Medium-Term Management Plan for 2030 Briefing

May 19, 2026

Takara Holdings Inc. (2531)

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1. Executive Summary: Review of Medium-Term Management Plan for 2025 (Previous Medium-Term Plan)

- During the previous Medium-Term Plan, we positioned the three-year period as one of accelerated growth investments. We made a significant amount of investment, primarily in the bio business and the Japanese Food Wholesale Business in overseas market , which are our growth businesses. However, we were unable to achieve expected results; Operating income fell significantly short of the target, declining for four consecutive years, and ROIC and ROE remained substantially below WACC and the cost of equity.

- We believe the root cause of these results lies in our management structure. As the business environment changed, we failed to drive sufficient improvement and sophistication in business management, and we were unable to flexibly reassess how we allocated management resources.

  ⇒ Takara Bio Group has fallen into a structure burdened by excessive fixed costs disproportionate to its sales, partly due to sharp changes in the post-COVID market conditions and the growing scale of competitors. Although our status as a listed company imposed certain constraints, we failed to exercise governance that would have prompted course corrections in response to environmental changes or restrained growth investments.

  ⇒ Takara Shuzo International Group's Japanese food wholesale business in overseas markets maintained a growth trend in its net sales. However, sales expansion in North America and an improvement in the gross profit to sales ratio in Europe fell short of our expectations mainly due to deteriorating market conditions and intensifying competition. At the same time, the worldwide inflation trend pushed the SG&A ratio higher than anticipated. Our subsidiaries lacked sufficient control over gross profit and expenses, and Takara Shuzo International headquarters lacked sufficient management capability.
  We also failed to discuss adequately the risks of this outcome when making our investment decisions.

- Takara Shuzo faced cost increases but achieved its operating income target through price revision efforts and efficient management of SG&A expenses. The overseas alcoholic beverages business of Takara Shuzo International Group achieved its operating income target, driven by Age International outperforming its target. However, the global expansion of Washu has not progressed as intended, and exports have shown almost no growth.

1. Executive Summary: Outline of Medium-Term Management Plan for 2030 (New Medium-Term Plan)

In the Medium-Term Management Plan for 2030, we will first accelerate our efforts on the following two points.

- We will strengthen the management foundation to ensure appropriate investment at each business by reviewing group governance as well as management structures and operations for each business
- We will restructure and turn around the bio business and the Japanese food wholesale business in overseas marketsthrough the profit structure reform

In addition, to realize our Long-Term Vision 2050, we will strengthen our efforts on the following two points.

- In the alcoholic beverages business (domestic and international), we will take various approaches leveraging the Takara Group's unique assets and networks to develop a business model and product strategy to drive the global expansion of Washu. In doing so, we will improve its medium- to long-term growth potential and sustainability as a core business.
- We will further accelerate our efforts to create new value, mainly through the use of biotechnology, by fully leveraging the benefits of Takara Bio becoming a wholly owned subsidiary through an investment of 54.0 billion yen. We will thereby create new businesses, strengthen and expand existing ones, and establish a path for medium- to long-term growth.

1. Executive Summary: Outline of Medium-Term Management Plan for 2030 (New Medium-Term Plan)

Overall Policy

Build a global management foundation early to support the business portfolio strategy, thereby restoring the Group to a growth trajectory and establishing a path for long-term growth

First half (two years)
Structural reform, turnaround, and laying the groundwork for future growth

Second half (three years)
Accelerating growth and creating future growth drivers

Financial Targets

FY2031
ROIC: 7% or more, ROE: 10% or more
Operating income: 37.8 billion yen or more
Net sales: 493.0 billion yen or more

<Reference: FY2028>
ROIC: 4.3%, ROE: 6.1%
Operating income: 23.5 billion yen
Net sales: 429.0 billion yen

Financial Policy

- ✓ Strengthen the ability to generate cash flow from operating activities by capturing returns on past investments in growth and high-priority fields and make investments aimed at improving the efficiency of existing businesses and creating new ones
- ✓ Reduce the cost of capital through shareholder returns funded by the effective use of interest-bearing debt and the sale of cross-shareholdings and real estate holdings
- ✓ Introduce progressive dividends and target a total payout ratio of 50% over the five-year period on a cumulative basis as a basic policy. Conduct treasury stock acquisitions flexibly, taking into account the balance with growth investments

Basic Policy

(1) Business Portfolio Strategy to Realize Long-Term Vision 2050

(2) Review of Group Governance and Management Structure

(3) Reinforcement of ROIC Discipline

(4) Reform of the Profit Structure of Existing Businesses, Primarily in the Bio Business and the Japanese Food Wholesale Business

(5) Establish a Growth Path by Leveraging Group Synergies

1. Executive Summary: Basic Policy (2) Review of Group Governance and Management Structure

- Newly establish a meeting body to discuss our business portfolio strategy, such as policies for investment and allocation of corporate resources, under the leadership of Takara Holdings' directors and executive officers
- Review the Group's overall governance and management structures for investment-related matters in particular (the design and operation of the meeting body, etc.), taking into account Takara Bio becoming a wholly owned subsidiary, to ensure the appropriate allocation of corporate resources based on our policy

1. Executive Summary: Reform the Profit Structure Following the Takara Bio Tender Offer

Takara Bio faces structural issues: the competitiveness and profitability of its reagents/instruments business have declined due to rapid changes in the life science research market and its operating environment, and recovering capital investment in its CDMO business, which is a front-loaded investment-type business, will take considerable time. Addressing these issues urgently required further sophistication in business management. We therefore conducted the tender offer and decided to initiate a reform of the profit structure.

<Purpose of making Takara Bio a wholly owned subsidiary>

(1) Reforming the profit structure of Takara Bio

(2) Strengthening the development of new businesses of the Takara Group with biotechnology as a core competency

(3) Expanding the Takara Bio business by drawing on the strengths of Takara Shuzo and Takara Shuzo International

(4) Eliminating listing-related costs

Main components of Takara Bio profit structure reforms

- ✓ Discontinue proprietary gene therapy clinical development programs (including TBI-1301)
- ✓ Withdraw from GMP cell processing contract services
- ✓ Reduce personnel expences and maintenance costs
- ✓ Close the Sweden site
- ✓ Eliminate listing-related costs

In addition to expanding net sales, we plan to reduce approximately 2.8 billion yen in fixed costs by FY2028 and return to profitability.

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■ Business Performance of Takara Holdings (Consolidated)

(Millions of yen)

	FY2026 actual	Vs. FY2023 actual	Vs. Plan
Net sales	**394,316**	+12.4%	-6.1%
Gross profit	**127,696**	+6.5%	-
Operating income	**17,076**	-55.0%	-55.1%
Ordinary income	**16,861**	-56.4%	-
Net income attributable to owners of the parent	**11,696**	-44.8%	-
Percentage of net sales from overseas operations	**62.7%**	+14.4pt	+2.7pt
ROE	**4.6%**	-6.4pt	-4.4pt
ROIC	**3.1%**	-5.8pt	-4.4pt

■ Net Sales and Operating Income by Business

(Millions of yen)

		FY2026 actual	Vs. FY2023 actual	Vs. Plan	Notes (vs. Plan)
Takara Shuzo	Net sales	**119,122**	-3.1%	-3.4%	Despite falling short on net sales and facing unexpected cost increases, our price revision efforts and efficient management of SG&A expenses allowed us to exceed our operating income target.
	Operating income	**5,729**	+17.1%	+13.1%	
Takara Shuzo Int'l Group	Net sales	**221,888**	+61.4%	+1.8%	Net sales exceeded the target, driven by the overseas alcoholic beverages business. However, operating income fell short of the target overall, as the overseas Japanese food wholesale business underperformed against its target.
	Operating income	**14,201**	+31.2%	-15.0%	
Overseas alcoholic beverages business	Net sales	**28,502**	+56.2%	+16.6%	Net sales and operating income both significantly exceeded the target, driven by Age International in the high-margin Whiskey business.
	Operating income	**12,492**	+155.2%	+82.2%	
Overseas Japanese food wholesale business	Net sales	**195,944**	+61.5%	-0.5%	Net sales came in roughly in line with the target. Although growth slowed at existing companies, unplanned M&A offset that shortfall. Operating income fell well short of the target due to higher SG&A expenses.
	Operating income	**3,408**	-54.9%	-70.9%	
Takara Bio Group	Net sales	**40,318**	(*) -48.4%	-40.8%	Net sales fell short of the target, and a sharp deterioration in market conditions including in North America and China severely disrupted the balance between revenue and expenses (fixed costs), resulting in an operating loss.
	Operating income	**-4,688**	—	—	

* Excluding COVID-related sales, the decline was 4.6% (net sales in FY2023 included 35.9 billion yen in COVID-related net sales).

■ Investment Results by Business

(Millions of yen)

	Medium-Term Plan target	**FY2024-2026 actual**	Vs. target	Notes (vs. target)
Takara Group consolidated	87,700	**102,902**	+17.3%	—
Takara Shuzo	21,000	**12,442**	-41.0%	Renovation of plants was delayed due to difficulty in securing construction workers, and rising construction costs required plan revisions, causing results to fall well short of the target.
Takara Shuzo Int'l Group	20,000	**44,685**	+122.6%	Unplanned M&A (Kagerer in Germany and companies in other countries) drove results well above the target.
Takara Bio Group	45,400	**40,529**	-10.8%	Despite unplanned M&A (Curio in the U.S. and companies in other countries), prioritizing and focusing on manufacturing capital investment kept results below the target.

■ ROIC

(%)

	FY2026 actual	Diff from FY2023 actual	Diff from target
Takara Group consolidated	**3.1**	-5.8pt	-4.4pt

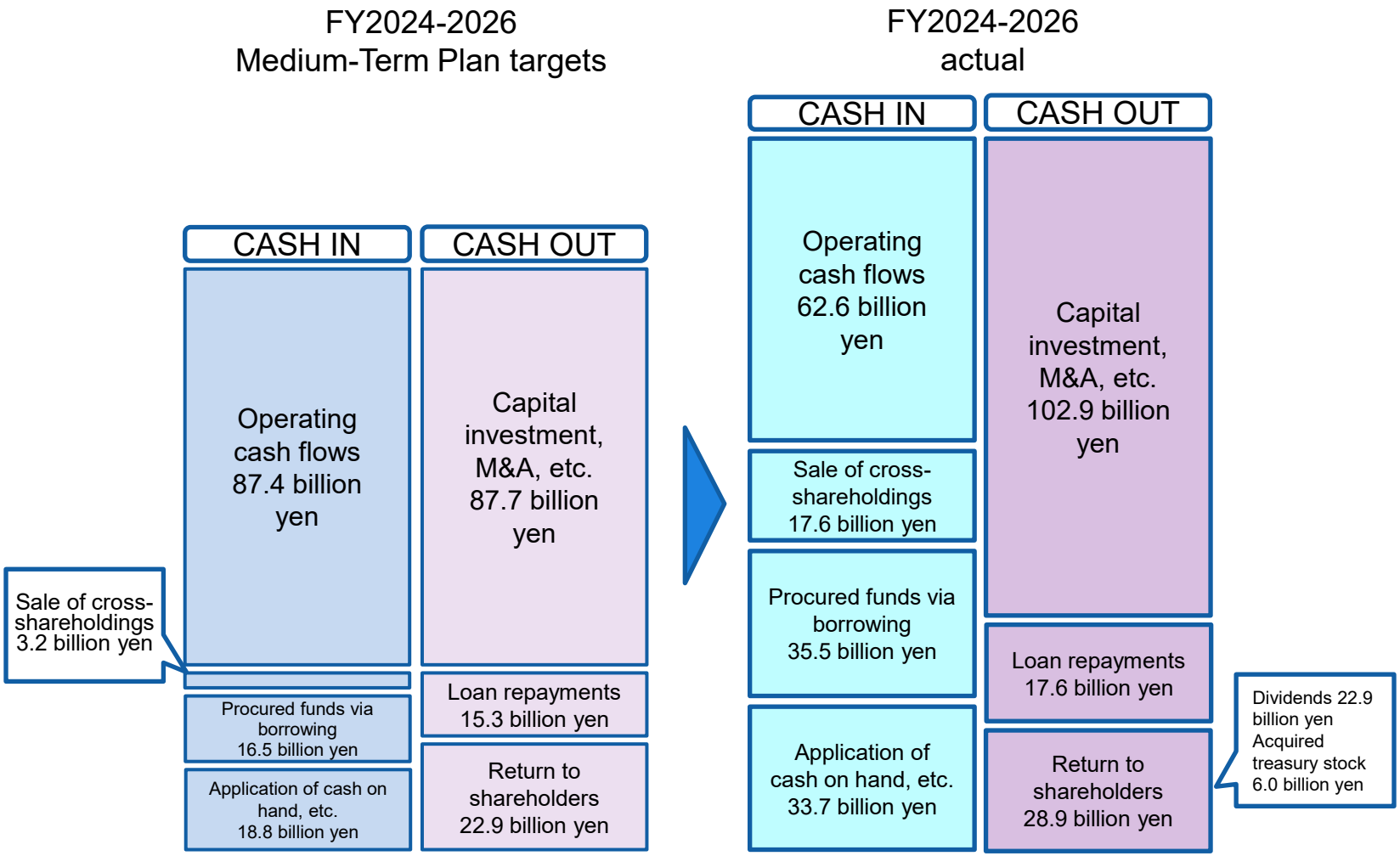
◆ By business (reference figures)

Takara Shuzo	(*) **5.5**	+0.5pt	+1.0pt
Takara Shuzo Int'l Group	**6.3**	-4.6pt	-4.4pt
Takara Bio Group	**-3.2**	-21.1pt	-11.6pt

* Beginning in FY2026, the ROIC calculation method at Takara Shuzo has been changed, with rebate equivalents omitted from notes and accounts receivable-trade leading to a decrease in invested capital. Old basis: 4.8% (Medium-Term Plan target is on the pre-change basis)

Operating cash flows fell short of the target. However, we proceeded with the sale of cross-shareholdings and procured funds via borrowing.
Capital investment came in below the target due to construction delays and other factors. Meanwhile, we carried out growth investments, including M&A, and shareholder returns, both exceeding targets.

■ Cash Allocation



2. Review of Medium-Term Management Plan for 2025 <Takara Bio Group>

Net sales fell short of the target, primarily in the reagents business and the CDMO business, due to deteriorating global life science market conditions and reduced orders following changes in development policies at major customers.

Gross profit fell significantly short of the target, reflecting the shortfall in net sales against the target as well as additional factors including lower catalog product sales in the U.S. and a decline in unit prices due to price competition in China.

Although we reduced SG&A expenses, gross profit fell significantly short of the target. Furthermore, administrative expenses, amortization of goodwill, and other expenses from the Curio acquisition increased, resulting in an operating loss.

■ FY2026 Business Performance

(Millions of yen)

	FY2026 actual	Vs. FY2023 actual	Vs. target
Net sales	**40,318**	(*) -48.4%	-40.8%
Gross profit	**20,261**	-54.7%	-54.6%
SG&A expenses	**24,949**	+3.0%	-15.9%
Operating income	**-4,688**	—	—

■ Gross Profit to Sales Ratio

(%)

	FY2026 actual	Vs. FY2023 actual	Vs. target
Takara Bio Group total	**50.3**	-7.0%	-15.3%

* Excluding COVID-related sales, the decline was 4.6% (net sales in FY2023 included 35.9 billion yen in COVID-related net sales).

2. Review of Medium-Term Management Plan for 2025 <Takara Bio Group>

<Main factors behind the decline in the reagents business>

- A sharp reduction in U.S. research grants depressed activities at government research institutions and academia.
- Despite our focus on promoting sales of spatial biology products*, their ramp-up was delayed due to stagnation in the U.S. market.
- In China, an economic downturn, cuts to R&D budgets, and intensifying competition from rising domestic reagent manufacturers all weighed on net sales to decline significantly.

* A reagent product that uses spatial analysis technology, a technique for comprehensively analyzing in which cells and how genes are expressed, at high resolution.

■ Net Sales by Business

(Millions of yen)

	FY2026 actual	Vs. FY2023 actual	Vs. target	Diff from target
Reagents	**29,197**	(*) -55.7%	-37.1%	-17,212
Instruments	**896**	-34.8%	-74.3%	-2,588
CDMO	**7,291**	-11.1%	-49.3%	-7,093
Gene Therapy	**2,932**	+11.1%	-23.2%	-887

* Excluding COVID-related sales, the decline was 2.8% (net sales in FY2023 included 35.9 billion yen in COVID-related net sales).

In SG&A expenses, we contained R&D costs by prioritizing and focusing on projects, coming in below the target. However, the SG&A ratio exceeded the target.

Net sales did not grow as planned relative to the headcount and capital investment increases from upfront investment, resulting in a profit structure where excess fixed costs disproportionate to sales are squeezing profits.

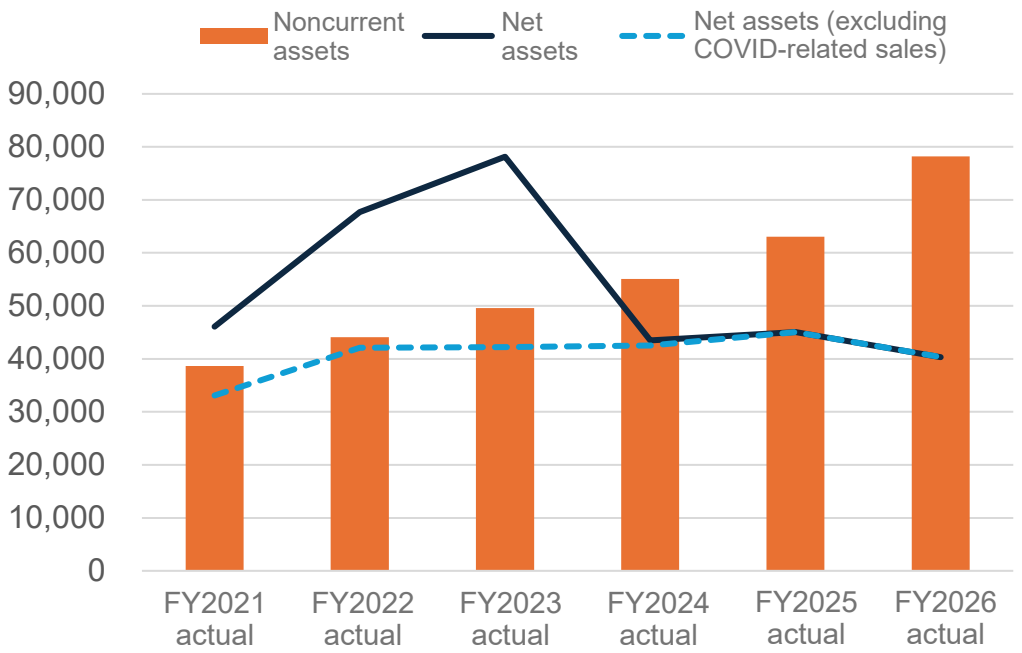
■ SG&A Ratio and Personnel Cost Ratio

(Millions of yen)

	FY2026 actual	Vs. FY2023 actual	Vs. target
Net sales	**40,318**	(*) -48.4%	-40.8%
SG&A expenses	**24,949**	+3.0%	-15.9%
SG&A ratio	**61.9%**	+30.9%	+18.3%
Personnel costs	**12,802**	+12.5%	-13.6%
Personnel cost ratio	**31.8%**	+17.2%	+10.0%

■ Noncurrent Assets and Net Sales Trends

(Millions of yen)



* Excluding COVID-related sales, the decline was 4.6% (net sales in FY2023 included 35.9 billion yen in COVID-related net sales).

* Noncurrent assets are averaged between the beginning and end of the fiscal year.

2. Review of Medium-Term Management Plan for 2025
<Japanese Food Wholesale Business in overseas market >

Global inflation and related factors caused net sales and gross profit at existing companies to fall short of the target. Overall gross profit was above the target as a result of implementing unplanned M&A.

However, personnel costs and other SG&A expenses grew significantly, and we were unable to rein in such growth. As a result, operating income fell well short of the target.

■ FY2026 Business Performance (Breakdown)

* Figures for new M&A, etc. and for existing businesses represent simple aggregation of the relevant subsidiaries.

(Millions of yen)

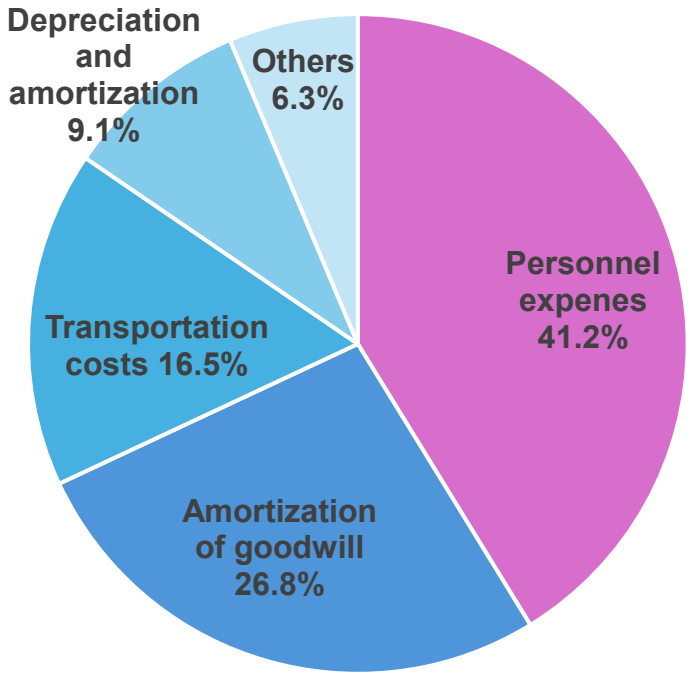
	Overseas Japanese food wholesale business total			New M&A, etc.			Existing businesses		
	FY2026 actual	Vs. FY2023 actual	Vs. target	**FY2026 actual**	Vs. FY2023 actual	Vs. target	**FY2026 actual**	Vs. FY2023 actual	Vs. target
Net sales	**195,944**	+61.5%	-0.5%	**41,570**	-	+16.3%	**171,186**	+28.0%	-3.2%
Gross profit	**56,985**	+65.0%	+1.3%	**11,194**	-	+17.8%	**45,817**	+31.9%	-2.1%
SG&A expenses	**53,576**	+94.9%	+20.3%	**12,517**	-	+49.5%	**41,147**	+49.4%	+13.7%
Operating income	**3,408**	-51.7%	-70.9%	**-1,323**	-	-217.5%	**4,669**	-35.2%	-56.0%
Operating income (Reference: Before reflecting amortization of goodwill, etc.)	**6,572**	-13.1%	-47.3%	**1,199**	-	-12.2%	**5,310**	-31.1%	-52.3%
Gross profit to sales ratio	**29.1%**	+0.6pt	+0.5pt	**26.9%**	-	+0.3pt	**26.8%**	+0.8pt	+0.3pt
SG&A ratio	**27.3%**	+4.7pt	+4.7pt	**30.1%**	-	+6.7pt	**24.0%**	+3.4pt	+3.6pt
Operating income to sales ratio	**1.7%**	-4.1pt	-4.2pt	**-3.2%**	-	-6.3pt	**2.7%**	-2.7pt	-3.3pt

The main factors of the increase in SG&A expenses include personnel costs, amortization of goodwill, transportation costs, and depreciation and amortization.

Personnel costs in particular rose due to higher unit labor costs and headcount growth associated with new location openings. Timely management of these cost increase factors was also insufficient, which prevented us from curbing the increase in SG&A expenses.

■ Main Factors of the Increase in SG&A Expenses Against the Medium-Term Plan Targets

(Breakdown of increase) * Amount of increase: 9,033 million yen



■ Personnel Costs to Net Sales Ratio

	FY2026 actual	Vs. FY2023 actual	Vs. target
Japanese food wholesale business in overseas market total	**12.1%**	+2.2pt	+1.9pt

<Main factors of the increase in personnel expenses>
- Higher unit labor costs
- Headcount growth (non-working personnel, etc., prior to opening new locations)

Net sales were below the plan, and unexpected cost increases further weighed on gross profit, which also fell short of the plan. However, through efficient management of SG&A expenses, among other measures, we achieved our operating income plan.

By steadily executing price revisions in response to cost increases and raising the sales composition ratio of priority brands, Takara Shuzo improved its gross profit to sales ratio, and gross profit exceeded the FY2023 actual.

■ FY2026 Business Performance

(Millions of yen)

	FY2026 actual	Vs. FY2023 actual	Vs. plan
Net sales	**119,122**	-3.1%	-3.4%
Gross profit	**30,174**	+3.1%	-11.4%
SG&A expenses	**24,445**	+0.2%	-15.7%
Operating income	**5,729**	+17.1%	+13.1%

■ Sales Composition Ratio of Priority Brands

	FY2026 actual	Vs. FY2023 actual	Vs. plan
Priority brands	**41.3%**	+6.1pt	-2.6pt

■ Takara Shuzo's Gross Profit to Sales Ratio

	FY2026 actual	Vs. FY2023 actual	Vs. plan
Takara Shuzo	**25.3%**	+1.5pt	-2.3pt

At Takara Sake USA, we advanced product development tailored to local market needs. However, both sales growth and profits fell short of satisfactory levels. Export expansion has also fallen behind the plan.

■ FY2026 Net Sales

(Millions of yen)

	FY2026 actual	Vs. FY2023 actual	Vs. plan
Overseas alcoholic beverages business Washu business	**8,937**	+7.5%	-28.8%
Takara Sake USA	**6,477**	+6.9%	-20.1%
Takara Shuzo Foods	**867**	+8.8%	-38.3%
Exports	**1,328**	+0.3%	-55.2%

* Washu business: Simple aggregation of the relevant subsidiaries (prior to consolidation adjustments)

■ FY2026 Operating Income

(Millions of yen)

	FY2026 actual	Vs. FY2023 actual	Vs. plan
Takara Sake USA	**838**	+27.2%	-18.6%
Takara Shuzo Foods	-59	–	–

Amid persistently sluggish global whiskey demand, Age International used the strong brand equity of Blanton's to achieve growth well above the plan. As a result, overall results were also above the plan.

■ FY2026 Net Sales

(Millions of yen)

	FY2026 actual	Vs. FY2023 actual	Vs. plan
Overseas alcoholic beverages business Whiskey business	**20,104**	+85.5%	+50.2%
Age International	**16,237**	+183.9%	+135.0%
Tomatin	**3,803**	-24.7%	-40.4%

* Whiskey business: Simple aggregation of the relevant subsidiaries (prior to consolidation adjustments)

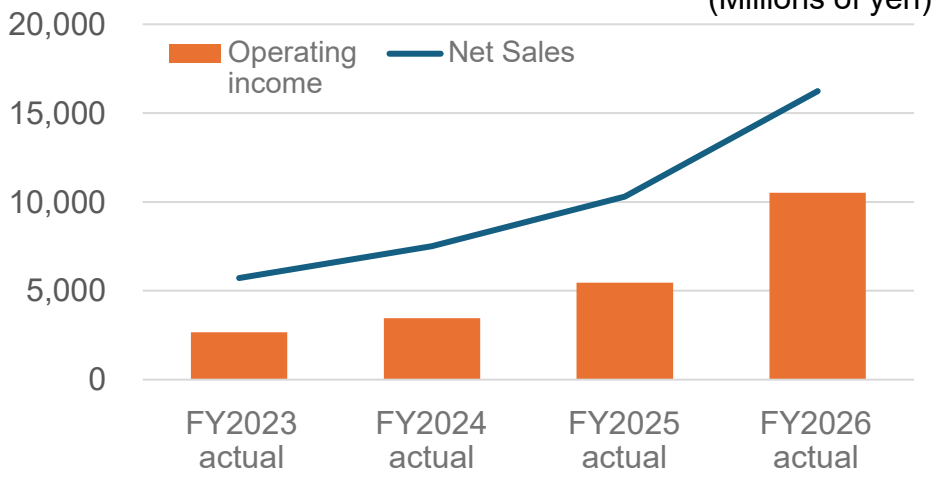
■ FY2026 Operating Income

(Millions of yen)

	FY2026 actual	Vs. FY2023 actual	Vs. plan
Age International	**10,528**	+293.4%	+268.3%
Tomatin	**1,411**	-22.2%	-40.6%

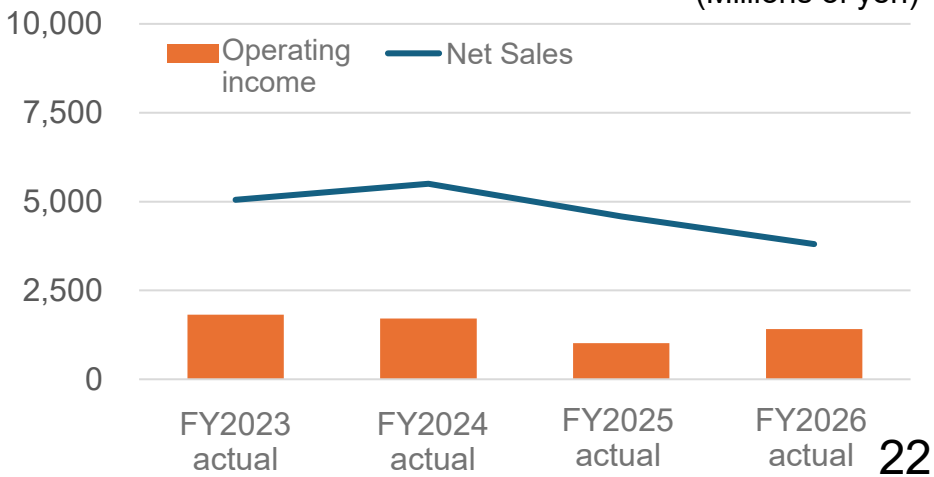
■ Age International Performance Trends

(Millions of yen)



■ Tomatin Performance Trends

(Millions of yen)



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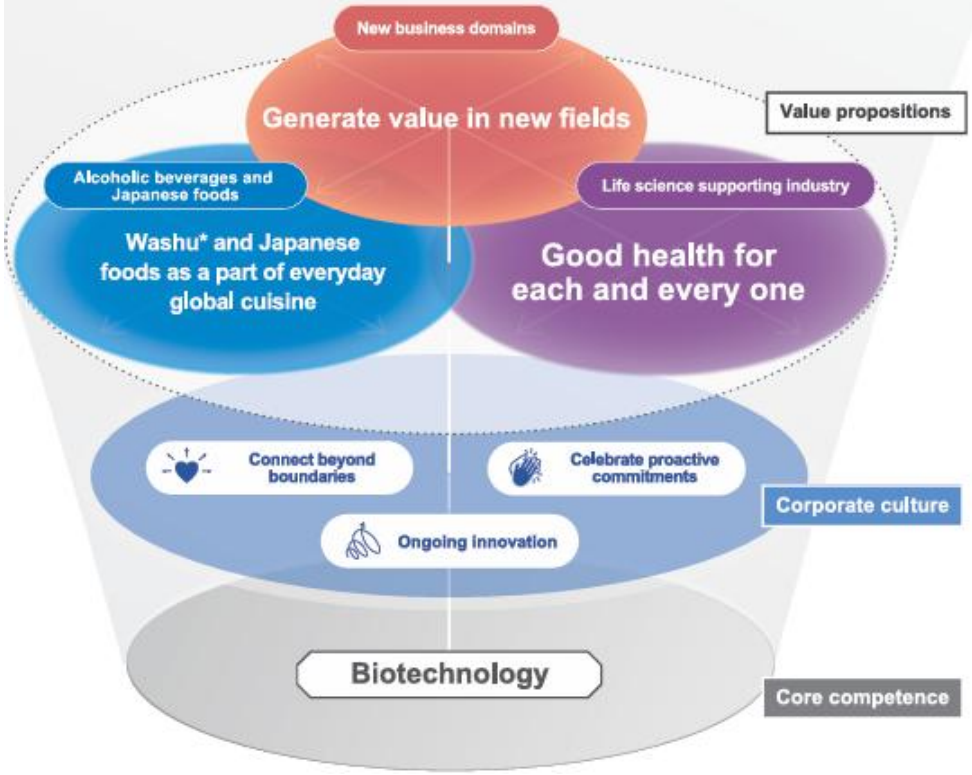
Reference Materials

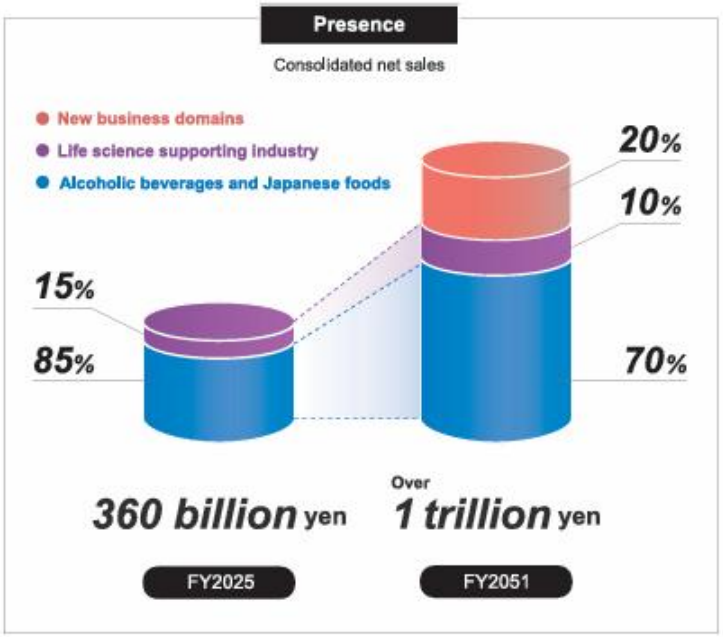
Long-Term Vision 2050

Vision 2050

Smiles in Life

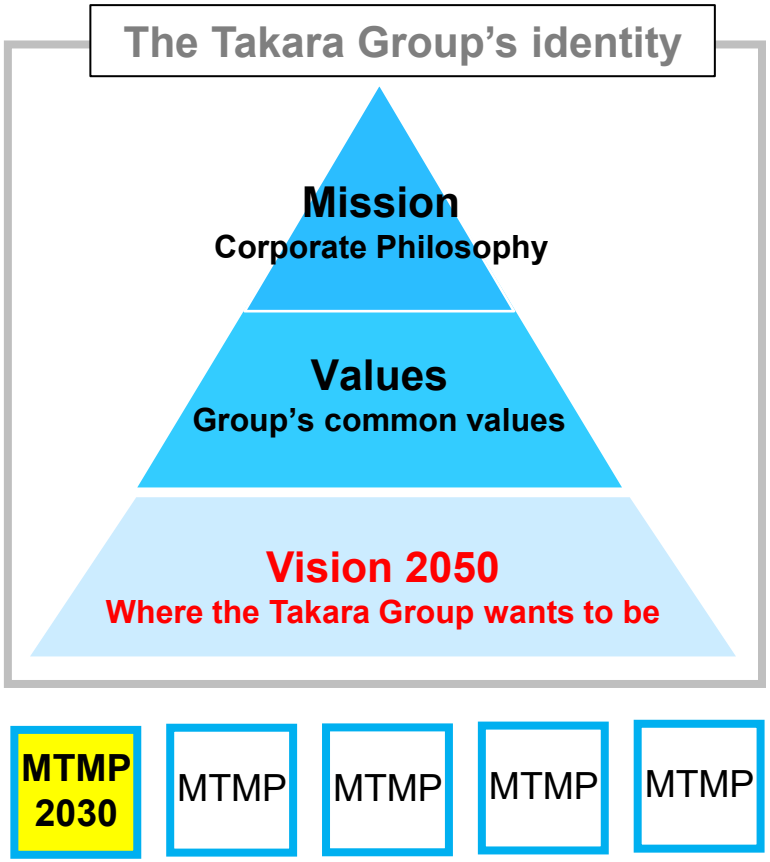
The Takara Group continues to bring smiles to people around the world by delivering a fulfilling dietary lifestyle and healthy living, and by creating new value through biotechnology.





The role of Medium-Term Management Plan for 2030 within Long-Term Vision 2050

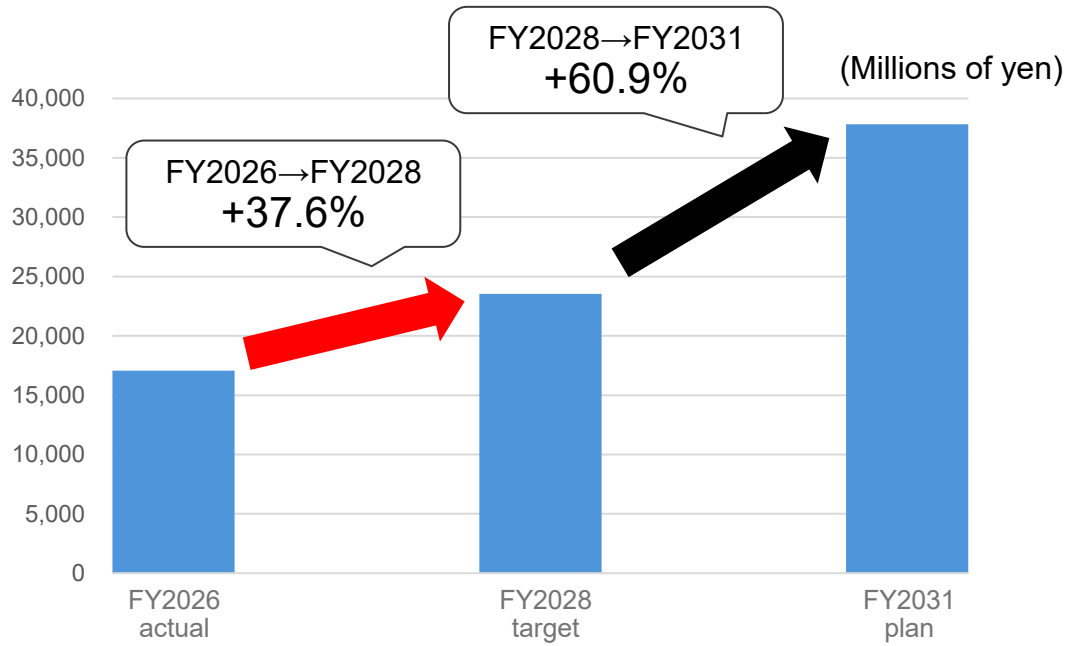
Medium-Term Management Plan for 2030 establishes near term milestone targets for achieving the Long-Term Vision 2050 and outlines specific strategies and plans for meeting those targets.



3. Outline of Medium-Term Management Plan for 2030 (Partially Restated)

Overall Policy	Build a global management foundation early to support the business portfolio strategy, thereby restoring the Group to a growth trajectory and establishing a path for long-term growth **First half (two years)** **Structural reform, turnaround, and laying the groundwork for future growth** Second half (three years) Accelerating growth and creating future growth drivers
Financial Targets	FY2031 ROIC: 7% or more, ROE: 10% or more Operating income: 37.8 billion yen or more Net sales: 493.0 billion yen or more <Reference: FY2028> ROIC: 4.3%, ROE: 6.1% Operating income: 23.5 billion yen Net sales: 429.0 billion yen

■ Operating Income Trends Over the Medium-Term Management Plan for 2030 Period



■ Quantitative Targets

First half | Second half

(Millions of yen)

	FY2026 actual	FY2028 target (reference)	**FY2031 plan**	FY2026 actual vs. FY2028 target	FY2028 target vs. FY2031 plan
Net sales	394,316	429,000	**493,000 or more**	+8.8%	+14.9%
Operating income	17,076	23,500	**37,800 or more**	+37.6%	+60.9%
ROE	4.6%	6.1%	**10% or more**	+1.4pt	+3.9pt
ROIC	3.1%	4.3%	**7% or more**	+1.2pt	+2.7pt
Takara Shuzo	5.5%	5.3%	**5.0%**	-0.2pt	-0.3pt
Takara Shuzo Int'l Group	6.3%	7.1%	**10.9%**	+0.9pt	+3.8pt
Takara Bio Group	-3.2%	0.5%	**3.9%**	+3.7pt	+3.4pt

[Reference figures]

EPS (Yen)	60.5	76.7	**126.3**	+26.8%	+64.6%

* EPS figures for FY2028 target and FY2031 plan are calculated based on the average number of shares outstanding for FY2026 actual.

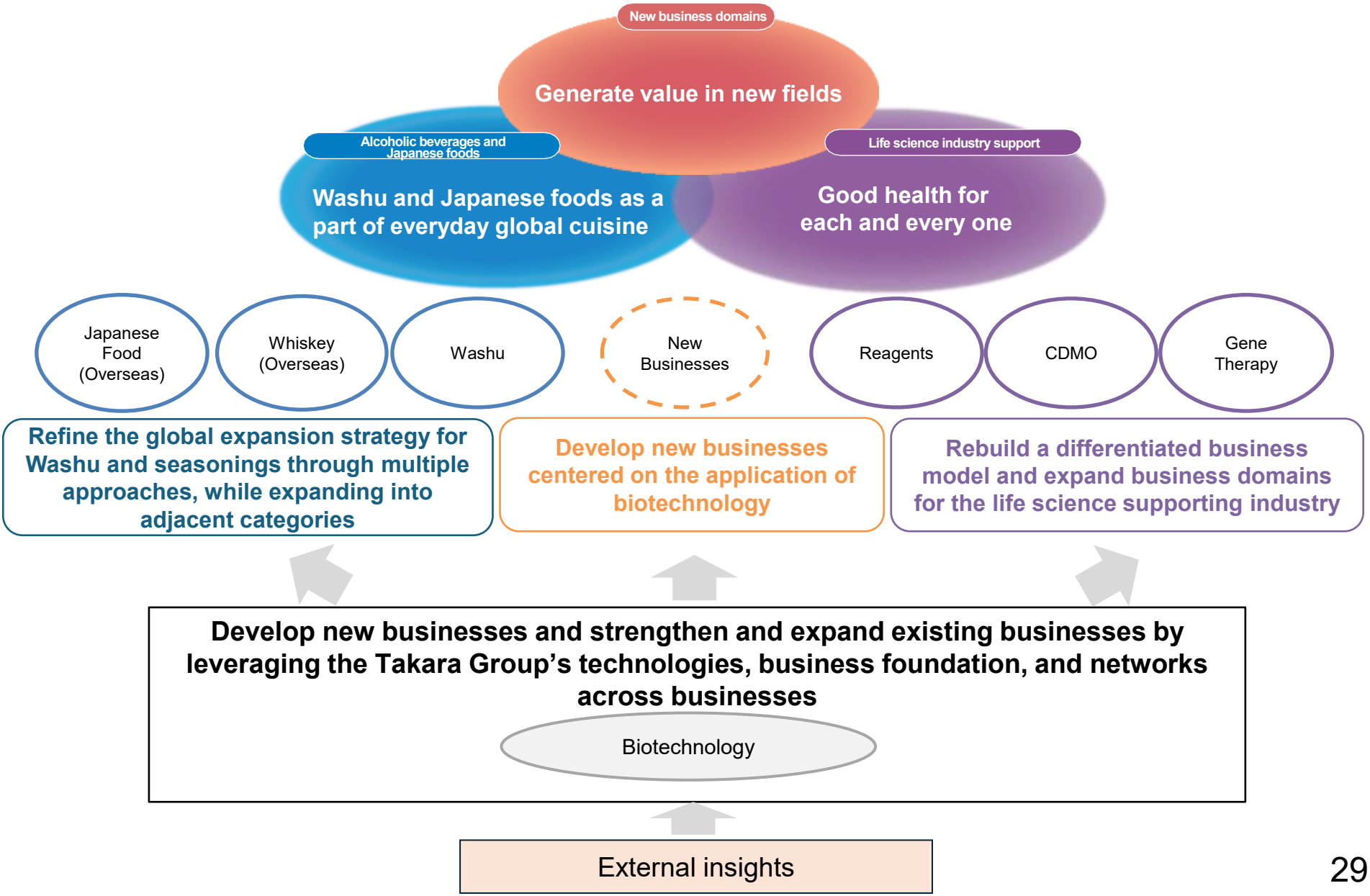
■ Quantitative Targets by Business

(Millions of yen)

	Net sales					Operating income				
	FY2026 actual	FY2028 target (reference)	**FY2031 plan**	FY2026 actual vs. FY2028 target	FY2028 target vs. FY2031 plan	FY2026 actual	FY2028 target (reference)	**FY2031 plan**	FY2026 actual vs. FY2028 target	FY2028 target vs. FY2031 plan
Takara Shuzo	119,122	117,945	**119,443**	-1.0%	+1.3%	5,729	5,634	**6,000**	-1.6%	+6.5%
Takara Shuzo Int'l Group	221,888	248,700	**297,200**	+12.1%	+19.5%	14,201	16,700	**25,000**	+17.6%	+49.7%
Overseas alcoholic beverages business	28,502	31,407	**36,819**	+10.2%	+17.2%	12,492	12,549	**14,655**	+0.5%	+16.8%
Washu business	8,937	10,013	**13,092**	+12.0%	+30.7%	601	743	**1,445**	+23.5%	+94.5%
Whiskey business	20,104	22,404	**25,694**	+11.4%	+14.7%	11,951	12,087	**13,956**	+1.1%	+15.5%
Overseas Japanese food wholesale business	195,944	228,591	**275,300**	+16.7%	+20.4%	3,408	6,134	**12,453**	+80.0%	+103.0%
Takara Bio Group	40,318	48,886	**60,650**	+21.2%	+24.1%	-4,688	730	**4,672**	-	-

* Washu business and Whiskey business: Simple aggregation of the relevant group companies (prior to consolidation adjustments)

■ Business Portfolio Strategy Concept Aligned with Long-Term Vision



Classify businesses into five categories—Core, Cash, Growth, Problem, and Creation—based on market stage, capital efficiency, and competitive advantages

Core	Businesses that grow net sales and profit in stable and sustainable manners
Cash	Businesses that maintain high profitability
Growth	Businesses that aim for high growth rates
Problem	Businesses that have issues in both capital efficiency and competitive advantages
Creation	Investments to create future growth

3. Medium-Term Management Plan for 2030: Basic Policy
(1) Business Portfolio Strategy to Realize Long-Term Vision 2050

■ Business Portfolio Strategy for Recovery to Growth Trajectory

	As of March 31, 2026				
	Market stage	Capital efficiency	Competitive advantages	Positioning	Direction of the business	Corporate resource allocation policy
Washu	Domestic: Mature Overseas: Growth	Weak	Moderate	Core	With the aim of achieving stable and sustainable growth, reform its profit structure into one capable of funding investment in manufacturing facilities in Japan, which is necessary to maintain and increase its competitiveness. At the same time, enhance its global expansion strategy for Washu and seasonings to strengthen its ability to create Washu markets overseas	Make appropriate investments to sustain competitiveness of the business
Whiskey	Mature	Strong	Weak	Cash	Enhance and establish brand equity over the medium- to long-term and ensure that the business will continue to serve as a source of growth investment	Invest selectively to strengthen brand equity
Japanese Food	Growth	Poor	Weak	**Growth (under review)**	Strengthen management to increase the operating income ratio to net sales, make sure to capture returns on past investments in growth, and restore the business to growth with capital efficiency **Determine whether the business should continue to be positioned as a growth business based on its operating income to sales ratio and activities**	Prioritize investments that enhance profitability
Reagents	Growth	Moderate	Weak	Core (turnaround)	Restore competitiveness by developing and fostering high value-added products and new products that capitalize on the Group's strengths (e.g., spatial biology and diagnostic reagents) as well as expanding the B2B business domain	Prioritize and focus R&D spending
CDMO	Growth	Poor	Limited	**Problem (under review)**	Promptly implement structural reform through fundamental fixed cost reductions and other measures, including an exit from and discontinuation of some domains **• Gene Therapy: Discontinue proprietary gene therapy clinical development programs** **• CDMO: Withdraw from GMP cell processing contract services** **Then, determine whether to continue these two businesses based on their profitability and competitive advantages**	Keep additional investment to a minimum
Gene Therapy	Growth	Poor	Limited	**Problem (under review)**		
New Businesses	(Growth)	-	-	Creation	Launch new businesses by generating new business ideas centered on the utilization of biotechnology and exploring new technologies and assets, while also making CVC and startup investments	Invest swiftly in line with established criteria

* Competitive advantages reflect current assessment based on various factors, such as business scale, market share, brand equity, technological capabilities, uniqueness, and business sustainability.
("Limited" indicates that the business unit's competitive advantages are currently rated as "Poor" under the current business model, but the rating may change as a result of structural reform.)

For businesses we have designated as “under review,” we will identify quantitative and qualitative issues and aim to reach a decision within two years.

■ Issues in Japanese Food, CDMO, and Gene Therapy

	<Key quantitative issues>	<Key qualitative issues>	<Other>
Japanese Food	● **Achieve the planned operating income to sales ratio**	● **Deliver results that drive further profit margin improvement**	Each business unit’s self-assessment and future projections, etc.
CDMO	● **Reduce fixed costs through structural reform as planned** ● **Return Takara Bio to consolidated operating profitability** ● **Transfer net sales and profit to CGCP III as planned***	● **Secure results that contribute to capturing future demand for CGCP III**	
Gene Therapy			

+

<Competitive advantages*>	<Financial considerations>
Future projections	**Capital efficiency**
Competitive landscape	**Cash flows**
Market environment	

* CDMO contract services related to regenerative medicine (cell processing, vector manufacturing, and quality testing), plus RetroNectin and AM products in gene therapy

* This assessment takes into account factors such as business scale, market share, brand equity, technological capabilities, uniqueness, and business sustainability.

■ Establishment of a New Meeting Forum to Discuss Business Portfolio Strategy (as described on p. 7 above)

We will utilize business-specific ROIC to improve Group-wide ROIC.

■ Utilize Business-Specific ROIC

- Setting ROIC targets based on business-specific WACC as an internal benchmark
- Setting hurdle rates for NPV evaluation (discount rates) in conjunction with ROIC targets, to improve the effectiveness of growth investment
- Reviewing evaluation and compensation systems for group companies' executives as necessary to raise their awareness of ROIC and the capital market

■ Consolidated ROIC Improvement Targets for the Takara Group

ROIC +4.0%
(vs. FY2026)

Improve profitability +3.9%

<Examples of initiatives>
- Expand high-value-added products in the Japanese food wholesale business in overseas markets (seafood and seasonings)
- Reduce fixed costs through structural reform at Takara Bio

Optimize invested capital +0.1%

<Examples of initiatives>
- Make growth investment based on the results of the review
- Sell cross-shareholdings and non-core real estate

3. Medium-Term Management Plan for 2030: Cash Allocation

		Medium-Term Plan for 2025 period Three years	Medium-Term Plan for 2030 period Years 1-2	Medium-Term Plan for 2030 period Years 3-5
Cash generation and financing	Operating cash flow	62.6 billion yen	49.0 billion yen	109.0 billion yen
	Debt (incl. repayments)	17.8 billion yen	40.5 billion yen	-14.5 billion yen
	Asset optimization and others	Sale of cross-shareholdings 17.6 billion yen	Sale of cross-shareholdings 8.5 billion yen	Sale of cross-shareholdings, grant receipts (reduction of asset cost) 31.5 billion yen
		Application of cash on hand, etc. 33.7 billion yen	Sale of non-core real estate + α billion yen	Business Review + β billion yen
Capital allocation	Investment in prioritized growth areas	43.3 billion yen	**Review business portfolio strategy** 21.0 billion yen	28.5 billion yen
	M&A and other investments	35.7 billion yen	Takara Bio tender offer 54.0 billion yen	Additional growth investments 20.0 billion yen + β billion yen
	Maintenance and renewal capex, etc.	23.8 billion yen	18.0 billion yen	22.5 billion yen
	Shareholder returns	28.9 billion yen (incl. treasury stock acquisitions of 6.0 billion yen)	18.5 billion yen (incl. treasury stock acquisitions) + α billion yen	41.5 billion yen (incl. treasury stock acquisitions)

■ Main Investment Plans by Business

	Medium-Term Plan for 2030 Five-year investment plan	Main plans
Takara Shuzo	35.2 billion yen	・Improving manufacturing efficiency through production base restructuring and related measures ・Upgrading the filling process at the Matsudo Plant ・Expanding food seasonings production capacity at the Kusu Plant
Takara Shuzo International Group	17.6 billion yen	[Washu and Whiskey] ・Addressing environmental compliance and aging infrastructure at Takara Sake USA and Tomatin [Japanese food wholesale] ・Expanding warehouse capacity, addressing environmental requirements, and replacing aging facilities, among other measures, to strengthen SCM functions
Takara Bio Group	31.5 billion yen	・Building the Center for Gene and Cell Processing III, and other related projects

Policy on Shareholder Returns

<Medium-Term Management Plan for 2025>
Conduct appropriate shareholder returns based on profit levels (dividend payout ratio of approximately 35%)

<Medium-Term Management Plan for 2030>
Introduce progressive dividends, with a total payout ratio of 50% on a cumulative five-year basis as the basic policy
Conduct treasury stock acquisitions flexibly, taking into account the balance with growth investments

Policy on the Reduction of Cross-Shareholdings

We aim to improve capital efficiency further by reducing our total cross-shareholdings by 50% between the end of FY2025 and the end of FY2030.

<Sale price for FY2026> Approximately 7.9 billion yen (32 stocks)

* This policy was formulated in May 2025 and covers a different period than the Medium-Term Management Plan for 2030

Business Policy	We aim to achieve an early return to operating profitability through fundamental structural reform, and to rebuild a competitive and promising business model through the efficient deployment of R&D spending and investment aimed at restructuring the reagent product portfolio (returning to operating profitability in Year 2).

■ Market Outlook

- While the basic research market continues to stagnate amid government budget cuts in each country, demand for OEM and custom reagent products for industrial applications is expected to expand.
- In Japan, project demand for CDMO from bio-ventures and similar companies is expected to continue, on the back of expanding government support.

■ Performance Targets

First half　Second half

(Millions of yen)

	FY2026 actual (a)	FY2028 target (reference) (b)	FY2026 vs. FY2028 (b)/(a)-1	**FY2031 plan (c)**	FY2028 target vs. FY2031 plan (c)/(b)-1	FY2026 vs. FY2031 (c)/(a)-1
Net sales	40,318	48,886	+21.2%	**60,650**	+24.1%	+50.4%
Gross profit	20,261	24,740	+22.1%	**31,614**	+27.8%	+56.0%
Gross profit to sales ratio	50.3%	50.6%	+0.4pt	**52.1%**	+1.5pt	+1.9pt
SG&A expenses	24,949	24,010	-3.8%	**26,941**	+12.2%	+8.0%
SG&A ratio	61.9%	49.1%	-12.8pt	**44.4%**	-4.7pt	-17.5pt
Operating income	-4,688	+5,418 730	+3,942	**4,672**	+539.7%	-
Operating income to sales ratio	-11.6%	1.5%	+13.1pt	**7.7%**	+6.2pt	+19.3pt

■ Factors for Changes in Operating Income

(Millions of yen)

	Years 1-2	Years 3-5	5-year total
Total	**5,418**	3,942	9,360
Structural reforms	2,318	9	2,327
Other costs	494	-110	384
Sales increase, etc.	3,154	4,366	7,520
Other	-548	-323	-871

Reduce fixed costs of approximately 2.8 billion yen by Year 2

SG&A ratio: Reducing from 61.9% to 44.4%
Gross profit to sales ratio: Expanding from 50.3% to 52.1%

Main structural reform initiatives (described above)

- ✓ Discontinue proprietary gene therapy clinical development programs (including TBI-1301)
- ✓ Withdraw from GMP cell processing contract services
- ✓ Reduce personnel costs and maintenance costs
- ✓ Close the Sweden site
- ✓ Eliminate listing-related costs

Working toward sales increase, etc.

(Millions of yen)

	Years 1-2	Years 3-5	5-year total
Reagents	2,914	4,067	6,981

- ✓ Shifting to B2B (with a focus on industrial applications)
  (B2B net sales: Expanding from 11.2 billion yen to 19.2 billion yen)
- ✓ Expanding sales of spatial biology products
  (Spatial biology products net sales: Expanding from 0.3 billion yen to 3.8 billion yen)

Reaching a decision within approximately two years

- Determine whether to continue the CDMO and Gene Therapy businesses

Determine

<Key issues for reaching a decision>
- Secure results that contribute to capturing future demand for CGCP III
- Reduce fixed costs through structural reform as planned
- Return Takara Bio to consolidated operating profitability, etc.

Business Policy	We will restore our operating income to sales ratio and capital efficiency by building and enhancing the profit management structure at Takara Shuzo International headquarters and subsidiaries, and by using the group network that spans both manufacturing and distribution, thereby capturing the returns on our past growth investments.

■ Market Outlook by Area

Area	Market Outlook
North America	・The recovery in the overall food-service market remains gradual due to rising prices and personnel costs. ・Authentic Japanese food with a compelling story continues to be highly regarded, and demand for high-quality Japanese ingredients in particular remains firm.
Europe	・Japanese food, including sushi, has become established to a certain degree in major cities such as London and Paris. ・In recent years, more establishments have been incorporating Japanese food ingredients into Asian and Oriental cuisine concepts. ・Japanese food has limited penetration in Eastern European and Northern European countries, leaving significant room for growth.

■ Performance Targets

First half　Second half

(Millions of yen)

	FY2026 actual (a)	FY2028 target (reference) (b)	FY2026 vs. FY2028 (b)/(a)-1		FY2031 plan (c)	FY2028 vs. FY2031 (c)/(b)-1	FY2026 vs. FY2031 (c)/(a)-1
Net sales	195,944	228,591		+16.7%	**275,300**	+20.4%	+40.5%
Gross profit	56,985	67,217		+18.0%	**83,497**	+24.2%	+46.5%
Gross profit to sales ratio	29.1%	29.4%	(2)	+0.3pt	**30.3%**	+0.9pt	+1.2pt
SG&A expenses	53,576	61,082		+14.0%	**71,044**	+16.3%	+32.6%
SG&A ratio	27.3%	26.7%	(1)	-0.6pt	**25.8%**	-0.9pt	-1.5pt
Operating income	3,408	6,134		+80.0%	**12,453**	+103.0%	+265.4%
Operating income to sales ratio	1.7%	2.7%		+0.9pt	**4.5%**	+1.8pt	+2.8pt

■ Main Strategic Initiatives and Key Measures

Strategic Initiatives	Key Measures
(1) Reduce the SG&A ratio First half: 27.3%→26.7% Second half: 26.7%→25.8% (Personnel costs to net sales ratio: 12.1%→11.9% or less)	• **Reduce costs through operational improvements** ➢ Reducing external transportation costs ➢ Containing headcount growth through operational efficiency improvements (improving delivery efficiency and streamlining warehouse operations) • **Capital investment to reduce logistics costs** ➢ Reducing logistics costs through warehouse reorganization and consolidation, and greater use of hub warehouses, among other initiatives
(2) Improve the Gross profit to sales ratio First half: 29.1%→29.4% Second half: 29.4%→30.3%	• **Improve product mix by expanding the lineup of high-value-added products and increasing their sales** ➢ Expanding the share of high-value-added products within seafood and seasonings categories (Seafood: 40.1%→50.0% or more; seasonings: 46.7%→55.0% or more) ➢ Expanding the proportion of sake in our sales mix (5.3%→7.1% or more) • **Raise prices on low-margin products and promptly pass through cost increases** • **Promote centralized procurement led by Takara Shuzo International headquarters** (255 million yen in five years)

Build a global systems platform (phased rollout)
Enhance control and oversight at Takara Shuzo International headquarters by sharing, integrating, and visualizing management data of our overseas subsidiaries

Reaching a decision within approximately two years

- Determine whether to continue positioning this business as a growth business

Determine

<Key issues for reaching a decision>
- Deliver results that drive further profit margin improvement
- Achieve the planned operating income to sales ratio (SG&A ratio and gross profit to sales ratio)

For Washu's sustainable growth, Takara Shuzo is reforming the profit structure to support sustainable long-term growth. The Washu business within the overseas alcoholic beverages business will focus on expanding exports to strengthen its ability to create Washu markets overseas.

Establish a path to sustainable growth

by improving domestic profitability and strengthening overseas growth capabilities

Investment in growth and high-priority fields

<Takara Shuzo>

Reform the profit structure to support sustainable long-term growth

- Develop new products and nurture priority brands
- Develop multiple products that will become export mainstays
- Invest in safety and reliability/rebuild an efficient production structure
- Reduce costs and expenses throughout the Group

<Takara Shuzo International Group (Washu business)>

Strengthen overseas market development capabilities for Washu, centered on expanding exports

- Product development in collaboration with Takara Shuzo to expand exports
- Develop new products and sales strategies through a broad range of approaches
- Identify and establish winning models across regions, products, sales, channels, etc.

3. Medium-Term Management Plan for 2030: Basic Policy
(4) Reform of the Profit Structure of Existing Businesses—Takara Shuzo

Takara Shuzo

	FY2026 actual	FY2031 target	FY2026 actual vs. FY2031 target
Operating income	5,729 million yen	6,000 million yen	+4.7%

Business Policy	We will expand Washu in the domestic market through brand development, promote structural reform, and accelerate the global expansion of Washu and seasonings.

■ Market Outlook

- Accelerating domestic population decline is reducing alcohol consumption.
- Growing export market for Washu (including seasonings) from Japan
- Domestic consumption is polarizing between low-price and high-value-added products, and this trend is becoming entrenched.
- Raw material costs surging due to geopolitical risks and personnel costs surging due to labor shortages

■ Main Strategic Initiatives and Key Measures

Strategic Initiatives	Key Measures
Strengthen product development and nurturing capabilities	• Developing and nurturing low-alcohol and non-alcohol products in response to health-conscious consumer trends and responsible drinking norms • Developing and nurturing new products that capture shifting consumer needs and emerging trends
Restructure our organization and personnel structure and review our marketing investment	• Improving manufacturing efficiency by reorganizing our production sites • Reviewing our sales structure to improve operational efficiency • Communicating through digital advertising and social media

Setting indicators for and focusing on three priority areas—priority brands, food seasonings (dashi stock), and export products—to advance the global expansion of Washu and seasonings and improve profit margins

■ Priority Areas and Priority Brands Sales Composition Ratio

	FY2026 actual	**FY2031 target**	Vs. FY2026 actual
Priority areas	44.4%	**53.6%**	+9.2pt
Priority brands	41.3%	**50.1%**	+8.8pt

■ Takara Shuzo's Gross Profit to Sales Ratio

	FY2026 actual	**FY2031 target**	Vs. FY2026 actual
Takara Shuzo	25.3%	**25.8%**	+0.5pt

(Reference)

- Priority areas
  - Priority brands
    - Gokujo Takara Shochu
    - Ikkomon
    - Shochu Highball
    - Mio
    - Takara Hon-Mirin
    - ISAINA
    - Karakuchi Zero Ball
    - Subaru
    - Mizuoto
  - Food seasonings (dashi stock)
  - Export products

As of April 2026

Overseas alcoholic beverages business (Washu)

	FY2026 actual	FY2031 target	FY2026 actual vs. FY2031 target
Operating income*	601 million yen	1,445 million yen	+140.3%

Business Policy	We will strengthen our product development structure and build out our sales and manufacturing structures, with the aim of expanding our business scale centered on exports.

■ Market Outlook

- As the Japanese food market expands, sake exports are expected to grow.
- The number of Japanese food restaurants is growing worldwide, particularly expanding in the Asian market.
- Alcohol consumption is declining, particularly among younger generations, and demand for low-alcohol and non-alcohol beverages is growing.

■ Main Strategic Initiatives and Key Measures

Strategic Initiatives	Key Measures
Expand the export business	• Restructuring and strengthening our sales structure to enhance sales capabilities across Asia, Oceania, and Europe • Expanding the sake category, with Mio and Subaru as our priority products
Growth strategy in the North American market	• Developing new products in response to market trends • Introducing new products through partnerships with American wholesalers
Develop and cultivate Japan-origin products through group collaboration	• Strengthening the product lineup, including Japanese sake and RTDs • Developing the Group's shared seasoning brand, "KYOTaKaRa"

* Simple aggregation of the relevant subsidiaries in the Washu business (prior to consolidation adjustments)

3. Medium-Term Management Plan for 2030: Basic Policy

(4) Reform of the Profit Structure of Existing Businesses—Overseas Alcoholic Beverages Business (Whiskey)

Overseas alcoholic beverages business (Whiskey)

	FY2026 actual	FY2031 target	FY2026 actual vs. FY2031 target
Operating income*	11,951 million yen	13,956 million yen	+16.8%

Business Policy	We will establish unique brand value rooted in history and regional characteristics in the bourbon, Scotch, and Japanese whisky markets.

■ Market Outlook

While whiskey markets remain stagnant, particularly at the premium end, medium- to long-term growth is expected.

■ Main Strategic Initiatives and Key Measures

Strategic Initiatives	Key Measures
<Age International> Enhance the quality and brand value of Blanton's	・ Developing new markets targeting affluent and luxury-oriented consumers (We will also utilize Washu distribution channels to develop new markets, including outside the U.S.) ・ Considering further high-value-added product development
<Tomatin> Strengthen brand equity and improve profitability for medium- to long-term growth	・ Expanding sales of mid-priced products and reducing costs ・ Enhancing customer touchpoints to enhance Tomatin's brand value as a Highland single malt
Develop Japanese whiskey	・ Developing products for bars and high-end restaurants ・ Building new sales channels and developing products by drawing on our Whiskey business assets

* Simple aggregation of the relevant subsidiaries in the Whiskey business (prior to consolidation adjustments)

To expand Washu and seasonings globally, we will combine the Takara Group's diverse assets and pursue business growth through new approaches.

We will establish scalable success models and enhance the medium- to long-term growth potential as our core businesses.

■ Major Initiatives

Themes	Details
Rebuild the Asia strategy	・ Consolidate sales functions previously dispersed across Hong Kong and Japan into headquarters, increasing the number of personnel ・ Shift our Asia sales strategy toward an export-led model
Expand the seasonings category	Develop and cultivate the Group's shared seasoning brand, "KYOTaKaRa," by leveraging the potential of the Japanese food wholesale business, including OEM capabilities
Leverage the sales channels for Whiskey	Develop and expand high-value-added products through sales channels that reach customer segments beyond Japanese restaurants, targeting premium customers
Expand exports leveraging the domestic brand equity	・ Promote efforts to grow Mio into a global brand ・ Develop Subaru and other domestic priority brands into global products that will be the second pillar of growth (Washu* export net sales: 1.3 billion yen→2.7 billion yen)　* Including seasonings
Develop products exclusively for exports by leveraging domestic technological and manufacturing capabilities	Develop products exclusively for overseas markets, including RTDs and Japanese liqueurs (YUZUHA, etc.) (Number of products developed exclusively for overseas markets*: 24 items→50 items) * Including seasonings
Leverage the Japanese Food Wholesale Business in overseas market	Promote growth through paired proposals of Japanese food and Washu (Washu + seafood, seasonings, frozen food, etc.)

New businesses

Business Policy	We will build a structure that promotes the creation of new businesses for the Takara Group, including Takara Bio, thereby advancing the creation of new businesses centered on the use of biotechnology and the strengthening and expansion of the existing businesses.

■ Build a Structure for Creating New Businesses

- Established the New Business Development Department (April 2026)
- On the internal-driven side, generating ideas through our business contest, starTreasure
- On the external-driven side, establishing a corporate venture capital (CVC) in addition to limited partnership (LP) investments (total of 3.0 billion yen) and investing directly in startups and other companies

■ Approach to Selecting Themes for Business Development

Considering factors such as compatibility with the Takara Group's technology and business foundation, we focus our review on the following priority themes.

<Biotechnology> <Healthcare and wellness> <Sustainability and circular economy>

Field (examples): Bio-pesticides and fertilizers, CO_2 utilization

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Reference Materials

■ Reducing CO_2 Emissions

Target	Progress	Major initiatives
Fiscal year ending March 31, 2031 46% reduction in CO_2 emissions at our production sites (Compared with the fiscal year ended March 31, 2019) Targets: Production sites at Takara Shuzo and Takara Shuzo International Group	Fiscal year ended March 31, 2026 23% reduction	・Introduced an offsite PPA at Shirakabegura (Hyogo Prefecture) (February 2026) Surplus power from Shirakabegura is also supplied to the Fushimi Plant, reducing CO_2 emissions. Shirakabegura

■ The Entire Takara Group's Greenhouse Gas Emissions Calculation Status

- Scope 1 and 2 emissions have been calculated for all Takara Group sites in the fiscal year ended March 31, 2026.
- Scope 3 emissions have been calculated for Takara Holdings, Takara Shuzo, and overseas production sites of Takara Shuzo International.
- Toward the entire Takara Group's emissions disclosure, we are progressively expanding the scope of calculation to cover the Japanese Food Wholesale Business in overseas market .

We have established updated medium- to long-term targets to be achieved under the Medium-Term Management Plan for 2030.

We will also advance the utilization of human capital.

■ Main New Initiatives

Themes	Medium- to long-term targets
Climate change	・By the fiscal year ending March 31, 2031, reduce CO_2 emissions (Scope 1 and 2) at our production sites by 46% from the levels in the fiscal year ended March 31, 2019 (Takara Shuzo and Takara Shuzo International Group)
Water resources	・By the fiscal year ending March 31, 2031, reduce water intensity by 20% from the levels in the fiscal year ended March 31, 2018 (Takara Shuzo) ・Obtain third-party assurance for water use at our production sites (Takara Shuzo)
Circular economy	・By the fiscal year ending March 31, 2031, reduce plastic waste to below 250 tons (Takara Shuzo)

■ Initiatives Related to Human Resources under Medium-Term Management Plan for 2030

- Strengthen corporate human resources
- Strengthen global human resources
- Develop next-generation human resources and deploy the right people to the right roles

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Reference Materials

■ Takara Holdings (Consolidated) Results

(Millions of yen)

	FY2026 actual	Vs. FY2025 actual
Net sales	**394,316**	+8.7%
Gross profit	**127,696**	+6.7%
Operating income	**17,076**	-17.1%
Ordinary income	**16,861**	-24.0%
Net income attributable to owners of the parent	**11,696**	-27.8%
Percentage of net sales from overseas operations	**62.7%**	+3.5pt
ROE	**4.6%**	-2.2pt
ROIC	**3.1%**	-0.9pt

■ Results by Business

(Millions of yen)

		FY2026 actual	Vs. FY2025 actual
Takara Shuzo	Net sales	**119,122**	-0.5%
	Operating income	**5,729**	+13.7%
Takara Shuzo Int'l Group	Net sales	**221,888**	+19.4%
	Operating income	**14,201**	+21.8%
Overseas alcoholic beverages business	Net sales	**28,502**	+21.1%
	Operating income	**12,492**	+78.6%
Overseas Japanese food wholesale business	Net sales	**195,944**	+18.9%
	Operating income	**3,408**	-44.1%
Takara Bio Group	Net sales	**40,318**	-10.5%
	Operating income	**-4,688**	—

■ Takara Holdings (Consolidated) Financial Forecasts

(Millions of yen)

	FY2027 forecast	Vs. FY2026 actual
Net sales	**420,000**	+6.5%
Gross profit	**136,600**	+7.0%
Operating income	**18,800**	+10.1%
Ordinary income	**17,000**	+0.8%
Net income attributable to owners of the parent	**11,900**	+1.7%
ROE	**4.8%**	+0.2pt
ROIC	**3.4%**	+0.3pt

(Reference)

EPS (Yen)	**61.8**	+2.2%

■ Financial Forecasts by Business

(Millions of yen)

		FY2027 forecast	Vs. FY2026 actual
Takara Shuzo	Net sales	**120,077**	+0.8%
	Operating income	**5,829**	+1.7%
Takara Shuzo Int'l Group	Net sales	**242,600**	+9.3%
	Operating income	**15,000**	+5.6%
Overseas alcoholic beverages business	Net sales	**30,100**	+5.6%
	Operating income	**12,240**	-2.0%
Overseas Japanese food wholesale business	Net sales	**215,300**	+9.9%
	Operating income	**4,560**	+33.8%
Takara Bio Group	Net sales	**44,000**	+9.1%
	Operating income	**-2,700**	—

Dividends are planned in line with the return policy set out in the Medium-Term Management Plan for 2030.

We will use gains from the sale of cross-shareholdings completed in the prior fiscal year to fund treasury stock acquisitions.

■ Dividends (Planned) for FY2027

Dividends	31 yen (dividend payout ratio 50.2%)

■ Acquisition of Treasury Stock

Number of shares to be acquired	1.90 million shares (upper limit)
Total cost of acquisition	3.0 billion yen (upper limit)
Period of acquisition	May 15, 2026 to June 30, 2026

We plan to sell approximately 6.8 billion yen of cross-shareholdings in FY2027, continuing on from FY2026.

■ Reduction Results for FY2026

Number of stocks sold	32
Sale price	Approximately 7.9 billion yen
Holdings balance	Approximately 37.1 billion yen

■ Reduction Plan for FY2027 (May 19, 2026)

Number of stocks sold	20
Expected sale price	Approximately 6.8 billion yen

Contents

1. Executive Summary

2. Review of Medium-Term Management Plan for 2025

3. Medium-Term Management Plan for 2030

4. Sustainability

5. Financial Results for the Fiscal Year Ended March 31, 2026 and Financial Forecasts for the Fiscal Year Ending March 31, 2027

Reference Materials

Financial Results for FY2026	Profit and Loss Statement/ Analysis of Changes in Operating Income	Takara Shuzo
		Takara Shuzo International Group total
		Takara Shuzo International Group Overseas alcoholic beverages business
		Takara Shuzo International Group Japanese food wholesale business in overseas markets
		Takara Bio Group
	Statements of Cash Flows	Takara Holdings (Consolidated)
	Balance Sheets	Takara Holdings (Consolidated)

Analysis of Changes in Operating Income for the Fiscal Year Ended March 31, 2026 (Takara Shuzo Financial Performance) <Year-on-year>

■ Takara Shuzo Financial Performance

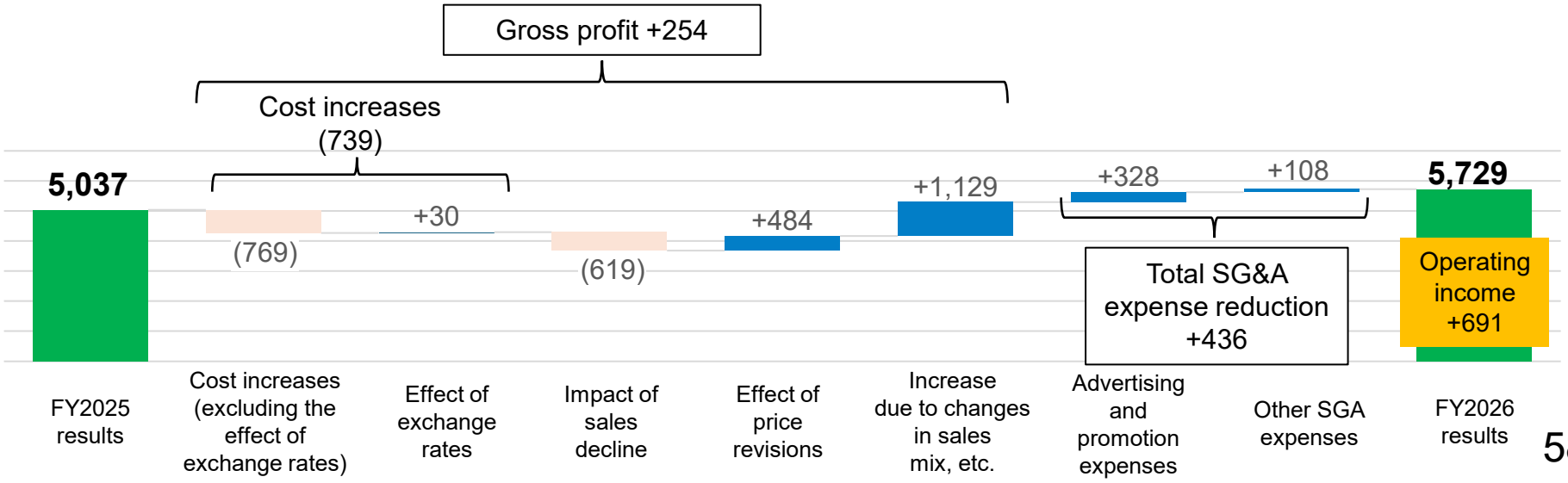
(Millions of yen)

	FY2025 actual	**FY2026 actual**	Vs. FY2025 actual
Net sales	119,663	**119,122**	-0.5%
Gross profit	29,919	**30,174**	+0.9%
Operating income	5,037	**5,729**	+13.7%
Ordinary income	5,175	**5,676**	+9.7%
Net income attributable to owners of the parent	3,763	**3,516**	-6.6%

◇Changes in operating income versus FY2025

(positive factors are shown with a plus sign, and negative factors are shown in parentheses)

(Millions of yen)



Analysis of Changes in Operating Income for the Fiscal Year Ended March 31, 2026 (Takara Shuzo International Group Financial Performance) <Year-on-year>

■ Takara Shuzo International Group Financial Performance

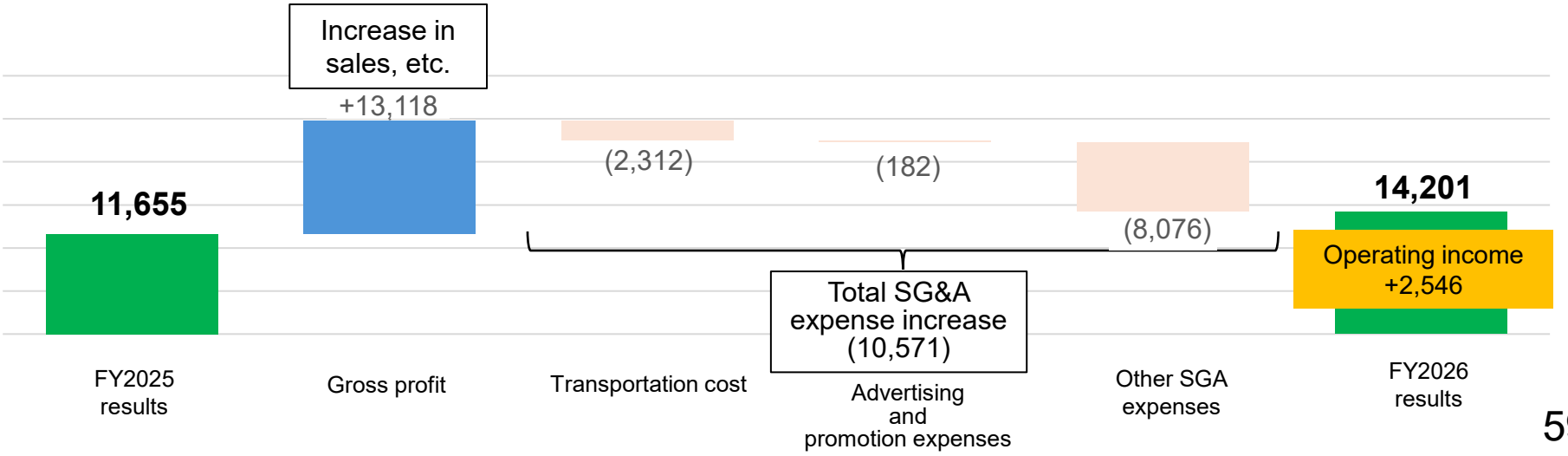
(Millions of yen)

	FY2025 actual	**FY2026 actual**	Vs. FY2025 actual
Net sales	185,803	**221,888**	+19.4%
Gross profit	59,694	**72,812**	+22.0%
Operating income	11,655	**14,201**	+21.8%
Ordinary income	12,010	**13,445**	+12.0%
Net income attributable to owners of the parent	7,475	**8,082**	+8.1%

◇Changes in operating income versus FY2025

(positive factors are shown with a plus sign, and negative factors are shown in parentheses)

(Millions of yen)



Analysis of Changes in Operating Income for the Fiscal Year Ended March 31, 2026 (Takara Shuzo International Group Financial Performance by Business) <Year-on-year>

■ Overseas Alcoholic Beverages Business Financial Performance (Millions of yen)

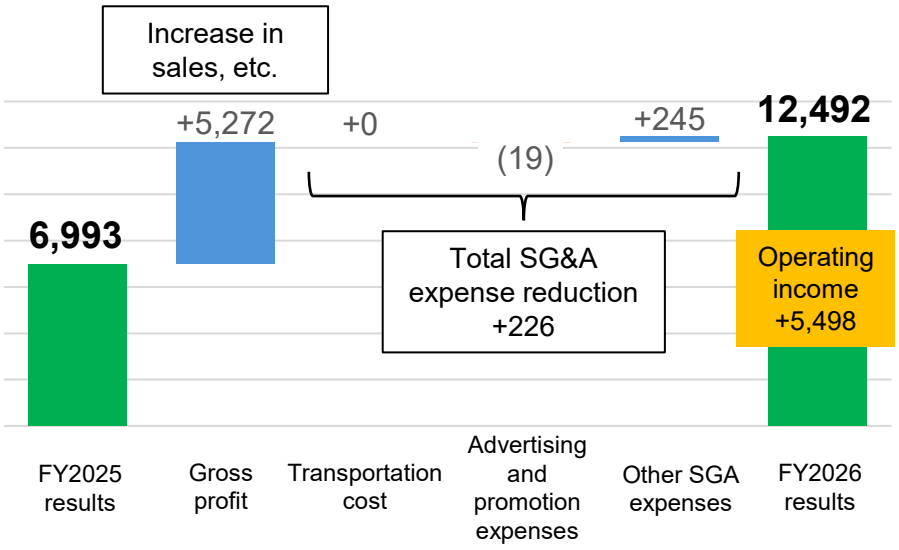
	FY2025 actual	**FY2026 actual**	Vs. FY2025 actual
Net sales	23,533	**28,502**	+21.1%
Gross profit	10,590	**15,862**	+49.8%
Operating income	6,993	**12,492**	+78.6%

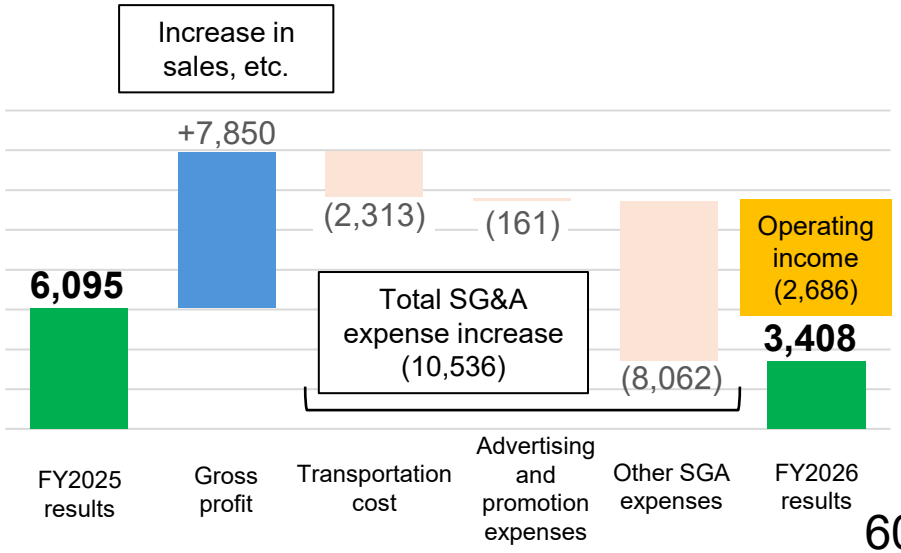
■ Japanese food wholesale business in overseas marketsFinancial Performance (Millions of yen)

	FY2025 actual	**FY2026 actual**	Vs. FY2025 actual
Net sales	164,768	**195,944**	+18.9%
Gross profit	49,134	**56,985**	+16.0%
Operating income	6,095	**3,408**	-44.1%

◇Changes in operating income versus FY2025

(positive factors are shown with a plus sign, and negative factors are shown in parentheses) (Millions of yen)





Analysis of Changes in Operating Income for the Fiscal Year Ended March 31, 2026 (Takara Bio Group Financial Performance) <Year-on-year>

■ Takara Bio Group Financial Performance

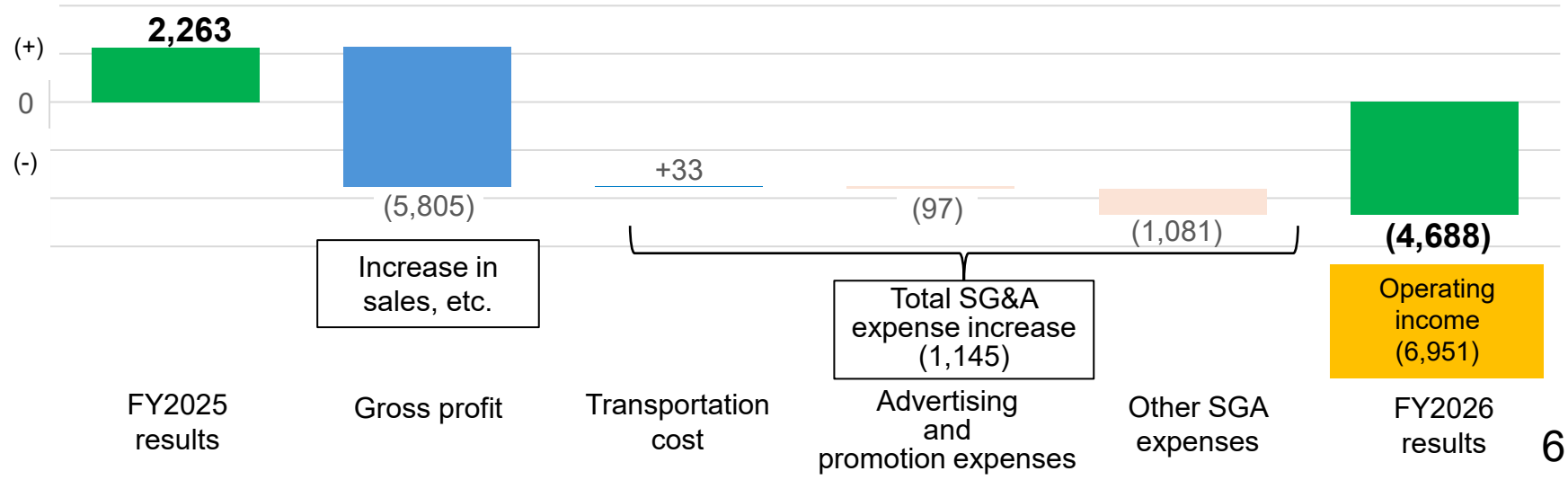
(Millions of yen)

	FY2025 actual	**FY2026 actual**	Vs. FY2025 actual
Net sales	45,039	**40,318**	-10.5%
Gross profit	26,067	**20,261**	-22.3%
Operating income	2,263	**-4,688**	—
Ordinary income	2,592	**-4,992**	—
Net income attributable to owners of the parent	1,041	**-9,599**	—

◇Changes in operating income versus FY2025

(positive factors are shown with a plus sign, and negative factors are shown in parentheses)

(Millions of yen)



■ Consolidated Statements of Cash Flows

(Millions of yen)

	FY2025 actual	**FY2026 actual**	Change
Cash flows from operating activities	16,155	**17,318**	1,162
Cash flows from investing activities	-41,562	**-15,341**	26,221
Free cash flow	-25,407	1,977	27,384
Cash flows from financing activities	6,548	**-9,307**	-15,856
Effect of exchange rate change on cash and cash equivalents	3,954	**1,125**	-2,828
Cash and cash equivalents at end of period	75,280	**69,125**	-6,154

■ Consolidated Balance Sheets

(Millions of yen)

	FY2025	**FY2026**	Change
Current assets	245,433	**249,314**	+3,880
Cash and deposits	83,302	**73,191**	-10,111
Notes and accounts receivable-trade	73,319	**77,571**	+4,252
Inventories	82,334	**91,530**	+9,196
Others	6,477	**7,020**	+543
Noncurrent assets	232,154	**264,486**	+32,332
Property, plant and equipment	123,610	**133,068**	+9,457
Intangible assets	41,662	**60,369**	+18,706
Investments and other assets	66,880	**71,049**	+4,168
Total assets	477,587	**513,801**	+36,213

	FY2025	**FY2026**	Change
Current liabilities	73,419	**82,037**	+8,617
Notes and accounts payable-trade	24,067	**26,779**	+2,712
Loans and bonds	12,315	**11,414**	-900
Others	37,037	**43,843**	+6,806
Noncurrent liabilities	103,264	**120,826**	+17,561
Loans and bonds	45,689	**50,431**	+4,741
Others	57,574	**70,394**	+12,820
Total liabilities	176,683	**202,863**	+26,179
Total shareholders' equity	194,376	**197,019**	+2,643
Capital stock and capital surplus	16,030	**16,030**	-0
Retained earnings	180,449	**186,093**	+5,643
Treasury stock	-2,103	**-5,103**	-2,999
Accumulated other comprehensive income	50,851	**62,319**	+11,468
Noncontrolling interests	55,675	**51,597**	-4,077
Total net assets	300,903	**310,937**	+10,034
Total liabilities and net assets	477,587	**513,801**	+36,213
Equity ratio (%)	51.3	50.5	-0.8

Financial Forecasts for FY2027	Profit and Loss Statement/ Analysis of Changes in Operating Income	Takara Shuzo
		Takara Shuzo International Group total
		Takara Shuzo International Group Overseas alcoholic beverages business
		Takara Shuzo International Group Japanese Food Wholesale Business in overseas market
		Takara Bio Group
	Statements of Cash Flows	Takara Holdings (Consolidated)
	Effect of Change in Exchange Rates	Takara Holdings (Consolidated)

Analysis of Changes in Operating Income for the Fiscal Year Ending March 31, 2027 (Takara Shuzo Financial Forecasts)

■ Takara Shuzo Financial Forecasts

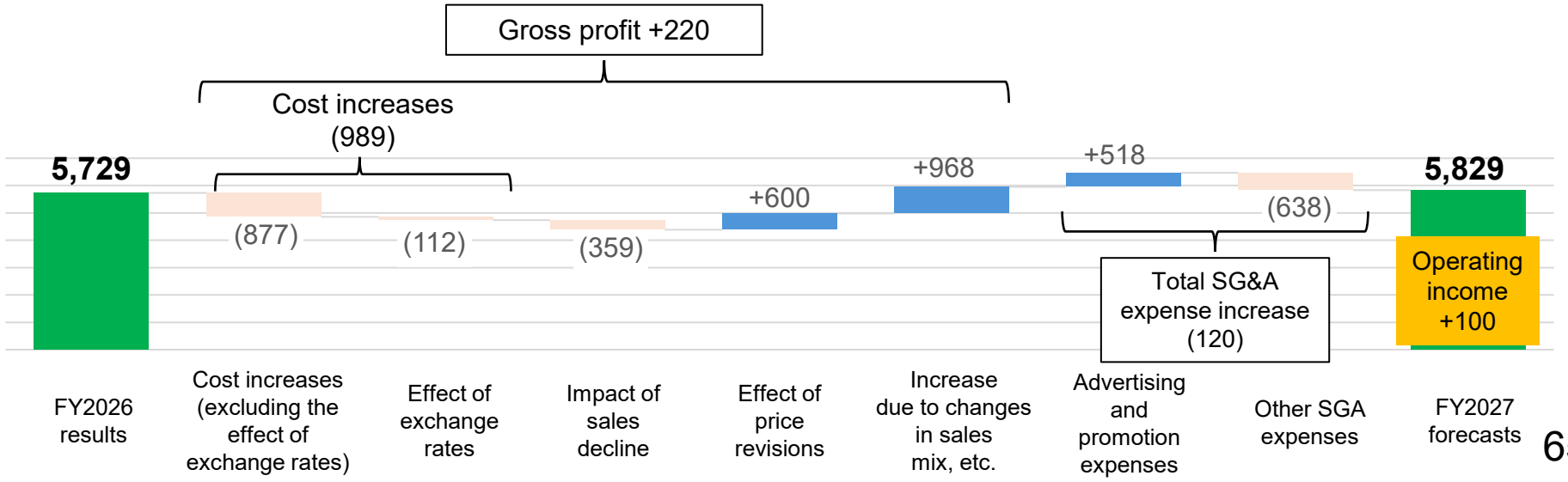
(Millions of yen)

	FY2026 actual	**FY2027 forecasts**	Vs. FY2026 actual
Net sales	119,122	**120,077**	+0.8%
Gross profit	30,174	**30,395**	+0.7%
Operating income	5,729	**5,829**	+1.7%
Ordinary income	5,676	**5,568**	-1.9%
Net income attributable to owners of the parent	3,516	**4,200**	+19.5%

◇Changes in operating income versus FY2026

(positive factors are shown with a plus sign, and negative factors are shown in parentheses)

(Millions of yen)



Analysis of Changes in Operating Income for the Fiscal Year Ending March 31, 2027 (Takara Shuzo International Group Financial Forecasts)

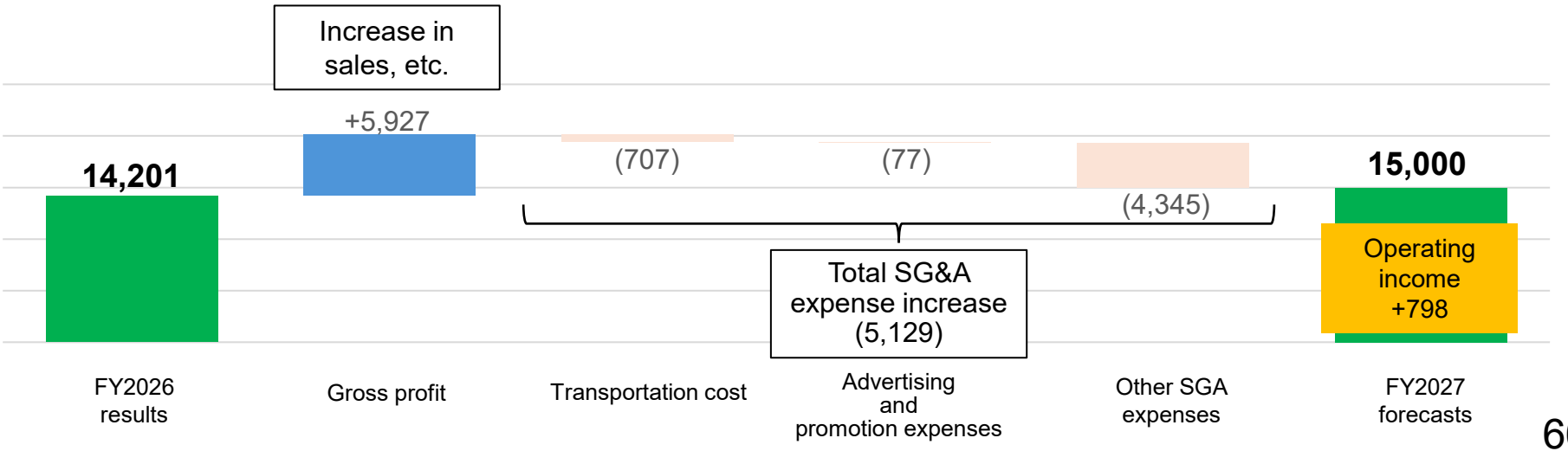
■ Takara Shuzo International Group Financial Forecasts

(Millions of yen)

	FY2026 actual	**FY2027 forecasts**	Vs. FY2026 actual
Net sales	221,888	**242,600**	+9.3%
Gross profit	72,812	**78,740**	+8.1%
Operating income	14,201	**15,000**	+5.6%
Ordinary income	13,445	**14,357**	+6.8%
Net income attributable to owners of the parent	8,082	**8,928**	+10.5%

◇Changes in operating income versus FY2026

(positive factors are shown with a plus sign, and negative factors are shown in parentheses) (Millions of yen)



Analysis of Changes in Operating Income for the Fiscal Year Ending March 31, 2027 (Takara Shuzo International Group Financial Forecasts by Business)

■ Overseas Alcoholic Beverages Business Financial Forecasts (Millions of yen)

	FY2026 actual	**FY2027 forecasts**	Vs. FY2026 actual
Net sales	28,502	**30,100**	+5.6%
Gross profit	15,862	**15,920**	+0.4%
Operating income	12,492	**12,240**	-2.0%

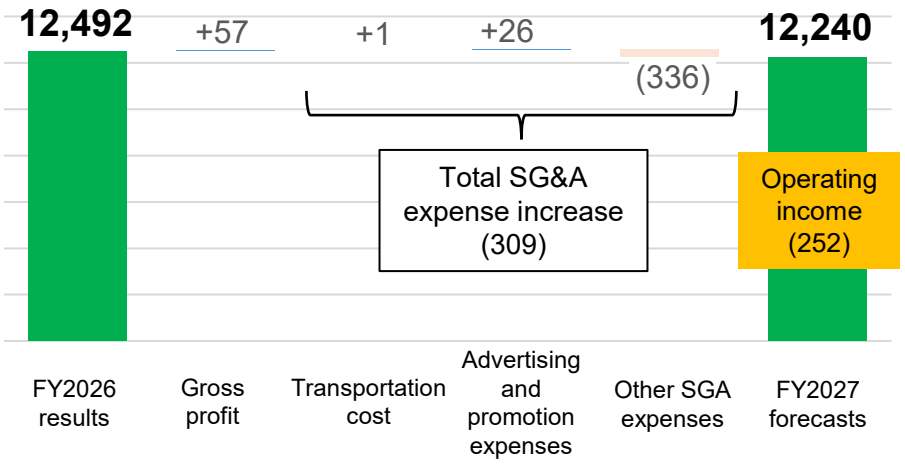
■ Japanese food wholesale business in overseas marketsFinancial Forecasts (Millions of yen)

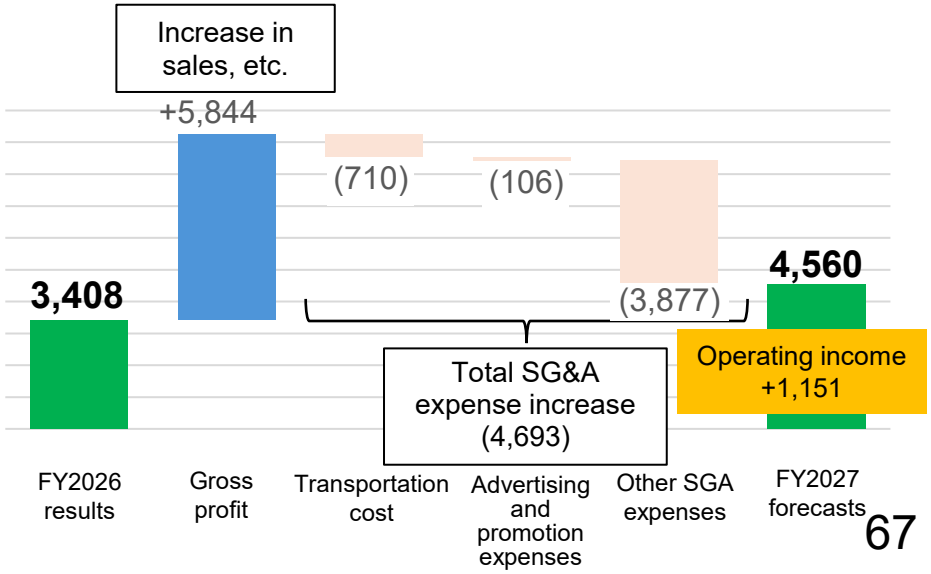
	FY2026 actual	**FY2027 forecasts**	Vs. FY2026 actual
Net sales	195,944	**215,300**	+9.9%
Gross profit	56,985	**62,830**	+10.3%
Operating income	3,408	**4,560**	+33.8%

◇Changes in operating income versus FY2026

(positive factors are shown with a plus sign, and negative factors are shown in parentheses)

(Millions of yen)





Analysis of Changes in Operating Income for the Fiscal Year Ending March 31, 2027 (Takara Bio Group Financial Forecasts)

■ Takara Bio Group Financial Forecasts

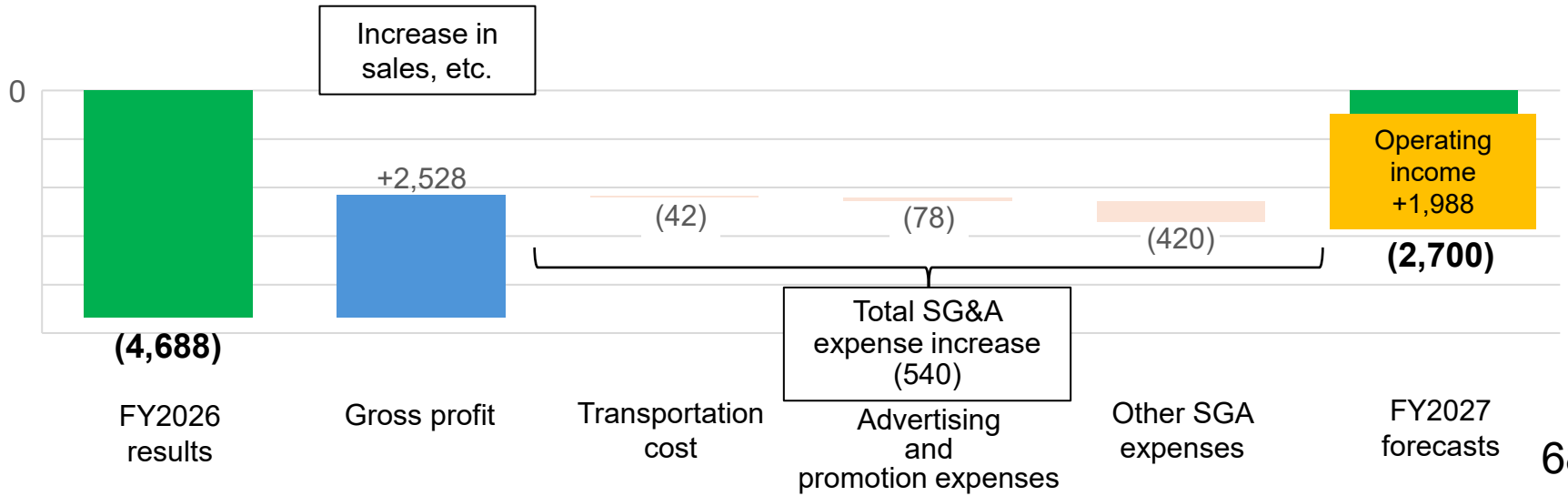
(Millions of yen)

	FY2026 actual	**FY2027 forecasts**	Vs. FY2026 actual
Net sales	40,318	**44,000**	+9.1%
Gross profit	20,261	**22,790**	+12.5%
Operating income	-4,688	**-2,700**	—
Ordinary income	-4,992	**-3,000**	—
Net income attributable to owners of the parent	-9,599	**-6,400**	—

◇Changes in operating income versus FY2026

(positive factors are shown with a plus sign, and negative factors are shown in parentheses)

(Millions of yen)



■ Consolidated Statements of Cash Flows

(Millions of yen)

	FY2026 actual	**FY2027 forecasts**	Change
Cash flows from operating activities	17,318	**21,045**	3,726
Cash flows from investing activities	-15,341	**-11,831**	3,509
Free cash flow	1,977	9,213	7,235
Cash flows from financing activities	-9,307	**35,126**	44,434

Effect of Change in Exchange Rates for the Fiscal Year Ending March 31, 2027

■ Exchange Rate Forecast for Main Exchange Rates (Compared to FY2026)

	FY2026 actual	**FY2027 forecasts**	Change
USD/Yen	149.62	**151.00**	+1.38
GBP/Yen	197.38	**199.00**	+1.62
EUR/Yen	169.19	**175.00**	+5.81
CNY/Yen	20.81	**21.20**	+0.39
100KRW/Yen	10.53	**10.60**	+0.07
INR/Yen	1.72	**1.70**	-0.02
AUD/Yen	96.50	**101.50**	+5.00

■ Exchange Rate Sensitivity (Impact on Operating Income in the Current Fiscal Year When JPY Depreciates by 1 Yen)

(Millions of yen)

	Impact on operating income in the current fiscal year when JPY depreciates by 1 yen against USD
Takara Shuzo	-111
Takara Shuzo Int'l Group	110
Takara Bio Group	13
Total	12

Forward-Looking Statements

Statements in this presentation, 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.

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