; and such proprietary technologies as MazF ribonuclease.

Sales of this business increased 47.2% year on year, to ¥1,240 million, as a result of favorable sales of cell culture media and gas-permeable bags.

Agribio business
Based on the concept of "food as medicine," this business uses its unique leading-edge biotechnology to scientifically identify the medical properties of foodstuffs that have traditionally been part of the Japanese diet. Based on this evidence, it develops, manufactures, and sells functional food ingredients. The agribio business focuses on rolling out Gagome kombu (kelp) "fucoidan" related products, agar-derived agar-oligosaccharide-related products, Ashitaba "chalcone" related products, and mushroom-related products.

Lower sales of health foods and mushroom-related products resulted in sales in this business declining 4.5%, to ¥2,326 million.

Due to the abovementioned factors, net sales for the Takara Bio Group increased 5.0% year on year, to ¥20,564 million. Cost of sales was up 3.8%, to ¥9,540 million, as a result of higher net sales, and gross profit grew 6.2%, to ¥11,024 million. SG&A expenses increased 5.6%, to ¥9,332 million, following a rise in personnel expenses and R&D expenses. Operating income increased 9.3%, to ¥1,691million.

(Takara Healthcare)
With building a mail-order sales network for health foods utilizing the technology of Takara Bio Inc. as its highest-priority task, Takara Healthcare is working to increase sales and move into a position of profitability rapidly. In the fiscal year under review, sales in the health care business centered on fucoidan-related products grew slightly, but end of the tea beverages PB supply business adversely impacted sales, and net sales were down 14.1%, to ¥2,008 million.

Gross profit was down 8.3%, to ¥774 million, regardless of the fact that the increase in the percentage of sales from the high-margin health care business resulted in a slight improvement in the ratio of cost of sales to net sales. SG&A expenses were down 17.0%, to ¥797 million, due to our efforts to reduce various expenditures. As a result, operating loss was ¥22 million. This loss was ¥92 million lower than the operating loss recorded in the previous fiscal year.

(Other)
The Other segment comprises other subsidiaries, including a printing business. Net sales declined 3.4% year on year, to ¥7,443 million, while operating income increased 6.0% year on year, to ¥201 million.

Breakdown of sales results by product category

Segment	Previous Fiscal Year (From April 1, 2011, to March 31, 2012)	Fiscal Year under Review (From April 1, 2012, to March 31, 2013)	YoY Comparison
Product category	Amount (Millions of yen)	Amount (Millions of yen)	(%)
Takara Shuzo Group			
Shochu	73,458	70,499	96.0
Sake	20,967	21,737	103.7
Light-alcohol refreshers	26,725	25,888	96.9
Other alcoholic beverages	10,776	11,046	102.5
Alcoholic beverages total	131,927	129,171	97.9
Hon Mirin	14,718	14,553	98.9
Other seasonings	7,423	7,830	105.5
Seasonings total	22,141	22,383	101.1
Raw alcohol, etc.	6,512	6,922	106.3
Transportation	9,093	12,162	133.8
Other	5,828	6,306	108.2
Total	175,503	176,946	100.8
Takara Bio Group	19,578	20,564	105.0
Takara Healthcare	2,338	2,008	85.9
Other	7,704	7,443	96.6
Sales not allocated to business segments and intersegment transactions	(6,434)	(5,974)	-
Total	**198,690**	**200,989**	**101.2**

Note: Amounts include alcohol tax but do not include consumption tax.

2) Outlook for the Coming Fiscal Year

The Takara Shuzo Group's earnings are expected to be adversely impacted by increasingly intense sales competition and high prices for imported raw material prices stemming from yen depreciation. Under these circumstances, the group will work to develop and nurture differentiated brands, aiming to win the support of consumers; improve the profitability of the domestic alcoholic beverages business; and establish operational structures that are balanced from all perspectives, even in regard to overseas businesses.

The core company of this segment, Takara Shuzo Co., Ltd., is anticipated to achieve increased sake revenues for the third consecutive year due to the contributions of differentiated products such as sparkling sake *Sho-Chiku-Bai Shirakabe-gura Mio* and *Sho-Chiku-Bai Ten eco-pouch*. Revenues from light-alcohol refreshers, a category in which *Takara Shochu High Ball* is performing well, are also expected to be higher as a result of the introduction of new products such as *Carina* and *Takara Can Chu-Hi Surioroshi*. Accordingly, overall sales for the segment are expected to increase 2.2% year on year, to ¥180,900 million. In regard to income, Takara Shuzo will mitigate rising raw material prices through ongoing cost reduction efforts. Combined with the increased income of overseas subsidiaries following yen depreciation, these efforts are expected to lead to an increase in gross profit. Operating income is forecasted to decrease 2.9%, to ¥6,200 million, as a result of increased SG&A expenses, specifically attributable to higher transportation expenses and promotion expenses, which will be incurred in response to intensified competition.

The Takara Bio Group is expect to record a year-on-year increase in net sales of 7.5%, to ¥22,100 million, due to the influence of yen depreciation on overseas sales as well as increased sales of research regents and gene medicine. The increase in net sales is anticipated to result in a subsequent increase in gross profit. Operating income is projected to increase 3.5%, to ¥1,750 million, regardless of a rise in SG&A expenses, which will be primarily centered on R&D expenses.

The overall net sales of Takara Healthcare are expected to experience a substantial decrease of 32.8%, to ¥1,350 million. This will be due to the fact that tea beverages PB supply business has ended. However, an increase in sales of high-margin fucoidan-related products and reduced SG&A expenses is anticipated to help the company achieve income on the operating level for the first time in the coming fiscal year.

As a result, consolidated net sales, which include net sales from the Other segment, are forecasted to increase 2.6%, to ¥206,300 million, and operating income will likely increase 0.7%, to ¥9,200 million.

Ordinary income, meanwhile, will be relatively unchanged from the previous fiscal year, rising 1.1%, to ¥9,400 million, primarily due to the absence of bond issuance cost under non-operating expenses. At the moment, we are not expecting any extraordinary losses aside from loss on sales and retirement of noncurrent assets, which generally occurs every year. Accordingly, net income is expected to rise 4.5%, to ¥4,900 million.

3) Progress under the Medium-Term Management Plan

The current medium-term management plan has set numerical targets of achieving consolidated net sales of over ¥200,000 million, consolidated operating income of over ¥10,000 million, and overseas sales that account for over 10% of total net sales in the fiscal year ending March 31, 2014. While the Group's operating environment is growing increasingly harsh due to the strong yen and loss of consumer confidence, we still managed to successfully meet our goal for consolidated net sales one year ahead of schedule, recording consolidated net sales of ¥200,989 million, as described in "1) Financial Results for the Fiscal Year under Review." However, consolidated operating income has fallen slightly below the level we had planned. While it will likely be difficult to meet our goal for operating income of ¥10,000 million, we will remain vigilant in our efforts to meet this and other goals.

(Numerical targets in the medium-term management plan are merely targets established at the time of the plan's formulation and are not guaranteed to be achieved.)

(2) Analysis of Financial Position

1) Assets, Liabilities, and Net Assets

Total assets at fiscal year-end stood at ¥207,586 million, up ¥10,148 million from the previous fiscal year-end. This included total current assets of ¥133,285 million, up ¥7,206 million from the previous fiscal year-end. Major factors included an increase in cash and deposits following the issuance of new bonds to procure the funds required for the redemption of bonds that have matured.

Noncurrent assets were ¥74,301 million, up ¥2,941 million from the previous fiscal year-end. Major factors included a ¥642 million increase in property, plant and equipment, a result of the acquisition of land by Takara Bio Inc.; and a ¥2,108 million increase in total investments and other assets following an increase in investment securities as a result of the recovery of the market prices of list stocks.

Current liabilities were ¥49,394 million, down ¥1,852 million from the previous fiscal year-end, due mainly to a decrease in accrued alcohol tax. Noncurrent liabilities were ¥43,873 million, up ¥5,343 million, primarily due to the issuance of bonds. As a result, total liabilities rose ¥3,490 million, to ¥93,268 million.

Net assets amounted to ¥114,318 million, an increase of ¥6,658 million from the previous fiscal year-end. Retained earnings increased ¥2,424 million and total accumulated other comprehensive income changed from a negative ¥2,728 million to a positive ¥1,537 million as the negative impact of foreign currency translation adjustment declined due to yen depreciation and the benefits of valuation difference on available-for-sale securities increased following the recovery of stock prices.

Plans for the coming fiscal year forecast depreciation and amortization of ¥4,100 million in property, plant and equipment and intangible assets, and capital expenditures of ¥9,188 million.

As for net assets, net income of approximately ¥4,900 million, dividends from surplus of ¥1,825 million, and purchase of treasury stock are planned. In addition, the Group's financial position at the coming fiscal year-end could change significantly as a result of the implementation of measures based on the medium-term management plan as well as currency exchange rates, share prices, and other market trends.

2) Cash Flows

Net cash provided by operating activities decreased ¥1,045 million year on year, to ¥7,967 million. Major factors increasing cash included income before income taxes and minority income of ¥9,256 million and depreciation and amortization of ¥4,251 million. Major factors decreasing cash included decrease in liquor taxes payable of ¥682 million and income taxes paid of ¥3,520 million.

Net cash used in investing activities decreased ¥1,107 million, to ¥3,672 million. Major factors increasing cash included proceeds from sales of property, plant and equipment of ¥1,709 million. Major factors decreasing cash included purchase of property, plant and equipment and intangible assets of ¥5,388 million and purchase of stocks of subsidiaries and affiliates of ¥1,249 million.

Net cash provided by financing activities was ¥1,229 million, compared to net cash used in financing activities of ¥3,265 million in the previous fiscal year. Major factors increasing cash included an inflow of ¥4,923 million representing the difference between proceeds from issuance of bonds and redemption of bonds. Major factors decreasing cash included purchase of treasury stock of ¥1,582 million and cash dividends paid of ¥1,851 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 ¥35,287 million, up ¥6,121 million from the previous fiscal year-end.

In the fiscal year ending March 31, 2014, net cash provided by operating income is expected to increase slightly to ¥9.0 billion. In investing activities, approximately ¥9.0 billion is earmarked for purchase of property, plant and equipment and intangible assets. In financing activities, the Group plans redemption of bonds of ¥5.0 billion; cash dividends paid of ¥1.8 billion; and purchase of treasury stock. Also, the Group will actively invest in growth businesses and developing businesses. As a result, cash and cash equivalents at the coming fiscal year-end, are expected to be approximately decreased from the fiscal year-end under review. However, this could change due to unplanned fund procurement or other reasons.

(Reference) Indicators Related to Cash Flows

	FY2011	FY2012	FY2013
Equity ratio (%)	49.0	48.0	48.2
Equity ratio on a market value basis (%)	44.3	58.6	77.2
Cash flow versus interest-bearing debt ratio (%)	410.9	427.1	540.9
Interest coverage ratio (times)	16.5	18.0	16.1

Equity ratio: (Net assets – Minority interests) / Total assets
Equity ratio on a market value basis: Market capitalization / Total assets
Cash flow versus interest-bearing debt ratio: Interest-bearing debt / Operating cash flow
Interest coverage ratio: Operating cash flow / Interest payments

Notes:
1. The respective indicators have been calculated using consolidated financial figures.
2. Market capitalization has been calculated based on shares outstanding at fiscal year-end, net of treasury stock.
3. For operating cash flow, net cash provided by operating activities in the consolidated statements of cash flows has been used.
4. Interest-bearing debt is all liabilities included on the consolidated balance sheets for which interest is paid. For interest payments, interest expenses paid in the consolidated statements of cash flows has been used.

(3) Basic Policy for the Appropriation of Profits and Dividends for the Fiscal Year under Review and the Coming Fiscal Year

The Takara Group appropriates profits in accordance with a medium-to-long-term perspective. By strengthening the entire Group’s business foundations and realizing earnings growth, the Group aims to maximize corporate value and shareholder return.

The Group uses cash flows from operations to replenish internal reserves in preparation for strengthening business foundations and investment in growth strategies. At the same time, with regard to the shareholder return, the Group’s basic policy is to maintain stable dividends while also taking into account operating performance when deciding on dividends each year. The Group is also committed to improving capital efficiency through the implementation of share buybacks.

Specifically, total shareholder return is the sum of total dividends and the amount of share buybacks. The shareholder return payout is the ratio of total shareholder return versus deemed consolidated net income, which is net income after the deduction of extraordinary gain and extraordinary loss. The Group establishes a minimum for the shareholder return payout. In light of this minimum and comprehensive consideration of other factors, the Group decides upon the total shareholder return.

For the meantime, the Group will implement shareholder return based on a minimum shareholder return payout of 50%.

In consideration of this abovementioned target shareholder return payout ratio, the Company plans to issue cash dividend payments in the fiscal year under review of ¥9.00 per share, the same as in the previous fiscal year. As a result, the consolidated payout ratio will be 39.1%. Further, total shareholder return was ¥3,391 million, comprising planned cash dividends payment of ¥1,825 million and treasury stock acquired of ¥1,565 million. The shareholder return payout was 58.9%.

For the coming fiscal year, the Group will pay cash dividends and purchase treasury stock based on the above-mentioned shareholder return payout. Assuming the realization of the earnings set out in “2) Outlook for the Coming Fiscal Year” in“(1) Analysis of Financial Results,” the Group plans to pay a dividend of ¥9 per share.

The Group will use internal funds to strengthen its financial position in order to strengthen the management foundation and business profitability of Group companies and to undertake investments in existing businesses as usual. In addition, the Group will invest actively in growth businesses and developing businesses as well as endeavor to increase the corporate value of the Group as a whole.

Note:
Deemed consolidated net income = (Consolidated ordinary income - Interest income and dividends + Interest payments) x (1 - Effective tax rate)

2. Management Policy

(1) The Group’s Basic Management Policy

(2) Targeted Management Indicators, Medium-Term Management Strategies and Tasks

Information regarding targeted management indicators, and medium-term strategies and tasks has been omitted as there have been no changes for the information disclosed along with the consolidated financial statements for the year ended March 31, 2011 ([released on May 10, 2011). This document can be downloaded from the Company’s investor relations information web site.
(Takara Holdings IR Info Web Site)
http://www.takara.co.jp/english/ir_e/index.html

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of Mar. 31, 2012	As of Mar. 31, 2013
Assets		
Current assets		
Cash and deposits	30,843	36,789
Notes and accounts receivable-trade	50,721	43,853
Electronically recorded monetary claims-operating	—	6,777
Securities	15,660	15,260
Merchandise and finished goods	20,847	21,773
Work in process	886	1,090
Raw materials and supplies	2,747	2,841
Deferred tax assets	2,346	2,476
Other	2,096	2,506
Allowance for doubtful accounts	(71)	(82)
Total current assets	126,078	133,285
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	42,087	42,706
Accumulated depreciation	(27,768)	(28,523)
Buildings and structures, net	14,319	14,182
Machinery, equipment and vehicles	74,328	75,797
Accumulated depreciation	(64,400)	(65,605)
Machinery, equipment and vehicles, net	9,927	10,192
Land	14,291	14,920
Lease assets	1,245	1,352
Accumulated depreciation	(571)	(725)
Lease assets, net	673	626
Construction in progress	621	372
Other	10,280	10,660
Accumulated depreciation	(8,117)	(8,315)
Other, net	2,162	2,345
Total property, plant and equipment	41,996	42,639
Intangible assets		
Goodwill	3,531	3,767
Other	1,704	1,659
Total intangible assets	5,236	5,426
Investments and other assets		
Investment securities	18,450	21,080
Deferred tax assets	2,894	2,475
Other	3,000	2,888
Allowance for doubtful accounts	(219)	(209)
Total investments and other assets	24,126	26,235
Total noncurrent assets	71,359	74,301
Total assets	197,437	207,586

(Millions of yen)

	As of Mar. 31, 2012	As of Mar. 31, 2013
Liabilities		
Current liabilities		
Notes and accounts payable-trade	13,976	13,028
Short-term loans payable	5,018	5,006
Current portion of bonds	5,000	5,000
Accrued alcohol tax	10,589	9,907
Accrued expenses	3,977	4,698
Income taxes payable	2,207	1,996
Provision for bonuses	2,005	1,980
Provision for sales promotion expenses	1,708	1,719
Other	6,762	6,056
Total current liabilities	51,247	49,394
Noncurrent liabilities		
Bonds payable	20,000	25,000
Long-term loans payable	496	417
Deferred tax liabilities	1,074	2,387
Provision for retirement benefits	9,625	8,845
Long-term deposits received	5,881	5,626
Other	1,453	1,595
Total noncurrent liabilities	38,530	43,873
Total liabilities	89,777	93,268
Net assets		
Shareholders' equity		
Capital stock	13,226	13,226
Capital surplus	3,195	3,195
Retained earnings	88,012	90,437
Treasury stock	(6,922)	(8,355)
Total shareholders' equity	97,512	98,503
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,805	4,599
Deferred gains or losses on hedges	(17)	16
Foreign currency translation adjustment	(5,516)	(3,079)
Total accumulated other comprehensive income	(2,728)	1,537
Minority interests	12,876	14,277
Total net assets	107,659	114,318
Total liabilities and net assets	197,437	207,586

(2) Consolidated Statements of Income and Consolidated Stetements of Comprehensive Income

(Consolidated Statements of Income)

(Millions of Yen)

	FY2012 (Apr. 1, 2011 - Mar. 31, 2012)	FY2013 (Apr. 1, 2012 - Mar. 31, 2013)
Net sales	198,690	200,989
Cost of sales	121,462	123,630
Gross profit	77,228	77,359
Selling, general and administrative expenses	67,963	68,225
Operating income	9,264	9,133
Non-operating income		
Interest income	177	181
Dividends income	362	354
Subsidy income	193	162
Other	341	326
Total non-operating income	1,074	1,025
Non-operating expenses		
Interest expenses	501	523
Foreign exchange losses	68	105
Other	151	232
Total non-operating expenses	722	862
Ordinary income	9,617	9,296
Extraordinary income		
Gain on sales of noncurrent assets	233	1,229
Gain on revision of retirement benefit plan	—	345
Compensation for transfer	193	—
Other	19	373
Total extraordinary income	446	1,948
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	404	622
Loss on valuation of investment securities	108	651
Loss on sales of stocks of subsidiaries and affiliates	—	262
Contribution for withdrawal from employees pension fund	—	260
Loss on disaster	754	—
Other	206	192
Total extraordinary losses	1,473	1,989
Income before income taxes and minority interests	8,590	9,256
Income taxes-current	3,321	3,390
Income taxes-deferred	851	618
Total income taxes	4,173	4,008
Income before minority interests	4,417	5,247
Minority interests in income	421	560
Net income	3,995	4,687

(Consolidated Statements of Comprehensive Income)

(Millions of Yen)

	FY2012 (Apr. 1, 2011 - Mar. 31, 2012)	FY2013 (Apr. 1, 2012 - Mar. 31, 2013)
Income before minority interests	4,417	5,247
Other comprehensive income		
Valuation difference on available-for-sale securities	53	1,850
Deferred gains or losses on hedges	17	35
Foreign currency translation adjustment	(892)	2,960
Share of other comprehensive income of associates accounted for using equity method	(18)	65
Total other comprehensive income	(839)	4,911
Comprehensive income	3,577	10,158
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	3,314	8,954
Comprehensive income attributable to minority interests	263	1,204

(3) Consolidated Statements of Change in Net Assets

(Millions of Yen)

	FY2012 (Apr. 1, 2011 - Mar. 31, 2012)	FY2013 (Apr. 1, 2012 - Mar. 31, 2013)
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	13,226	13,226
Changes of items during the period		
Total changes of items during the period	―	―
Balance at the end of current period	13,226	13,226
Capital surplus		
Balance at the beginning of current period	3,197	3,195
Changes of items during the period		
Disposal of treasury stock	(1)	0
Total changes of items during the period	(1)	0
Balance at the end of current period	3,195	3,195
Retained earnings		
Balance at the beginning of current period	85,784	88,012
Changes of items during the period		
Dividends from surplus	(1,767)	(1,851)
Net income	3,995	4,687
Change of scope of equity method	―	(411)
Total changes of items during the period	2,227	2,424
Balance at the end of current period	88,012	90,437
Treasury stock		
Balance at the beginning of current period	(5,852)	(6,922)
Changes of items during the period		
Purchase of treasury stock	(1,085)	(1,582)
Disposal of treasury stock	15	0
Change of scope of equity method	―	147
Total changes of items during the period	(1,070)	(1,433)
Balance at the end of current period	(6,922)	(8,355)
Total shareholders' equity		
Balance at the beginning of current period	96,356	97,512
Changes of items during the period		
Dividends from surplus	(1,767)	(1,851)
Net income	3,995	4,687
Purchase of treasury stock	(1,085)	(1,582)
Disposal of treasury stock	13	0
Change of scope of equity method	―	(263)
Total changes of items during the period	1,155	990
Balance at the end of current period	97,512	98,503

(Millions of Yen)

	FY2012 (Apr. 1, 2011 - Mar. 31, 2012)	FY2013 (Apr. 1, 2012 - Mar. 31, 2013)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	2,754	2,805
Changes of items during the period		
Net changes of items other than shareholders' equity	51	1,794
Total changes of items during the period	51	1,794
Balance at the end of current period	2,805	4,599
Deferred gains or losses on hedges		
Balance at the beginning of current period	(32)	(17)
Changes of items during the period		
Net changes of items other than shareholders' equity	14	34
Total changes of items during the period	14	34
Balance at the end of current period	(17)	16
Foreign currency translation adjustment		
Balance at the beginning of current period	(4,770)	(5,516)
Changes of items during the period		
Net changes of items other than shareholders' equity	(746)	2,437
Total changes of items during the period	(746)	2,437
Balance at the end of current period	(5,516)	(3,079)
Total accumulated other comprehensive income		
Balance at the beginning of current period	(2,048)	(2,728)
Changes of items during the period		
Net changes of items other than shareholders' equity	(680)	4,266
Total changes of items during the period	(680)	4,266
Balance at the end of current period	(2,728)	1,537
Minority interests		
Balance at the beginning of current period	12,587	12,876
Changes of items during the period		
Net changes of items other than shareholders' equity	289	1,400
Total changes of items during the period	289	1,400
Balance at the end of current period	12,876	14,277
Total net assets		
Balance at the beginning of current period	106,895	107,659
Changes of items during the period		
Dividends from surplus	(1,767)	(1,851)
Net income	3,995	4,687
Purchase of treasury stock	(1,085)	(1,582)
Disposal of treasury stock	13	0
Change of scope of equity method	―	(263)
Net changes of items other than shareholders' equity	(391)	5,667
Total changes of items during the period	764	6,658
Balance at the end of current period	107,659	114,318

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	FY2012 (Apr. 1, 2011 - Mar. 31, 2012)	FY2013 (Apr. 1, 2012 - Mar. 31, 2013)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	8,590	9,256
Depreciation and amortization	4,431	4,251
Increase (decrease) in provision for retirement benefits	(15)	(796)
Interest and dividends income	(539)	(536)
Interest expenses	501	523
Loss (gain) on valuation of investment securities	108	651
Loss (gain) on sales and retirement of noncurrent assets	171	(607)
Decrease (increase) in notes and accounts receivable-trade	(5,787)	548
Decrease (increase) in inventories	(455)	23
Decrease (increase) in other current assets	(175)	(357)
Increase (decrease) in notes and accounts payable-trade	570	(1,283)
Increase (decrease) in liquor taxes payable	2,524	(682)
Increase (decrease) in accrued consumption taxes	391	(62)
Other, net	1,188	465
Subtotal	11,504	11,394
Interest and dividends income received	516	589
Interest expenses paid	(500)	(495)
Income taxes paid	(2,507)	(3,520)
Net cash provided by (used in) operating activities	9,013	7,967
Net cash provided by (used in) investing activities		
Payments into time deposits	(8,517)	(21,505)
Proceeds from withdrawal of time deposits	8,240	22,396
Purchase of securities	(1,718)	(1,727)
Proceeds from sales and redemption of securities	1,680	1,747
Purchase of property, plant and equipment and intangible assets	(4,456)	(5,388)
Proceeds from sales of property, plant and equipment	647	1,709
Purchase of investment securities	(311)	(584)
Proceeds from sales of investment securities	3	543
Purchase of stocks of subsidiaries and affiliates	(3)	(1,249)
Proceeds from sales of stocks of subsidiaries and affiliates	—	609
Other, net	(343)	(223)
Net cash provided by (used in) investing activities	(4,779)	(3,672)
Net cash provided by (used in) financing activities		
Proceeds from issuance of bonds	—	9,923
Redemption of bonds	—	(5,000)
Purchase of treasury stock	(1,085)	(1,582)
Cash dividends paid	(1,768)	(1,851)
Other, net	(410)	(260)
Net cash provided by (used in) financing activities	(3,265)	1,229
Effect of exchange rate change on cash and cash equivalents	(186)	596
Net increase (decrease) in cash and cash equivalents	781	6,121
Cash and cash equivalents at beginning of period	28,384	29,165
Cash and cash equivalents at end of period	29,165	35,287

(5) Notes to Consolidated Financial Statements

(Notes on Premise of Going Concern)

No items to report.

(Basis of Presentation of Consolidated Financial Statements)

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 38

Names of principal consolidated subsidiaries:

Takara Shuzo Co., Ltd.
Luc Corporation, Ltd.
Takara Butsuryu System Co., Ltd.
TAKARA CHOU UN Co., Ltd.
Takara Sake USA Inc. (US)
Age International, Inc. (US)
FOODEX S.A.S. (France)
The Tomatin Distillery Co. Ltd (UK)
Takara Shuzo Foods Co., Ltd. (China)
Takara Bio Inc.
Takara Biotechnology (Dalian) Co., Ltd. (China)
Takara Biomedical Technology (Beijing) Co., Ltd. (China)
Takara Bio USA Holdings Inc. (US)
Clontech Laboratories, Inc. (US)
Takara Bio Europe S.A.S. (France)
Takara Healthcare Inc.
Taihei Printing Co., Ltd.

2. Application of equity method

(1) Number of affiliates accounted for under the equity method: 2

Names of principal affiliates:

Mutual Trading Co., Inc. (US)
Japan Synthetic Alcohol Co., Ltd.

Nissin Shurui Co., Ltd. is no longer counted as an affiliate accounted for under the equity method as the equity held in this company was sold during the fiscal year under review. The equity method was applied during the period in which this company was an affiliate.

(2) The affiliate to which the equity method is not applied (1 company) is small in scale in terms of net income and retained earnings (equal to the equity share); it has little influence on the consolidated income, retained earnings, etc. of the Group and has little materiality as a whole.

(3) Figures pertaining to companies accounted for under the equity method that have a fiscal year-end that is different from the Company are calculated using the financial statements for each company in its own fiscal year.

3. Matters concerning fiscal year-end of consolidated subsidiaries

Of the Company's consolidated subsidiaries, there are overseas subsidiaries that have a fiscal year-end of December 31, which differs from that of the Company. In preparing the Company's consolidated financial statements, the financial statements of these companies that were prepared at their fiscal year-end are used as there is less than a three-month difference between the fiscal year-end of these companies and the fiscal year-end of the Company. Adjustments are made for major transactions within the period between the fiscal year-end of these companies and the fiscal year-end of the Company as necessary.

4. Matters concerning accounting policies

(1) Valuation basis and method of major assets

A. Marketable securities

a. Held-to-maturity debt securities

At amortized cost (straight-line method)

b. Other marketable securities

Available-for-sale securities:

By the mark-to-market method based on market values on the date of the fiscal year-end (valuation differences are reported as a separate component of equity and the cost of sales is determined by the moving-average method)

Non-marketable available-for-sale securities:

At cost determined by the moving-average method

B. Inventories

At cost determined by the gross-average method (for the value stated in the balance sheet, the book value is written down based on the decreased profitability)

(2) Depreciation method for major depreciable assets

A. Property, plant and equipment (excluding lease assets)

Principally, by the declining-balance method

The range of useful lives is principally as follows:

Buildings and structures: 3 to 50 years

Machinery, equipment and vehicles: 4 to 15 years

B. Intangible fixed assets (excluding lease assets)

By the straight-line method

Further, subsidiaries in the United States, apply FASB Accounting Standards Codification Topic 350 “Intangibles—Goodwill and Other,” excluding goodwill.

C. Lease assets

Lease assets related to finance lease transactions without title transfer

The straight-line method has been applied, using the lease period as the useful life and taking the residual value as zero.

The Company has continued to treat finance lease transactions without title transfer that commenced before March 31, 2008, as operating leases.

(3) Accounting criteria for major allowances

A. Allowance for doubtful accounts

To prepare for losses on doubtful accounts, general provisions are determined on the basis of past credit loss experience, and specific provisions, such as loss apprehensive credits, are determined by considering individual collectability.

B. Provision for bonuses

Provision for bonuses is provided for the current portion of the future expected payment, in order to prepare for the payment of bonuses to employees at the Company and its consolidated domestic subsidiaries.

C. Provision for sales promotion expenses

Provision for sales promotion expenses is calculated by multiplying the order values of retail outlets, data provided by consolidated subsidiary Takara Shuzo Co., Ltd. and historical prices.

D. Provision for retirement benefits

Provision for retirement benefits is provided based on the actuarially calculated retirement benefit obligation and pension assets.

Past service liabilities are amortized from the date incurred using the straight-line method over a certain period (10 years) less than the remaining average service period. Unrecognized actuarial gains or losses are amortized using the straight-line method over a certain period (10 years) less than the remaining average service period from the date incurred. Amortization of unrecognized actuarial gains or losses begins in the year following that in which it was incurred.

(4) Standards for translating the values of important assets and liabilities valued in foreign currency into Japanese currency

Receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rate at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the consolidated statements of income as non-operating items. The balance sheet accounts of the foreign consolidated subsidiaries are translated into Japanese yen at the exchange rate at the balance sheet date except for equity. Revenue and expense accounts are translated into Japanese yen at the average exchange rate during the fiscal year. The resulting translation differences are presented as foreign currency translation adjustments and minority interests in equity.

(5) Major hedge accounting methods

A. Hedge accounting methods

Deferred hedge accounting is applied. However, designation accounting is applied for transactions to hedge foreign exchange risks when applicable.

B. Hedging instruments and hedged items

The hedging instruments used and items hedged in the year under review are as follows.

Hedging instrument:	Hedged items:
Currency options	Foreign currency-denominated import transactions
Currency swaps	Foreign currency-denominated loans
Foreign exchange forward contracts	Foreign currency-denominated notes and accounts payable accompanying royalty payment and Foreign currency-denominated import transactions

C. Hedging policy

Foreign exchange risks on hedged items are hedged within a certain range in accordance with the Company’s internal policies regarding derivative transactions.

D. Assessment of hedge effectiveness

Hedge effectiveness is omitted as it is anticipated that the hedging will offset fluctuations in the market and in cash after the date in which the hedging was commenced due to the fact that the conditions of the hedging instruments and the hedged transactions are the same.

(6) Goodwill amortization method and amortization period

Goodwill is amortized using the straight-line method over the period of a certain number of years that is less than 20 years.

(7) The scope of cash in the consolidated statements of cash flows

This comprises cash on hand, deposits that can be readily withdrawn as required and that can be converted into cash, and short-term investments with due dates in three months or less from the date of acquisition that entail only an insignificant risk of change in value.

(8) Other significant items related to the preparation of the consolidated financial statements

Accounting for consumption tax, etc.

Consumption tax or regional consumption taxes are excluded.

(Changes that are difficult to distinguish between changes in accounting policies and changes in accounting estimates)

(Change in Depreciation Method)

In accordance with an amendment of the Corporation Tax Act, from the first quarter of current fiscal year, the Company and certain of its domestic subsidiaries have changed to depreciation methods based on the amended Corporation Tax Act for property, plant and equipment acquired on or after April 1, 2012, for which depreciation methods pursuant to the Corporation Tax Act prior to its amendment had been applied.

Further, for the period under review the effect of this on operating income, ordinary income, and income before income taxes and minority interests is negligible.

(Changes in Method of Presentation)

(Consolidated Statements of Income)

In non-operating income, “real estate rent” was presented separately for the fiscal year ended March 31, 2012. However, “real estate rent” has been included in “other” because it was one-tenth of non-operating income or less for the fiscal year ended March 31, 2013. Figures for the fiscal year ended March 31, 2012, have been restated to reflect this change in method of presentation.

As a result, the value of “real estate rent” of ¥108 million recorded on the consolidated statements of income for the fiscal year ended March 31, 2012, was included in “other.”

In non-operating expenses, “foreign exchange losses” was included in “other” for the fiscal year ended March 31, 2012. However, “foreign exchange losses” has been presented separately because it was one-tenth of non-operating expenses or more for the fiscal year ended March 31, 2013. Figures for the fiscal year ended March 31, 2012, have been restated to reflect this change in method of presentation.

As a result, the value of “other” of ¥220 million recorded on the consolidated statements of income for the fiscal year ended March 31, 2012, has been restated as “foreign exchange losses” of ¥68 million and “other” of ¥151 million.

In extraordinary loss, “loss on valuation of investment securities” was included in “other” for the fiscal year ended March 31, 2012. However, “loss on valuation of investment securities” has been presented separately because it was one-tenth of extraordinary loss or more for the fiscal year ended March 31, 2013. Figures for the fiscal year ended March 31, 2012, have been restated to reflect this change in method of presentation.

As a result, the value of “other” of ¥314 million recorded on the consolidated statements of income for the fiscal year ended March 31, 2012, has been restated as “loss on valuation of investment securities” of ¥108 million and “other” of ¥206 million.

(Consolidated Statements of Cash Flows)

In net cash provided by (used in) operating activities, “increase (decrease) in provision for allowance for accrued sales promotion expenses” was presented separately for the fiscal year ended March 31, 2012. However, because the amount of this item lacked materiality in the fiscal year ended March 31, 2013, it was included under “other, net.” Figures for the fiscal year ended March 31, 2012, have been restated to reflect this change in method of presentation.

As a result, the value of “increase (decrease) in provision for allowance for accrued sales promotion expenses” of ¥132 million recorded on the consolidated statements of cash flows for the fiscal year ended March 31, 2012, was included in “other, net.”

In net cash provided by (used in) operating activities, “increase (decrease) in provision for retirement benefits” was included under “other, net” for the fiscal year ended March 31, 2012. However, because the amount of this item rose in materiality in the fiscal year ended March 31, 2013, it has been presented separately. Figures for the fiscal year ended March 31, 2012, have been restated to reflect this change in method of presentation.

As a result, the value of “other, net” of ¥1,040 million recorded on the consolidated statements of cash flows for the fiscal year ended March 31, 2012, has been restated as "decrease in provision for retirement benefits" of ¥15 million and "other, net" of ¥1,188 million.

In net cash provided by (used in) investing activities, "proceeds from sales of investment securities" and "purchase of stocks of subsidiaries and affiliates" were included under "other, net" for the fiscal year ended March 31, 2012. However, because the amounts of these items rose in materiality in the fiscal year ended March 31, 2013, they have been presented separately. Figures for the fiscal year ended March 31, 2012, have been restated to reflect this change in method of presentation.

As a result, the value of "other, net" of negative ¥343 million recorded on the consolidated statements of cash flows for the fiscal year ended March 31, 2012, has been restated as "proceeds from sales of investment securities" of ¥3 million, "purchase of stocks of subsidiaries and affiliates" of ¥3 million, and "other, net" of negative ¥343 million.

(Supplementary Information)

(Change in Retirement Benefit Plans)

Consolidated subsidiary Takara Bio Inc. previously employed retirement benefit plan systems consisting of a lump-sum payment plan and a defined benefit corporate pension plan. However, effective October 1, 2012, it replaced a portion of its lump-sum payment plan with a defined contribution pension plan.

The "Accounting for Transfer between Retirement Benefit Plans" (ASBJ Guidance No. 1) was used to account for this change, and extraordinary income of ¥345 million was recorded in the fiscal year under review accordingly.

(Matters Concerning Consolidated Statements of Income)

* Major Items Included Under Selling, General and Administrative Expenses

	Previous Fiscal Year (From April 1, 2011, to March 31, 2012)	Fiscal Year under Review (From April 1, 2012, to March 31, 2013)
	(Millions of yen)	(Millions of yen)
Freightage expenses	6,224	6,169
Advertising expenses	3,760	3,797
Promotion expenses	30,727	31,118
Allowance for accrued sales promotion expenses	1,708	1,719
Employees' salaries and bonuses	8,749	8,932
Provision for bonuses	1,113	1,123
Retirement benefit expenses	345	275
Depreciation	1,052	847
Research and development expenses	3,027	3,090

(Segment Information)

1. Overview of Reported Segments

Reporting segments are the segments of the Takara Group for which financial information can be obtained. The Board of Directors, top organization for decision making on Group management, examines such information to determine the allocation of management resources and evaluate the business performance on a regular basis.

The Group consists of the two corporate groups centered on the operating companies, Takara Shuzo Co., Ltd. and Takara Bio Inc., both of which were formed when the Company became a holding company; the health food business, which is managed by Takara Healthcare Inc.; other businesses; and the Company, which manages the whole group as the holding company. All operating companies develop comprehensive business strategies, covering both domestic and overseas operations, for the products and services that they offer, and work to expand their business operations.

Accordingly, the Group has defined three reported segments based on its business segments, while taking into consideration the relationship of capital between each consolidated subsidiary, the scope of managerial responsibility, and of the capacity to evaluate business performance. These three reported segments are the Takara Shuzo Group, the Takara Bio Group, and Takara Healthcare.

The Takara Shuzo Group primarily engages in the manufacturing and sales of alcoholic beverages and seasonings. It also engages in logistics and other incidental businesses. The Takara Bio Group primarily engages in the manufacturing and sales of products such as research reagents, scientific instruments, and mushrooms. It also conducts contract research services. Takara Healthcare Inc. primarily engages in the sales of products such as health foods.

2. Calculation method for net sales, income or loss, assets, liabilities, and other items of each reported segment

The accounting treatment of reported business segments is generally the same as that explained in "Basis of Presentation of Consolidated Financial Statements."

The figures for the income of reported segments are based on operating income. Intersegment income is based on the prevailing market price.

3. Net sales, Income (Loss), Assets and Other items by Reported Segment

Previous Fiscal Year (From April 1, 2011, to March 31, 2012)

(Millions of yen)

	Reported Segment				Other (Note: 1)	Total	Adjustment (Note: 2)	Amount recognized in consolidated financial statements (Note: 3)
	Takara Shuzo Group	Takara Bio Group	Takara Healthcare	Subtotal				
Net sales								
External customers	174,726	18,934	2,334	195,995	2,329	198,324	365	198,690
Intersegment	777	644	3	1,424	5,375	6,800	(6,800)	-
Total	175,503	19,578	2,338	197,420	7,704	205,125	(6,434)	198,690
Segment income (loss)	6,768	1,547	(114)	8,201	190	8,391	873	9,264
Segment assets	122,993	44,032	818	167,844	7,723	175,568	21,869	197,437
Other items								
Depreciation and amortization	3,225	1,077	12	4,315	112	4,427	3	4,431
Amortization of goodwill	146	124	-	271	-	271	-	271
Investment in equity-method affiliates	296	-	-	296	20	316	2,470	2,786
Increase in total fixed assets, property, plant and equipment and intangible assets	2,743	926	32	3,702	2,252	5,954	(624)	5,330

Notes:
1. Other includes business segments that are not part of reported segments, such as the printing business and other subsidiaries.
2. Details of adjustment amounts are as follows.
   (1) Net sales to external customers are income from real estate rent recognized by the Company.
   (2) Segment income includes eliminations of ¥61 million and income of the Company not allocated to business segments of ¥811 million.
   (3) Segment assets include assets of the Company not allocated to business segments of ¥27,771 million and other adjustment (principally eliminations) of ¥5,902 million. Assets attributed to the Company include surplus funds and long-term investment assets
3. Segment income has been adjusted to the operating income of consolidated financial statements.

Fiscal Year under Review (From April 1, 2012, to March 31, 2013)

(Millions of yen)

	Reported Segment				Other (Note: 1)	Total	Adjustment (Note: 2)	Amount recognized in consolidated financial statements (Note: 3)
	Takara Shuzo Group	Takara Bio Group	Takara Healthcare	Subtotal				
Net sales								
External customers	176,259	19,910	2,005	198,175	2,381	200,557	432	200,989
Intersegment	686	653	3	1,344	5,061	6,406	(6,406)	-
Total	176,946	20,564	2,008	199,519	7,443	206,963	(5,974)	200,989
Segment income (loss)	6,387	1,691	(22)	8,057	201	8,258	874	9,133
Segment assets	124,633	46,649	591	171,873	7,719	179,593	27,992	207,586
Other items								
Depreciation and amortization	2,997	1,104	10	4,112	119	4,231	20	4,251
Amortization of goodwill	148	119	-	267	-	267	-	267
Investment in equity-method affiliates	1,788	-	-	1,788	-	1,788	1,242	3,030
Increase in total fixed assets, property, plant and equipment and intangible assets	2,529	2,397	1	4,928	347	5,276	5	5,282

Notes:
1. Other includes business segments that are not part of reported segments, such as the printing business and other subsidiaries.
2. Details of adjustment amounts are as follows.

(1) Net sales to external customers are income from real estate rent recognized by the Company.
(2) Segment income includes eliminations of ¥57 million and income of the Company not allocated to business segments of ¥817 million.
(3) Segment assets include assets of the Company not allocated to business segments of ¥35,474 million and other adjustment (principally eliminations) of ¥7,482 million. Assets attributed to the Company include surplus funds and long-term investment assets

3. Segment income has been adjusted to the operating income of consolidated financial statements.

(Per Share Information)

	Previous Fiscal Year (From April 1, 2011, to March 31, 2012)	Fiscal Year under Review (From April 1, 2012, to March 31, 2013)
Net assets per share	¥461.41	¥493.14
Net income per share	¥19.32	¥23.01
Fully diluted net income per share	While consolidated subsidiary Takara Bio Inc. has outstanding stock acquisition rights, fully diluted net income per share has been omitted as it does not drop below net income per share.	¥22.99

Notes: 1. The basis of calculation of net assets per share is as follows.

	Previous Fiscal Year (As of March 31, 2012)	Fiscal Year under Review (As of March 31, 2013)
Total net assets (¥ million)	107,659	114,318
Amount deducted from total net assets (¥ million)	12,876	14,277
(of which minority interests) (¥ million)	(12,876)	(14,277)
Net assets at term-end related to shares of common stock (¥ million)	94,783	100,040
Shares of common stock at term-end used to calculate net assets per share (1,000 shares)	205,422	202,866

2. The basis of calculation of net income per share and fully diluted net income per share is as follows.

	Previous Fiscal Year (From April 1, 20011, to March 31, 2012)	Fiscal Year under Review (From April 1, 2012, to March 31, 2013)
Net income per share		
Net income (¥ million)	3,995	4,687
Amount not belonging to common shareholders (¥ million)	-	-
Net income related to shares of common stock (¥ million)	3,995	4,687
Average number of shares of common stock outstanding during the term (1,000 shares)	206,794	203,697
Fully diluted net income per share		
Fully diluted net income adjustment (¥ million)	-	(4)
(of which adjustment due to residual securities issued by consolidated subsidiaries) (¥ million)	-	((4))
Increase in shares of common stock (1,000 shares)	-	-

(Significant Subsequent Events)

No items to report.