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To whom it may concern,

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Stock exchange listings:	Tokyo (1st section)
Securities code:	2531
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Notice Regarding Discontinuation (Abolition) of Policies on Response to Large-Scale Purchases of the Company's Shares (Takeover Defense Guidelines)

Kyoto, Japan—Takara Holdings has announced that the Company passed a resolution at the Board of Directors' meeting held on May 14, 2019 to discontinue and abolish the "Policies on Response to Large-Scale Purchases of the Company's Shares (Takeover Defense Guidelines)" as at the conclusion of the Company's 108th Annual General Shareholders' Meeting (the "**Annual General Shareholders' Meeting**") to be held on June 27, 2019.

Pursuant to the approval by shareholders at the Company's 96th Annual General Shareholders' Meeting held on June 28, 2007, the Company introduced policies to be implemented in response to any large-scale purchase of the Company's share certificates without prior approval from the Company's Board of Directors (takeover defense guidelines) (the "**Plan**"), with the aim of maintaining or increasing the corporate value of both the Company and its Group and promoting the joint benefit of shareholders. Thereafter, upon having partially amended the content thereof, as necessary, the Plan was most recently continued and renewed pursuant to the resolution passed at the 105th Annual General Shareholders' Meeting held on June 29, 2016.

On the other hand, in order to achieve improvement in the corporate value of both the Company and the Group, the Company commenced the "Takara Group Medium-Term Management Plan FY 2020" in April 2017, under which the Company is exerting its efforts to set its basic policy as achieving the increase of the overseas sales ratio and establishing a well-balanced business foundation that is readily adaptable to changing conditions. In July 2017, the Company spun off the overseas business of Takara Shuzo Co., Ltd. and established the Takara Shuzo International Co. Ltd. for the purpose of accelerating the growth of its overseas business, and the Company is striving to achieve further growth in the Overseas Alcoholic Beverages Business and the Overseas Japanese Food Wholesale Business, while further clarifying responsibilities and authority. In addition, the Company sold its consolidated subsidiary Takara Chou Un Co. Ltd. in January 2018, as well as its consolidated subsidiary Takara Healthcare Inc. in January 2019, respectively, and has also proceeded with restructuring its business portfolio. Furthermore, with regard to the Takara Bio Group, while attempting to accelerate the growth of the Bioindustry Business through acquisition of the shares of Rubicon Genomics, Inc. in December 2016 and the shares of WaferGen Bio-systems, Inc. in February 2017, assignment of business was conducted in January 2019 for the health food business and in March 2019 for the mushroom business, thereby proceeding with the selection and concentration of management resources and striving to improve corporate value.

With regard to shareholder returns, while maintaining a strong financial position, the Company has increased its dividends for six (6) consecutive years, in line with the level of consolidated operating income. At the same time, the Company has also bought back its own shares in a flexible manner.

Moreover, the Company is also proactively striving to enhance corporate governance, such as through the submission of proposals at the General Shareholders' Meeting to be held on June 27, 2019 to the effect of appointing one (1) additional outside director and setting a minimum ratio so that outside directors make up at least one third of the Board of Directors.

Based on the above, the Company has given careful consideration regarding the ideal way to proceed with the Plan, including whether or not to continue the Plan, by taking into account the changes to the business environment surrounding the Company after introducing the Plan, the recent trends regarding takeover defense guidelines, shareholder and investor perceptions regarding takeover defense guidelines and the opinions of the independent officers comprising the Independent Committee for the Company's takeover defense guidelines.

As a result, the Company has determined that the need for the Plan has relatively decreased in terms of maintaining or increasing the corporate value of the Company and its Group and promoting the joint benefit of shareholders, and the Company therefore passed a resolution to discontinue and abolish the Plan at the Board of Directors' meeting held today.

Even after the Plan is discontinued, the Company will take appropriate measures as permitted by relevant laws and regulations, such as through requesting those who purchase the Company's shares on a large scale and seek to gain control of the management of the Company to provide the Company with necessary and sufficient information so that the Company's shareholders will be able to properly determine the appropriateness of such large-scale purchase, as well as through disclosing the opinions of the Company's Board of Directors and endeavoring to secure time and information for the shareholders to conduct due consideration.