

March 6, 2020

For Immediate Release

Company name: TAKARA & COMPANY LTD.  
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President and Representative Director  
(Securities Code: 7921 TSE First Section)  
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Notice Regarding Acquisition of Shares of  
Interpreting and Translation Service Provider, Simul International, Inc.,  
Making It a Wholly-owned Subsidiary

TAKARA & COMPANY LTD. (hereinafter, the “Company”) hereby announces that it has reached a final agreement to acquire from Benesse Holdings, Inc. (TSE First Section, Securities Code 9783; hereinafter, “Benesse”) shares of Benesse’s wholly-owned subsidiary, Simul International, Inc. (hereinafter, “Simul”), to make Simul a wholly-owned subsidiary of the Company, and that at a meeting of its Board of Directors held today, the Company resolved to conclude an agreement with Benesse on the transfer of shares, as detailed below.

**1. Reasons for acquiring shares**

As announced in the “Notice Regarding Transition to a Holding Company Structure through a Company Split, Change of Trade Name, and Partial Amendments of the Article of Incorporation” released on July 9, 2019, the Company transitioned to a holding company structure in December 2019. For this transitions, the holding company structure was formed six months in advance as a preparation period for the establishment of a new business model with the launch of the New Medium Term Management Plan starting in the next fiscal year (fiscal year ending May 31, 2021). By transitioning to a holding company structure, the Company aims to strengthen its strategic functions, expand its scope of services to peripheral fields while positioning disclosure and IR as its primary area of business, and seize new growth opportunities to enhance the Company’s corporate value.

The business environment surrounding the Group continues to see an expansion in the need for translation of information disclosure documents with the increase in the number of non-resident shareholders and as companies work to comply with Japan’s Corporate Governance Code. Furthermore, the interpreting and translation market is continuing to grow due to the globalization of our clients’ business operations and the expansion of inbound tourism-related businesses. As such, the securing of high-quality translation resources, in particular, has become an urgent management issue for the Group.

In order to respond to this business environment, in March 2015, the Group established a subsidiary in Hong Kong for the purpose of offering support to Japanese companies considering listing on securities markets in major Asian countries. Then in November 2018, it acquired the subsidiary Translasia Holdings Pte. Ltd., a company providing interpreting and translation services in Singapore, Malaysia and Hong Kong, thus augmenting its overseas network in Asia. As for the translation business within Japan too, in February 2019, the Group reinforced its framework for supplying high-quality translation services by acquiring TOIN Corporation, specializing mainly in localization into multiple languages, transcreation and technical translation, as a wholly-owned subsidiary.

With a view to further strengthening IR and global business development support for Japanese companies targeting foreign investors, as well as expanding our business domain by quickly reinforcing our interpreting and translation business, particularly in relation to interpreting which had been our weakness, this time, the Company has decided to acquire Simul, a company with high-quality interpreting and translation skills, as its wholly-owned subsidiary. With this acquisition, the Group is set to have one of the largest scale of interpreting and translation operations in the interpreting and translation industry of Japan.

Since its founding in 1965, Simul has supported international communication for 55 years by providing high-quality interpreting services at important international conferences in the areas of politics, economics and culture of Japan. The exclusive contract system for interpreters with a wealth of experience in handling high-profile international conferences within Japan has been at the core of Simul's growth. Simul has a team of more than 2,000 top registered interpreters working between multiple languages. Its expertise now extends beyond interpreting to the field of translation, and the company has built up a network of translators and editors in numerous fields handling everything from intricate and highly specialized documents to reading materials that require eloquence of expression. Its education business, the Simul Academy, has trained talented interpreters and translators over many years, and has produced large numbers of interpreters and translators equipped for real-world work.

Combining the expertise in the disclosure and IR field that the Group has accumulated to date with Simul's first-rate interpreting and translation skills will enhance our framework for providing quality translations for disclosure and IR documents, and quality interpreting at shareholder meetings and other events, which are urgent issues for listed companies in Japan. We will continue to strengthen our support system in order to assist listed companies, our clients, to further improve their information disclosure targeting foreign investors and to develop constructive dialogue with their non-resident shareholders. We believe that this improvement in the Group's service quality and expansion of its service offerings will enable us to provide the clients of Simul and the Group with support in a wider range of fields.

By incorporating Simul's industry-leading interpreting and translation skills into the Group, the Company will fulfill its mission as a public entity of society to a greater degree, strengthen its global business, and will work to achieve sustainable growth.

## 2. Overview of the subsidiary to be transferred (Simul)

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|     |                                                                                               |                                                                                                                                                                                                                                                  |                |                |
|-----|-----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| (1) | Name                                                                                          | Simul International, Inc.                                                                                                                                                                                                                        |                |                |
| (2) | Location                                                                                      | 7-16-12 Ginza, Chuo-ku, Tokyo 104-0061 Japan                                                                                                                                                                                                     |                |                |
| (3) | Title and name of representative                                                              | HAYASHI Junichi, President                                                                                                                                                                                                                       |                |                |
| (4) | Description of business                                                                       | Interpreting services, translation services<br>Interpreter and translator training school management<br>Staffing and referral of interpreting and translation personnel<br>Provision and operation of equipment for interpreting and conferences |                |                |
| (5) | Capital                                                                                       | ¥40 million                                                                                                                                                                                                                                      |                |                |
| (6) | Date of establishment                                                                         | September 18, 1978 (Started business in 1965)                                                                                                                                                                                                    |                |                |
| (7) | Major shareholders and shareholding ratio                                                     | Benesse Holdings, Inc.                                                                                                                                                                                                                           |                | 100.0%         |
| (8) | Relationship between the Company and Simul                                                    | Capital relationship                                                                                                                                                                                                                             | Not applicable |                |
|     |                                                                                               | Personnel relationship                                                                                                                                                                                                                           | Not applicable |                |
|     |                                                                                               | Business relationship                                                                                                                                                                                                                            | Not applicable |                |
| (9) | Financial results and financial position of Simul for the last three years (Non-consolidated) |                                                                                                                                                                                                                                                  |                |                |
|     | Fiscal year ended                                                                             | March 31, 2017                                                                                                                                                                                                                                   | March 31, 2018 | March 31, 2019 |
|     | Net assets                                                                                    | ¥1,190 million                                                                                                                                                                                                                                   | ¥1,159 million | ¥1,158 million |
|     | Total assets                                                                                  | ¥1,929 million                                                                                                                                                                                                                                   | ¥1,834 million | ¥1,874 million |
|     | Net assets per share                                                                          | ¥838.17                                                                                                                                                                                                                                          | ¥816.32        | ¥815.61        |
|     | Net sales                                                                                     | ¥4,381 million                                                                                                                                                                                                                                   | ¥4,474 million | ¥5,102 million |
|     | Operating income                                                                              | ¥143 million                                                                                                                                                                                                                                     | ¥81 million    | ¥70 million    |
|     | Ordinary income                                                                               | ¥220 million                                                                                                                                                                                                                                     | ¥158 million   | ¥125 million   |
|     | Profit                                                                                        | ¥162 million                                                                                                                                                                                                                                     | ¥130 million   | ¥129 million   |
|     | Basic earnings per share                                                                      | ¥114.69                                                                                                                                                                                                                                          | ¥92.14         | ¥91.29         |
|     | Dividend per share                                                                            | ¥114.00                                                                                                                                                                                                                                          | ¥92.00         | ¥91.00         |

### 3. Overview of the party from which the shares will be acquired

|      |                                              |                                                                                                                                                                                                  |                                                                                                                                                                                                                         |
|------|----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1)  | Name                                         | Benesse Holdings, Inc.                                                                                                                                                                           |                                                                                                                                                                                                                         |
| (2)  | Location                                     | 3-7-17 Minamigata, Kita-ku, Okayama-shi, Okayama 700-0807, Japan                                                                                                                                 |                                                                                                                                                                                                                         |
| (3)  | Title and name of representative             | ADACHI Tamotsu, Representative Director and President, CEO                                                                                                                                       |                                                                                                                                                                                                                         |
| (4)  | Description of business                      | Holding company, overall Group management strategy formulation and management oversight, etc.                                                                                                    |                                                                                                                                                                                                                         |
| (5)  | Capital                                      | ¥13,661 million                                                                                                                                                                                  |                                                                                                                                                                                                                         |
| (6)  | Date of establishment                        | January 28, 1955                                                                                                                                                                                 |                                                                                                                                                                                                                         |
| (7)  | Consolidated net assets                      | ¥175,099 million                                                                                                                                                                                 |                                                                                                                                                                                                                         |
| (8)  | Consolidated total assets                    | ¥504,682 million                                                                                                                                                                                 |                                                                                                                                                                                                                         |
| (9)  | Major shareholders and shareholding ratio    | <div> <div>The Master Trust Bank of Japan, Ltd.</div> <div>Japan Trustee Services Bank, Ltd.</div> <div>efu Investment Limited</div> <div>13.22%</div> <div>12.57%</div> <div>8.15%</div> </div> |                                                                                                                                                                                                                         |
| (10) | Relationship between the Company and Benesse | Capital relationship                                                                                                                                                                             | Not applicable                                                                                                                                                                                                          |
|      |                                              | Personnel relationship                                                                                                                                                                           | Not applicable                                                                                                                                                                                                          |
|      |                                              | Business relationship                                                                                                                                                                            | <p>There is no business relationship between the Company and Benesse required to be referred to herein.</p> <p>There are, however, disclosure-related transactions between a subsidiary of the Company and Benesse.</p> |

### 4. Status of the number of shares acquired, acquisitions price and the number shares held prior to/after the acquisition

|     |                                         |                                                                                                                         |  |
|-----|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------|--|
| (1) | Number of shares held prior to transfer | 0 shares<br>(Number of voting rights: 0)<br>(Ratio of voting rights: 0%)                                                |  |
| (2) | Number of shares acquired               | 1,420,000 shares<br>(Number of voting rights: 1,420,000)                                                                |  |
| (3) | Acquisition price                       | Common stock of Simul: ¥4,946 million<br>Advisory fees, etc. (estimate): ¥4 million<br>Total (estimate): ¥4,950 million |  |
| (4) | Number of shares held after transfer    | 1,420,000 shares<br>(Number of voting rights: 1,420,000)<br>(Ratio of voting rights: 100.0%)                            |  |

### 5. Schedule

|     |                                                           |                            |
|-----|-----------------------------------------------------------|----------------------------|
| (1) | Date of resolution by Board of Directors (of the Company) | March 6, 2020              |
| (2) | Date of execution of agreement                            | March 6, 2020              |
| (3) | Date of execution of share transfer                       | March 31, 2020 (scheduled) |

### 6. Future outlook

In conjunction with the acquisition of shares, Simul will become a consolidated subsidiary of the Company and the change will be reflected in the consolidated financial results from the first quarter of the fiscal year ending May 31, 2021. Therefore, we believe, at present, that the impact of the share acquisition on the Company's consolidated financial results forecast for the fiscal year ending May 31, 2020 will be immaterial.

The consolidated financial results forecast for the fiscal year ending May 31, 2021 will be announced in the "Consolidated Financial Results for the Fiscal Year Ended May 31, 2020" to be released on July 2, 2020.