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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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Revision of Consolidated Business Results Forecast for the First Half of the Fiscal Year Ending March 31, 2018

Kyoto, Japan—Takara Holdings announced revisions to the business results forecast for the first half of the fiscal year ending March 31, 2018 (from April 1, 2017, to March 31, 2018) that it released on May 9, 2017, as stated below. These revisions were based on consideration of recent performance trends.

1. Revised figures for the business results forecast for the first half of the fiscal year ending March 31, 2018 (from April 1, 2017, to September 30, 2017)

(Millions of yen / %)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share
Previous forecast (A) (May 9, 2017, announcement)	125,000	4,700	4,700	2,400	11.93 yen
Revised forecast (B)	128,800	6,100	6,200	3,400	16.90 yen
Difference (B – A)	3,800	1,400	1,500	1,000	—
Difference (%)	3.0	29.8	31.9	41.7	—
Reference: Previous business results (First half of the fiscal year ended March 31, 2017)	107,509	5,207	5,614	3,177	15.79 yen

2. Reason for revision

Consolidated net sales are expected to be ¥3,800 million (3.0%) higher than previous forecasts as sales in each business segment have remained generally strong and the foreign exchange rates for the yen have depreciated more than forecast.

As for income, due to factors that include an increase in gross profit resulting from the increase in net sales as well as selling, general and administrative (SG&A) expenses that have remained within forecasts, operating income is projected to be ¥1,400 million (29.8%) higher than forecasted. Also ordinary income and net income attributable to owners of the parent are expected to be ¥1,500 million (31.9%) and ¥1,000 million (41.7%) higher than projected by previously released forecasts, respectively. Performance trends by each business segment were as follows.

(Takara Shuzo)

Net sales in the Domestic Alcoholic Beverages Business are expected to exceed the projection, primarily for light-alcohol refreshers. Operating income is also expected to exceed the projection due to an increase in gross profit associated with the increase in net sales as well as SG&A expenses that have remained within forecasts.

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Net sales and operating income in the Overseas Alcoholic Beverages Business and the Japanese Food Wholesale Business in overseas markets have exceeded the projections on the local currency base. Net sales and operating income are also expected to exceed the projections on the yen base as the foreign exchange rates for the yen have depreciated more than forecast.

(Takara Bio Group)

Although sales of research reagents are expected to be lower than the projection, overall net sales in the Biomedical Business are expected to slightly exceed the projection because sales of scientific instruments and contract services have remained strong. As for income, operating income is also expected to exceed the projection as a result of efforts to curb SG&A expenses in addition to the increase in gross profit associated with the increase in net sales.

Further, today consolidated subsidiary Takara Bio Inc. (The First Section of Tokyo Stock Exchange, security code number: 4974) also announced revisions to forecasts for the six-month period ended September 30, 2017.

3. Full-year business results forecast for the fiscal year ending March 31, 2018

The Company is currently evaluating whether or not revisions to forecasts for consolidated business results for the full fiscal year are necessary and considering the details of possible revisions. The Company will make an announcement in this regard when it announces its business results for the first half on November 7, 2017.

* The above-mentioned forecasts have been prepared based on the information available as of the date of announcement of this document and could differ from the business result figures scheduled to be announced on November 7, 2017.

Cautionary Statement on the Use of This Document

Statements in this document, other than those based on historical fact, concerning the current plans, prospects, strategies and expectations of the Company represent forecasts of future results. While such statements are based on the conclusions of management according to information available at the time of writing, they reflect many assumptions and opinions derived from information that includes major risks and uncertainties. Actual results may vary significantly from these forecasts due to various factors. Factors that could influence actual results include, but are not limited to, economic conditions, especially trends in consumer spending, as well as exchange rate fluctuations, changes in laws and government systems, pressure from competitors' prices and product strategies, declines in selling power of the Company's existing and new products, disruptions to production, violations of the Company's intellectual property rights, rapid advances in technology and unfavorable verdicts in major litigation.