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To whom it may concern,

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Revision of Consolidated Business Results Forecast and Dividend Forecast (Increased Dividend)
for the Fiscal Year Ending March 31, 2018

Takara Holdings is revising the consolidated business results forecasts and the dividend forecast that it released on May 9, 2017, for the fiscal year ending March 31, 2018 (from April 1, 2017 to March 31, 2018) as stated below. These revisions were based on consideration of recent performance trends.

1. Revision of the business results forecast

(1) Revised figures for the business results forecast for the fiscal year ending March 31, 2017 (from April 1, 2017, to March 31, 2018)

(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, 2016, announcement)	268,000	14,000	14,400	8,500	42.24 yen
Revised forecast (B)	270,000	15,300	15,800	10,400	51.68 yen
Difference (B-A)	2,000	1,300	1,400	1,900	-
Difference (%)	0.7	9.3	9.7	22.4	-
Reference: Previous business results (The fiscal year ended March 31, 2017)	234,193	13,551	14,344	8,480	42.15 yen

Note: Takara Holdings released “Notice Regarding Approval of Matters Related to Acquisition of Treasury Stock and Cancellation of Treasury Stock” on November 7, 2017, but the number of shares of treasury stock to be newly acquired has not been reflected in the number of shares forming the basis for the calculation of net income per share in the table above.

(2) Reason for revision

The Group’s consolidated business results in the six months ended September 30, 2017 exceeded the initial forecasts for both net sales and operating income. From the third quarter of the current fiscal year, the performance of each of the Group’s businesses, and Takara Shuzo International Group in particular, is expected to remain robust. However, there will be a decline in net sales and operating income due to the transfer of shares of a subsidiary and the exclusion of the said subsidiary from the scope of consolidation. Therefore, the Group’s overall business results from the third quarter of the current fiscal year are expected to be in line with initial forecasts.

In view of these circumstances, the Company has revised the full-year consolidated forecasts up from the previously published forecasts by ¥2,000 million for net sales (0.7%), ¥1,300 million for operating income (9.3%), and ¥1,400 million for ordinary income (9.7%).

In addition, net income attributable to owners of the parent has been revised up by ¥1,900 million (22.4%) as the Company expects to record extraordinary income related to the transfer of shares in a subsidiary.

Please refer to the Supplement for the Consolidated Quarterly Financial Statements attached to the Consolidated Financial Statements for the Second Quarter Ended September 30, 2017 released on November 7, 2017 for the full-year business results forecasts for each business segment.

Please refer to “Notice Regarding Transfer of Shares Accompanying Change in Consolidated Subsidiary” also released on November 7, 2017 for information on the aforementioned transfer of shares in a subsidiary.

2. Revision of the dividend forecast

(1) Details of revision

	Annual Dividend (yen)		
	End of 2nd quarter	Fiscal year-end	Total
Previous forecast (Announced May 9, 2017)		14.00	14.00
Revised forecast		15.00	15.00
Dividends paid in the fiscal year ending March 31, 2018			
Dividends paid in the fiscal year ended March 31, 2017		13.00	13.00

(2) Reason for revision

The Company's basic financial policy is to maintain a strong balance sheet and make growth-oriented investments while also improving our ROE and achieving proper stock price levels by providing appropriate shareholder returns.

The Group's specific shareholder return policy is to increase dividends based on consolidated operating income level with a target of 30% for the deemed dividend payout ratio* (ratio of total dividends to operating income less adjusted taxes).

Based on the aforementioned upward revision of the business results forecast and the shareholder return policy above, the Company revised its dividend forecast for the fiscal year ending March 31, 2018 from the initial 14 yen per share to 15 yen per share.

The dividend for the fiscal year ending March 31, 2018 will be proposed at the 107th Ordinary General Meeting of Shareholders to be held in June 2018.

* Deemed dividend payout ratio: $\text{Total dividends} / \text{Consolidated operating income} \times (1 - \text{statutory effective tax rate}) \doteq 30\%$

Further, today, consolidated subsidiary Takara Bio Inc. (The First Section of Tokyo Stock Exchange, securities code number: 4974) also announced revisions to the consolidated business results forecast for the fiscal year ending March 31, 2018.

*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 actual business results.

Forward - Looking Statements

Statements in this document, other than those based on historical fact, concerning the current plans, prospects, strategies and expectations of the Company and its Group 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