



The original disclosure in Japanese was released on May 20, 2021 at 16:00 (GMT+9)

To whom it may concern,

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Notice Regarding Voluntary Product Recall

Kyoto, Japan - Takara Holdings Inc. (hereinafter the “Company”) announced today that its consolidated subsidiary Takara Shuzo Co., Ltd., has released an “Apology and Notice regarding Voluntary Product Recall.” Please refer to the attached materials for further information.

As of now, the impact of the costs associated with this voluntary recall on its consolidated business results for the fiscal year ending March 31, 2022 has not been determined. However, as it becomes clear in the future, the Company will make a prompt notification in the event it anticipates significant repercussions.

In conclusion, the Company deeply apologizes for the tremendous trouble caused to all the Takara Group’s stakeholders, starting with customers and partners.

(Attachment) Press release issued by Takara Shuzo Co., Ltd.

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

Apology and Notice regarding Voluntary Product Recall.

Recently, two cans of Takara Can Chu-Hi have been found in Japan in which aluminum fragment is getting out from the joint part of the top of the can. It is reported that a customer was injured with the hand by the defective part albeit it was not critical.

For this Voluntary Product Recall, please accept our sincere apologies for the inconvenience to consumers, business partners, and related parties during COVID-19 pandemic situation. It would be so much appreciated if you could generously accept our sincere apologies and understand that we are going to do our best in order to annihilate this kind of negative event.

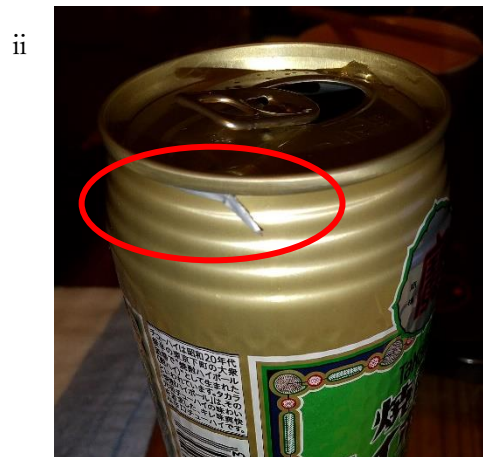
1. Incidents

- i. Takara Shochu Highball (Lemon) 500ml at a retail store in Japan on May 13

It was reported that a part of the top of the can is torn, like a thorn, and leaking the liquid.

- ii. Takara Shochu Highball (Shikuwasa) 500ml purchased by a Japanese consumer on May 17

It was reported that the customer was injured with his hand by the defective part.



2. Cause of occurrence

Due to a failure of the can lid conveying device on capping process line (looseness of the parts due to the time-related deterioration), the deformation occurred in the can lid before sealing the aluminum can.

3. Recurrence prevention measures

- We have solved the problem (loosening of the parts) of the relevant equipment of the Kusu factory.
- We have confirmed that there were no defects with the same equipment at other factories.
- Strengthen the inspection to ensure that similar defects would never occur.