



The original disclosure in Japanese was released on December 15, 2016 at 15:00 (GMT+9)

To whom it may concern,

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Company representative:	Toshio Kakimoto, President
Securities code and stock exchange listings	2531 Tokyo (1 st section)
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Notice Regarding Change in Sub-Subsidiary

Takara Bio Inc., a consolidated subsidiary of Takara Holdings, resolved at a Board of Directors' meeting held on December 15, 2016 to sign a merger agreement pursuant to which Takara Bio USA Holdings Inc., a wholly-owned subsidiary of Takara Bio, will acquire Rubicon Genomics, Inc., and executed the agreement. By this agreement, Rubicon Genomics, Inc. will become a specified subsidiary of the Company. For details, please refer to the news release entitled "Takara Bio USA Holdings, Inc. and Rubicon Genomics Announce Merger Agreement" released today by Takara Bio.

The impact of the change on consolidated earnings for the fiscal year ending March 31, 2017, currently being assessed along with other factors, is expected to be immaterial. Should it be judged necessary for performance forecasts to be revised, notice will be given in a timely manner.

(Attached) Disclosure materials of Takara Bio

End

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.

Takara Bio USA Holdings, Inc. and Rubicon Genomics Announce Merger Agreement Signs Exclusive License Agreement

Mountain View, CA and Ann Arbor, MI —December 15, 2016—Takara Bio USA Holdings, Inc. (“TBUSH”) and Rubicon Genomics, Inc. (“Rubicon”), today announced the signing of a merger agreement pursuant to which TBUSH will acquire Rubicon, a privately-owned company headquartered in Ann Arbor, Michigan. Rubicon is a leading provider of pre-analytical library preparation kits that increase the accuracy, efficiency and speed of genomic analysis. TBUSH is a wholly owned subsidiary of Takara Bio Inc. (“Takara Bio”), a leading global biotechnology and life science company headquartered in Shiga, Japan. Takara Bio USA, Inc. (“TBUSA”, formerly known as Clontech Laboratories, Inc.) is a wholly owned subsidiary of TBUSH, and both TBUSA and TBUSH are part of the global Takara Bio Group

The Takara Bio Group provides a wide range of life science products and services under the Takara®, Clontech®, and Cellartis® brands that assist discovery, translational and clinical scientists in the advancement of their work. The Rubicon acquisition will allow Takara Bio Group to augment and expand its worldwide commercial offerings in next generation sequencing (NGS) sample preparation and expand into new markets.

Highlights of the Merger:

- Adds complementary products for NGS library preparation and genetic analysis to Takara Bio Group global reagent product mix
- Expands Takara Bio Group product portfolio into IVF and other clinical markets
- Strengthens Takara Bio Group leadership in low-input and single-cell pre-analytical sample preparation
- Increases access of Rubicon’s technologies and product by leveraging Takara Bio Group research market expertise and global commercial reach

“This acquisition builds on Takara Bio Group’s commitment to develop a differentiated NGS portfolio and provide our customers with a broader offering of genetic analysis solutions, particularly in the area of library preparation,” said Carol Lou, President, TBUSA. “Rubicon’s technologies and products complement our current expertise and offerings such as our portfolio of cDNA synthesis, low-input and single cell RNA-seq products based on our proprietary SMART® technology. We welcome Rubicon into the Takara Bio Group and are looking forward to strengthening and expanding our product offerings in the fields of genomics, sequencing, single-cell and clinical applications with their unique technologies.”

“Joining Takara Bio Group provides access to their global reach and research market expertise that will accelerate the adoption of our highly sensitive NGS library preparation and genetic analysis workflow solutions by more laboratories around the world,” said

Rubicon CEO James Koziarz, Ph.D., “We are excited to have the opportunity to combine our proprietary suite of products with those of Takara Bio Group to provide more comprehensive solutions to researchers and clinical labs.”

Rubicon’s technology is also complementary with the WaferGen Bio-systems, Inc. instrument platforms and technologies which TBUSH announced earlier this year it is acquiring, and anticipates will close in March 2017. The combined acquisitions are synergistic and will allow Takara Bio Group to provide the exciting benefits of the combined portfolios to the life science community.

The transaction is subject to customary closing conditions. Upon the effectiveness of the merger, TBUSH will own all outstanding capital stock of Rubicon for a purchase price of 75 million dollars.

Advisors

GCA Advisors, LLC was exclusive financial advisor to TBUSH and BroadOak Partners, LLC was exclusive financial advisor to Rubicon. Morrison & Foerster LLP acted as legal counsel to TBUSH while Honigman Miller Schwartz and Cohn LLP acted as legal counsel for Rubicon.

About Takara Bio Inc.

Takara Bio Inc. is an innovative biotechnology company based in Shiga, Japan. As a world leader in biotechnology research and development, Takara Bio was the first company to market PCR technology in Japan and is also the developer of the RetroNectin® reagent, which is used as a world standard in gene therapy protocols. In addition to providing research reagents and equipment to the life science research market, Takara Bio has active research and product development activities in the fields of gene and cell-based therapy and agricultural biotechnology; and is committed to preventing disease and improving the quality of life for all people through the use of biotechnology. Through strategic alliances with other industry leaders, Takara Bio aims to extend its reach around the world. More information is available at takara-bio.com.

About Takara Bio USA, Inc.

Takara Bio USA, Inc. (formerly Clontech Laboratories, Inc.), a wholly owned subsidiary of Takara Bio Inc., develops, manufactures, and distributes a wide range of life science research reagents under the Takara®, Clontech® and Cellartis® brands. Key products include SMARTer® cDNA synthesis kits for a variety of samples and applications, including NGS; high-performance qPCR and PCR reagents (including the Takara Ex Taq®, Takara LA Taq®, Titanium®, and Advantage® enzymes); Cellartis stem cells and stem cell reagents; RT enzymes and SMART® library construction kits; the innovative In-Fusion® cloning system; Guide-it™ gene editing tools; Tet-based inducible gene

expression systems; and Living Colors® fluorescent proteins. These and other products support applications including NGS; gene discovery, regulation, and function studies; protein expression and purification; gene editing and stem cell studies; and plant and food research. For more information, visit takarabio.com.

About Rubicon Genomics

Rubicon Genomics develops innovative, high quality, nucleic acid library preparation and companion products for research applications that enable easy, reliable, and highly sensitive analysis of samples. Rubicon is committed to teamwork and continuous improvement to provide excellence to our customers, shareholders, and employees. Privately-held Rubicon is located in Ann Arbor, Michigan. For more information, visit rubicongenomics.com.

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This article is translated from press release in Japanese for your convenience.

Forward-Looking Statements

Statements in this news release, 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, decline in selling power of the Company's existing and new products, disruptions to production, violations of our intellectual property rights, rapid advances in technology and unfavorable verdicts in major litigation.