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To whom it may concern,

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Takara Group Establishes a Long-term Management Plan, TaKaRa Group Challenges for the 100th

- Takara Group establishes the Medium-Term Management Plan FY2022 and Takara Group Sustainability Policy -

TAKARA HOLDINGS INC. (President: Mutsumi Kimura) (hereinafter, the “Company”) announces that it has established a six-year long-term management plan, TaKaRa Group Challenge for the 100th (hereinafter, “TGC100”), which covers a six-year period ending in FY2025 (the fiscal year ending March 31, 2026), the 100th anniversary of its foundation. In addition, the Company has launched a three-year medium-term management plan, Takara Group Medium-Term Management Plan FY2022, which will end in FY2022 (the fiscal year ending March 31, 2023), as a specific action plan and has also established the Takara Group Sustainability Policy which presents the Takara Group’s approach to social and environment issues.

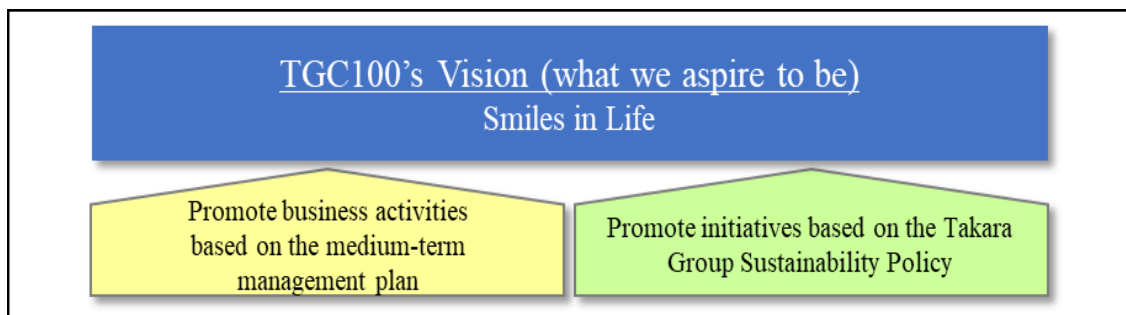
The environment surrounding the Takara Group is expected to remain increasingly difficult as the alcoholic beverage market in Japan experiences a long-term contraction due to the aging and declining population and the waning interest in drinking among young people, combined with factors such as the sustained high levels of personnel and logistics expenses due to the difficulties in securing human resources. Overseas, tensions will likely escalate due to factors such as the growing tension in the Middle East and U.S.-China trade conflicts, while food and resource prices are expected to keep rising due to the global population growth. Meanwhile, the domestic Ready-to-Drink (RTD) market is projected to expand despite severe competition, and the market for the JTAB (Japanese Traditional Alcoholic Beverages) and Japanese food is expected to continue growing worldwide. Furthermore, long-term expansion in the market size is forecast for industries surrounding regenerative medicine and stem cell therapy and the bio industry. These present many opportunities for the Takara Group’s growth. In addition, as various social and environmental challenges require global responses, companies’ responsibilities in creating a sustainable society are becoming greater than ever.

TGC100 upholds “Smiles in Life” as the Takara Group’s vision. To achieve this vision, the Takara Group adopts the management policy of further improving technological capabilities, product attraction, and brand appeal and

offering diverse values in the JTAB and Japanese food market and life science industry, thereby increasing its presence in Japan and overseas and achieving sustainable growth and major advances. Under this policy, the Takara Group aims to post in FY2025 over 340.0 billion yen in consolidated net sales, over 23.0 billion yen in consolidated operating income, an overseas sales ratio of 44% or more and a ROE of 8% or greater.

Currently, the global spread of the novel coronavirus is affecting economic activities in Japan and overseas. While this is expected to have an impact on the Takara Group's FY2020 business results, we assume that it will not have any impact on our long-term and medium-term management plans.

<Relationship between TGC100's Vision and the Medium-Term Management Plan and Takara Group Sustainability Policy>



1. Overview of Long-Term Management Vision "TaKaRa Group Challenge for the 100th"

(1) Vision

「Smiles in Life」

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

(2) Management Policy

Reinforce the Group's technical prowess, product competitiveness, and brand position so as to deliver diverse value to the JTAB and Japanese food markets and in the life science industry to establish a more prominent presence in the global market and ensure sustainable and accelerated growth.

(3) Financial Targets

Year ending March 31, 2026

▫ Net Sales	340 billion yen or above
▫ Operating income	23 billion yen or above
▫ Overseas sales over total net sales	44% or above
▫ ROE	8% or above

(4) Business Strategies

◆ Domestic Business (Takara Shuzo)

Leverage its top position in the JTBA market in Japan to switch to value-added business management, which will serve as a basis for achieving profitable growth and leading the Group's effort to remain a global leader in JTAB¹.

◆ Overseas Business (Takara Shuzo International Group)

Become a global leader² in the JTAB and Japanese food business by bolstering the global sales of JTAB and expanding the global wholesaling network for Japanese food

➤ Shared Business Objective of Takara Shuzo and Takara Shuzo International Group

Takara Shuzo and the Takara Shuzo International Group to work together toward the common goal of becoming a global leader in JTAB and Japanese food³

◆ Biomedical Business (Takara Bio Group)

Become a drug-discovery company poised to create new therapeutic modalities by developing basic technologies for biological drug discovery through the research reagent and equipment business and the CDMO business

◆ Other (domestic group companies)

Fulfill their defined missions depending on their positionings and roles in the Takara Group and contribute to the Group's efforts to achieve better business performance and increase its enterprise value

◆ Management foundation (Takara Holdings' corporate departments)

Become more effective and efficient in providing global management and support services to increase the Group's enterprise value and enhance cohesion among Group companies

1. Based on sales in Japan, exports from Japan, and local production overseas
2. Based on sales exports from Japan, local production overseas, and the overseas Japanese food wholesale business
- 3: Based on sales in Japan, exports from Japan, local production overseas, and the overseas Japanese food wholesale business

2. Overview of Medium-Term Management Plan

(1).Basic Policy

Establish a solid basis for achieving sustainable growth of the Group's global business and increasing its enterprise value. This can be done by keeping an eye open for early signs of changes in business environments and allocating available resources timely to high-priority fields so as to build a business structure capable of continually creating value that will bolster profitability and to enhance global management capability.

(2).Financial Targets

Year ending March 31, 2023

▫ Net Sales	300 billion yen or above
▫ Operating income	17.4 billion yen or above
▫ Overseas sales over total net sales	39% or above
▫ ROE	7% or above

(3).Key strategies of each business

◆ Domestic business (Takara Shuzo)

- (i) Evolve into a profit-generating company leveraging its strengths as the No. 1 manufacturer of JTAB
- (ii) Understand customer needs and promote production development and nurturing with a heightened profit awareness
- (iii) Improve brand value by continuing efficient nurturing measures to stimulate customer demand
- (iv) Facilitate cost reduction from the viewpoint of total optimization centered on the equalization of operation rates
- (v) Strengthen quality control systems in manufacturing subcontractors and overseas group companies

◆ Overseas business (Takara Shuzo International Group)

- (i) Accelerate the global expansion of JTAB, especially sake
- (ii) Expand and improve overseas Japanese food wholesale networks and enhance product procurement abilities
- (iii) Achieve synergies between the overseas Japanese food wholesale business and overseas alcoholic beverage business
- (iv) Strengthen administrative aspects of overseas group companies

➤ Shared Business Objective of Takara Shuzo and Takara Shuzo International Group

Promote collaboration between domestic and overseas businesses and enhance the development of export products and information dissemination within and outside Japan in order to establish Takara's JTAB, especially Sho Chiku Bai, as global brands

◆ Biomedical business (Takara Bio Group)

- (i) Sustainable growth of the research reagents and scientific instruments businesses and CDMO (contract development and manufacturing organization) business
- (ii) Accelerate drug development alliances and generate new clinical projects
- (iii) Accelerate business development in the growing global markets

◆ **Other (domestic group companies)**

- (i) Further enhance logistics, procurement, and other functions within the Group
- (ii) Improve the profit level and generate cash in the external sales business to contribute to the Group

◆ **Management foundation (Takara Holdings' corporate departments)**

- (i) Promptly comprehend performance of the international business and establish a global cash management foundation
- (ii) Systematically recruit, develop, and assign human resources to realize global business growth
- (iii) Strengthen quality audit systems within and outside Japan including the Japanese food wholesale business overseas
- (iv) Enhance risk management and compliance in overseas group companies
- (v) Embed the Group's common values, such as the Vision and Values in TGC100, throughout the Company
- (vi) Strengthen corporate communication to improve corporate value
- (vii) Continue examining an optimal corporate governance structure based on the Corporate Governance Code and changes in stock markets

(4).Financial policy

- Make growth investments with an awareness of improving investment efficiency based on the maintenance of sound financial fundamentals and improve profitability and efficiency to raise ROE
- Provide appropriate shareholder returns based on the sustainable growth of profits

<Shareholder return policy>

Continue stable dividend payments at the payout ratio of the high 30% range in line with the sustainable growth of profits In addition, carry out share buybacks flexibly

<ROE improvement measures>

- Work on improving the working capital turnover ratio to increase cash flow from operating activities
- Sell strategic shareholdings flexibly to generate funds
- Proactively make growth investments to improve profits

3. Overview of “Takara Group Sustainability Policy”

(1) Basic Policy

Based on our corporate philosophy, which is “Contributing to the creation of a vital society and a healthy lifestyle through our fermentation technology and biotechnology in a way that achieves harmony with nature,” the Takara Group has benefited society by unlocking new potential in the culinary, lifestyle, and life science fields through our fermentation technologies for traditional Japanese *sake* and our cutting-edge innovation in biotechnologies and by continuing to create new value.

The preservation of a rich natural environment is a major premise for the business continuity of the Takara Group, which engages in business activities on the basis of the bounty of diverse natural resources such as grains, water, and microorganisms. In addition, in handling business related to food and medicine, the Takara Group’s most important theme is to deliver safe and reliable goods, products, and services. At the same time, we must also address various social issues, including those related to alcohol.

In recent years, the social environment surrounding the Group has undergone rapid change, and with the need for a global response to such diverse issues as climate change, biodiversity conservation, resource conservation, and respect for human rights, corporate entities face an increasing responsibility to create a sustainable society.

In our long-term management vision, “TaKaRa Group Challenge for the 100th,” the Group has made a declaration that it will contribute to the realization of healthy and fulfilling daily lives that are filled with connections between people and people’s smiles. Recognizing that it is necessary to take greater initiatives to resolve various social issues if we are to continue to achieve the creation of social value through business activities into the future, we have now formulated the Takara Group Sustainability Policy in line with our long-term management vision.

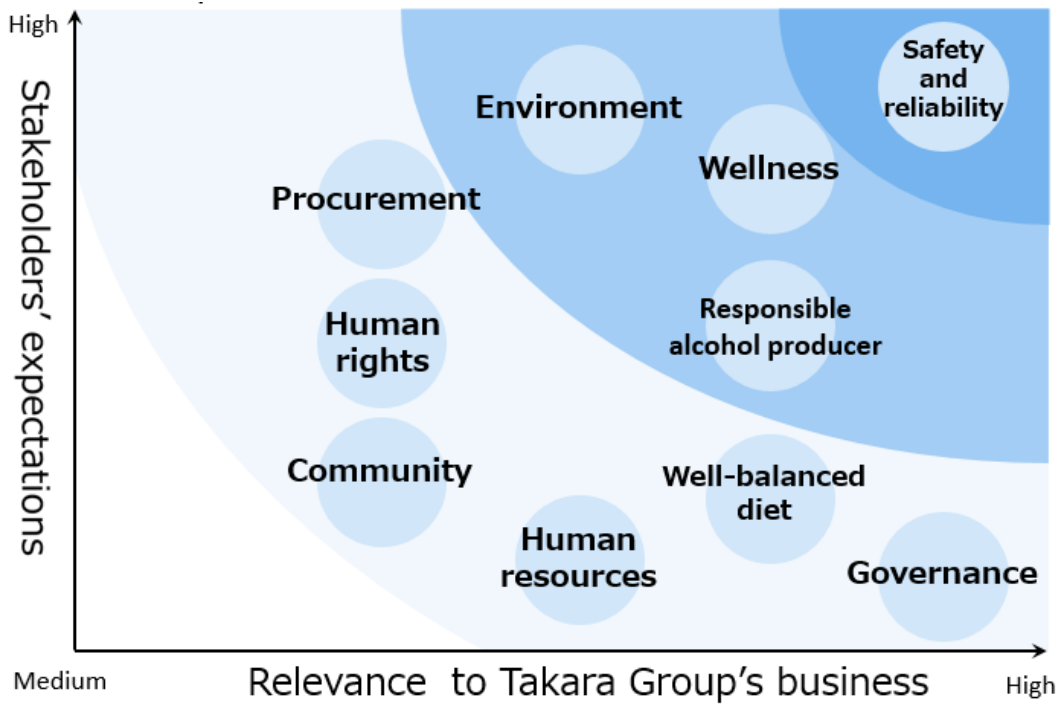
The Takara Group Sustainability Policy takes up ten important issues (materiality), including “safety and reliability,” from among the social issues surrounding the Group, and lays out initiative policies for each one, taking into account the expectations of stakeholders and the impact on the Group’s business.

Going forward, we will further proceed with initiatives based on these policies and will also work on the establishment of long-term goals.

The Takara Group aims to be a corporate group that is trusted by its stakeholders, and will contribute to the realization of a sustainable society by continuing to create social value through our business activities.

(2) Important issues (materiality)

< Materiality Matrix >



(3) Future actions

- Determine the initiative themes and the specific measures we will take concerning each of the ten issues (materiality) in promoting sustainability (Please refer to the Takara Group Sustainability Policy posted on our website for details.)
- Establish the Takara Group Sustainability Committee chaired by the President of Takara Holdings Inc. to prepare action plans and goals and continue monitoring the Takara Group's sustainability activities
- Work on establishing medium- to long-term quantitative goals for the main themes by FY2022
- Create a sustainability site on the Company's website to centrally disseminate relevant information

<Reference> Takara Group’s Identity

Upon establishing a long-term management plan, TaKaRa Group Challenge for the 100th, the Takara Group has also defined its Identity.

Based on the corporate philosophy that shows the reasons for the Group’s existence, the Takara Group newly defined the values that all employees within the Group should respect in achieving the corporate philosophy as the Values (values shared throughout the Group). Together with the Vision (what we aspire to be) in TGC100, the Values codify the Takara Group’s Identity.

The Takara Group will combine the diverse capabilities of each employee of the Group based on this Identity to develop a sense of oneness as a group without losing what makes the Takara Group unique, while nurturing a corporate culture to achieve the Vision.

- **Corporate philosophy**

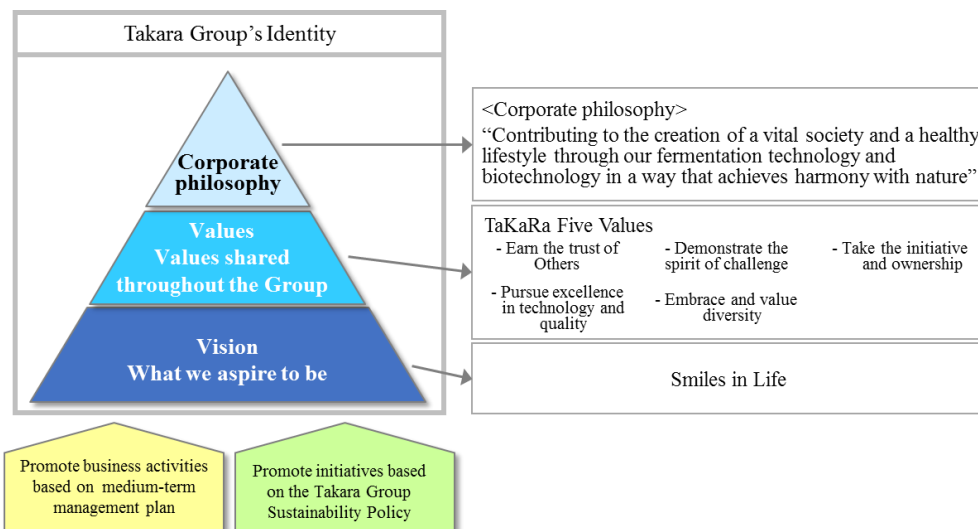
“Contribute to the creation of a vital society and a healthy lifestyle through our fermentation technology and biotechnology in a way that achieves harmony with nature”

- **Values (values shared throughout the Group)**

Values and approaches that have been handed down in the Company over a long time are expressed as TaKaRa Five Values which reflect changes in times and the globalization trend and are presented in a manner that is easy for our domestic and overseas employees to understand.

- **Vision (what we aspire to be)**

The Group’s vision of what we aspire to achieve in the long term based on factors such as core competence (strengths), business domains (fields), and values we offer to society.



*Takara Bio Inc. (securities code: 4974, First Section of Tokyo Stock Exchange) has today announced that it has established the Takara Bio Group Long-Term Management Plan 2025 and Medium-Term Management Plan 2022. Please refer to Takara Bio's press release for their details.