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(Securities Code: 4974)
June 1, 2018

To our shareholders:

Koichi Nakao, President
Takara Bio Inc.
7-4-38, Nojihigashi, Kusatsu-shi, Shiga

Notice of the 16th Annual General Meeting of Shareholders

You are cordially invited to attend the 16th Annual General Meeting of Shareholders of Takara Bio Inc. (the "Company"), which will be held as indicated below.
If you are unable to attend the meeting in person, you may exercise your voting rights by either of the following methods. Please review the attached Reference Documents for General Meeting of Shareholders and exercise your voting rights by Thursday, June 21, 2018, at 5:30 p.m. (JST).

[Voting by Mail]
Please indicate your approval or disapproval of the proposals in the enclosed voting form and return it so that your vote is received by the voting deadline indicated above.
[Voting via the Internet]
Please review the "Instructions on Exercise of Voting Rights via the Internet" (in Japanese only), access to the voting website designated by the Company, and enter your approval or disapproval of the proposals according to on-screen instructions by the deadline indicated above.

1. **Date and Time:** Friday, June 22, 2018, at 10:00 a.m. (JST)
2. **Venue:** Prince Hall, 3F, Lake Biwa Otsu Prince Hotel
   4-7-7, Nionohama, Otsu-shi, Shiga
3. **Purpose of the Meeting**

Matters to be reported:

1. The Business Report and the Consolidated Financial Statements for the 16th fiscal year (from April 1, 2017 to March 31, 2018), and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. The Non-consolidated Financial Statements for the 16th fiscal year (from April 1, 2017 to March 31, 2018)

Matters to be resolved:

Proposal No. 1 Appropriation of Surplus
Proposal No. 2 Partial Amendments to the Articles of Incorporation
Proposal No. 3 Election of Eight Directors

- If you attend the meeting in person, please present the enclosed voting form at the venue's reception. The reception desk is scheduled to open at 9:00 a.m.
- Please note that anyone other than a shareholder who is entitled to exercise voting rights (e.g., non-shareholding proxy, person accompanying the shareholder) will not be allowed inside the venue.
- Of the documents that should be attached to the notice, the following documents are posted on the Company's website (http://www.takara-bio.co.jp/ir), pursuant to laws and regulations and the provisions in Article 14 of the Company's Articles of Incorporation, and are not attached to the notice.
  1. Business Report
     Overview of Systems to Ensure Properness of Operations and Outline of Management of Such Systems
  2. Consolidated Financial Statements
     Consolidated Statement of Changes in Equity and Notes to the Consolidated Financial Statements
  3. Non-consolidated Financial Statements
     Statement of Changes in Equity and Notes to the Non-consolidated Financial Statements

Consequently, the documents attached to the notice are part of the Consolidated Financial Statements and the Non-consolidated Financial Statements that were audited by the Accounting Auditor in preparing the financial audit report and part of the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements that were audited by the Audit & Supervisory Board Members in preparing the audit report.

- If any revision is made to the Reference Documents for General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements, the Company will post such revision on the Company's website (http://www.takara-bio.co.jp/ir).
- The Company participates in "electronic voting platforms" for institutional investors operated by ICJ Inc.

Reference Documents for General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1 Appropriation of Surplus

The Company views profit returns to shareholders as one of its important management issues, and as a basic policy, returns are provided after comprehensive consideration of a range of factors that include business performance, financial position, and enhancement of internal reserve for aggressive research and development activities in Bioindustry, AgriBio and Gene Therapy businesses. Specifically, the Company intends to distribute dividends of surplus at around 20% of its estimated profit calculated without taking into account the extraordinary income or loss in the Consolidated Financial Statements. In accordance with this policy, the Company proposes to pay a year-end dividend for the fiscal year of ¥4.50 per share as follows:

Year-end dividends

(1) Type of dividend property
Cash

(2) Allotment of dividend property to shareholders and their aggregate amount
¥4.50 per common share of the Company Total payment: ¥541,870,200

(3) Effective date of dividends of surplus
June 25, 2018

Proposal No. 2 Partial Amendments to the Articles of Incorporation

Reasons for the proposal

In order to reflect more accurately the current business activities of the Company, and for the purpose of following future business development and the diversification of business, the Company proposes to add new business items, which are regenerative medical products, specified cell products and related business, in the provision of Article 2 (Purpose) of the current Article of Incorporation

Details of the amendments

Details of the amendments are as follows:

(Amendments are underlined)

Current Articles of Incorporation	Proposed amendments
(Purpose) Article 2. The purpose of the Company shall be to engage in the following business activities: (1) Manufacture, sell and purchase pharmaceuticals, animal drugs, agrochemicals, reagents, industrial chemicals, industrial microorganism products, quasi-medicine and cosmetics; (2) Manufacture, sell and purchase of scientific instruments and medical devices; (3) (Omitted) (4) Contract of genetic analyses, other scientific analyses, and medical tests; (5) - (20) (Omitted)	(Purpose) Article 2. The purpose of the Company shall be to engage in the following business activities: (1) Manufacture, sell and purchase pharmaceuticals, diagnostic reagents, animal drugs, agrochemicals, reagents, industrial chemicals, industrial microorganism products, regenerative medical products, specified cell products, laboratory supplies, quasi-medicine and cosmetics; (2) Manufacture, sell and purchase scientific instruments and medical instruments; (3) (Unchanged) (4) Contract of genetic analyses, other scientific analyses, medical tests, and manufacturing, testing and storing of regenerative medical products, specified cell products; (5) - (20) (Unchanged)

Proposal No. 3 Election of Eight Directors

At the conclusion of this meeting, the terms of office of all eight Directors will expire.
In that regard, the Company proposes the election of eight Directors (two of whom are external Directors).
The candidates for Director are as follows:

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Koichi Nakao June 16, 1962 [Reelection]	Apr. 1985 Joined Takara Shuzo Co., Ltd. (currently Takara Holdings Inc.) Apr. 2002 Director of the Company June 2003 Managing Director and Executive Officer June 2004 Senior Managing Director and Executive Officer Apr. 2006 Senior Managing Director, Executive Officer, and COO June 2007 Representative Director, Vice President, Executive Officer, and COO June 2008 Representative Director, Vice President, and COO May 2009 Representative Director and President (current position) June 2009 Director of Takara Holdings Inc. (current position) June 2015 President and Executive Officer of the Company (current position) Significant concurrent positions outside the Company Representative Director and President of Takara Bio USA Holdings Inc. Director of Takara Holdings Inc.	66,600 shares
	Reasons for nomination as candidate for Director Koichi Nakao has displayed leadership as Representative Director of the Company and meets the criteria for candidates for Director established by the Company. Therefore, the Company nominated him as a candidate to continue serving as a Director.		
2	Hisashi Omiya June 9, 1943 [Reelection]	Apr. 1968 Joined Takara Shuzo Co., Ltd. (currently Takara Holdings Inc.) May 1974 Director June 1982 Managing Director June 1988 Senior Managing Director June 1991 Representative Director and Vice President June 1993 Representative Director and President Apr. 2002 Chairman of the Company (current position) Apr. 2002 Representative Director and President of Takara Shuzo Co., Ltd. June 2012 Representative Director and Chairman of Takara Holdings Inc. (current position) Representative Director and Chairman of Takara Shuzo Co., Ltd. (current position) Significant concurrent positions outside the Company Representative Director and Chairman of Takara Holdings Inc. Representative Director and Chairman of Takara Shuzo Co., Ltd.	219,300 shares
	Reasons for nomination as candidate for Director Hisashi Omiya is the founder of the bio business in the Takara Holdings Group and is familiar with the biotechnology industry. He possesses abundant experience and knowledge gained as an officer of the Takara Holdings Group over many years, and meets the criteria for candidates for Director established by the Company. Therefore, the Company nominated him as a candidate to continue serving as a Director.		

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	Shuichiro Matsuzaki September 5, 1955 [Reelection]	Apr. 1980 Joined Takara Shuzo Co., Ltd. (currently Takara Holdings Inc.) June 2005 Director June 2007 Director Director of Takara Shuzo Co., Ltd. June 2008 Director of Takara Holdings Inc. Managing Director of Takara Shuzo Co., Ltd. June 2010 Director of Takara Holdings Inc. Senior Managing Director of Takara Shuzo Co., Ltd. June 2014 Senior Managing Director of the Company June 2015 Senior Managing Director and Senior Managing Executive Officer June 2017 Director, Vice President and Executive Vice President (current position) Current responsibility in the Company In charge of Corporate Management Unit and PR & IR Department	10,800 shares
	Reasons for nomination as candidate for Director Shuichiro Matsuzaki possesses abundant experience and knowledge gained in Business Management, IR, Finance and Accounting as an officer of Takara Holdings Inc. and Takara Shuzo Co., Ltd., and meets the criteria for candidates for Director established by the Company. Therefore, the Company nominated him as a candidate to continue serving as a Director.		
4	Junichi Mineno August 13, 1960 [Reelection]	Apr. 1984 Joined Takara Shuzo Co., Ltd. (currently Takara Holdings Inc.) Apr. 2004 General Manager of Center for Cell and Gene Therapy Facility of the Company June 2009 Deputy General Manager of Gene Therapy Business Unit and General Manager of Center for Cell and Gene Therapy Facility Apr. 2011 Executive Officer June 2012 Senior Executive Officer June 2014 Managing Director (current position) June 2015 Senior Executive Officer (current position) Current responsibility in the Company General Manager of Bioindustry Business Unit and General Manager of CDM Center Significant concurrent positions outside the Company Representative Director and Vice Chairman of Takara Korea Biomedical Inc.	14,400 shares
	Reasons for nomination as candidate for Director Junichi Mineno has engaged in R&D of new technologies and new projects, genetic analysis-related business and operations involving products and services related to clinical research on cell and gene therapies. He possesses a track record of establishing the GMP production framework in the gene therapy business, and meets the criteria for candidates for Director established by the Company. Therefore, the Company nominated him as a candidate to continue serving as a Director.		

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company</th><th>Number of the Company's shares owned</th></tr>
<tr><td rowspan="2">5</td><td>Masanobu Kimura
(August 19, 1963)

[Reelection]</td><td>July 2001

Mar. 2007
Mar. 2010
Nov. 2011
May 2013
Apr. 2015

June 2016
June 2017

Current responsibility in the Company
General Manager of Gene Therapy Business Unit</td><td>Joined Daiichi Pharmaceutical Co., Ltd. (currently Daiichi Sankyo Co., Ltd.)
Joined ImmunoFrontier, Inc.
Joined ICON Japan K.K.
Joined PAREXEL International Inc.
Joined the Company
Deputy General Manager of Gene Therapy Business Unit and General Manager of Project Management Department
Executive Officer
Director and Managing Executive Officer (current position)</td><td>800 shares</td></tr>
<tr><td colspan="4">Reasons for nomination as candidate for Director
Masanobu Kimura has been involved in development of pharmaceuticals, has leadership experience in clinical development in the gene therapy business, and meets the criteria for candidates for Director established by the Company. Therefore, the Company nominated him as a candidate to continue serving as a Director.</td></tr>
<tr><td rowspan="2">6</td><td>Jawaharlal Bhatt
(December 9, 1942)

[Reelection - External]</td><td>Apr. 1985
June 1990

May 2000
June 2010</td><td>Director of Cooper LaserSonics, Inc.
President and CEO of Bio NovaTek International, Inc.
President and CEO of Jay Bhatt, Inc.
Director (external Director) of the Company (current position)</td><td>0 shares</td></tr>
<tr><td colspan="4">Reasons for nomination as candidate for external Director
Jawaharlal Bhatt possesses abundant experience and knowledge gained through his involvement with business operation and corporate management in medical and healthcare-related companies overseas. He meets the criteria for candidates for external Director established by the Company, and is expected to express his opinions at the Board of Directors meetings from an independent and objective standpoint, thereby ensuring effective management oversight. Therefore, the Company nominated him as a candidate to continue serving as an external Director.</td></tr>
<tr><td rowspan="2">7</td><td>Nobuko Kawashima
(October 27, 1962)
(Name as shown on the family resister: Nobuko Yokoyama)

[Reelection - External]</td><td>Apr. 1986

Sept. 1987
Sept. 1991

Apr. 1999

Apr. 2004

June 2016

Significant concurrent positions outside the Company
Professor with the Faculty of Economics at Doshisha University</td><td>Joined The Long-Term Credit Bank of Japan, Limited
Joined Dentsu Communication Institute Inc.
Research fellow at the Centre for Cultural Policy Studies of the University of Warwick
Full-time lecturer with the Faculty of Economics at Doshisha University
Professor with the Faculty of Economics (current position)
Director (external Director) of the Company (current position)</td><td>0 shares</td></tr>
<tr><td colspan="4">Reasons for nomination as candidate for external Director
Nobuko Kawashima has extensive research experience in subjects including creative economy and corporate social responsibility. She meets the criteria for candidates for external Director established by the Company, and is expected to apply her expert knowledge to the management of the Company and express her opinions at the Board of Directors meetings from an independent and objective standpoint, thereby ensuring effective management oversight. Therefore, the Company nominated her as a candidate to continue serving as an external Director. Nobuko Kawashima has never in the past been involved in the management of a company except as an external officer. However, the Company judges she will appropriately fulfill her duties as an external Director based on her abundant experience as an academic and broad insight on economy and society.</td></tr>
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Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
8	Tsuyoshi Miyamura (October 20, 1963) [New election]	Apr. 1988 Joined Takara Shuzo Co., Ltd. (currently Takara Holdings Inc.) Jan. 2009 General Manager of Sales Department June 2009 Executive Officer June 2014 Managing Executive Officer (current position) Current responsibility in the Company Deputy General Manager of Bioindustry Business Unit, General Manager of Sales Group, in charge of Facility Department, and General Manager of Business Development Department	8,000 shares
	Reasons for nomination as candidate for Director Tsuyoshi Miyamura has been involved in planning, marketing, sales and distribution of products and services in the bio business, has contributed to the market expansion in China for products in the genetic engineering research field, proved his ability as a corporate manager for the Company's subsidiary, and meets the criteria for candidates for Director established by the Company. Therefore, the Company nominated him as a candidate for Director.		

Notes: 1. Special interests between candidates for Director and the Company are as follows:

(1) The Company has the following transactions with Takara Holdings Inc. and Takara Shuzo Co., Ltd., where candidate Hisashi Omiya serves as Representative Director and Chairman.

(i) With Takara Holdings Inc., the Company has transactions including the Company's payment of license fees for use of trademarks, payment for outsourcing of computer-related services and lease of information equipment, and transactions concerning office leases.

(ii) With Takara Shuzo Co., Ltd., the Company has transactions including the Company's payment of office rent, payment for purchased products, and other transactions concerning product sales and contracted services.

(2) There is no special interest between any other candidates for Director and the Company.

2. Of the candidates for Director, business executives of the Company's parent company or its subsidiaries (excluding the Company) are as follows:

(1) Candidate Koichi Nakao is currently a business executive (Representative Director and President) of Takara Bio USA Holdings Inc., which is a subsidiary of the Company's parent company Takara Holdings Inc. as well as a subsidiary of the Company. Within the past five years, Koichi Nakao has served as a business executive (Chairman) of Takara Biotechnology (Dalian) Co., Ltd., Takara Biomedical Technology (Beijing) Co., Ltd., and Takara Korea Biomedical Inc., which are subsidiaries of the Company's parent company Takara Holdings Inc. as well as subsidiaries of the Company.

(2) Candidate Hisashi Omiya is currently a business executive (Representative Chairman and Director) of the Company's parent company Takara Holdings Inc. and its subsidiary (a so-called fellow subsidiary of the Company) Takara Shuzo Co., Ltd.

(3) Within the past five years, candidate Shuichiro Matsuzaki has served as a business executive (Director in charge of Business Management, Finance, IR and Accounting) of the Company's parent company Takara Holdings Inc. and as Senior Managing Director in charge of Business Management, Finance and Accounting of its subsidiary (a so-called fellow subsidiary of the Company) Takara Shuzo Co., Ltd.

(4) Candidate Junichi Mineno is currently a business executive (Representative Director and Vice Chairman) of Takara Korea Biomedical Inc., which is a subsidiary of the Company's parent company Takara Holdings Inc. as well as a subsidiary of the Company.

(5) Within the past five years, Tsuyoshi Miyamura has served as a business executive (Vice Chairman and General Manager) of Takara Biotechnology (Dalian) Co., Ltd., which is a subsidiary of the Company's parent company Takara Holdings Inc. as well as a subsidiary of the Company.

3. Candidates for Director Jawaharlal Bhatt and Nobuko Kawashima are candidates for external Director. The Company has submitted notification to the Tokyo Stock Exchange that Jawaharlal Bhatt and Nobuko Kawashima have been designated as independent officers as provided for by the aforementioned exchange.

4. A candidate for Director Jawaharlal Bhatt is currently an external Director of the Company, and at the conclusion of this meeting, his tenure will have been eight years. A candidate for Director Nobuko Kawashima is currently an external Director of the Company, and at the conclusion of this meeting, her tenure will have been two years.

5. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into agreements with both Jawaharlal Bhatt and Nobuko Kawashima to limit their liability for damages under Article 423, paragraph 1 of the Companies Act. Pursuant to this agreement, the defined maximum amount of liability for damages is the minimum liability amount provided for under Article 425, paragraph 1 of the Companies Act. If the reelections of Jawaharlal Bhatt and Nobuko Kawashima are approved, the Company plans to renew the aforementioned agreements with them.