

Solid Foundation, Strong Growth Potential

確固たる基盤事業と
可能性を広げる成長事業

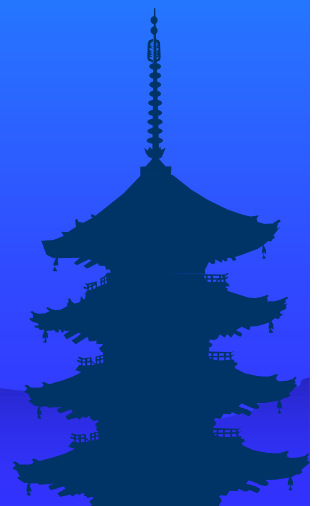
February 28, 2008

Takara Holdings Inc.
Representative Director, Executive Vice President
Tadashi Omiya



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- I. Corporate Overview
- II. Strategies of Alcoholic Beverages and Seasonings Business
- III. Strategies of Biomedical Business
- IV. Strategies of Functional Foods Business
- V. Basic Business Strategy



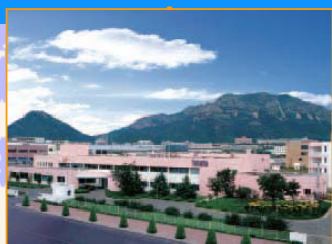
- Established : 1925
- Stock Listings : Tokyo, Osaka (Code : 2531)
- Head Office : Kyoto, Japan
- Company Representative : Hisashi Omiya, President
- Issued Capital : 13,226 million yen
- Market Capitalization : 135,191 million yen
- Net sales : 198,535 million yen
- Operating income : 7,660 million yen
- Net income : 4,208 million yen

(FY2007 : Year ended March 31, 2007)



Overseas Offices

■ Takara Biotechnology (Dalian) Co., Ltd.



■ Takara Sake USA Inc.



■ The Tomatin Distillery Co., Ltd. J&W Hardie Ltd.



■ Clontech Laboratories, Inc.

★ Takara Shuzo Group

★ Takara Bio Group

Takara Group Structure

(As of September 30, 2007)

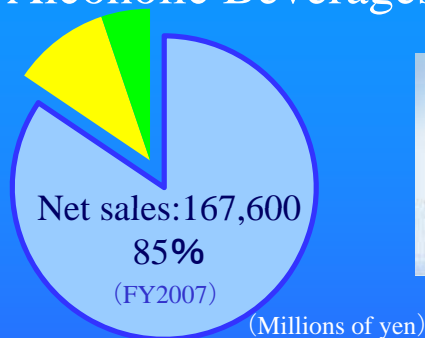
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Business Outline

p6

Alcoholic Beverages and Seasonings Business



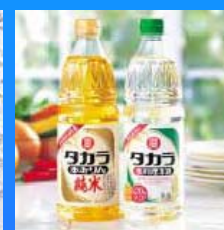
Shochu



Sake

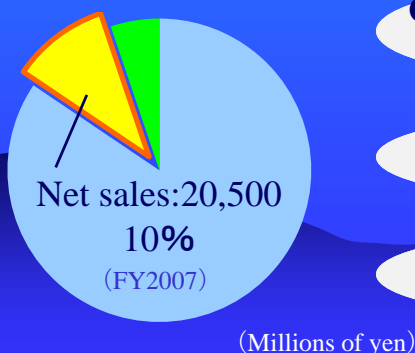


Light-Alcohol Refreshers



Seasonings

Biomedical Business



Genetic Engineering Research

- 1) Research reagents
- 2) Scientific instruments
- 3) Contract research services

AgriBio

- 1) Health foods
- 2) Mushrooms

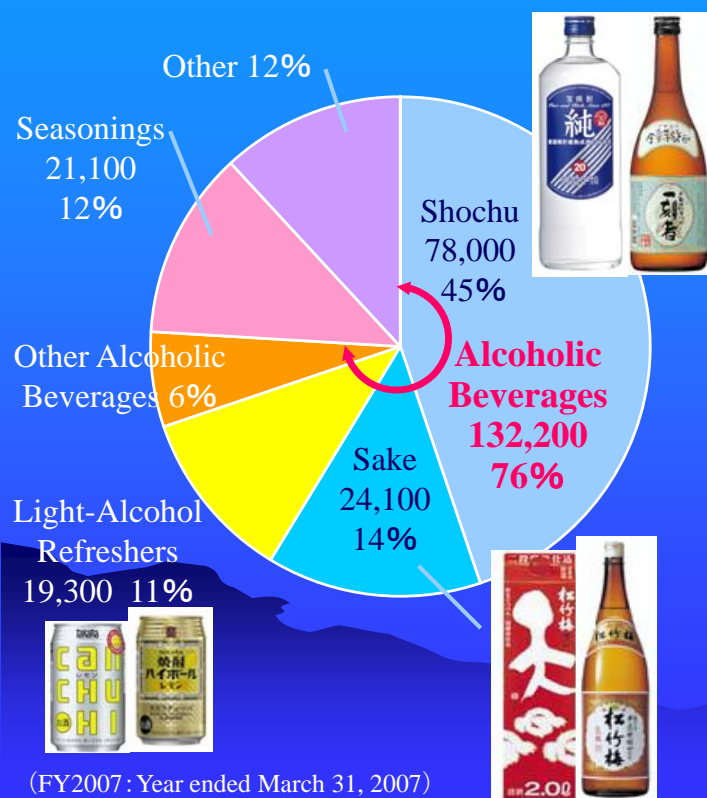
Gene Medicine

- 1) Gene therapies
 - 2) Cell therapies.
- (Growth strategy business of Takara Group.)



Business Outline of Alcoholic Beverages and Seasonings Business p7

▼Sales by segment : Takara Shuzo Group (Millions of yen)



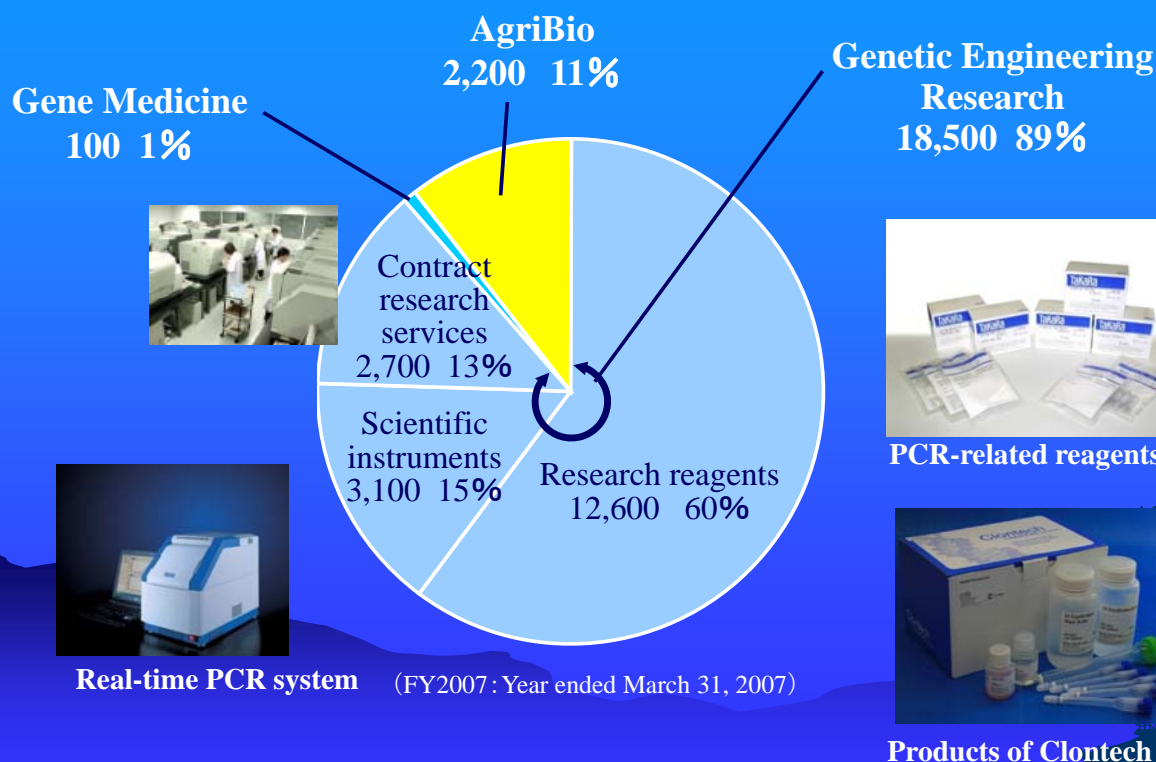
Categories	Domestic Market Share	Position
Shochu	(*) 15.2%	1st
Ko-Type	31.3%	1st
Sake	6.6%	3rd
For Gift Use(1.8 liter bottle sake)		1st
Light-Alcohol Refreshers	10.7%	4th
Mirin(Type-1)	51.7%	1st

(2006CY/* 2005CY)

Sources: Nikkan Jouzou Sangyo Bulletin,
Alcohol and Foods Monthly Statistics
of Nikkan keizai tsushinsya, Inc., Takara's Sales Data

Business Outline of Biomedical Business p8

▼Sales by segment : Takara Bio Group (Millions of yen)



1842 Sake brewing business launched. (Production and sales of Sake started)

- 1864 Shochu and Mirin business launched.
- 1912 Continuous distilled Shochu launched.
- 1920 Sake "Sho-Chiku-Bai" launched.

1925 Takara Shuzo Co., Ltd. is established.

- 1949 Takara Shuzo Co., Ltd. listed on the Tokyo Stock Exchange.
- 1967 The Central Research Institute established.
- 1972 Import and sale of Chinese alcoholic beverages start.
- 1977 "Takara Shochu Jun" launched.



The Central
Research Institute



PR poster
of the 1930'

1979 Sales of first domestically-produced restriction enzymes started.

- 1983 Takara Sake USA Inc. is established.
- 1984 "Takara Can Chu-Hi" launched.
- 1993 The exclusive worldwide rights to PCR method, which is widely used in gene amplification, is obtained.
- 1995 The RetroNectin® method, a highly efficient gene transduction method, is developed.
- 2001 Ikkomon (a 100% pure sweet potato shochu) launched.



Takara Can Chu-Hi



Restriction
Enzymes



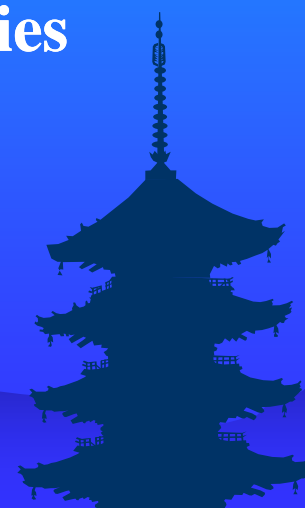
RetroNectin®
Reagent
(GMP grade)

2002 Takara Holdings Inc. (holding company) starts.

- 2004 Takara Bio Inc. listed on the Tokyo Stock Exchange Mothers market.
- 2006 Takara Healthcare Inc. is established.

Corporate Principle

Contributing to the creation of healthy lifestyles
and a vital society in harmony with nature
through fermentation technologies
and biotechnologies



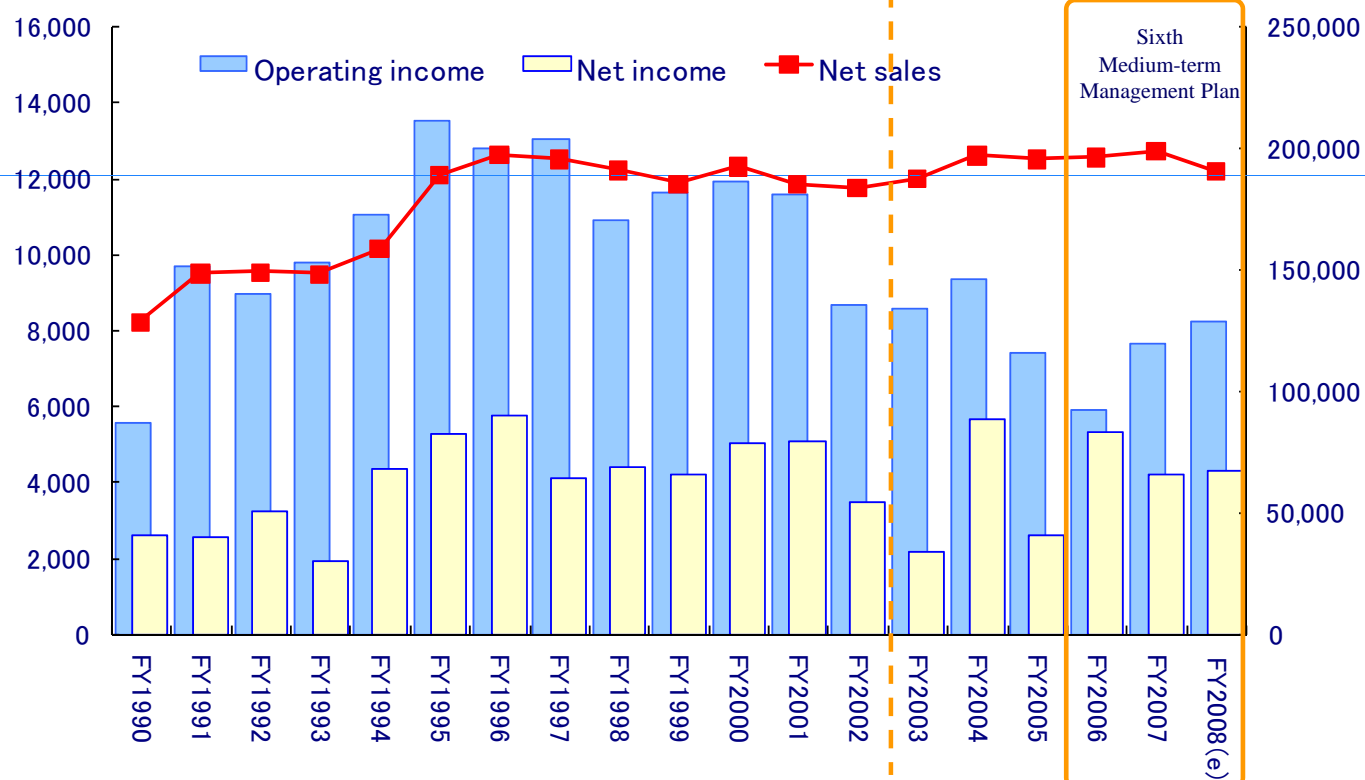
Twenty year Financial Summary

p11

Operating income, Net income
(Millions of Yen)

Move to a holding company

Net sales
(Millions of Yen)



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Solid Foundation.

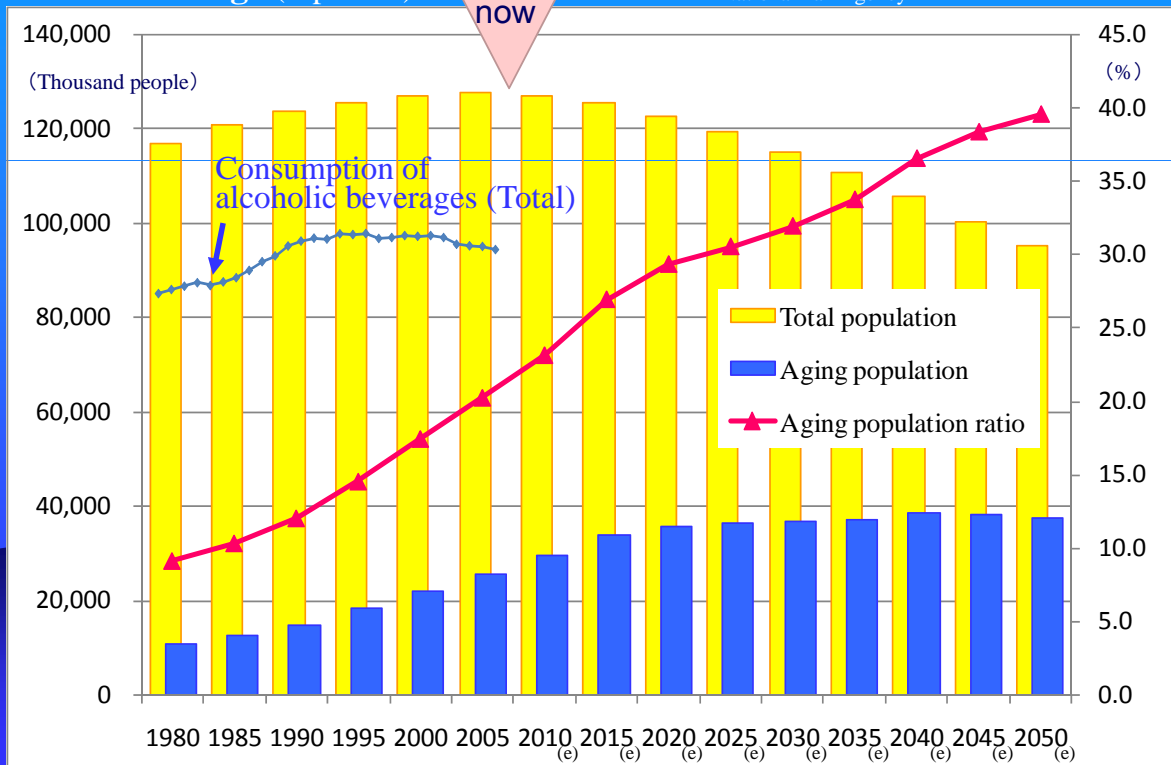
II. Strategies of Alcoholic Beverages and Seasonings Business



▼ Low birthrate and aging population.

• Population of change (Japanese)

Source : The National Institute of Population and Social Security Research
National Tax Agency



▼ Intense competition of alcoholic beverage manufacturer by deregulation of alcoholic beverage retail licensing

(since September 2003)

- Increase in retail seller of alcoholic beverages
- Declining in the total consumption of alcoholic beverages

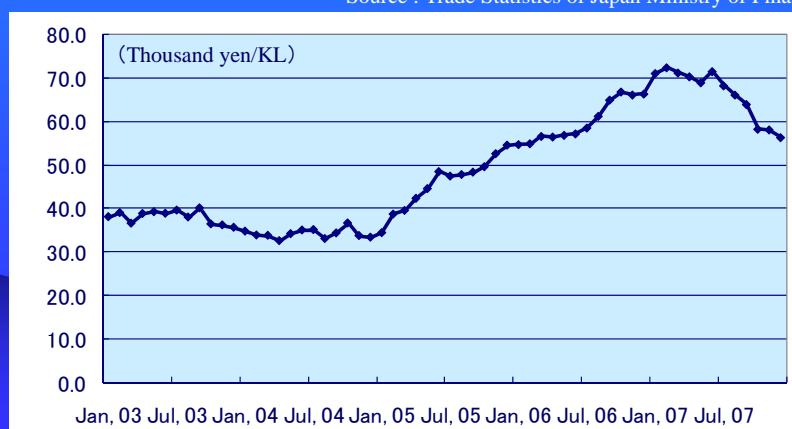


Intense competition of alcoholic beverage manufacturer.

▼ Steep increases in the cost of raw materials

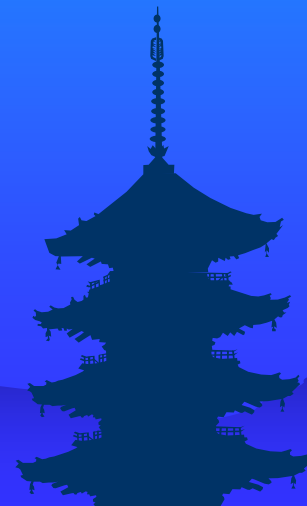
• CIF price of raw alcohol

Source : Trade Statistics of Japan Ministry of Finance



**Strengthen the profitability.
Focusing on the growth business area.**

- ① Expanding the high value-added product
("Ikkomon", "Takara Shochu Jun" etc.)
- ② Thorough profit management
- ③ Corporate restructuring



Strategies① Expanding the high value-added product p16

▼1977 "Takara Shochu Jun"



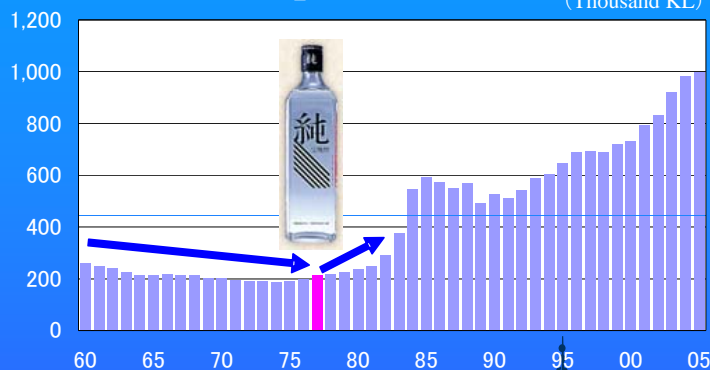
Transforming the image
of shochu and expand
the shochu market

2007 Renewal



Shochu consumption

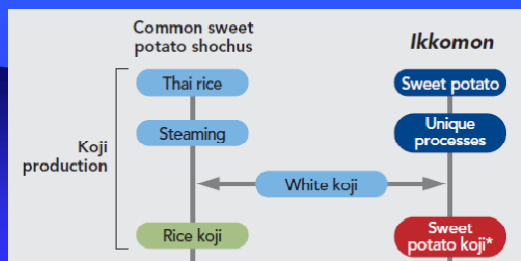
(Thousand KL)



▼2001 "Ikkomon" ~ 100% pure sweet potato shochu ~

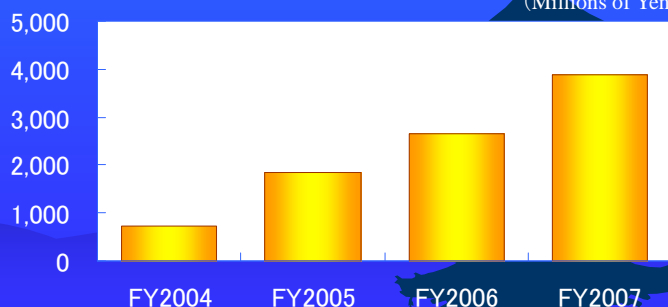


Made from 100% sweet potato



Ikkomon sales

(Millions of Yen)



1. Continuous cost reduction.

To seek efficiency through strict monitoring of production and management costs.

2. Strict managing sales promotion expense.

To set up a system to allow sales staff to easily see the cost vs. benefit analyses, etc.

3. Sales price adjustment.

(to reflect the sharp rises in the cost of raw alcohol which is raw materials.)

Ko-type shochu (large-sized bottle)
FY2007 Net sales 38,000 million yen



TaKaRa Shochu 25% 4L / 2.7L

Strategies③ Corporate restructuring

▼ Withdrawing from the soft drink business

(at the end of December 2006)

FY2006 Net sales 12,300 million yen

▼ Expanding overseas activities

- Top share in USA sake market
- Takara Sake USA Inc. is currently planning to invest in enhancing its sake production capabilities to meet the expected increase in demand.

▼ Expanding seasonings businesses

The household
market

+

The home-meal
replacement market

- To set up the Seasoning Processing Business Division
- Construction of the technological assistance infrastructure



Sake Sho-Chiku-Bai



Cooking Lab

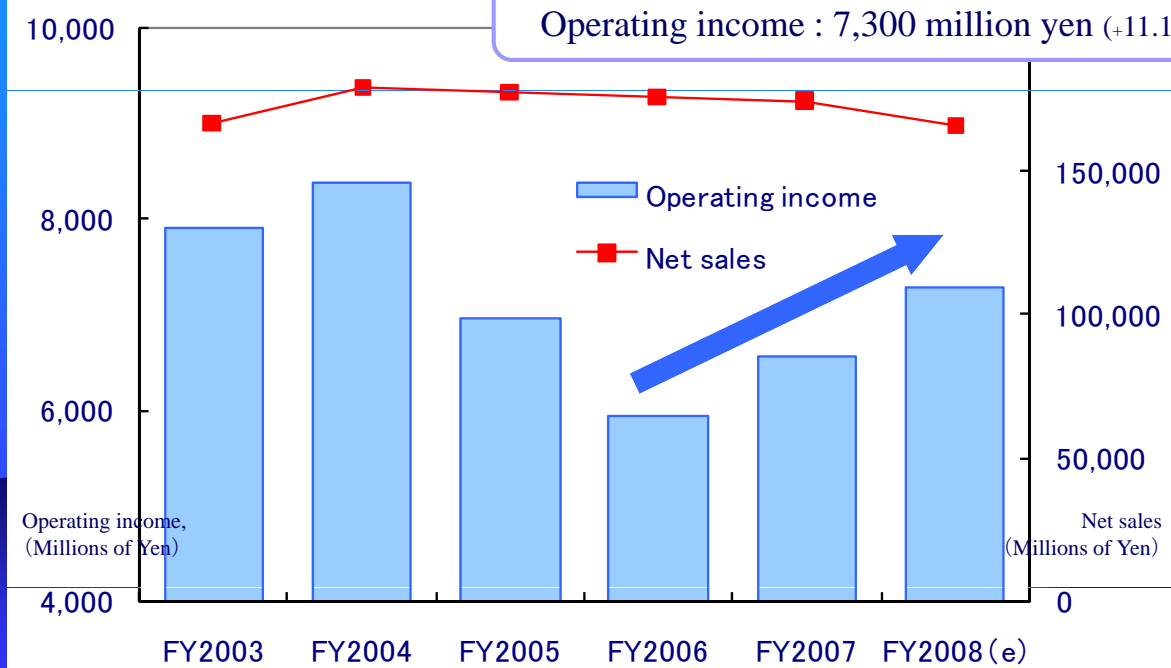
▼ Steady business performance in late years

Takara Shuzo Group

FY2008(e) : forecast announced Nov.14, 2007

Net sales : 166,400 million yen ($\Delta 4.4\%$ y-o-y)

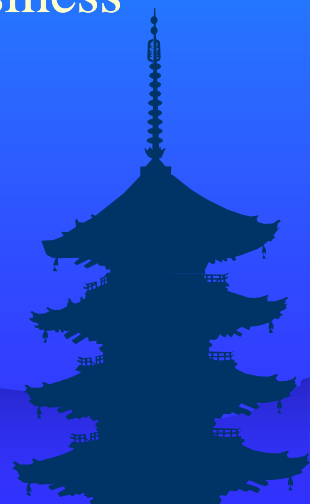
Operating income : 7,300 million yen ($+11.1\%$ y-o-y)



Strong Growth Potential.

III. Strategies of Biomedical Business

IV. Strategies of Functional Foods Business



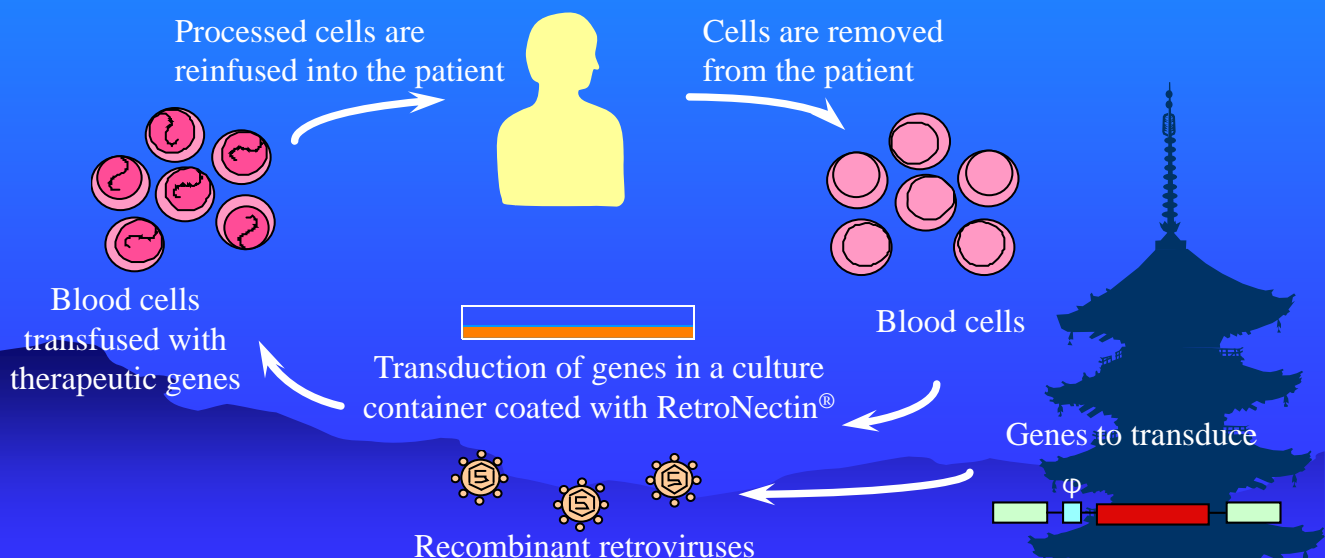
Pursuing the research and development of gene medicine

- ① Licensing the RetroNectin® Method
- ② Pursuing the clinical developments of gene therapies and cell therapies directly
- ③ Strengthen the profitability etc.

Strategies ① Licensing the RetroNectin® Method

- ▼ Holding exclusive rights for worldwide use of RetroNectin® method.
- ▼ Our RetroNectin® method is used by 38 public medical institutions, and licensed out to 4 private corporations over the world.

• Gene Therapy Protocol Using the RetroNectin® Method



▼ Clinical development projects of Takara Bio Group

• Gene Therapy

	Target disease	Location	Business partner
HSV-TK Gene Therapy	Leukemia	Japan	The National Cancer Center
TCR Gene Therapy	Esophageal cancer	Japan	Mie University School of Medicine
MazF Gene Therapy	AIDS	China Japan	National Center for AIDS and Venereal Disease Prevention and Control The Tsukuba Primate Research Center, National Institute of Biomedical Innovation

• Cancer Immunotherapy using RetroNectin® Expansion-Culture System

	Target disease	Location	Business partner
Cancer Immunotherapy	Renal cancer	China	Cancer Institute and Hospital (CIH), Chinese Academy of Medical Science
Cancer Immunity Reconstruction Therapy	Refractory cancer	Japan	Mie University School of Medicine

Strategies ③ Strengthen the profitability

1. Acquired the Clontech Unit of BD Biosciences in 2005

(M&A effect)

- Product line expansion
- Increase of sales activity in Europe and the United States
- R&D enhancement
- Reduction the manufacturing cost of Clontech product (Transferring the manufacture of Clontech products from the U.S. to Takara Biotechnology (Dalian).)

etc.

2. Consignment sales of mushrooms

3. Transferring the distribution function of health products to Takara Healthcare

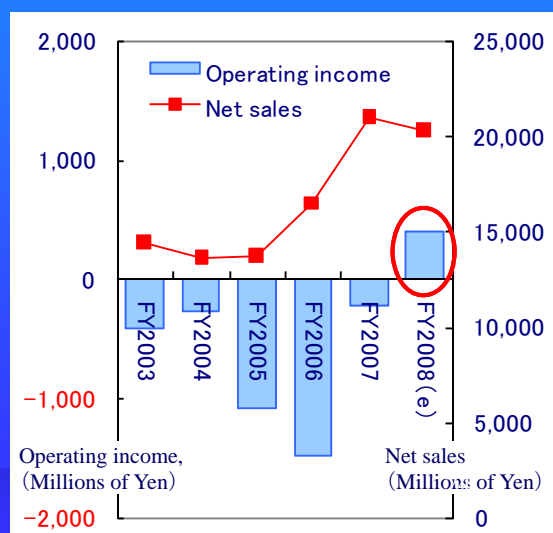
Takara Bio Group

FY2008(e) : forecast announced Jan.31, 2008

Net sales : 20,300 million yen

Operating income : 400 million yen

This forecast is to post a profit in operating income for the first time in the Company's history.



Working hard to ensure that it will become our growth business in the future.

Takara Bio's unique, cutting-edge technologies

+

Takara Healthcare, by utilizing the marketing and sales know-how of Takara Shuzo

Finding the function of traditional Asian foodstuffs



Kombu(sea tangle) "Fucoidan," a clingy substance found in Gagome kombu



Ashitaba "Chalcone"



Solid Foundation, Strong Growth Potential

Biomedical Business

Functional Foods Business

Alcoholic Beverages and Seasonings Business

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.

