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To whom it may concern,

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Company representative:	Mutsumi Kimura, President
Securities code and stock exchange listings	2531 Tokyo (1st section)
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Notice Regarding Transfer of Shares Accompanying Change in Consolidated Subsidiary

At the Board of Directors' meeting held today, Takara Holdings Inc. ("the Company") approved the transfer of all of its shares in its consolidated subsidiary Takara Healthcare Inc. ("Takara Healthcare"), to Shionogi Healthcare Co., Ltd. ("Shionogi Healthcare") as of January 1, 2019 (planned).

In addition, the Company's consolidated subsidiary Takara Bio Inc. (The First Section of Tokyo Stock Exchange, securities code number: 4974, "Takara Bio"), held a Board of Directors' meeting today before the Company's Board of Directors' meeting, and resolved to transfer its functional foods business to Shionogi Healthcare through a simplified absorption-type company split, with Shionogi Healthcare as the successor company, effective January 1, 2019 (planned).

Following these actions, the Company, Takara Bio, and Shionogi Healthcare concluded an agreement on the share transfer and absorption-type company split. Details are as described below.

Shionogi Healthcare plans to implement the absorption-type merger of Takara Healthcare on January 2, 2019 (planned).

1. Reason for the transfer of shares

Takara Healthcare, established in 2006 as a wholly-owned subsidiary of the Company, offers functional foods to its customers via the mail-order sales channel. These foods utilize functional ingredients, such as Gagome kombu (kelp) "Fucoidan," Ashitaba (angelica herb) "Chalcone," Agar-derived "Agaphytose®," the herb (Peucedanum japonicum) "Isosamidin," Yam (Dioscorea esculenta) "Yamsgenin," and Mushroom "Terpene," which were researched and developed by Takara Bio based on the concept of "food as medicine." Based on the research results accumulated by Takara Bio's technological capabilities, Takara Healthcare plans, develops, and sells, and this division of roles within the Group has created synergies.

Starting in this fiscal year, FY2018, the Takara Group is working on the three-year Takara Group Medium-Term Management Plan FY2020, and is mapping out a growth strategy with management resources concentrated on its three business segments, which are Takara Shuzo (the domestic business), Takara Shuzo International Group (the overseas business), and Takara Bio Group (the biomedical business), while aiming to further enhance the efficient utilization of capital.

The Takara Bio Group promotes the strategies of its three business segments: the Bioindustry business, the Gene Therapy business, and the AgriBio business, and strengthens the business base to support these efforts,

aiming to enhance its standing as a global enterprise and regenerative medical products company, and to achieve prodigious growth.

Under these plans, it has been judged that will be more useful in enhancing the corporate value of the Group to further concentrate management resources at the Takara Group and the Takara Bio Group based on promoting business in line with their growth strategies and the progress of these plans.

Therefore, after a study of stock transferees with the ability to maximize the business assets, including the research results and know-how on mail-order sales accumulated to date, and to continue delivering functional foods to existing customers, Shionogi Healthcare was chosen. Shionogi Healthcare is a group company of Shionogi & Co., Ltd. (The First Section of Tokyo Stock Exchange, securities code number: 4507) and aims to fortify its health promotion business for seniors. After mutual consideration, each of the three companies, the Company, Takara Bio, and Shionogi Healthcare, agreed on strategy, with Takara Group's functional foods business being transferred as a whole to Shionogi Healthcare through a share transfer of Takara Healthcare and the absorption-type split of Takara Bio's functional foods business.

2. Profile of subsidiary to be transferred

(1)	Company name	Takara Healthcare Inc.		
(2)	Location	85-1 Mikura-cho, Sanjo-dori Karasuma Nishi-iru, Nakagyo-ku, Kyoto 604-8166, Japan		
(3)	Position and name of representative	Hitoshi Sakakibara, President		
(4)	Business	Manufacture and sale of functional foods		
(5)	Capital	¥90 million		
(6)	Established	September 7, 2006		
(7)	Major shareholders and shareholding ratio	Takara Holdings Inc. 100%		
(8)	Relationships between Takara Holdings and the company in question	Capital	Takara Holdings owns 100% of the shares of the company in question.	
		Personnel	Three Takara Holdings directors serve concurrently as directors of the company in question, and one Takara Holdings director serves concurrently as an auditor of the company in question. Takara Holdings has also temporarily assigned two directors to the company in question.	
		Transactions	Takara Holdings has outsourcing and other transactions with the company in question.	
(9)	Financial position and business results of the company in question for the past three years			
	Fiscal year	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
	Net assets	¥438 million	¥441 million	¥537 million
	Total assets	¥712 million	¥715 million	¥773 million

Net assets per share	¥32,210.32	¥32,472.13	¥39,494.21
Net sales	¥1,865 million	¥1,766 million	¥1,554 million
Operating income	¥64 million	¥12 million	¥68 million
Ordinary income	¥65 million	¥13million	¥69 million
Net income	¥67 million	¥2 million	¥93 million
Net income per share	¥4,926.85	¥208.48	¥6,870.40
Dividend per share	—	—	—

3. Profile of the counterparty to the share transfer

(1)	Company name	Shionogi Healthcare Co., Ltd.	
(2)	Location	7 th Floor, Yodoyabashi Square, 6-18, Kitahama 2-chome, Chuo-ku, Osaka 541-0041, Japan	
(3)	Position and name of representative	Itaru Hirano, President and CEO	
(4)	Business	Development, manufacture and sales of healthcare products such as OTC pharmaceuticals, quasi-pharmaceuticals, medical device, etc.	
(5)	Capital	¥10 million	
(6)	Established	January 15, 2016	
(7)	Net assets	¥4,090 million	
(8)	Total assets	¥5,463 million	
(9)	Major shareholders and shareholding ratio	Shionogi & Co., Ltd. 85%, Rohto Pharmaceutical Co., Ltd. 15%	
(10)	Relationship between the parties	Capital	There are no relationships to be reported between Takara Holdings and Shionogi Healthcare Co., Ltd. There are also no noteworthy relationships between Shionogi Healthcare Co., Ltd. and affiliates of Takara Holdings and the concerned parties and affiliates of Shionogi Healthcare Co., Ltd.
		Personnel	
		Transactions	
		Related parties	

4. Number of shares to be transferred and shares owned before and after the transfer

(1)	Number of shares owned before transfer	13,600 shares (No. of voting rights: 13,600, percentage of voting rights owned: 100%)
(2)	Number of shares to be transferred	13,600 shares (No. of voting rights: 13,600, percentage of voting rights owned: 100%)
(3)	Number of shares owned after transfer	0 shares (No. of voting rights: 0, percentage of voting rights owned: 0%)

Note: The transfer price is not being disclosed based on a duty of confidentiality under the share transfer agreement with the counterparty to the share transfer. The price has been determined through negotiations with the counterparty to the share transfer following a fair process and is recognized as a fair price.

5. Schedule

(1)	Date of approval by Board of Directors	September 20, 2018
(2)	Date of conclusion of agreement	September 20, 2018
(3)	Date of execution of share transfer	January 1, 2019 (planned)

6. Future outlook

The impact of the share transfer on the consolidated business results for the fiscal year ending March 31, 2019 is expected to be immaterial.

7. Other

As to the details of Takara Bio's absorption-type company split, please refer to "Notice Regarding Business Reorganization by Simplified Absorption-type Company Split" released today by the company.