







TaKaRa

TaKaRa Group Report 2026

Integrated Report

TAKARA HOLDINGS INC.

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Editorial Policy

The Takara Group Report is designed to provide our stakeholders with information on the initiatives we implement to improve the Group's corporate value. In this year's Message from the President, in addition to reviewing the Takara Group Medium-Term Management Plan for 2025 and discussing our recognition of the issues it revealed, we explain the intent behind formulating the TaKaRa Group Long-Term Vision 2050 and making Takara Bio a wholly owned subsidiary, as well as initiatives to restore the Group to a growth trajectory and improve corporate value as set out in the Takara Group Medium-Term Management Plan for 2030. We also present our value creation story toward realizing "Smiles in Life," including Long-Term Vision 2050, the value creation process, the business portfolio strategy, and growth strategies of each business.

Scope: Takara Group (on a consolidated basis; including some nonconsolidated figures)
Period covered: Fiscal year ended March 31, 2026 (April 2025 to March 2026)
* The Report refers to some of the initiatives taken before 2025 and in or after April 2026.

Forward-Looking Statements

Statements in this report, other than those based on historical fact, concerning the current plans, prospects, strategies, and expectations of the Company and its Group companies represent forecasts of future results, or forward-looking statements. 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.

Reference Guidelines

International Integrated Reporting Framework by the IFRS Foundation
Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation 2.0 by the Ministry of Economy, Trade and Industry

01 Introduction

Growth Trajectory

With the sake brewing business as its origin, the Takara Group has grown by developing its alcoholic beverages business while expanding its business domains into the Biomedical Business and the Japanese Food Wholesale Business in Overseas Markets.
This chapter looks back on the Group's growth trajectory.

04 Our History
06 Our Growth
08 Our Identity

Chapter 01



Our History

Continuing to Deliver Diverse Values of *Washu*, Japanese Food, and Life Science—Takara Group's Challenges

1842

Founded Takara Group
Began sake business in Fushimi, Kyoto



1897

Registered the "寶 (Takara)" mark for mirin



1925

Founded TAKARA SHUZO CO., LTD.
(currently TAKARA HOLDINGS INC.)



1957

Entered the beer business (withdrew in 1967)





1977

Launched Takara Shochu *Jun* and reinvigorated the shochu market



1979

Started the Biomedical Business
Launched the first domestically produced "restriction enzyme" as a reagent for genetic engineering research



1983

Founded Takara Sake USA Inc.
Started manufacturing and selling *Sho Chiku Bai* produced in the U.S.



1984

Launched *Takara Can Chu-Hi* as Japan's first canned chu-hi product



1986

Acquired the management right of The Tomatin Distillery Co. Ltd (UK)





1988

Acquired the exclusive distribution right in Japan for a gene amplification system using the PCR technology



1992

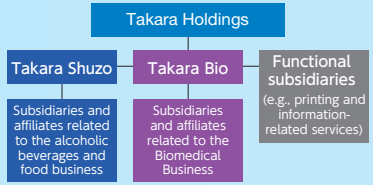
Acquired all shares of AADC Holding Company, Inc., the parent company of Age International, Inc. (U.S.)





2002

Transitioned to a holding company system
Changed the company name to TAKARA HOLDINGS INC. Established TAKARA SHUZO CO., LTD. and TAKARA BIO INC.



1993

Established Takara Biotechnology (Dalian) Co., Ltd. in Dalian, China



Our History

2004
TAKARA BIO INC. listed on TSE Mothers
- Changed listing to the First Section in 2016
- Delisted in 2026 and became a wholly owned subsidiary of Takara Holdings

2006
Launched *Takara Shochu Highball*



2010
Entered the Japanese Food Wholesale Business in Overseas Markets
Acquired shares of FOODEX SAS (France)



2011
Launched *Sho Chiku Bai Shirakabegura* "Mio", sparkling sake



2014
Started the CDMO Business on a full scale
Completed construction of the Center for Gene and Cell Processing (CGCP) (Started operation of CGCP II in 2020)



2017
Established TAKARA SHUZO INTERNATIONAL CO., LTD.

2020
Established Takara Group Sustainability Policy

2025
100th anniversary of Takara Group
Established TaKaRa Group Long-Term Vision 2050



2026
Established Takara Group Medium-Term Management Plan for 2030

Expansion of Overseas Japanese Food Wholesale Network



2010 FOODEX SAS (France)



2014 Cominport Distribución, S.L. (Spain)



2017 Nippon Food Supplies Company Pty Ltd (Australia)



2013 Tazaki Foods Ltd. (UK)



2016 Mutual Trading Co., Inc. (U.S.)



2024 Kagerer & Co. GmbH (Germany)

2020
Obtained the approval for manufacturing and selling an in vitro diagnostic product
Launched Takara SARS-CoV-2 Direct PCR Detection Kit



Our Growth

Takara Group in the World

The Takara Group started its business from the sake brewing business and has expanded the business area to include the Biomedical Business and the Japanese Food Wholesale Business in Overseas Markets. As of March 31, 2026, the Takara Group consists of 66 consolidated companies in total including 13 companies in Japan and 53 overseas companies. In terms of geographical regions, we have also extended our business activities in countries in Europe, the U.S., and Asia as well as Japan. More than half of the Group's employees work overseas, resulting in diverse human resources.

Corporate Profile

TAKARA HOLDINGS INC.
Unifying Group Management

- Takara Shuzo (Domestic Business)
- Takara Shuzo International Group (Overseas Business)
- Takara Bio Group (Biomedical Business)
- Others (Domestic Group Companies)



Takara Shuzo (Domestic Business)

Striving to craft unique *washu* by combining over 180 years of technical expertise with innovative thinking

Line of business

Takara Shuzo manufactures and sells a wide range of products, from Japanese alcoholic beverages (*washu*) such as shochu, sake, and light-alcohol refreshers, to imports such as Chinese alcoholic beverages and whisky, to seasonings such as hon-mirin, and even raw alcohol.





Takara Shuzo International Group (Overseas Business)

Leveraging our global network to spread Japanese food culture across the world

Line of business

Takara Shuzo International Group bolsters global awareness and acceptance of Japanese food culture (*washu* and Japanese food) through the Overseas Alcoholic Beverages Business and the Japanese Food Wholesale Business in Overseas Markets.





Takara Bio Group (Biomedical Business)

A prominent platform provider of a critical infrastructure for the global life science industry

Line of business

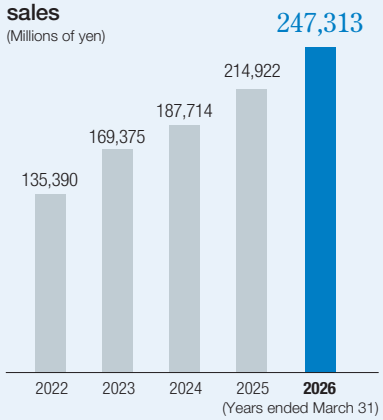
Takara Bio Group supplies reagents and instruments and provides CDMO services for cutting-edge regenerative medicine products to customers inside and outside Japan.



Our Growth

Trends in overseas sales

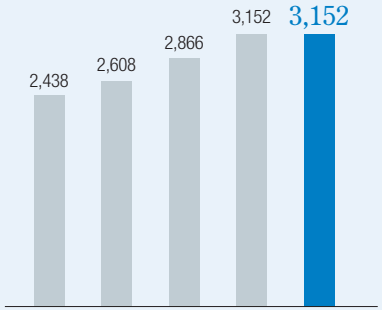
(Millions of yen)



(Years ended March 31)

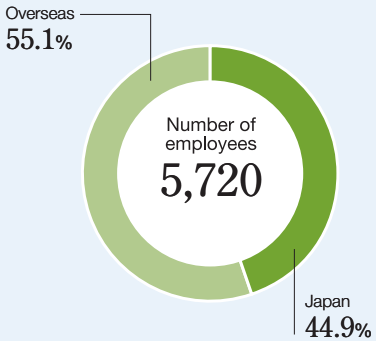
Trends in number of overseas employees

(People)

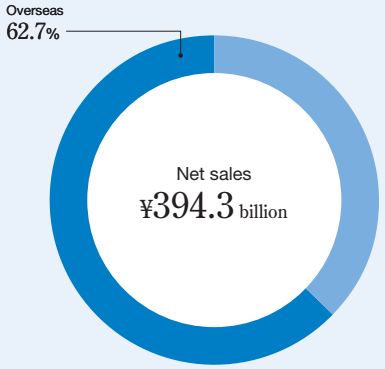


(as of March 31)

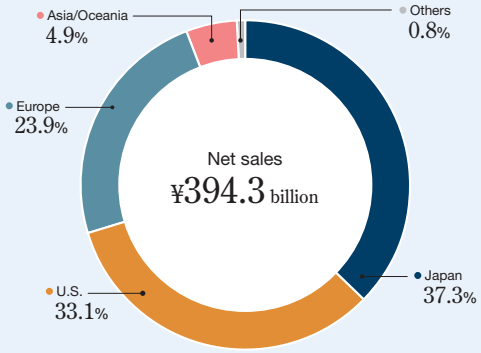
Percentage of overseas and domestic employees

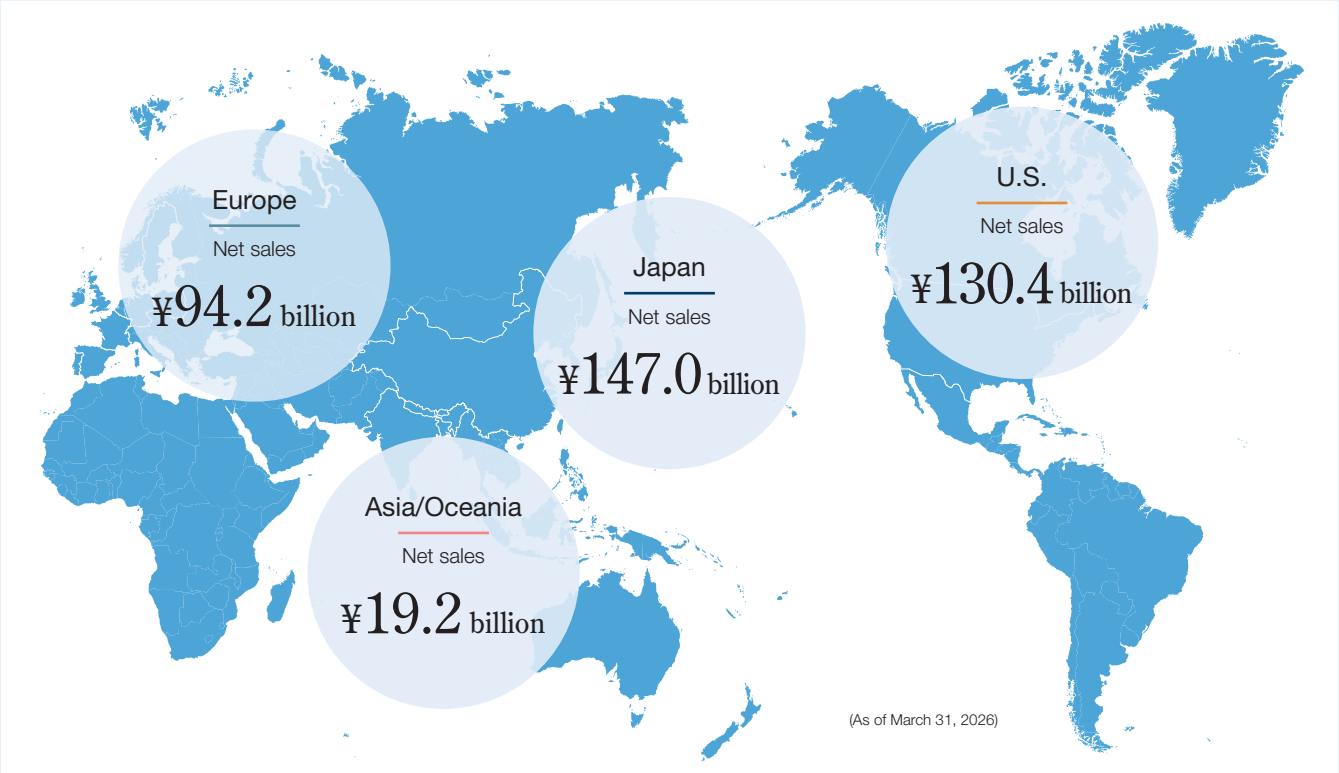


Overseas sales over total net sales



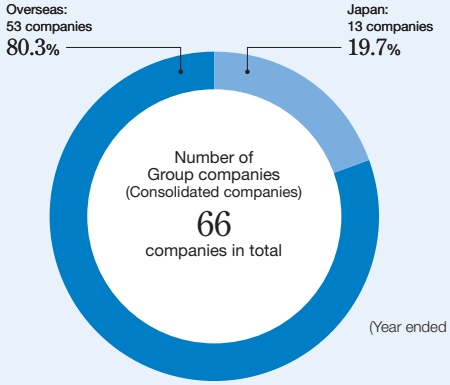
Net sales by region





(As of March 31, 2026)

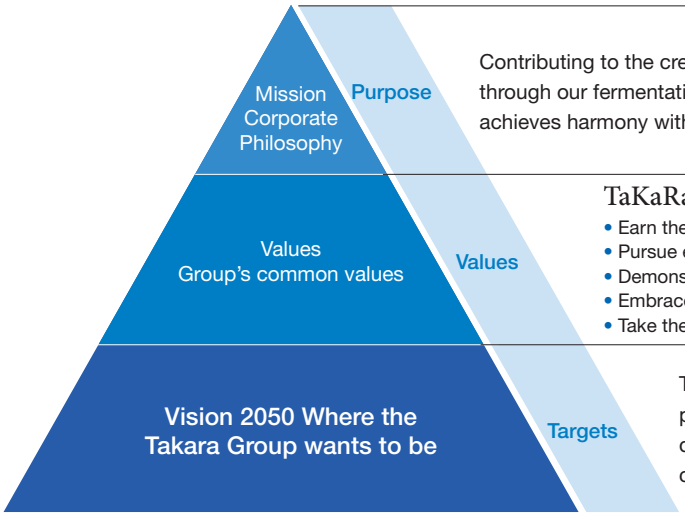
Percentage of overseas and domestic Group companies



(Year ended March 31, 2026)

Our Identity

The Takara Group's identity (our "Takara-ness") is a systematization of the Vision (what we aspire to be), and redefines as our Values (the values shared amongst the Group) what all employees in the Group should respect based on our Mission, the raison d'être of the Group. This identity is rooted in the amalgamation of all the different strengths of each individual employee of the Takara Group, fostering a corporate culture to make our Vision reality while heightening our sense of unity as a group while not losing our "Takara-ness."



Contributing to the creation of a vital society and a healthy lifestyle through our fermentation technology and biotechnology in a way that achieves harmony with nature.

TaKaRa Five Values

- Earn the trust of others
- Pursue excellence in technology and quality
- Demonstrate the spirit of challenge
- Embrace and value diversity
- Take the initiative and ownership of every task

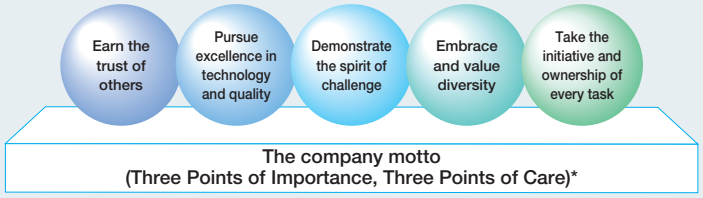
The Takara Group continues to bring smiles to people around the world by delivering a fulfilling dietary lifestyle and healthy living, and by creating new value through biotechnology.

Smiles in Life

Group's common values (TaKaRa Five Values)

The "TaKaRa Five Values" presents what we cherish and what needs to be cherished as a corporate group. These common values of the Group express the ideas and spirit of the company motto, "Three Points of Importance, Three Points of Care," in a way that accommodates the changing times and globalization and is easily understood by employees.

TaKaRa Five Values



* The importance of decorum, the importance of the law, the importance of responsibility, care with words and actions, care with fire, care with machinery.

01 **Earn the trust of others**
Uphold laws and social ethics, build trust gradually through individual actions, and gain confidence inside and outside the company

02 **Pursue excellence in technology and quality**
Exercise ingenuity, apply wisdom, and select only the best technologies to provide safe, reliable products and services to our customers

03 **Demonstrate the spirit of challenge**
Make repeated efforts to achieve our goals while adapting to environmental changes

04 **Embrace and value diversity**
Respect others' thoughts and work together to enhance both our individual and team strengths

05 **Take the initiative and ownership of every task**
Take the lead to initiate action and fulfill the task without compromise

02 The Present and Future of the Takara Group

Message

Amid a changing business environment, the Takara Group is working to achieve sustainable growth and improve corporate value from a long-term perspective. In this chapter, messages from top management present what the Takara Group aims to become and the initiatives it is undertaking to realize that vision.

10 Message from the President
17 Message from the Director in Charge of Finance
20 Message from the Director in Charge of Human Resources

Chapter 02



Message from the President

With a firm resolve, we will undertake structural reforms and create new value to realize our ideal state for 2050.



Mutsumi Kimura
Representative Director and President
TAKARA HOLDINGS INC.

Establishing a Compass to Survive in an Era of High Uncertainty

Q **You formulated the TaKaRa Group Long-Term Vision 2050 as the Group's ideal state for 2050. Please provide us with an overview.**

Takara Holdings celebrated its 100th anniversary on September 15, 2025. We were able to reach this milestone after overcoming many upheavals in our history thanks to the support and patronage of our customers, business partners, shareholders, and other stakeholders. I would like to express my sincere gratitude to you all.

However, our 100th anniversary is merely a milestone along the way. In today's highly uncertain era, how can we achieve sustainable growth as a group and contribute to the realization of a sustainable society by creating social value through our business activities? The TaKaRa Group Long-Term Vision 2050 (hereinafter, the "Long-Term Vision 2050"), which we formulated in September 2025, serves as that compass.

Message from the President

Our ideal state for 2050 is, “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.” To realize this vision, we have laid out a scenario in which Takara Shuzo, Takara Shuzo International Group (hereinafter, “Takara Shuzo International”), and Takara Bio Group (hereinafter, “Takara Bio”)—the three companies that comprise the Group—work together as a unified group to advance growth strategies, with biotechnology as a core competence.

Across the three domains of “Alcoholic beverages and Japanese foods,” “Life science supporting industry,” and “New business domains,” we have set value propositions of “*Washu* and Japanese foods as a part of everyday global cuisine,” “Good health for each and every one,” and “Generate value in new fields,” and aim to become a corporate group with a strong presence and consolidated net sales of ¥1 trillion or more in the fiscal year ending March 31, 2051.

Two Reasons Behind the Decision to Make Takara Bio a Wholly Owned Subsidiary

Q Takara Bio was made a wholly owned subsidiary. What were the objectives and background behind this decision?

The first reason was that structural issues in Takara Bio’s profitability had become apparent, including its first operating loss in 19 years for the fiscal year ended March 31, 2026, and we concluded that an urgent turnaround was essential.

During COVID-19, when the restaurant industry was struggling, demand for Takara Bio’s PCR test reagents surged. This served to offset stagnation in our Overseas Business. This was a case in which the strength of the Group’s business model was demonstrated: when one business declines, businesses in other fields can compensate.



However, partly due to rapid changes in the business environment after the COVID-19 pandemic, Takara Bio fell into a structure burdened by excessive fixed costs that were disproportionate to sales.

By making it a wholly owned subsidiary, we aim to resolve issues inherent in the listed parent and subsidiary companies, transform the profit structure through swift decision-making, and reduce fixed costs by approximately ¥2.8 billion by the fiscal year ending March 31, 2028. As part of the structural reforms, we have also taken difficult steps, including withdrawing from or discontinuing a part of businesses and offering a voluntary retirement program.

I personally have been consistently involved with Takara Bio, from its spin-off in 2002 and listing in 2004 through the recent TOB. While I have had various thoughts at each stage, it is also the responsibility of top management to make difficult decisions, even painful ones at times, to ensure sustainable corporate growth.

The second reason is to increase synergies between biotechnology—positioned as a core competence in the Long-Term Vision 2050—and our existing businesses, thereby accelerating value creation in new business domains. The Group originally expanded its businesses within a single company, with biotechnology, including fermentation, at its core.

Today, advances in biotechnology have made it possible to use biotechnology to solve social issues in a wide range of situations. By more organically linking the technologies, human resources, and other resources of the three companies, we aim to expand into business fields such as the environment and energy.

To turn the decision to make Takara Bio a wholly owned subsidiary into results as quickly as possible, we will, with extraordinary resolve, bring together the full capabilities of all our employees, restore performance at an early stage, and link that recovery to Group growth.

Message from the President

Issues in Business Management and Governance Structures Have Become Evident

Q Please provide an overview of the Takara Group Medium-Term Management Plan for 2025.

Under the Takara Group Medium-Term Management Plan for 2025 (hereinafter, the "previous Medium-Term Management Plan") (fiscal years ended March 31, 2024 to 2026), we established a management policy, "During this period, Takara Group intends to accelerate investing in businesses in growth and high-priority fields to increase the Group's enterprise value," and made aggressive investments, mainly in the Biomedical Business and the Japanese Food Wholesale Business in Overseas Markets, which we positioned as growth businesses. However, returns on investment fell short of our expectations, and operating income, ROIC, and ROE all failed to reach their targets. This was a challenging outcome, with operating income declining for four consecutive fiscal years.

These results were attributable to the management structure of the Company, which was unable to prompt sufficient measures based on the improvement and sophistication of management control amidst changes in the business environment, and was also unable to flexibly review the policy for allocating management resources.

Takara Bio was affected by a decline from record profits during the COVID-19 pandemic as well as external factors such as significant cuts in research grants in the U.S., China's economic downturn, and intensifying price competition. Both its Reagents Business and CDMO Business (Contract Development and Manufacturing Organization for biopharmaceuticals) fell far short of the plan, resulting in an operating loss of ¥4.6 billion in the fiscal year ended March 31, 2026.

However, changes in the external environment are not only affecting us. The fundamental issue was the profit structure of the front-loaded investment-type CDMO Business, where sales growth failed to keep pace with increases in personnel and facilities, resulting in excessive fixed costs. As noted above, another major point for reflection is that governance did not function sufficiently to prompt plan revisions or curb investment in response to changes in the business environment, and we were unable to prevent a deterioration in earnings.

The Japanese Food Wholesale Business in Overseas Markets of Takara Shuzo International achieved higher revenue due to proactive M&A. However, SG&A expenses such as personnel expenses and amortization of goodwill increased due to inflation and other factors, and operating income fell significantly short of the plan.

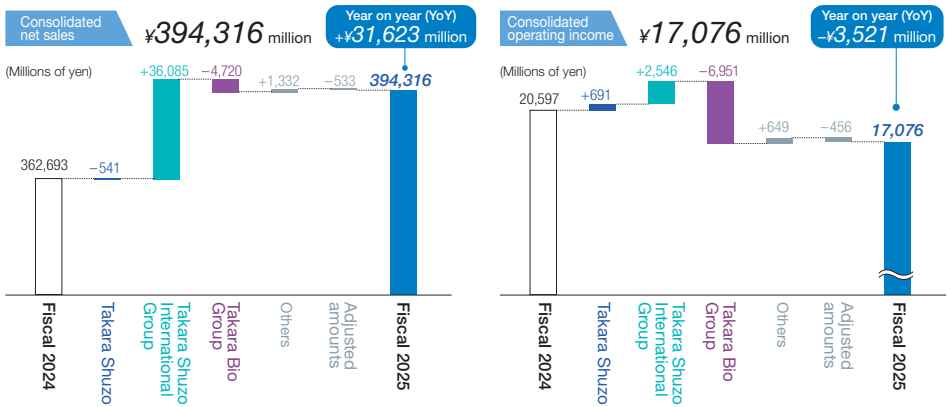
While emphasizing autonomy at overseas bases enabled rapid growth, the business was affected by changes in the external environment and recorded lower profit. However, to repeat, other companies were similarly affected by changes in the external environment. Fundamentally, we believe the main causes were insufficient control over expenses at subsidiaries and insufficient management capability at Takara Shuzo International's headquarters.

Meanwhile, despite a difficult business environment, characterized by a declining population and a contracting domestic alcoholic beverage market as well as higher raw material costs, Takara Shuzo steadily generated earnings through price revisions and efficient management of SG&A expenses, making it the only business to achieve its targets under the previous Medium-Term Management Plan. I believe that achieving the plan amidst a challenging macroeconomic environment deserves recognition.

One of the key strategies under the previous Medium-Term Management Plan was to "Ensure ROIC-driven corporate management." To encourage a long-term perspective on returns on investment and the efficiency of invested capital, we introduced the Takara version of ROIC translation as an internal indicator and continued activities to embed ROIC, including providing employees with hands-on experience on how day-to-day operations can improve ROIC.

As a result, as one achievement of the previous Medium-Term Management Plan, we can see that the Group is gradually shifting from a P/L (Statements of Income)-centered mindset focused on how much profit can be generated from sales, to a mindset centered on capital efficiency and productivity improvement—how efficiently profit can be generated from invested capital.

Breakdown of changes in consolidated financial results for fiscal 2025



Message from the President

Turnaround in the First Two Years, Followed by Accelerated Growth Over the Next Three Years

Q Based on the issues that emerged under the previous Medium-Term Management Plan, please tell us about the Takara Group Medium-Term Management Plan for 2030, which began this fiscal year.

Under the Takara Group Medium-Term Management Plan for 2030 (hereinafter, the "current Medium-Term Management Plan") (fiscal years ending March 31, 2027 to 2031), our overall policy is to "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." Covering the first five years toward realizing Long-Term Vision 2050, we position the first two years as a period of "structural reform, turnaround, and laying the groundwork for future growth," and the latter three years as a period of "accelerating growth and creating future growth drivers." In the first two years, we will make profit structure reform and governance reform—which were highlighted as issues under the previous Medium-Term Management Plan—our top priorities. We will complete the rebuilding and turnaround of Takara Bio and the Japanese Food Wholesale Business in Overseas Markets, aiming in the second year for a significant improvement in operating income in the Japanese Food Wholesale Business in Overseas Markets and a return to operating profitability at Takara Bio.

The five basic policies are: ❶ Business Portfolio Strategy to Realize Long-Term Vision 2050, ❷ Review of Group Governance and Management Structure, ❸ Reinforcement of ROIC Discipline, ❹ Reform of the Profit Structure of Existing Businesses, and ❺ Establish a Growth Path by Leveraging Group Synergies. ▶ P.30-P.32

For ❶ Business Portfolio Strategy to Realize Long-Term Vision 2050, we classify our businesses into five categories—Core, Cash, Growth, Problem, and Creation—based on market stage, capital efficiency, and competitive advantages. We then determine the evaluation and direction of each business and formulate policies for allocating management resources.

We position *washu* and reagents as core businesses that grow net sales and profit in a stable and sustainable manner. For *washu*, we will leverage the technological and product development capabilities we have accumulated over our long history, to reform its profit structure into one capable of funding investments in manufacturing locations in Japan that are necessary to maintain and increase competitiveness. At the same time, we will enhance sales of *washu* overseas, where medium- to long-term growth can be expected, by refining our global expansion strategy for *washu* and seasonings.

For reagents, we will leverage our broad product lineup and advanced technological capabilities to focus on the B2B domain, providing custom-made products that meet customer needs. We will also develop products in high-value-added, advanced fields, such as spatial analysis reagents that leverage spatial analysis technology, to demonstrate our competitiveness.

Meanwhile, within Takara Bio, for gene therapy, where issues have been identified regarding capital efficiency and competitive advantages, we have discontinued proprietary gene therapy clinical development programs, while for CDMO, we have withdrawn from GMP cell processing contract services. We will then determine whether to continue these two businesses, going forward. For the Japanese Food Wholesale Business in Overseas Markets, which we position in the Growth category, Takara Shuzo International's headquarters will take a more proactive role in strengthening earnings management at each location. While capturing the benefits of the worldwide popularity of Japanese food, we will determine whether to make further investments as a growth business.

By continuously reviewing our business portfolio in this manner, we will generate returns that exceed the cost of capital and transform the Group into a business structure that is resilient to changes in the operating environment. To support these decisions, we have newly established the Business Portfolio Strategy Committee as a meeting body, led primarily by Takara Holdings' Directors and Executive Officers, to discuss our business portfolio strategy, including policies for investment and allocation of management resources. The aim is to ensure appropriate allocation of management resources, and to use this process to review the governance and management structures of the Group as a whole.

In addition, our current ROIC of 3.1% is substantially below the cost of capital, and the challenge lies in how to translate the change in awareness that was cultivated under the previous Medium-Term Management Plan into results. Under the current Medium-Term Management Plan, we will set business-specific ROIC targets based on the WACC, which differs by business, and use them to improve the effectiveness of our investments. We will also review the evaluation and compensation systems for the management teams of Group companies as necessary to raise awareness of ROIC and the capital market.

Message from the President

We will ensure that we complete the two-year turnaround and connect it to concrete growth strategies for the following three years. We are also steadily advancing initiatives to develop new businesses that will become future growth drivers.

For new businesses, we aim to create new social value and business value through the use of biotechnology.

In addition to our existing in-house business contest, starTreasure, we have established new mechanisms, including a corporate venture capital (CVC) and the New Business Development Department. During the period of the current Medium-Term Management Plan, we aim to launch two new businesses with the potential to generate cash in the future.

As in the previous year, starTreasure attracted many applications, and the New Business Development Department currently has eight members, including Takara Bio employees. We will continue to foster momentum throughout the Group to take on challenges in new fields.



“Mixing” All Employees to Encourage Proactive Challenges and Transformation

Q How will you foster the corporate culture of “Connect beyond boundaries × Ongoing innovation × Celebrate proactive commitments,” which is set forth in Long-Term Vision 2050?

The Group is becoming a global and diverse organization, with roughly half of our approximately 6,000 employees currently working overseas, and I strongly feel that instilling shared values is more important than ever.

Through initiatives such as training at our Corporate History Museum, we have shared the Group’s history, the DNA we have inherited, and the values we have cherished, while fostering a sense of unity as a group. Going forward, to overcome an even more challenging business environment, I believe we must further strengthen a culture that celebrates employees who think for themselves, take on challenges, and act proactively. The success or failure of the new business initiatives I mentioned earlier ultimately depends on the passion and initiative of the people who conceive and drive the businesses.

To foster such a challenging corporate culture, it is essential to create an environment in which employees who not only work diligently on the tasks at hand, but also raise their hands and take on challenges can thrive. While leveraging the respective strengths of Takara Shuzo, Takara Shuzo International, and Takara Bio, we aim to encourage interaction and discussion across organizational and business boundaries, thereby leading to new ideas and value creation.

Through these initiatives that actively “mix” employees, we intend to evolve the corporate culture set out in Long-Term Vision 2050—“Connect beyond boundaries × Ongoing innovation × Celebrate proactive commitments”—into something that truly works in practice.

Message from the President

Repeatedly Communicating My Message as Top Management and Taking on Transformation as a Group

Q With what determination and resolve will you take on the transformation that is needed for growth over the next 100 years and drive management forward? Please also share your message to stakeholders.

Frankly speaking, the situation the Group is currently facing is an extremely difficult one, even in the context of our 100-year history.

To overcome this situation, a change in mindset is essential, not only among management but also among all our employees. To foster a healthy sense of crisis, I am more conscious than ever of the need to communicate this harsh reality openly and in my own words.

To date, I have communicated, in my own words internally through social media, videos, and other channels about making Takara Bio a wholly owned subsidiary, the voluntary retirement program, and the content and objectives of the current Medium-Term Management Plan, sharing with all employees what is needed to overcome this crisis and how we should act.

So, how should each and every employee change their mindset? I believe the key is to remain conscious of the capital market and our corporate value. To put it plainly, what is the significance of continuing to exist in society and the market as a listed company? What value will we provide to society? Throughout the Group, we must instill an attitude of proactively considering the role of the Takara Group, while continuously seeking to fulfill the roles that are expected of us in our daily work, and continuing to challenge ourselves to achieve ambitious goals without being satisfied with the status quo. I have renewed my determination to do so.

Of course, an organizational transformation cannot be achieved overnight. Because I believe it is essential for every single member of the Group to take part in the transformation without leaving it to others, I continue to communicate my thoughts repeatedly as top management.

The current Medium-Term Management Plan was also formulated as a message to the market, with a firm determination to overcome this critical situation at all costs. We have received a certain level of recognition from investors regarding the details of the plan's more substantive measures, including the concrete review of the business portfolio.

However, the true worth of the plan will be tested from this point forward. In particular, what is evaluated will not be the plan itself, but its execution. We are determined to steadily implement its measures, deliver results, and restore the trust of the capital market.

I hope our stakeholders will look forward to the challenges that the Takara Group will undertake, and I also welcome candid and critical feedback. Turning your encouragement and constructive criticism into strength, we will rebuild the Group during the first two years and connect that turnaround to growth in the latter three years, as we transform and grow toward the next century.

We sincerely ask for your continued strong support and guidance.



Made Takara Bio Inc. a Wholly Owned Subsidiary

At a meeting of the Board of Directors held on February 13, 2026, the Company resolved to conduct a tender offer for the common shares of Takara Bio Inc., pursuant to the Financial Instruments and Exchange Act.
Following the successful completion of the tender offer and subsequent squeeze-out procedures, Takara Bio became a wholly owned subsidiary of the Company on June 16, 2026.

Background

Under the corporate philosophy of "Contributing to the creation of a vital society and a healthy lifestyle through our fermentation technology and biotechnology in a way that achieves harmony with nature," the Company announced the six-year long-term management vision TaKaRa Group Challenge for the 100th in May 2020 and adopted "Smiles in Life" as our vision.

Then, in September 2025, we announced the TaKaRa Group Long-Term Vision 2050 as the Takara Group's ideal state for 2050. This vision expresses more concretely the aspirations that are embodied in "Smiles in Life" and the future we now seek to realize. In an era of rapid and unpredictable change, the vision serves as both a foundation and a compass for taking on new challenges. With biotechnology as a core competence, in addition to "Alcoholic beverages and Japanese foods" and "Life science supporting industry," we aim to create value and businesses in "New business domains" beyond food and health by solving social issues such as food shortages and environmental problems.

Takara Bio, which originated from the biotechnology business operation of TAKARA SHUZO CO., LTD. (currently Takara Holdings), was established on April 1, 2002. In the Takara Bio Group Long-Term Vision 2050 announced in September 2025, Takara Bio takes the biotechnological transformation in all industries as an opportunity. In addition to the life science supporting industry and medical and healthcare fields, it aims to expand its activities into areas such as the environment, manufacturing and energy, marine, and food and plants, and to expand into the new business fields by utilizing our core competence, "DNA technologies" (technologies for analyzing ultra-low amounts of gene and cell and technologies for manufacturing high-performance and high-quality gene, cell and protein products in large quantities), in biomanufacturing. Meanwhile, although the medium- to long-term growth potential of the life science research market has remained high in recent years, changes in research demand following the COVID-19 pandemic and cuts in research grants, particularly in the U.S., have led to a decline in R&D activity and heightened uncertainty regarding the outlook. Against this backdrop of rapid changes in the external environment, Takara Bio recorded a substantial operating loss in the fiscal year ended March 31, 2026.

Purpose of Making Takara Bio a Wholly Owned Subsidiary

The Company recognized that Takara Bio's businesses faced structural issues due to rapid changes in the life science research market and competitive environment. The competitiveness and profitability of Takara Bio's core Reagents and Instruments Business have declined, while its CDMO Business—a front-loaded investment-type business—also has faced a challenging situation in which recovering capital investment would take considerable time. Therefore, we concluded that further sophistication of business management was necessary to address these issues promptly, and made Takara Bio a wholly owned subsidiary.

We view Takara Bio's immediate challenges as "early recovery of profitability through a reform of the profit structure" and "establishment of new growth strategies and business models in light of the uncertain outlook for the life science supporting industry." We also consider it important to "strengthen initiatives to create new businesses" for the medium- to long-term sustainable growth of the entire Takara Group, including Takara Bio.

By making Takara Bio a wholly owned subsidiary, we will enhance the speed and flexibility of decision-making and, without being swayed by temporary fluctuations in performance, formulate and execute plans from a medium- to long-term perspective to maximize corporate value.

History of the Biomedical Business



1979
Launched the first domestically produced "restriction enzyme" as a reagent for genetic engineering research (started the Biomedical Business)



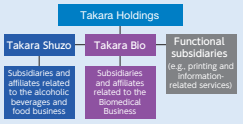
1988
Acquired the exclusive distribution right in Japan for a gene amplification system using the PCR technology



1993
Obtained broad worldwide licenses for PCR-related patents. Began manufacturing reagents for biotechnology research in China



1995
Developed the RetroNectin® Method for highly-efficient gene transduction in hematopoietic stem cells



2002
Transitioned to a holding company system and established TAKARA BIO INC.



2004
Listed on the Tokyo Stock Exchange Mothers (changed to the TSE First Section in 2016)



2005
Acquired the management right of U.S.-based Clontech Laboratories, Inc. (currently Takara Bio USA, Inc.)



2014
Completed construction of the Center for Gene and Cell Processing. Started the CDMO Business on a full scale



2020
Obtained the approval for manufacturing and selling Takara SARS-CoV-2 Direct PCR Detection Kit, an in vitro diagnostic



2026
Takara Bio delisted
Became a wholly owned subsidiary of Takara Holdings

Message from the Director in Charge of Finance

By reviewing our investment policy, optimizing the allocation of management resources, and enhancing capital efficiency, we will build a foundation for sustainable growth and solidify the path toward improving our corporate value.



Kei Sato
Director

Review of the Medium-Term Management Plan for 2025

Under the Takara Group Medium-Term Management Plan for 2025 (hereinafter, the "previous Medium-Term Management Plan") (fiscal years ended March 31, 2024 to 2026), we established the management policy, "During this period, Takara Group intends to accelerate investing in businesses in growth and high-priority fields to increase the Group's enterprise value," introduced ROIC as a new management indicator, and set a target of 7.5%. Under this policy, we invested ¥102.9 billion, which exceeded the planned ¥87.7 billion, mainly in the Japanese Food Wholesale Business in Overseas Markets (hereinafter, "Japanese Food") and the Biomedical Business (hereinafter, "Bio"). At the Takara Shuzo International Group, owing in part to unplanned M&A in Japanese Food, we invested ¥44.6 billion—122.6% above the plan—while the Takara Bio Group invested ¥40.5 billion, mainly in the CDMO Business.

However, we were unable to obtain sufficient returns commensurate with these investments, and ROIC for the Group as a whole was 3.1%, which was substantially below both the target (7.5%) and the WACC (6.44%).

In Japanese Food, operating income fell short of the plan as SG&A expenses, including personnel expenses, amortization of goodwill, and transportation costs, increased while sales growth in North America and improvements in the gross profit to sales ratio in Europe failed to progress as expected. In Bio, net sales and gross profit fell below the plan, and although SG&A expenses were reduced, operating income also fell short of the plan (an operating loss). This resulted in a profit structure in which net sales failed to grow as planned despite increases in personnel and capital investment from upfront investments, leaving excessive fixed costs disproportionate to sales and weighing on profits.

Major changes in the business environment since the previous Medium-Term Management Plan was formulated—including a slowdown in the restaurant market due to global inflation and stagnation in the life science research market—were one factor behind these results. However, I believe there was also a problem with the Group's management structure, which was unable to respond flexibly to market changes, such as by reviewing our investment policy when profit growth fell short of the plan.

Based on these reflections, under the Takara Group Medium-Term Management Plan for 2030 (hereinafter, the "current Medium-Term Management Plan") (fiscal years ending March 31, 2027 to 2031), we will implement decisive reforms of the profit structures of Bio and Japanese Food during the first two years. In Bio, in addition to reducing fixed costs, we will achieve an early return to operating profitability through a stronger focus on B2B and by expanding reagent sales, centered on expanded sales of spatial biology products. In Japanese Food, we will improve the gross profit to sales ratio by quickly capturing returns on investments made during the previous Medium-Term Management Plan and expanding the share of high-value-added products within fishery products and seasonings categories, while reducing the SG&A expenses ratio through operational improvements and other measures.

Centered on these initiatives, we will restructure our business portfolio by reviewing businesses that are not generating sufficient returns on invested capital. We will then improve capital efficiency by accelerating the pace of growth over the latter three years.

Message from the Director in Charge of Finance

Reviewing the business portfolio may have a certain impact on net sales and operating income. However, as the Director in charge of finance, I am committed to once again thoroughly reinforcing management with an emphasis on ROIC and achieving an ROIC target above the WACC under the current Medium-Term Management Plan.

Financial Targets of the Medium-Term Management Plan for 2030 and Initiatives to Achieve Them

For the fiscal year ending March 31, 2031, the final year of the current Medium-Term Management Plan, we have set financial targets of an ROIC of 7% or above, an ROE of 10% or above, operating income of ¥37.8 billion or above, and net sales of ¥493.0 billion or above. To achieve these financial targets, including ROIC, we will focus on reviewing our investment policy, optimizing the allocation of management resources, and enhancing capital efficiency.

Medium-Term Management Plan for 2030 financial targets

(Millions of yen)

	FY2025 results	FY2030 targets	Compared with FY2025
Net sales	394,316	493,000 or above	+25.0%
Operating income	17,076	37,800 or above	+121.4%
ROE	4.6%	10% or above	+5.4 pt
ROIC	3.1%	7% or above	+3.9 pt
Takara Shuzo	5.5%	5.0%	−0.5 pt
Takara Shuzo International Group	6.3%	10.9%	+4.6 pt
Takara Bio Group	−3.2%	3.9%	+7.1 pt

❶ Reviewing Our Investment Policy

For Japanese Food and Bio, which were positioned as growth and high-priority fields under the previous Medium-Term Management Plan, we will review our investment policy, which had focused on expanding business scale through M&A, facility expansion, and other measures. In particular, we will prioritize structural reform, turnaround, and laying the groundwork for future growth during the first two years. Accordingly, during the first two years, we plan to invest ¥39.0 billion (¥21.0 billion in growth and high-priority fields plus ¥18.0 billion in maintenance, renewal, etc.) only in projects such as investments in safety and reliability at Takara Shuzo for future sustainable growth and construction of Bio's Center for Gene and Cell Processing III (hereinafter, "CGCP III") using subsidies. At this stage, excluding the ¥54.0 billion invested in TOB of Bio, M&A and other investments are not included in the plan.

During the first two years, we will restructure our business portfolio in line with structural reforms and identify areas that can become future growth drivers. In the latter three years, we will accelerate investment for future growth, including investing ¥20.0 billion or more in M&A and other additional growth investments using cash inflows such as operating cash flow.

❷ Optimizing the Allocation of Management Resources

Under the previous Medium-Term Management Plan, although we verified the validity of individual investment projects, discussions from the perspective of overall optimization, such as determining which businesses and projects should receive priority allocation of limited management resources, were insufficient.

Under the current Medium-Term Management Plan, the newly established Business Portfolio Strategy Committee, an advisory body to the Board of Directors, will, particularly during the first two years, analyze and evaluate the profitability and growth potential of each business while incorporating capital market perspectives, and focus discussions on the future positioning of each business and the priorities and direction for allocating management resources.

Based on the outcome of these discussions, we will continuously discuss particularly important investment projects in Group management from the initial concept stage and make decisions based on reviews of past investment results, thereby promoting the optimal allocation of management resources while responding flexibly to changes in the business environment.

❸ Enhancing Capital Efficiency

We will proceed with sales of cross shareholdings and real estate holdings, and use the funds generated from these sales and other sources to provide shareholder returns of ¥60.0 billion or above over the five-year period, including acquisition of treasury stock. To make our commitment to stable shareholder returns clearer, beginning with the current Medium-Term Management Plan, we have introduced progressive dividends, and adopted a total payout ratio of 50% on a cumulative five-year basis as our basic policy. We will acquire treasury stock flexibly, taking into account the balance with growth investments.

Message from the Director in Charge of Finance

Regarding invested capital, in addition to reducing noncurrent assets through structural reforms in Bio, including withdrawal from GMP cell processing contract services and closure of the Sweden site, we will also reduce working capital by strengthening logistics functions in Japanese Food through warehouse reorganization and consolidation and greater use of hub warehouses, as well as by reducing inventories and shortening inventory turnover days in each business, thereby enhancing capital efficiency. Reduction entry associated with the receipt of subsidies for CGCP III and progress in amortization of goodwill in Japanese Food are also expected to contribute to reducing invested capital.

Medium-Term Management Plan for 2030 (MMP2030) cash allocation

		MMP2025 period 3-year total	MMP2030 period 1st-2nd year total	MMP2030 period 3rd-5th year total
Cash generation and financing	Operating cash flow	¥62.6 billion	¥49.0 billion	¥109.0 billion
	Debt (including repayment)	¥17.8 billion	¥40.5 billion	¥(14.5) billion
	Asset optimization and others	Sale of cross shareholdings ¥17.6 billion	Sale of cross shareholdings ¥8.5 billion	Sale of cross shareholdings, receipt of subsidies (reduction entry) ¥31.5 billion
		Utilization of cash on hand, etc. ¥33.7 billion	Sale of non-core real estate +¥α billion	Review of business operations +¥β billion
			Review of business portfolio strategy	
Use of funds	Investments in growth and high-priority fields	¥43.3 billion	¥21.0 billion	¥28.5 billion
	M&A and other investments	¥35.7 billion	Takara Bio TOB ¥54.0 billion	Further investments for growth ¥20.0 billion + ¥β billion
	Maintenance, renewal, and other investments	¥23.8 billion	¥18.0 billion	¥22.5 billion
	Shareholder returns	¥28.9 billion (including acquisition of treasury stock of ¥6.0 billion)	¥18.5 billion (including acquisition of treasury stock +¥α billion	¥41.5 billion (including acquisition of treasury stock)

FY2026 (Fiscal Year Ending March 31, 2027) Forecast (As of May 13)

We view the fiscal year ending March 31, 2027, the first year of the current Medium-Term Management Plan, as an important year in which we will advance structural reforms and rebuild our business foundation while laying the groundwork for future growth. We forecast net sales to increase by 6.5% year-on-year, gross profit to increase by 7.0% year-on-year, operating income to rise by 10.1% year-on-year, ordinary income to grow by 0.8% year-on-year, and a 1.7% year-on-year increase in net income attributable to owners of the parent. Our aim is to break out of a string of four straight years of declining operating income. Moreover, ROE is projected to be 4.8%, while ROIC is projected to be 3.4%.

FY2026 (fiscal year ending March 31, 2027) forecast (as of May 13)

(Millions of yen)

	FY2025 results	FY2026 results forecast (as of May 13)	Year on year
Net sales	394,316	420,000	+6.5%
Gross profit	127,696	136,600	+7.0%
Operating income	17,076	18,800	+10.1%
Ordinary income	16,861	17,000	+0.8%
Net income attributable to owners of the parent	11,696	11,900	+1.7%
ROE	4.6%	4.8%	+0.2 pt
ROIC	3.1%	3.4%	+0.3 pt

Commitment to Improving Corporate Value

During the first two years of the current Medium-Term Management Plan, which we have positioned as a period of structural reform, turnaround, and laying the groundwork for future growth, we will continue to discuss and review our business portfolio strategy, thereby solidifying the path toward achieving the current Medium-Term Management Plan and realizing the Long-Term Vision 2050. The targets we have set are by no means easy to achieve. However, to meet the expectations of the capital market, we will increase the effectiveness of our new Group governance and management structures and steadily execute initiatives to achieve the targets. In addition, we will use insights gained through constructive dialogue with shareholders and investors to sustainably improve our corporate value.

Message from the Director in Charge of Human Resources

We will support the challenges and growth of each employee and achieve sustainable growth for the Group.



Masanao Suzuki
Director

Promoting the Utilization of Human Capital Linked to Long-Term Vision 2050 and the Medium-Term Management Plan for 2030

In September 2025, we announced the TaKaRa Group Long-Term Vision 2050 (hereinafter, "Long-Term Vision 2050"), which sets out our ideal state for 2050 and serves as a compass that shows the direction the Group should take. In May 2026, we formulated the five-year Takara Group Medium-Term Management Plan for 2030 (hereinafter, the "current Medium-Term Management Plan"), which sets out specific strategies and plans for realizing that vision.

Under the current Medium-Term Management Plan, we are working together as a group to strengthen our operating foundation toward realizing the ideal state set out in Long-Term Vision 2050.

As part of this effort, we have identified the restructuring and turnaround of the Biomedical Business and the Japanese Food Wholesale Business in Overseas Markets through reforms of their profit structures as key issues. In particular, at Takara Bio, which recorded an operating loss in the fiscal year ended March 31, 2026 and became a wholly owned subsidiary, we are implementing fundamental fixed-cost reduction measures.

Needless to say, to overcome this difficult situation and pave the way forward for the next century, strengthening human capital, which is the source of sustainable corporate growth, is the most important issue. To strengthen our human capital, we are advancing measures in line with Long-Term Vision 2050 and the basic policy of the current Medium-Term Management Plan.

Strengthening Global Talent for the Sustainable Growth of Our Overseas Business

Under the Takara Group Medium-Term Management Plan for 2025 (hereinafter, the "previous Medium-Term Management Plan"), we worked to develop talent to lead the Group's next generation, secure and develop global talent, and promote the active participation of diverse talent. In particular, securing and developing talent who are capable of driving global business growth is one of the key issues that will determine the Group's sustainable growth going forward.

Primarily for younger employees in their 20s and 30s who want to work overseas, we actively use job rotations to assign employees to Takara Shuzo International's headquarters and overseas bases. Most recently, in April 2026, we assigned seven additional young employees to Takara Shuzo International's headquarters and overseas bases.

In addition to personnel transfers, we have continued support aimed at improving the language skills that form the foundation for working overseas, including assistance for attending language schools, taking online English lessons, and business English email training. We also continue to hold Global Café, an exchange program for employees working in Japan and those working overseas, as well as cross-cultural training to provide the knowledge and skills necessary to communicate smoothly with people from different cultures and backgrounds.

The cumulative number of participants in these global measures has increased steadily, from 128 in FY2023 to 241 in FY2025. Furthermore, the number of employees who wish to be involved in overseas businesses or work overseas increased from 98 in FY2024 to 121 in FY2025.

Through the implementation of wide-ranging measures, I feel that a global mindset is gradually taking root throughout the Group. Going forward, we need to further develop the talent who will actually take responsibility for our Overseas Business.

I believe the very first thing global talent need is the passion to say, "I want to be involved in overseas businesses" or "I want to take on challenges overseas." For employees with such motivation, I want to provide opportunities for them to become involved in overseas businesses as early as possible so that they can discover new aptitudes and broaden their

Message from the Director in Charge of Human Resources

potential. I believe that the accumulation of such challenges will lead to the development of global talent who will lead the Group in the future.

In addition, while M&A has expanded our overseas bases, securing and developing talent to handle corporate functions—such as accounting and finance, internal control, personnel affairs, and general affairs in the Overseas Business—and support Group-wide management and governance has also become an important issue. After a period of accelerating our growth with a sense of speed, it is now essential to strengthen the talent foundation that supports the sustainable growth of our Overseas Business, which is a driving force for the Group.

Under the current Medium-Term Management Plan, with the aim of strengthening our global talent, we will acquire such talent through new-graduate and mid-career recruitment, while continuously developing younger employees through job rotations, education, and training.

In addition to developing corporate talent to support the Overseas Business, we have identified as an urgent priority the creation of an integrated structure that links overseas Group companies with Takara Shuzo International's headquarters to enhance management at these companies, and we are advancing initiatives to realize this structure.

Fostering a Challenging Corporate Culture Through Cross-Organizational Workshops and an Internship Program

As the Group expands its business domains and bases, creating a Group-wide corporate culture is essential for uniting the capabilities of our employees and achieving sustainable growth. The Long-Term Vision 2050 sets out the goal of fostering a corporate culture of "Connect beyond boundaries × Ongoing innovation × Celebrate proactive commitments," which is also essential for strengthening collaboration among existing businesses and creating value in new domains as part of our value propositions. As concrete measures under the current Medium-Term Management Plan, we will focus on cross-organizational initiatives across the entire Takara Group.

One such initiative aims to create venues and opportunities for employees throughout the Group to interact. We have launched cross-organizational workshops and an internship program in which employees can learn know-how and work practices at other Group companies. Through these initiatives, we will foster mutual understanding, a sense of unity, and a challenging corporate culture within the Group.

Fostering a challenging corporate culture has also been identified as an issue in past engagement surveys. Through initiatives such as starTreasure, an employee-participation new business development program launched in FY2024, we have been working to cultivate a culture in which trial and error is accepted throughout the organization. On April 1, 2026, we also established the New Business Development Department. By developing talent and promoting investments for new business development using biotechnology, we aim to foster a culture in which employees inspire one another and place value on the very act of taking on challenges.

In addition, we will build a web platform that enables information sharing among Group companies, and in FY2026, we will hold the Takara Group HR Conference, bringing together HR managers from Group companies in Kyoto to advance initiatives, and awareness-building aimed at fostering the corporate culture envisioned in Long-Term Vision 2050.

Clarifying the Human Capital Portfolio Linked to Our Business Portfolio

To break out of the difficult situation of four consecutive years of declining profit and pave the way to the next stage of growth, an important issue is how to concentrate our management resources, including human capital, in the most appropriate areas.

To this end, the human resources division is formulating a human capital portfolio that is linked to the business portfolio strategy set out in the current Medium-Term Management Plan, while clarifying the talent profiles required for business activities and visualizing our human resources. Through these initiatives, we will strategically promote the recruitment, development, and assignment of the right people to the right roles.

In addition to the corporate talent who support the Overseas Business mentioned above, in Japan, we are also actively recruiting experienced professionals who can immediately make strong contributions and assigning and developing younger employees to strengthen our corporate talent, who possess expertise in areas such as accounting and finance, legal affairs, quality control, and DX.

Furthermore, to address the development of the Group's next-generation talent and deployment of the right people to the right roles, which are issues carried over from the previous Medium-Term Management Plan, we plan to use our human capital portfolio to identify leadership candidates by division from a medium- to long-term perspective, and promote their development and appointment.

The strength of the Group's employees lies in their earnestness and sincerity, as well as their perseverance in tackling the tasks they are given. Meanwhile, amidst significant changes to the business environment, employees are increasingly required not simply to continue along the same path as before, but to raise their hands and step forward to take on new challenges. We will bring out that potential to the fullest and celebrate employees who take on challenges, then their colleagues who are inspired by them step forward to take on next challenges. I believe that creating such a virtuous cycle will lead to the realization of a corporate culture of "Connect beyond boundaries × Ongoing innovation × Celebrate proactive commitments."

How can we fully execute the current Medium-Term Management Plan, realize the ideal state set out in Long-Term Vision 2050, and earn the trust of the capital market and our stakeholders? We will maximize the capabilities of our employees, who are the key to this endeavor, materialize my personal view that everyone has the potential to grow, and ensure that each employee's growth leads to growth of the Group as a whole and ultimately to enhanced corporate value.

03 Value Creation Story

The Takara Group is working to create value through its business activities toward realizing “Smiles in Life.” In this chapter, we present our initiatives for sustainable growth through our long-term vision, value creation process, and the various forms of capital that support value creation.

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Chapter 03



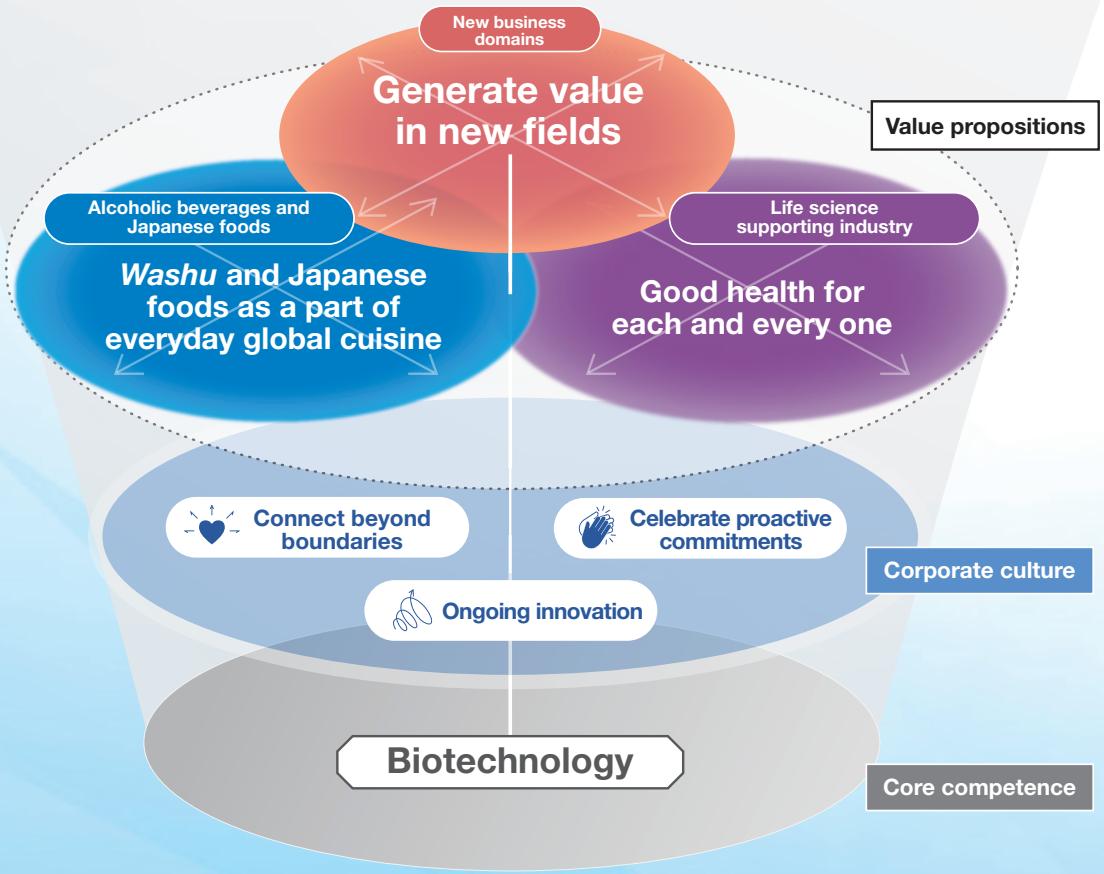
TaKaRa Group Long-Term Vision 2050

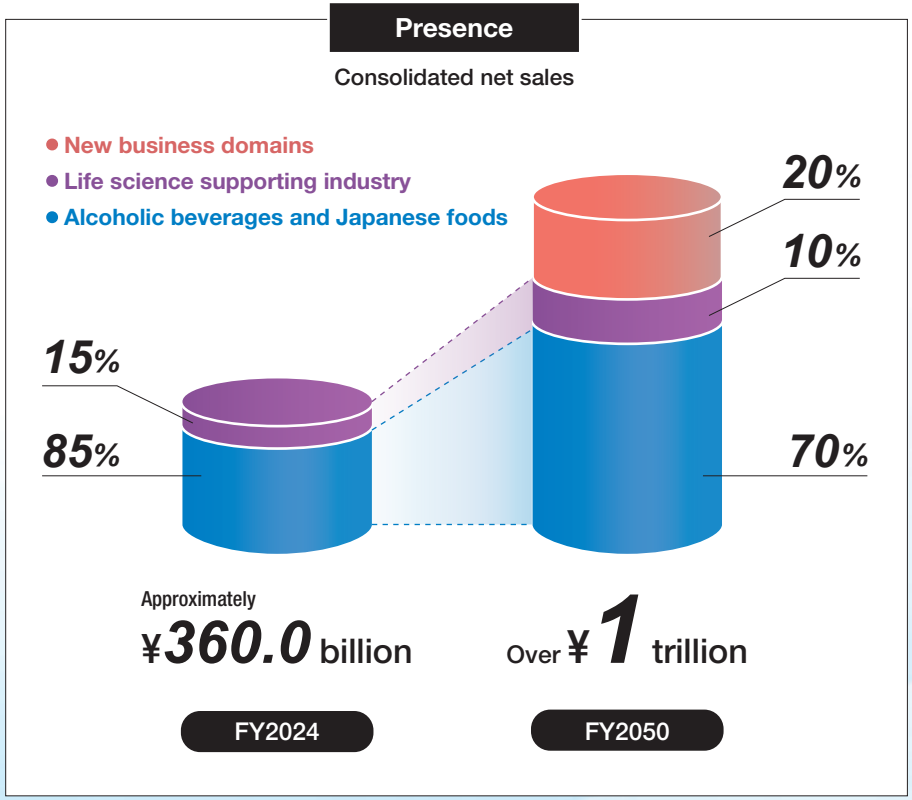
In an era of rapid and unpredictable change, TaKaRa Group Long-Term Vision 2050 serves as both a foundation and a compass that guide the Takara Group as we take on new challenges and move toward our ideal image for 2050.

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.

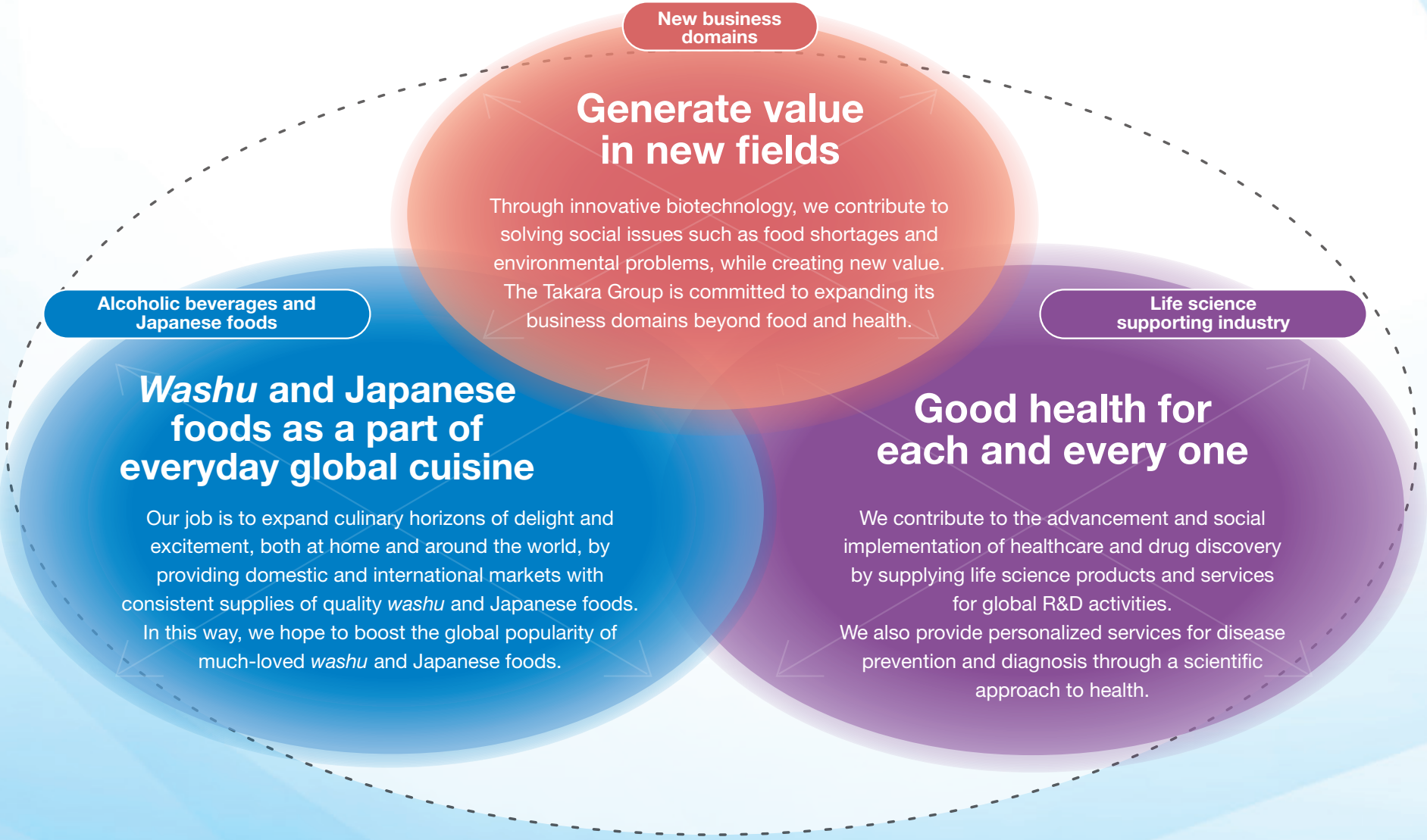




TaKaRa Group Long-Term Vision 2050

Value Propositions

With biotechnology as its core competence, the Takara Group contributes to solving social issues through value creation in the alcoholic beverages and Japanese foods, life science supporting industry, and new business domains.



TaKaRa Group Long-Term Vision 2050

Corporate Culture

To achieve business growth and solve social issues, we will foster a corporate culture that deepens connections inside and outside the Group, enables each and every employee in the Group to demonstrate their individuality and capabilities, and generates innovation.



Connect beyond boundaries

By deepening connections with people inside and outside the Group across the boundaries such as companies, organizations, countries, and job types, open innovation is thriving.



Ongoing innovation

To respond to changes in the internal and external environment, we continuously renew our business models, management and business promotion structures, and business processes.



Celebrate proactive commitments

A culture has taken root in which employees are praised for proactively taking action to try new things.

Our Value Creation Process

With biotechnology as its core competence, the Takara Group leverages the strengths and assets it has cultivated over many years to promote value creation in the alcoholic beverages and Japanese foods, life science supporting industry, and new business domains. Through the value propositions in each domain, we will continue to spread smiles around the world.

Smiles in Life

Value propositions

New business domains
Generate value in new fields

Alcoholic beverages and Japanese foods
Washu and Japanese foods as a part of everyday global cuisine

Life science supporting industry
Good health for each and every one

Achievements

Takara Group Medium-Term Management Plan for 2030 <Tangible Goals>
(2031/3) Takara Group consolidated

ROIC	ROE	Operating income	Net sales
7% or above	10% or above	¥37.8 billion or above	¥493 billion or above

Sustainability <Major Medium- to Long-Term Goals>

Achieve net zero Scope 1, 2, and 3 emissions in the Takara Group (2050)	Conveying and providing the appeal and new value of *washu* and Japanese food	Ongoing support for the development of global life science research

Direction in each domain by leveraging strengths and assets

Alcoholic beverages and Japanese foods
Refine the global expansion strategy for *washu* and seasonings through various approaches, and expand businesses into peripheral areas

New business domains
Develop new businesses centered on the application of biotechnology

Life science supporting industry
Rebuild a differentiated business model and expand the life science supporting industry

Utilization of the Takara Group's technologies, business foundations, networks, etc.

Takara Group Sustainability Policy

Strengths and assets

Alcoholic beverages and Japanese foods
- Technological capabilities and quality control in the areas of fermentation, brewing, and food manufacturing
- Western alcoholic beverage technologies that are similar to yet distinct from those of *washu*
- Manufacturing locations in Japan and overseas
- Brand strength in Japan
- Networks in Japan and overseas covering sales, purchases, etc., including Japanese food

Life science supporting industry
- Genetic and cellular engineering technologies
- Know-how in manufacturing, quality control, and scale-up in the fields of regenerative medicine, cell therapy, and gene therapy
- Manufacturing locations in Japan and overseas
- Presence and networks in academia

Corporate culture

Connect beyond boundaries × Ongoing innovation × Celebrate proactive commitments

Our core competence

Biotechnology

Takara Group's Capital

The Takara Group has built a well-balanced business portfolio in the alcoholic beverages, Japanese food, and life science fields. The Group is working to achieve sustainable growth and improve corporate value by leveraging the various forms of capital it has accumulated since its foundation as sources of value creation.

Financial capital

▶ P.17-19

Maintain high equity ratio levels and credit ratings, and have a financial base to support the transformation of our business portfolio and future growth investments

- Equity ratio *50.5*%
- ROE *4.6*%
- ROIC *3.1*%
- Credit ratings *A* (R&I), *A+* (JCR)

(Fiscal year ended March 31, 2026)

Manufacturing capital

▶ P.33-36

Manufacturing structure to provide customers all over the world with safe and reliable products and services

<Alcoholic beverages and Japanese foods>

Japan

- Core factories in East and West Japan:
  Matsudo Plant (Matsudo City, Chiba Prefecture) and Fushimi Plant (Kyoto City, Kyoto Prefecture)
- Manufacture of high-quality sake such as junmai sake and daiginjo sake:
  Shirakabegura (Kobe City, Hyogo Prefecture)
- Keeping about 85 varieties of barrel aged shochu:
  Kurokabegura (Koyu District, Miyazaki Prefecture)

Overseas

- Manufacture of *washu* that meets local needs:
  Takara Sake USA Inc. (U.S.), Takara Shuzo Foods Co., Ltd. (China)
- Manufacture of whiskeys in Scotland:
  The Tomatin Distillery Co. Ltd (UK)
- Manufacture of sake-based cocktails, etc. in Canada:
  Ontario Spring Water Sake Company (Canada)

<Life science supporting industry>

- Glocal manufacturing system to implement stable supply
- Production facilities of nucleic acids, plasmids, proteins, enzymes, and viral vectors
  Center for Gene and Cell Processing
- Manufacturing locations
  - Head office (Kusatsu City, Shiga Prefecture)
  - Takara Bio USA, Inc. (U.S.)
  - Takara Biotechnology (Dalian) Co., Ltd. (China)
  - DSS Takara Bio India Pvt. Ltd. (India)

- Alcoholic beverage manufacturing locations *6* in Japan, *4* overseas
- Bio-manufacturing locations *4*


Shirakabegura


Takara Sake USA Inc.


Takara Bio head office

Takara Group's Capital

Intellectual capital ▸ P.33-36

- R&D expenses ¥*7.2* billion
  (Fiscal year ended March 31, 2026)

Brand strength, technological capability, and strength of product quality to enable sustainable growth



<Alcoholic beverages and Japanese foods>

- Technological capabilities and quality control in the areas of fermentation, brewing, and food manufacturing
- Western alcoholic beverage technologies that are similar to yet distinct from those of *washu*

<Life science supporting industry>

- Genetic and cellular engineering technologies
- Know-how in manufacturing, quality control, and scale-up in the fields of regenerative medicine, cell therapy, and gene therapy

Social capital ▸ P.53

- Group network in Japan and overseas
  66 companies
- Overseas sales over total net sales *62.7*%
  (Fiscal year ended March 31, 2026)

Build cooperative relationships with suppliers and partner companies as well as networks to realize global business growth



<Alcoholic beverages and Japanese foods>

- Brand strength in Japan
- Networks in Japan and overseas covering sales, purchases, etc., including Japanese food

<Life science supporting industry>

- Presence and networks in academia

Human capital ▸ P.20-21

Foster and promote the active involvement of diverse talent who will support the global business development and the transformation of our business portfolio

- Number of employees across the Group *5,720*
- Percentage of overseas employees *55.1*%
  (as of March 31, 2026)
- Proportion of women in managerial positions
  ❶ *11.2*% (Takara Holdings, Takara Shuzo and Takara Shuzo International)
  ❷ *24.8*% (Takara Bio)
  ❶ (as of April 1, 2026) ❷ (as of March 31, 2026)

Natural capital ▸ P.44.47

Initiatives to address climate change and conserve biodiversity in order to sustainably utilize the benefits of nature that form the foundation of our business activities

- Takara Harmonist Fund
  Number of grant recipients:
  442
  Cumulative total amount of grants:
  ¥*209,110,000*
  (as of June 2026)
- Initiatives to reduce CO_2 emissions ▸ P.44
- Disclosures based on the TNFD framework ▸ P.47

New Medium-Term Management Plan

Review of the Takara Group Medium-Term Management Plan for 2025

In the Takara Group Medium-Term Management Plan for 2025, we have established the management policy, "During this period, Takara Group intends to accelerate investing in businesses in growth and high-priority fields to increase the Group's enterprise value." Although a large amount of investment was made mainly in the growth businesses of the Biomedical Business and the Japanese Food Wholesale Business in Overseas Markets, results were not achieved as planned. Operating income decreased for the fourth consecutive fiscal year, falling far short of planned figures, and ROIC and ROE were far below WACC and the cost of equity.

We believe that these results were due to the management structure of the Company, which was unable to encourage businesses to take sufficient measures based on improvements and sophistication in business management amid changes in the business environment, and was also unable to flexibly review the policy for allocating management resources.

Takara Group Medium-Term Management Plan for 2025 (FY2023–2025)

During this period, Takara Group intends to accelerate investing in businesses in growth and high-priority fields to increase the Group's enterprise value

Takara Group's Consolidated Tangible Goals (fiscal year ended March 31, 2026)

Net sales	Operating income	Overseas sales over total net sales	ROE	ROIC
¥420 billion or above	¥38 billion or above	60.0% or above (60.0% or above for Takara Group except for Takara Bio Group)	9.0% or above	7.5% or above

Takara Group's Consolidated Results (fiscal year ended March 31, 2026)

Net sales	Operating income	Overseas sales over total net sales	ROE	ROIC
¥394.3 billion	¥17.0 billion	62.7%	4.6%	3.1%

New Medium-Term Management Plan

Overview of the Takara Group Medium-Term Management Plan for 2030

Under the Takara Group Medium-Term Management Plan for 2030, the Company will strengthen its operating foundation for appropriate investment in each business through a review of the Group's governance and business management systems and operations. We will also swiftly advance initiatives for restructuring and turnaround through reforms of the profit structure in the Biomedical Business and the Japanese Food Wholesale Business in Overseas Markets.

In addition, in the alcoholic beverages business, we will take various approaches leveraging the Takara Group's unique assets and networks to develop business models and product strategies that can drive the global expansion of *washu*, thereby enhancing medium- to long-term growth potential and sustainability as a core business.

Furthermore, we will 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. We will thereby create new businesses, strengthen and expand existing ones, and establish a path for medium- to long-term growth.

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

The first two years
(until the fiscal year ending March 31, 2028)
Structural reform, turnaround, and laying the groundwork for future growth

The latter three years
(until the fiscal year ending March 31, 2031)
Accelerating growth and creating future growth drivers

Financial Targets

<FY2030>
ROIC: 7% or above, ROE: 10% or above, operating income: ¥37.8 billion or above, net sales: ¥493.0 billion or above

(Reference: FY2027)
ROIC: 4.3%, ROE: 6.1%
Operating income: ¥23.5 billion
Net sales: ¥429.0 billion

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 Biomedical Business and the Japanese Food Wholesale Business in Overseas Markets
5. Establish a Growth Path by Leveraging Group Synergies

New Medium-Term Management Plan

Basic Policy

I. Business Portfolio Strategy to Realize Long-Term Vision 2050

- Classify business portfolios into five categories—Core, Cash, Growth, Problem, and Creation—based on market stage, capital efficiency, and competitive advantages
- Toward recovery to a growth trajectory, the first step is to promptly withdraw from a part of businesses that are positioned as "Problem"
  - ❶ In gene therapy, discontinue proprietary gene therapy clinical development programs
  - ❷ Withdraw from GMP cell processing contract services at CDMO
- Based on the above, review our business portfolio strategy at an early stage (targeting within two years), focusing on the "under review" described below
  - ❸ Whether the Company should continue to position Japanese food as a growth business
  - ❹ Whether the Company should continue CDMO and gene therapy

Core	Businesses that grow net sales and profit in a stable and sustainable manner
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

<Business Portfolio Strategy for Recovery to Growth Trajectory>

Business unit	Market stage	Capital efficiency	Competitive advantages	Positioning	Direction of the business	Management resource allocation policy
Washu	Japan: 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 locations 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
Western Liquors	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 to net sales ratio, 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 net sales ratio and activities (❸)**	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 expenses
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 (❶)** **• CDMO: Withdraw from GMP cell processing contract services (❷)** **Then, determine whether to continue these two businesses based on their profitability and competitive advantages (❹)**	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

* Business units are subdivisions of the three domains—"Alcoholic beverages and Japanese foods," "Life science supporting industry," and "New business domains"—by business line.
  Alcoholic beverages and Japanese foods: *Washu*, Western liquors, Japanese food Life science supporting industry: Reagents, CDMO, gene therapy New business domains: New businesses
* Capital efficiency is evaluated based on the results for the fiscal year ended March 31, 2026.
* 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.

New Medium-Term Management Plan

II. Review of Group Governance and Management Structure

- Establish a new meeting body (Business Portfolio Strategy Committee*) to continuously review and discuss policies for investment and allocation of management resources after assessing changes in businesses from the perspective of the capital market
- In order to appropriately allocate management resources based on the above policy, review the design and operation of the meeting body, focusing on investment projects
  - Review the decision-making process for important investments
  - Enhance reviews of investment results
  - Review the governance structure for Takara Bio

* Business Portfolio Strategy Committee

Role	As an advisory body to the Board of Directors of the Company, discuss reviews of our business portfolio strategy and policies for allocating management resources, and deliberate on highly important investment projects from an early stage, such as the concept and planning stages.
Frequency	As a general rule, once per quarter, with additional meetings held as needed
Members	Directors and Executive Officers of the Company

III. Reinforcement of ROIC Discipline

- Set ROIC targets based on WACC for each business unit, rather than focusing only on operating income, to restore the Group-wide ROIC to a level above WACC
- In conjunction with business unit-specific WACC and ROIC targets:
  - Set hurdle rates for NPV evaluation (discount rates) to improve the effectiveness of growth investment
  - Review evaluation and compensation systems for Group companies' executives as necessary to raise their awareness of ROIC and the capital market
- Improve ROIC by 4.0% in the fiscal year ending March 31, 2031 compared with the fiscal year ended March 31, 2026, through initiatives on both fronts: improving profitability and optimizing invested capital in each business

IV. Reform of the Profit Structure of Existing Businesses

Biomedical	■ Promptly implement fundamental fixed-cost reduction measures and asset reductions to reform the profit structure ■ Manage the R&D portfolio in conjunction with the transformation of the reagent product and customer portfolio
Japanese Food	■ Strengthen profit management at Takara Shuzo International's headquarters and each Group company, improve profit margins through measures such as improving the product mix and controlling the SG&A expenses ratio, thereby leading to the next growth strategy
Washu	■ To maintain competitiveness over the medium to long term, make planned investments in manufacturing locations in Japan. In Japan, reform the profit structure by reducing fixed costs and fostering brands, while overseas, strengthen the ability to create *washu* markets, centered on export expansion, to establish a path to sustainable growth

V. Establish a Growth Path by Leveraging Group Synergies

- Strengthen and expand the ability to create *washu* markets by refining the global expansion strategy for *washu* and seasonings
- Develop new businesses and strengthen and expand existing businesses with biotechnology as the core competence

Utilization of Human Capital Linked to the Basic Policies (Human Resources and Corporate Culture)

Initiatives for Human Resources and Corporate Culture

Human resources

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

Corporate culture

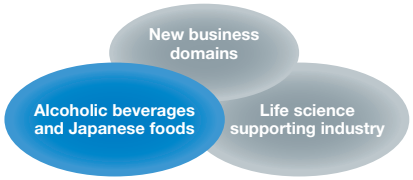
- Create venues and opportunities for employees across the Takara Group to interact
- Build mechanisms that enable employees across the Takara Group to exchange and share information

For details, please visit the Takara Holdings' website.
https://www.takara.co.jp/english/company/mid-term.html

New Medium-Term Management Plan

Domestic Business

Takara Shuzo



Results for the Fiscal Year Ended March 31, 2026

Takara Shuzo's net sales for the fiscal year ended March 31, 2026 decreased to ¥119.1 billion (down 0.5% year on year). While sales of light-alcohol refreshers and sake exceeded the previous year, shochu sales declined as price revisions widened the price gap with competitors.

Operating income increased to ¥5.7 billion (up 13.7% year on year). Despite a decrease in net sales and higher costs of rice used as a raw material and containers and packaging products, gross profit increased mainly due to the effects of price revisions and changes in the sales mix, while we also worked to use advertising expenses, sales promotion expenses, etc., efficiently.

Review of the Medium-Term Management Plan for 2025

Business unit: *Washu* (Japan)

Achievements
- Achieved the operating income target by addressing cost increases through price revisions and other measures; ROIC is also on an upward trend, and capital efficiency has improved

Challenges
- Review the business structure in anticipation of a decline in the alcohol consumption and execute an appropriate investment plan, including investments in safety and reliability

Overview of the Medium-Term Management Plan for 2030

Business unit: *Washu* (Japan)

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.

Tangible goals for the fiscal year ending March 31, 2031

Net sales
¥119.4 billion
(+0.3% compared to FY2025)

Operating income
¥6.0 billion
(+4.7% compared to FY2025)

Main strategic initiatives and key measures

- Strengthen product development and nurturing capabilities
  - Develop and nurture low-alcohol and non-alcohol products in response to health-conscious consumer trends and responsible drinking norms
  - Develop and nurture new products that capture shifting consumer needs and trends
- Restructure our organization and personnel structure and review our marketing investment
  - Improve manufacturing efficiency by reorganizing our production sites
  - Review our sales structure to improve operational efficiency
  - Communicate through digital advertising and social media

Sales composition ratio of priority areas and key brands

	FY2025 results	FY2030 targets	Compared with FY2025
Priority areas	44.4%	**53.6%**	+9.2 pt
Key brands	41.3%	**50.1%**	+8.8pt

- Key brands



<Reference>

Priority areas

Key brands
- *Gokujo <Takara Shochu>*
- *Ikkomon*
- *Shochu Highball*
- *Mio*
- *Takara Hon-Mirin*
- *ISAINA*
- *Karakuchi Zero Ball*
- *Subaru*
- *Mizuoto*

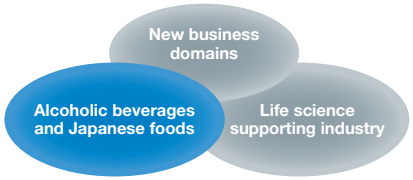
Food seasonings (dashi stock)

Export products

New Medium-Term Management Plan

Overseas Business

Takara Shuzo International Group



Results for the Fiscal Year Ended March 31, 2026

Net sales for the Takara Shuzo International Group increased to ¥221.8 billion (up 19.4% year on year). Age International, Inc. in the U.S., which sells bourbon whiskey, continued to perform strongly. In the Japanese Food Wholesale Business in Overseas Markets, existing companies outperformed the previous year against the backdrop of the spread of Japanese food overseas, while M&A also contributed to growth.

Operating income in the Overseas Alcoholic Beverages Business increased substantially, reflecting the effects of price revisions, changes in the sales mix, and higher sales volumes at Age International, Inc., as well as temporary gains from adjustments to prior-year profit and loss at The Tomatin Distillery Co. Ltd. Meanwhile, operating income in the Japanese Food Wholesale Business in Overseas Markets declined due to higher SG&A expenses associated with M&A and increases in personnel expenses and transportation costs at existing companies. Overall, however, operating income increased to ¥14.2 billion (up 21.8% year on year).

Review of the Medium-Term Management Plan for 2025

Business unit: *Washu* (overseas)

Achievements	Development of multiple export products and development of innovative products in the U.S.
Challenges	Increase the pace of sales growth and strengthen the presence of the *washu* business

Business unit: Western liquors (overseas)

Achievements	Growth driven by Blanton's brand strength
Challenges	Strengthen the brand strength of Scotch whisky sold by The Tomatin Distillery Co. Ltd

Business unit: Japanese food

Achievements	Expanded our bases into Seattle, previously a blank area in North America, as well as Northern Europe and Germany
Challenges	Address deterioration in profit margins caused by inflation, intensifying competition, and rising SG&A expenses in each country Capture returns on investments such as expanding bases

Overview of the Medium-Term Management Plan for 2030

Business unit: Japanese food

Business policy

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

Tangible goals for the fiscal year ending March 31, 2031

Net sales
¥275.3 billion
(+40.5% compared to FY2025)

Operating income
¥12.4 billion
(+265.4% compared to FY2025)

Matters that need early decisions, targeting within the next two years

Determine whether to continue positioning this business as a growth business

<Key issues for reaching a decision>

- Deliver results that drive further profit margin improvement
- Achieve the planned operating income to net sales ratio (SG&A expenses ratio and gross profit to sales ratio)

Main strategic initiatives and key measures

- Reduce the SG&A expenses ratio

Reduce costs through operational improvements

- Reduce external transportation costs
- Contain headcount growth through operational efficiency improvements (improving delivery efficiency and streamlining warehouse operations)

Reduce logistics costs through capital investments

- Reduce logistics costs through warehouse reorganization and consolidation, and greater use of hub warehouses, among other initiatives

- Improve the gross profit to sales ratio

Improve the product mix by expanding the lineup of high-value-added products and increasing their sales

- Expand the share of high-value-added products within fishery products and seasonings categories (Fishery products: from 40.1% to 50.0% or more; seasonings: from 46.7% to 55.0% or more)
- Expand the proportion of sake in our sales mix (from 5.3% to 7.1% or more)

Raise prices on low-margin products and promptly pass on cost increases to product prices

Promote centralized procurement led by Takara Shuzo International's headquarters
(¥255 million over five years)

New Medium-Term Management Plan

Business unit *Washu* (overseas)

Business policy

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

Tangible goals for the fiscal year ending March 31, 2031

Net sales
¥13.0 billion
(+46.5% compared to FY2025)

Operating income
¥1.4 billion
(+140.3% compared to FY2025)

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

Main strategic initiatives and key measures

- Expand export business
  - Restructure and strengthen our sales structure to enhance sales capabilities across Asia, Oceania, and Europe
  - Expand the sake category, with focus on *Mio* and *Subaru*
- Growth strategy in the North American market
  - Develop new products in response to market trends
  - Introduce new products through partnerships with American wholesalers
- Develop and cultivate Japan-origin products through the Group collaboration
  - Strengthen the product lineup, including Japanese sake and ready-to-drink products
  - Develop the Group's shared seasoning brand, "*KYOTaKaRa*"

Business unit Western liquors (overseas)

Business policy

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

Tangible goals for the fiscal year ending March 31, 2031

Net sales
¥25.6 billion
(+27.8% compared to FY2025)

Operating income
¥13.9 billion
(+16.8% compared to FY2025)

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

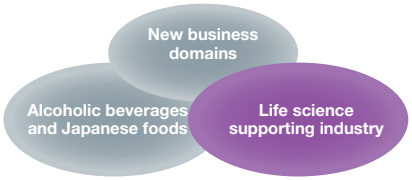
Main strategic initiatives and key measures

- **<Age International, Inc.>**
  Enhance the quality and brand value of Blanton's
  - Develop new markets targeting affluent and luxury-oriented consumers (We will also utilize *washu* distribution channels to develop new markets, including outside the U.S.)
  - Consider further high-value-added product development
- **<The Tomatin Distillery Co. Ltd>**
  Strengthen brand equity and improve profitability for medium- to long-term growth
  - Expand sales of mid-priced products and reduce costs
  - Enhance customer touchpoints to enhance the brand value as a Highland single malt
- Develop Japanese whisky
  - Develop products for bars and high-end restaurants
  - Establish new sales channels and develop products by drawing on our Western liquor business assets

New Medium-Term Management Plan

Biomedical Business

Takara Bio Group



Results for the Fiscal Year Ended March 31, 2026

Net sales decreased to ¥40.3 billion (down 10.5% year on year), as sales declined in all categories of reagents, instruments, CDMO, and gene therapy, amid stagnation in the life science research market.

Operating loss was ¥4.6 billion. In addition to a decrease in net sales, gross profit declined due to changes in the sales mix and other factors, while SG&A expenses increased due in part to expenses related to the acquisition of Curio Bioscience, Inc. and the recording of amortization of goodwill.

Review of the Medium-Term Management Plan for 2025

Business unit: Reagents, CDMO, and Gene Therapy

Achievements
- Accelerated the rollout of new products in the rapidly growing spatial transcriptome analysis field by bringing Curio Bioscience, Inc. into the Group
- Expanded the quality testing service offerings to include virus safety evaluation testing by bringing ViSpot, Inc. into the Group

Challenges
- A profit structure in which net sales failed to grow as planned despite increases in personnel and capital investment from upfront investments, leaving excessive fixed costs disproportionate to sales and weighing on profits

Overview of the Medium-Term Management Plan for 2030

Business unit: Reagents, CDMO, and Gene Therapy

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 expenses and investment aimed at restructuring the reagent product portfolio (returning to operating profitability in the second year).

Tangible goals for the fiscal year ending March 31, 2031

Net sales
¥60.6 billion
(+50.4% compared to FY2025)

Operating income
¥4.6 billion
(– compared to FY2025)

Matters that need early decisions, targeting within the next two years

Determine whether to continue the CDMO and gene therapy businesses

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

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

Initiatives to increase sales, etc.
- Shift to B2B (mainly for industrial applications)
  (B2B net sales: expanding from ¥11.2 billion to ¥19.2 billion)
- Expand sales of spatial biology products
  (spatial biology products net sales: expanding from ¥0.3 billion to ¥3.8 billion)

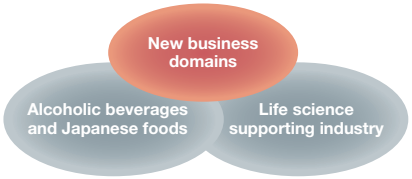
Factors for changes in operating income

(Millions of yen)

	1st-2nd year	3rd-5th year	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 by approximately ¥2.8 billion by the second year

New Business Domains



Taking on New Businesses to Create Future Value

The Takara Group is working to create new business opportunities for sustainable growth in the future. We are promoting new business development with the aim of building a foundation for growth toward 2050.

New business development structure led by a dedicated organization

To accelerate and further strengthen new business development, we established the New Business Development Department as a dedicated organization in April 2026. The department currently has eight members, including employees seconded from Takara Bio, and is working to create new businesses that will support future growth. During the period of the current Medium-Term Management Plan, we aim to launch two new businesses, and we are exploring business opportunities from both internal and external perspectives. On the external-driven side, we collaborate with external partners to identify promising business seeds. On the internal-driven side, we gather diverse knowledge and ideas through initiatives such as soliciting business ideas from Group employees and work to create new business opportunities.





Current Initiatives

As part of our external-driven initiatives, through SBIVF, in which we invested in 2024, we hold study sessions on new fields such as biotechnology, healthcare, and sustainability, exchange information with other companies, and create points of contact with startups by participating in exhibitions, among other measures.

External-driven initiative



Our booth at an exhibition

Internal-driven initiative



A starTreasure workshop

As part of our internal-driven initiatives, we launched starTreasure to foster a culture of taking on challenges and encourage autonomous idea generation. The New Business Development Department works alongside participants to accelerate initiatives toward commercialization.

Interview with the General Manager of the New Business Development Department



Yukihisa Maeda
General Manager of New Business Development Department

Q: Please tell us again why the New Business Development Department was established.

The Takara Group started from the Alcoholic Beverages Business and has grown by taking on challenges in new business domains such as bio-related businesses and the Japanese Food Wholesale Business in Overseas Markets. However, as society and markets change faster than ever, sustainable growth into the future requires us to continuously create the next pillars of growth. We therefore established the New Business Development Department to accelerate the creation of new businesses and build a mechanism through which new challenges continue to emerge within the Group.

Q: What types of issues and needs are you seeking to address?

In addition to social issues such as food shortages, reducing environmental impact, and growing interest in health, we are also focusing on issues facing our existing businesses and the latent needs of customers. While aiming to create new value beyond our traditional business domains of “food” and “health,” we are also exploring opportunities that will enhance the competitiveness and expand the business domains of our alcoholic beverages, food, and life science businesses, and we are working to create businesses that contribute to the Group’s growth.

Q: What differentiates you from competitors?

Our point of differentiation is our ability to leverage the Takara Group’s diverse assets across organizational boundaries. In addition to the fermentation and brewing technologies and advanced biotechnology we have cultivated over many years, we aim to create new value by leveraging strengths accumulated across the Group, including sales networks and customer bases in Japan and overseas. We also actively incorporate external technologies and knowledge through open innovation, including CVC, and are creating businesses that combine strengths from inside and outside the Group.

04 Sustainability

The Takara Group will contribute to the realization of a sustainable society by creating social value through our businesses, aiming to be a trusted corporate group.

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Chapter 04



Takara Group Sustainability Policy

Basic Policy

Based on our corporate philosophy, which is “Contributing to the creation of a vital society and a healthy lifestyle through our fermentation technology and biotechnology in a way that achieves harmony with nature,” the Takara Group has benefited society by unlocking new potential in the culinary, lifestyle, and life science fields through our fermentation technologies for traditional Japanese sake and our cutting-edge innovation in biotechnologies and by continuing to create new value.

The preservation of a rich natural environment is a major premise for the business continuity of the Takara Group, which engages in business activities on the basis of the bounty of diverse natural resources such as grains, water, and microorganisms. In addition, in handling business related to food and medicine, the Takara Group’s most important theme is to deliver safe and reliable goods, products, and services. At the same time, we must also address various social issues, including those related to alcohol.

The social environment surrounding the Group has undergone rapid change, and with the need for a global response to such diverse issues as climate change, biodiversity conservation, resource conservation, and respect for human rights, corporate entities face an increasing responsibility to create a sustainable society.

To clarify the ideal future state the Group seeks to realize by 2050, the Group established the TaKaRa Group Long-Term Vision 2050, articulating the aspirations embodied in its vision, “Smiles in Life” as well as the future the Group further aspires to create. As part of this vision, the Group has set forth the following statement “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.” To achieve this vision, the Group has formulated the Takara Group Sustainability Policy in recognition of the need to further address social issues.

The Takara Group Sustainability Policy has identified eleven material issues, including “Safety and Reliability,” with regard to social issues surrounding the Takara Group, and set policies for addressing each of them. Furthermore, based on these policies, the Takara Group has formulated “Medium- to Long-Term Targets.”

The Takara Group will contribute to the realization of a sustainable society by continuing to create social value through our business activities, aiming to be a corporate group that is trusted by all of stakeholders.

Eleven Material Issues and the Formulation Process

Materiality formulation process

Takara Group formulated the Takara Group Sustainability Policy based on the recognition that it is necessary to take greater initiatives to resolve various social issues if we are to continue to achieve the creation of social value through business activities into the future. The Takara Group Sustainability Policy takes up eleven important issues (materiality), including “Safety and Reliability,” from among the social issues surrounding the Group, and lays out initiative policies for each one, taking into account the expectations of stakeholders and the impact on the Group’s business.

Establishment of the materiality diagram and addition of a new materiality

In June 2026, to communicate the Takara Group’s materiality more clearly to stakeholders, we newly established the “Takara Group’s Materiality” diagram, which classifies the materiality into the following three categories.

Creation of New Value	Initiatives that generate profits for the Company by creating new value
Commitment to Social Responsibility	Initiatives to fulfill social responsibilities and enhance corporate trust
Strengthening the Management Foundation	Foundational initiatives for the continuation of business activities

In addition, we added “Value Creation in New Business Areas” as a materiality, based on “Generate value in new fields,” one of the value propositions in TaKaRa Group Long-Term Vision 2050.

The medium- to long-term targets are:

- **Commercialize two new businesses by fiscal 2030**
- **Achieve net sales of ¥200.0 billion from new businesses by fiscal 2050**

Through these targets, we aim to enhance the Company’s sustainability.

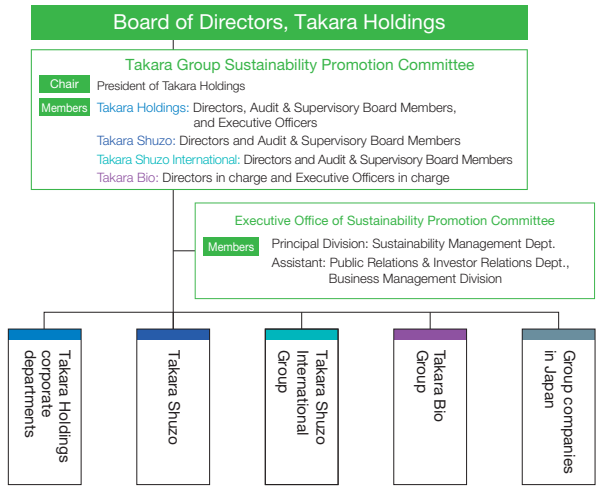
Takara Group’s Materiality



Sustainability Promotion Committee

Takara Group has established the Takara Group Sustainability Promotion Committee chaired by the Representative Director and President of Takara Holdings under the supervision of the Board of Directors. Based on the decisions made by this committee, the Executive Office of Sustainability Promotion Committee establishes and implements specific activities for each Group company.

Governance Structure



Discussions at the Sustainability Promotion Committee (held in June 2026)

The Takara Group Sustainability Promotion Committee, which regularly discusses the progress and development of materiality, addressed key topics in FY2025 such as the calculation and reduction of Scope 1, 2, and 3 emissions, alignment with the global disclosure standards and the ESG scores, and the promotion of human rights due diligence across the Group. In addition, new disclosures on “risks and opportunities in the business,” prepared with reference to the TNFD, CFP, and SASB Standards, were approved.

For details, please see “Management Structure.”
https://www.takara.co.jp/english/sustainability/management.html

Takara Group's Sustainability

Status of Activities for Each Materiality

Materiality	Target indicators	Target figures	Activities in fiscal 2025
Fulfilling Dietary Lifestyle	Number of social media followers, with a focus on "Mio" <*Sparkling Sake*>	300,000 or more followers by fiscal 2025 [TS]	182,000 (as of March 31, 2026)
	Development of products exclusively for overseas markets and for overseas Group companies	20 items by fiscal 2025 [TSIG]	61 items (as of March 31, 2026) * 12 items in fiscal 2022, 14 items in fiscal 2023, 13 items in fiscal 2024, and 22 items in fiscal 2025
	Number of export destination countries for *washu*	100 countries by fiscal 2030 [TSIG]	76 countries (as of December 31, 2025)
	Number of followers on Takara Shuzo's official Facebook page	200,000 or more followers by fiscal 2025 [TS]	171,000 (as of March 31, 2026)
Wellness	Recognition of salt-free cooking sake	35% in fiscal 2030 [TS]	16.3% (as of December 2025)
	Lineup of organic and vegan products	1,369 items in fiscal 2025 [TSIG]	1,764 items (as of March 31, 2026)
	Lineup of food-allergy-conscious products (gluten-free and other food-allergy-conscious products)	1,540 items in fiscal 2025 [TSIG]	1,957 items (as of March 31, 2026)
Environment	CO_2 emissions (production sites)	Reduce CO_2 emissions by 46% by fiscal 2030 (compared to fiscal 2018) [TS, TSIG]	Takara Shuzo and Takara Shuzo International Group CO_2 emissions: 23% decrease in fiscal 2025 (compared to fiscal 2018); Takara Bio CO_2 emission intensity: 2% increase in fiscal 2025 (compared to fiscal 2018); Takara Shuzo CO_2 emissions (distribution): 16% decrease in fiscal 2025 (compared to fiscal 2018)
	CO_2 emissions	Reduce CO_2 emission intensity by 50% by fiscal 2025 (compared to fiscal 2018) [TBG]	
	CO_2 emissions (distribution)	Reduce CO_2 emission intensity by 10% by fiscal 2030 (compared to fiscal 2018) [TS]	
	CO_2 emissions	Achieve net zero CO_2 emissions by fiscal 2050 [TG]	
	Water usage	Reduce water use intensity by 15% by fiscal 2025 (compared to fiscal 2017) [TS]	Water use intensity reduced by 13.5% (compared to fiscal 2017)
	Reuse rate of waste generated in production processes	Continue reusing 98% or more of waste [TS]	99.6%
	Usage rate of paper with forest protection certification in paper carton products	100% by fiscal 2030 [TS]	Implementation rate: 100%
	Usage rate of biomass ink in paper and plastic labels	100% usage by fiscal 2025 [TS]	100%
	Usage rate of forest-certified paper in paper packaging	100% usage by fiscal 2025 [TBG]	Implementation rate: 100%
	Usage rate of aluminum-free packages in one-sided aluminum pouches	100% usage by fiscal 2025 [TBG]	100%
	Usage rate of vegetable oil-based ink in paper packages	100% usage by fiscal 2025 [TBG]	100%
Human Resources	New appointments of women to manager and assistant manager positions	Appoint at least 50 women by the end of fiscal 2030 [TH, TS, TSI]	Total 48 (as of April 1, 2026)
	Percentage of employees with disabilities	Maintain the level at the statutory rate of 2.5% or more [Domestic Group companies]	[TH] 3.19% [TS] 3.05% [TB] 2.90% (as of April 1, 2026)
	Total working hours	Reduce total working hours by fiscal 2025: compared to fiscal 2020 [Domestic Group companies]	[TH, TS, TSI] 1,869.48 hours, up 24.31 hours (compared to fiscal 2020) [TB] 1,814.51 hours, down 100.44 hours (compared to fiscal 2020)
	Percentage of paid leave taken (number of days taken)	Increase the percentage by fiscal 2025: compared to fiscal 2020 [Domestic Group companies]	[TH, TS, TSI] 77.4%, 11.0% improvement (compared to fiscal 2020) [TB] 80.3%, 30.1% improvement (compared to fiscal 2020)
	Reinstatement rate for employees who take childcare leave	Maintain a 100% reinstatement rate [Domestic Group companies]	Maintained a 100% reinstatement rate
Value Creation in New Business Areas	Commercialization of new businesses	2 by fiscal 2030	— * Targets established from fiscal 2026
	Net sales from new businesses	¥200.0 billion by fiscal 2050	— * Targets established from fiscal 2026

Materiality	Target indicators	Target figures	Activities in fiscal 2025
Safety and Reliability	FSSC22000 certification at all six plants in Japan	Maintain certification [TS]	Maintained FSSC22000 certification at all six plants in Japan
	Completion rate for the auditing and quality control assessment of new outsourcing contractors and raw material suppliers	Maintain a completion rate of 100% [TS]	100%
	Completion rate for checking the safety of raw materials with warranties	Maintain a completion rate of 100% [TS]	100%
	The Quality Control Department provides training sessions to improve the knowledge of Customer Contact Office staff members	At least once a year [TS]	Conducted in February 2026
	Implementation rate for training sessions and comprehension checks to improve the quality of responding to customers	100% [TS]	100%
	ISO certifications obtained by business offices, licenses, registrations, and the like necessary for operating business	Maintain certifications, licenses, registrations, and related requirements [TBG]	Maintained certifications, licenses, registrations, and related requirements
	Rate of Takara Shuzo's products in compliance with food laws and regulations in export destination countries	Maintain a completion rate of 100% [TSIG]	100%
Responsible Alcohol Producer	Number of views of Takara Shuzo's webpage promoting awareness of the appropriate consumption of alcohol	50% increase in fiscal 2025 (compared to fiscal 2020) [TS]	268% in fiscal 2025 (compared to fiscal 2020)
	Number of cases of violating the voluntary standards on advertisements	Maintain the status of having no cases [TS]	Maintained the status of having no cases
	Display the amount of alcohol contained on packages of products	Display on packages of all consumer products (except for alcohol-based seasoning) by fiscal 2025 [TS]	100%
	Display warnings about the risk of drinking for expectant and nursing mothers, and warnings to raise awareness of the appropriate consumption of alcohol	Display on packages of all consumer products (except for alcohol-based seasoning) by fiscal 2025 [TS]	100%
	Completion rate for e-learning and other educational programs on the appropriate consumption of alcohol	Completion rate of 100% by employees of all domestic Group companies [Domestic Group companies]	100%
Community	Activities to support local fruit farms	20 activities by fiscal 2030 [TS]	11 activities (as of March 31, 2026)
Human Rights	Implementation of human rights education in new employee training and training sessions for each job level		We respect diversity—including gender, age, race, sexual orientation, gender identity, and disability status—as well as individual personality and character, and maintained a workplace environment free from discrimination and harassment, in accordance with the Takara Group Human Rights Policy.
	Understanding and respecting multicultural (multinational) values		
	Non-discriminatory recruitment practices		
	Initiatives to prevent harassment		
	Protection of personal information and privacy		
	Implementation of human rights due diligence processes		Implemented a series of initiatives based on the human rights due diligence process, led by a cross-functional working team. These initiatives include identifying and assessing human rights risks, preventing and mitigating negative impacts, monitoring effectiveness, and disclosing information.
Procurement	Communication of Sustainability Procurement Guidelines	To all suppliers [TS]	100% implemented
Governance	Regularly hold Risk Compliance Committee meetings	Twice per year [TG]	Implemented twice
	Hold compliance training sessions	Once per year [TG]	Implemented a training session for each job level once per year
	Workspace compliance education	Four times per year [TG]	Implemented four times
	Monitor the state of risk management	Once per year [TG]	Implemented once
	Regularly hold various drills	Once per year [TG]	Held various disaster drills at least once per year

<Intended organizations>
[TG] Entire Takara Group, [TH] Takara Holdings, [TS] Takara Shuzo, [TSI] Takara Shuzo International, [TSIG] Takara Shuzo International Group, [TB] Takara Bio, [TBG] Takara Bio Group, [Domestic Group companies] Takara Holdings, Takara Shuzo, Takara Shuzo International, Takara Bio, Kawahigashi Shoji, Total Management Business, Takara Butsuryu System, TB, Takara Bussan, Luc Corporation, Tokyo Mutual Trading, Takara Supply Communications

For details, please see "Medium- to Long-Term Targets."
https://www.takara.co.jp/english/sustainability/management.html#01

Takara Group's Sustainability Creation of New Value

Fulfilling Dietary Lifestyle

Bolstering the Global Awareness and Acceptance of Japanese Food Culture

Takara Shuzo International Group operates two core businesses: the Overseas Alcoholic Beverages Business, which produces and sells alcoholic beverages in markets around the world, and the Japanese Food Wholesale Business in Overseas Markets, which sells Japanese food ingredients, cutlery, and related products to Japanese restaurants and retailers abroad. Through these businesses, the Group promotes the global spread of Japanese food culture.

Conveying and providing the appeal and new value of Japanese food

Japanese food is increasingly popular overseas, where it is highly regarded for its healthy image. Through the Japanese Food Wholesale Business in Overseas Markets in the U.S., Europe, and Australia, the Group supplies Japanese ingredients to restaurants in each country and promotes Japanese foods by showcasing the appeal and uses of these ingredients through exhibitions and showrooms.

Experiencing Japanese food culture with all five senses — Spain

Cominport Distribución, S.L. regularly holds Ronqueo (tuna-cutting shows) to communicate the appeal of Japanese food culture. In Spain, where tuna is highly popular, *washoku* is attracting attention as a new style of cuisine. By also serving *Sho Chiku Bai Shirakabegura* "Mio", the company proposes new dining experiences through pairings of Japanese food and *washu*, widely communicating the unique value of Japanese food culture.





A powerful cutting performance by a skilled employee

Spreading the excellence of sake to the world

"*Yorokobi no sake* (sake of joy)," *Sho Chiku Bai*, which is Takara Shuzo's flagship sake brand, contributes to expanding the number of sake users in Japan and overseas and creating a new future for sake culture. Overseas, we are actively working to expand *Sho Chiku Bai Shirakabegura* "Mio". As one example, we introduce initiatives at Kagerer & Co. GmbH, which recently joined the Group.

Sho Chiku Bai Shirakabegura "Mio": Taking on the global market — Germany

Aiming to expand its sales channels from Germany throughout Europe, Kagerer & Co. GmbH exhibited for the first time at ProWein, one of the world's largest trade fairs specializing in wines and spirits. Mio, the company's main product at the event, was highly praised for its taste and drinkability and attracted the interest of many visitors. This experience reinforced our belief that Mio can serve as an entry point to *washu* and has the potential to gain broad acceptance in European and U.S. markets. We will continue to communicate the appeal of *washu* through Mio and aim to further expand its presence in overseas markets.



Mio's versatility as a cocktail base also captivated visiting bartenders, leading to an impromptu session with a syrup manufacturer at a neighboring booth that produced an original cocktail.





Thomas Kagerer
Kagerer & Co. GmbH
Chief Marketing Officer

100 Years of Mutual Trading Co., Inc. — U.S.

Mutual Trading Co., Inc. was established in 1926 as a cooperative purchasing and importing organization formed by Japanese grocery stores in Little Tokyo to support the daily lives of Japanese immigrants. From its earliest days, when Japanese companies faced strong headwinds, Mutual Trading worked to spread Japanese food across the U.S., laying the foundation for the establishment of Japanese food culture by taking on a role of quality assurance and stable supply. Now that Japanese food has become part of global food culture, the company goes beyond simply facilitating distribution, conveying its techniques, philosophy, and cultural value through initiatives such as its Japanese culinary school, Miyako Sushi & Washoku School. With its 100th anniversary as a new starting point, Mutual Trading will continue to pass Japanese food culture on to the next generation while spreading its appeal around the world.





Masatoshi Ohata
President & CEO,
Mutual Trading Co., Inc.

For details, please see "Fulfilling Dietary Lifestyle."
https://www.takara.co.jp/english/sustainability/materiality/eating-habits.html

Takara Group's Sustainability Creation of New Value

Wellness

Contributing to Healthy Lives

As a company involved in food and medicine, the Takara Group aims to contribute to a healthy lifestyle through its products and services. We are working to create a society where people can continue to enjoy a healthy lifestyle, including through the development of revolutionary biotechnologies such as gene therapy and the provision of related services. Here, we introduce Takara Bio's contributions to wellness.



Takara Bio: CGCP III

Further contributing to the advancement of life sciences through construction of CGCP III

Takara Bio is constructing the Center for Gene and Cell Processing (CGCP) III after its project was selected by the Ministry of Economy, Trade and Industry for "Developing Biopharmaceutical Manufacturing Sites to Strengthen Vaccine Production" program.

Scheduled for completion in June 2027, CGCP III is a dual-use facility that will manufacture vaccine drug substances, enzymes for mRNA production, and other materials during emergencies, while supporting the CDMO Business by manufacturing gene therapy vectors and other products during normal times.

Projects selected for subsidies	Products manufactured during normal times	Products manufactured during emergencies
1. **Vaccine** manufacturing locations	Various viral vectors for gene therapy mRNA drug substances	Viral vector vaccine mRNA vaccine drug substances
2. Manufacturing locations for **materials and other components**	Ancillary materials for gene therapy manufacturing, including RetroNectin® and enzymes for mRNA production	Enzymes for mRNA production

Takara Bio's worldwide business activities

Takara Bio has sites in Japan, the U.S., Europe, China, South Korea, and India, and operates three businesses: Reagents and instruments, CDMO, and gene therapy. Its main customers are universities, public research institutes, pharmaceutical companies, biotech start-ups, inspection companies, and other organizations engaged in biotechnology research, pharmaceutical development, genetic testing, and related activities. It provides products and services worldwide.

Reagents and Instruments Business

Support research activities in the life science field at universities and companies through the provision of reagents and instruments



Research reagents



Research instruments



In vitro diagnostics

CDMO* business

At the request of pharmaceutical companies and other customers, provide contract services ranging from process development through manufacturing of regenerative medicine, cell therapy, and gene therapy products, as well as gene analysis and testing services



Contract services related to regenerative medicine products



Contract services related to gene analysis and testing

Gene therapy business

Develop, manufacture, and sell ancillary materials used to manufacture gene therapy products and mRNA vaccines



RetroNectin®

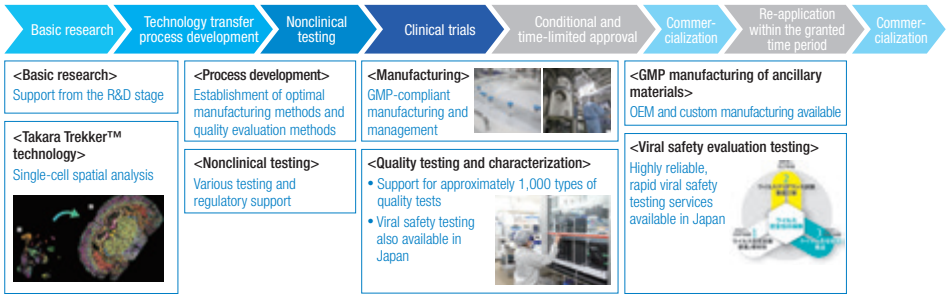


Enzymes for mRNA vaccine production

* CDMO: Contract Development and Manufacturing Organization

Expansion of the CDMO Business

Takara Bio adds R (Research) to CDMO at the early development stage and, as a C'R'DMO, provides one-stop support from development startup through commercial production, with nucleic acids/plasmids, proteins/enzymes, and viral vectors positioned as focus areas.



Going forward, through the Reagents and Instruments Business and the CDMO Business, the Takara Bio Group will continue to aim for becoming a prominent platform provider of a critical infrastructure for the global life science industry by developing basic technologies for biological drug discovery.

For details, please see "Wellness."
https://www.takara.co.jp/english/sustainability/materiality/health.html

Takara Group's Sustainability Commitment to Social Responsibility

Environment

Toward the Realization of a Sustainable Society

Initiatives to reduce CO_2 emissions

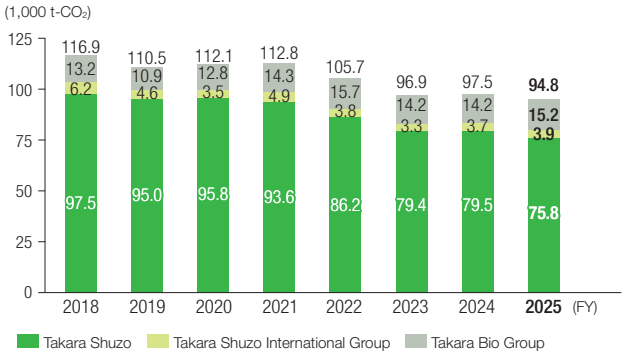
The Takara Group has set CO_2 emissions reduction targets in its medium- to long-term targets and is working to calculate Scope 1, 2, and 3 emissions as well as reduce its CO_2 output.

Target year	Scope	Reduction target
FY2030	**Takara Shuzo and Takara Shuzo International Group**	Reduce CO_2 emissions (Scope 1 and 2) at production sites by 46% compared with FY2018
FY2030	**Takara Bio Group**	Achieve a 50% reduction in CO_2 emission intensity (CO_2 emissions per unit of net sales), compared with FY2018
FY2035	**Takara Holdings, Takara Shuzo, and Takara Shuzo International (Takara Sake USA Inc., Takara Shuzo Foods Co., Ltd., and The Tomatin Distillery Co. Ltd)**	Reduce CO_2 emissions (Scope 3) by 30% compared with FY2024
FY2050	**Entire Group**	Net zero CO_2 emissions

Reduce CO_2 emissions from production processes

The Takara Group's total CO_2 emissions in production processes for fiscal 2025 was 94,800 t-CO_2, a 2.7% year-on-year decrease and an 18.9% decrease from fiscal 2018. As the production processes at Takara Shuzo account for approximately 80% of the Group's total CO_2 emissions, various measures have been implemented, including improving the energy efficiency of boiler equipment, installing solar panels, purchasing electricity derived from renewable energy, along with optimizing the operation of production equipment. As a result, CO_2 emissions were 75,800 t-CO_2, down 4.7% from the previous fiscal year.

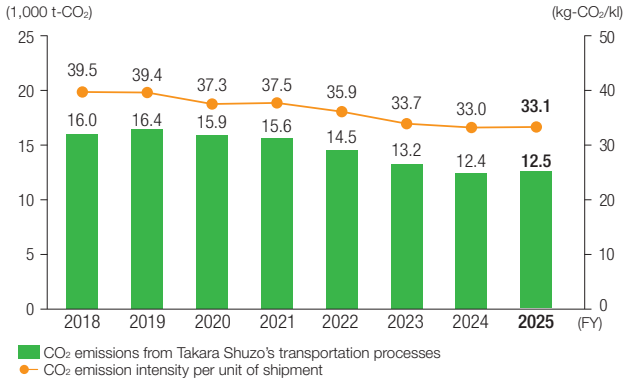
Changes in CO_2 emissions from the Takara Group's production processes



Reduce CO_2 emissions from transportation processes

At Takara Shuzo, we are reducing CO_2 emissions from transportation by reviewing logistics systems, including improving logistics efficiency, reducing reshipments, and promoting joint deliveries. In addition, the company is also working to improve transportation efficiency through modal shift promotion and higher loading rates for truck and tanker transport, as well as implementing energy-saving measures such as eco-driving and electrification of forklifts. In fiscal 2025, CO_2 emissions from transportation processes were 12,500 t-CO_2, a 16.0% reduction in CO_2 emission intensity (CO_2 emissions per unit of shipment) compared to the base year of fiscal 2018.

Changes in CO_2 emissions and emission intensity from Takara Shuzo's transportation processes



Expanding the use of renewable energy

The Takara Group is actively promoting the purchase of electricity derived from renewable energy sources and the installation of solar power panels at each business site of our Group companies.

Following the shift to 100% renewable electricity at Kurokabegura in February 2025, Takara Shuzo began using renewable electricity through offsite PPA at Shirakabegura and the Fushimi Plant in February 2026.

Installation of solar power panels


Takara Holdings Corporate History Museum (Kyoto)


Kurokabegura distillery, Takara Shuzo (Miyazaki)


Tomatin Distillery plant (U.K.)

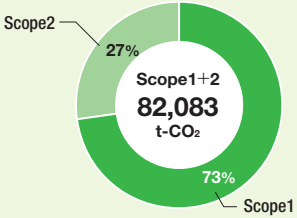

Takara Bio head office (Shiga)

Calculation of greenhouse gas (GHG) emissions across the entire supply chain

To help realize a decarbonized society, the Takara Group is working to track GHG emissions not only under Scope 1 and Scope 2, but also under Scope 3. For fiscal 2025, emissions under all three scopes were calculated for the Overseas Alcoholic Beverages Business of Takara Holdings, Takara Shuzo, and Takara Shuzo International Group.

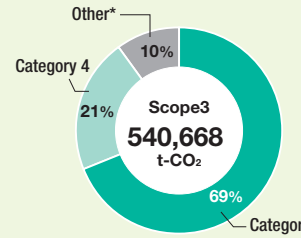
Takara Group's Sustainability

Commitment to Social Responsibility



Scope 1 and 2 GHG emissions in FY2025

Scope: Overseas Alcoholic Beverages Business of Takara Holdings, Takara Shuzo, and Takara Shuzo International Group



Scope 3 GHG emissions in FY2025

Scope: Overseas Alcoholic Beverages Business of Takara Holdings, Takara Shuzo, and Takara Shuzo International Group

* "Other" represents categories 2, 3, 5, 6, 7, 9, 12, and 13.

In order to continue monitoring GHG emissions across the Takara Group, we plan to broaden the calculation scope to cover overseas Japanese food wholesalers and related companies.

Obtained third-party assurance for calculation for environmental data

Third-party assurance was obtained from the JMASusC, an independent verification organization, for the calculation of Scope 1, 2, and 3 emissions in fiscal 2024 at Takara Holdings, Takara Shuzo, and the overseas production sites of the Takara Shuzo International Group, as well as energy consumption at domestic production sites.



Third-party verification report

Disclosures based on the TCFD framework

The Takara Group positions the harmonization of its business activities with global environmental preservation as one of its key challenges, and is actively implementing these initiatives. Recognizing that climate change is an important issue that has an impact on the sustainability of business, the Group supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and continues to assess and respond to risks and opportunities related to climate change in accordance with the TCFD framework, disclose relevant information, and engage in dialogue with stakeholders.

The Group is also a member of the GX Future Consortium, a forum where companies and financial institutions that support the TCFD recommendations collaborate to promote initiatives, facilitate effective corporate disclosures, and support appropriate investment decisions by financial institutions.

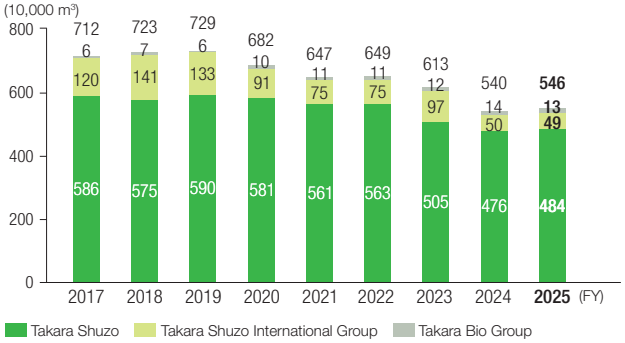
For details, please see "Disclosures Based on the TCFD Framework."
https://www.takara.co.jp/english/sustainability/tcfd/index.html

Limiting water usage in production processes

The Takara Group's total water usage for production processes for fiscal 2025 was 5.46 million m³, a 1% year-on-year increase.

Takara Shuzo's units of water usage (water usage per unit of production) decreased by 13.5% compared to the target of a 20% reduction from fiscal 2017.

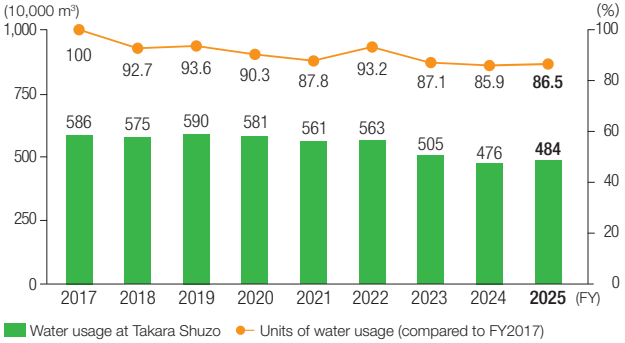
Changes in water usage in the Takara Group's production processes



<Scope of calculations>
Takara Shuzo Co., Ltd., Takara Sake USA Inc., Takara Shuzo Foods Co., Ltd. (China), The Tomatin Distillery Co. Ltd, Takara Bio Inc., Takara Biotechnology (Dalian) Co., Ltd. (China), DSS Takara Bio India Pvt. Ltd., Takara Bio USA, Inc.

* Results included Mizuho Norin Co., Ltd. and Kinoko Center Kin Inc. till February 2019.

Water usage and units of water usage at Takara Shuzo



Takara Group's Sustainability

Commitment to Social Responsibility

Understanding water stress conditions by country of manufacturing locations (water risk assessment)

Water is an essential raw material for the Takara Group's product manufacturing. Especially at liquor manufacturing locations, where water usage is significant, understanding water stress conditions is indispensable. Therefore, we utilize the Baseline Water Stress indicator from the Aqueduct Country Rankings developed by the World Resources Institute to assess the water stress levels in the countries where our manufacturing sites are located. As a result, we found that the water stress is low at eight sites in Japan, the U.K., and Canada, while two sites in China and the U.S. experience moderate water stress.

Alcoholic beverage manufacturing locations: 6 bases in Japan and 4 bases overseas

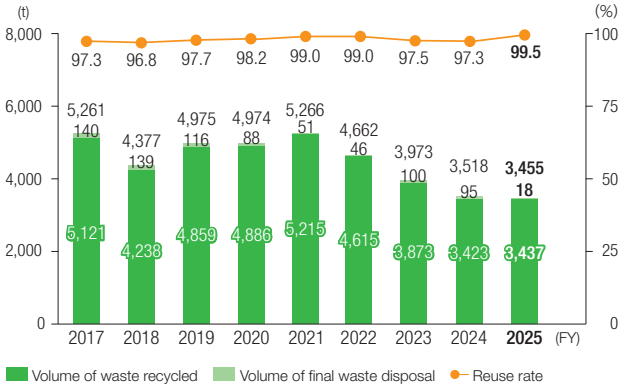
Company name	Manufacturing locations	Country	Baseline Water Stress
Takara Shuzo	Plants of Takara Shuzo	Japan	Low-Medium (10–20%)
Takara Shuzo International Group	The Tomatin Distillery Co. Ltd.	U.K.	Low-Medium (10–20%)
	Takara Shuzo Foods Co., Ltd.	China	Medium-High (20–40%)
	Takara Sake USA Inc.	U.S.	Medium-High (20–40%)
	Ontario Spring Water Sake Company	Canada	Low-Medium (10–20%)

* Baseline Water Stress is classified into five categories: Extremely High, High, Medium-High, Low-Medium, and Low.

Promotion of a circular economy through reduction and recycling of plant waste

In Takara Shuzo plants, waste products generated include shochu lees and other by-products, as well as wastewater treatment sludge, and shipping materials for raw ingredients, containers, etc. As a countermeasure, we are making efforts to reduce the volume of waste generated in our plants by revising disposal routes to enable the sale of industrial waste, repurposing food-based by-products (such as shochu lees) into feed and fertilizer, and recycling incinerator ash that was previously incinerated or landfilled as a raw material for concrete. In fiscal 2025, Takara Shuzo's waste generation was 3,455 tons, with a reuse rate of 99.5%. In fiscal 2026, we will continue efforts to reduce and recycle waste toward the target of maintaining a reuse rate of 98% or higher.

Changes in waste generation and reuse rate at Takara Shuzo



Use of environmentally conscious product packages and packaging



Pouch containers partially made from biomass plastic

Takara Shuzo is procuring materials and developing products that take the 3Rs (Reduce, Reuse, Recycle) into consideration. As an independent initiative, the 4th R (Refuse), in addition to the 3Rs, Takara Shuzo is selling shochu by weight.

The Group as a whole is also promoting the following initiatives.

- Use of paper with forest protection certification and biomass ink
- Use of biomass plastics
- Use of containers made from recycled plastic materials

In this way, we will contribute to the realization of a circular economy.



Food trays made from recycled plastic

Calculation of carbon footprint (CO_2 emissions per product)

In June 2026, the Takara Group calculated the Carbon Footprint of Products (CFP) for *TaKaRa CRAFT* <Kyo Lemon>. CFP refers to the amount of CO_2 emissions generated throughout a product's entire lifecycle, from raw material procurement to disposal and recycling. CFP of *TaKaRa CRAFT* <Kyo Lemon> is 461.7 g-CO_2e per product. In conducting the calculation, we referred to the "Carbon Footprint Guideline" published by the Ministry of Economy, Trade and Industry and the Ministry of the Environment in March 2023.

By calculating the CFP, in addition to reducing Scope 1, 2, and 3 CO_2 emissions from an organizational perspective as before, we will use the results to develop more specific CO_2 reduction measures and formulate reduction plans.



* This calculation result has not been verified by a third party. In addition, these figures are not intended for comparison with our own products or those of other companies.

For details, please see "Calculation of the Carbon Footprint."
https://www.takara.co.jp/english/sustainability/materiality/environment.html

For details, please see "Environment."
https://www.takara.co.jp/english/sustainability/materiality/environment.html

Special Topic

Takara Group Initiatives Toward Achieving Nature Positive Outcomes

Disclosures Based on the TNFD Framework

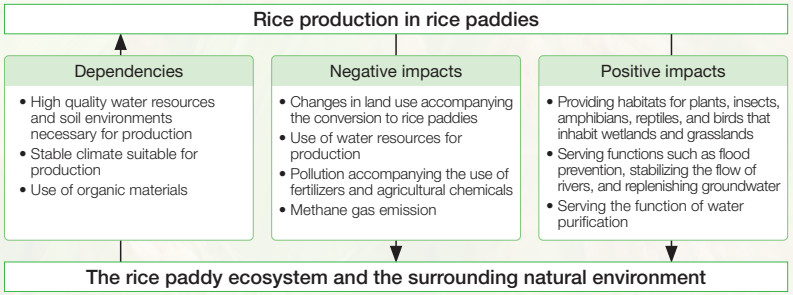
TNFD Taskforce on Nature-related Financial Disclosures

The preservation of a rich natural environment is a major premise for the business continuity of the Takara Group, which engages in business activities on the basis of the bounty of diverse natural resources such as grains, water, and microorganisms. To realize "Smiles in Life" and continue our business into the future, we made disclosures based on the TNFD (The Taskforce on Nature-related Financial Disclosures) framework.

Assessment of Our Business's Dependencies and Impacts on Nature, and Risks and Opportunities

To understand our business's dependencies and impacts on nature, we conducted an assessment using ENCORE, a tool recommended by the TNFD, and other reference materials. Among the businesses assessed, rice production—an important raw material for the value proposition "*Washu* and Japanese foods as a part of everyday global cuisine" pursued by the Takara Group—was found to have negative impacts on nature, such as the use of fertilizers and agricultural chemicals and methane gas emissions, while also potentially having positive impacts, such as providing habitat for organisms living in rice paddies. We also analyzed potential changes in society and ecosystems related to dependencies and impacts on nature, and identified the material risks and opportunities shown at right. We are implementing a range of initiatives to address the risks and opportunities identified through this analysis.

[The relationship between rice production and nature in rice paddies]



[Results of the assessment of risks and opportunities related to nature in rice production]

Risks	Content
Transition risks	Increased procurement costs resulting from the tightening of regulations on the reduction of GHG emissions during rice production
	Increased procurement costs resulting from the tightening of regulations aimed at reducing environmental impacts during rice production, such as with the use of agricultural chemicals and fertilizers
Physical risks	Increased procurement costs resulting from reduced harvests caused by heat stress
	Increased procurement costs resulting from reduced harvests caused by pests and diseases, non-native species, and damage caused by wildlife
	Increased procurement costs resulting from reduced harvests caused by water shortages from insufficient rainfall, drought, and other factors
	Increased procurement costs resulting from reduced harvests caused by flood damage and extreme weather events
	Increased procurement costs resulting from reduced harvests caused by the abandonment of farmland accompanying the increasing number of people exiting agriculture
Systemic risks*	Changes in the rice production environment in rural Japan resulting from rising temperatures, changes in ecosystems, and changes in society, such as the aging population

Opportunities	Content
Opportunities	Considering and implementing environmentally friendly farming practices
	Supporting research and activities that contribute to preservation and are focused on themes such as rice paddy biodiversity
	Implementation of environmental education focused on themes such as rice paddy biodiversity

* The risk of an entire system collapsing due to the chain reaction of multiple risks

For details, please see "Disclosures Based on the TNFD Framework."
https://www.takara.co.jp/english/sustainability/tnfd/index.html

Examples of initiatives to capture opportunities —Takara Harmonist Fund—

Takara Holdings established the Takara Harmonist Fund in 1985, on the occasion of the 60th anniversary of the Company's founding. Every year since, it has offered assistance for activities and research for the preservation of biodiversity and other efforts to maintain the abundant natural environment. Among these, activities and research related to conserving biodiversity in paddy fields help accumulate knowledge about the relationship between rice and nature and are important to our business.

Examples of activities by grant recipients

• Yamadaimizuabu

By converting food waste and animal manure into fertilizer and using it to grow rice, flowers, and vegetables, the project promotes local resource circulation.



• Yamagata Yamane Research Society

The group provides children with opportunities to participate in wildlife ecological surveys and conservation activities, deepening their understanding of living things and nature and helping foster future stewards of nature.



Special Topic

Creating New Value from the Blessings of Local Communities

TaKaRa CRAFT Initiatives

TaKaRa CRAFT is a range of locally exclusive craft chu-hi carefully made using our “hitotema-zukuri” approach to bring out the distinctive characteristics and individuality of rare local fruits from regions across Japan. Here, we introduce its appeal and our initiatives to utilize untapped resources and revitalize local communities.

Challenges Revealed by Listening to Local Communities

TaKaRa CRAFT began with visits to farmers across Japan and listening closely to the voices of each community. What emerged were issues with different local contexts, including the disposal of off-spec products, an increase in abandoned farmland, and mismatches between harvest periods and peak tourism seasons. As we confronted these circumstances, our thinking shifted toward the idea of “social contribution through chu-hi.” Rather than making limited one-off purchases, we sell the products year-round so that we can purchase fruit continuously every year, providing producers with stable demand. By working closely with producers to create an environment in which they can continue farming with confidence, we have built a foundation for making effective use of local resources.

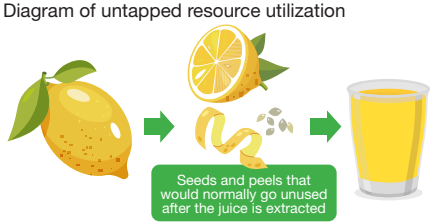
Making Local Industries Sustainable

Currently, with product development leveraging the distinctive characteristics of each region at the core, we are working to revitalize local communities by raising awareness of local fruits and utilizing untapped resources. *TaKaRa CRAFT* places importance on communicating the appeal of each region’s fruit and offers seven products for yuzu flavors alone. Even the same fruit can taste different depending on where it is grown and the climate. By using not only juice but also peel and blending it with carefully selected barrel-aged shochu, we pursue distinctive rich flavors that make the most of each fruit’s characteristics. In regions facing labor shortages, our employees and suppliers also work together to support harvesting. Through these initiatives, we aim to create new demand, stabilize producers’ income, and encourage new entrants into farming.

A New Challenge Connecting People and Place

Expanding interest in processed products that use local specialties through *TaKaRa CRAFT* is another important theme. To achieve sustainable revitalization of production areas, it is necessary to go beyond our own initiatives and create momentum for diverse companies to participate in developing products that use local fruits. Through such initiatives, we aim to raise the value and brand strength of the fruits themselves and enhance the appeal of the production areas as a whole. These initiatives also received the Executive Committee Special Award (Environmental Regional Branding Award) at the Ministry of the Environment’s 13th Good Life Award. Encouraged by this recognition, we will continue to take on new challenges not only in product development but also in building new relationships that connect people and place.

Diagram of untapped resource utilization

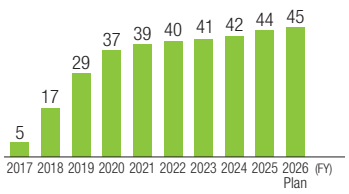


Using previously unused parts helps reduce food loss while creating complex flavors that cannot be reproduced with juice alone

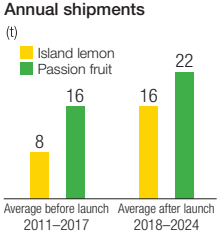


Kyo lemon harvest support

Changes in the number of *TaKaRa CRAFT* items



Annual shipments





Producer Interview Tochigi Prefecture <Tochigi Yuzu> *The First TaKaRa CRAFT* Product

Motegi Town, Tochigi Prefecture, was once a major leaf-tobacco-producing area. However, around 1975, the Japan Tobacco and Salt Public Corporation (currently Japan Tobacco Inc.) withdrew from the area, leaving increasing amounts of idle farmland, and yuzu cultivation began as a community revitalization initiative. There were about 40 producers, and most sales were of fresh fruit, while sales channels were difficult to expand. Amid these circumstances, the yuzu they grow have been welcomed as a local specialty through *TaKaRa CRAFT*, and this has encouraged producers and given them energy.



45 varieties now on sale nationwide / Producer interviews available

TaKaRa CRAFT website (Japanese only)
https://www.takarashuzo.co.jp/products/soft_alcohol/takara_craft/

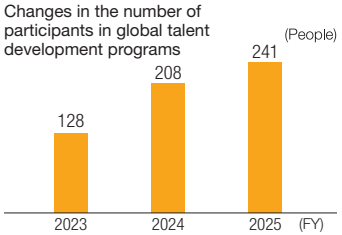


Takara Group's Sustainability Strengthening the Management Foundation

Human Resources

Developing Talent for Global Business Growth

Takara Holdings implements ongoing mid-career and new-graduate recruitment and a range of measures to help employees acquire language skills and a global mindset, with the aim of securing and developing talent who can drive global business growth.



Improving language skills

To develop the language and communication skills needed for global business, we provide support for attending language schools and taking online English conversation lessons, as well as training designed to develop discussion and writing skills. We also offer all interested employees opportunities to take the TOEIC® tests by group application, helping motivate English study and improve skills.

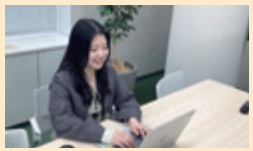
English discussion training

Using topics related to *washu* and Japanese food, the training strengthens employees' ability to express and communicate ideas in English.

Through the training, participants develop practical discussion skills while improving their presentation and facilitation abilities.

Specific discussion themes
- Sake and Umami
- The Grade of Sake and its Main Characteristics
- Why Sake is Popular in the USA
- Understanding Food Culture

Language-related programs
- Online language training
- English discussion training
- Business English email training
- TOEIC® test support
- Classroom-based language training



Broadening global perspectives and fostering a global mindset

To develop talent who can thrive in global environments, we work to deepen employees' understanding of overseas businesses while fostering a global mindset that enables them to accept diverse values and collaborate with others.

Global Café

By providing opportunities to interact with employees on overseas assignments and locally hired employees, Global Café deepens understanding of overseas businesses through information and Q&A sessions on work and living environments abroad, while also raising awareness of future career development.



Cross-cultural training

Participants acquire the knowledge and skills needed to communicate smoothly with people from different cultures and backgrounds.

Employees of different seniority levels, job types, and departments participate in the training and learn about differences in values and cultural backgrounds across regions overseas.

Based on what they learn, participants hold group discussions to think about approaches and attitudes toward communication in global environments and develop perspectives for cross-cultural understanding.

Staff member's voice

A characteristic of our global talent development programs is that participants approach them with initiative and a spirit of challenge. Participation in each program is open to applicants, and the administrative office supports employees so that they can take on these challenges. We will continue refining these programs to develop talent who can excel in roles related to overseas businesses.

Maki Inoue
Global HR Development Section, Personnel Department



Takara Group's Sustainability Strengthening the Management Foundation

Improving Employee Engagement

Understanding the current state through the employee engagement survey

The outcomes and value a company creates are greatly influenced by whether each and every employee can fully demonstrate their capabilities. To realize the TaKaRa Group Long-Term Vision 2050, it is important for each and every employee to understand and sympathize with the goals and vision of the organization and, while bringing diverse strengths together, proactively demonstrate their capabilities by taking ownership, thereby maximizing the organization's execution capabilities.

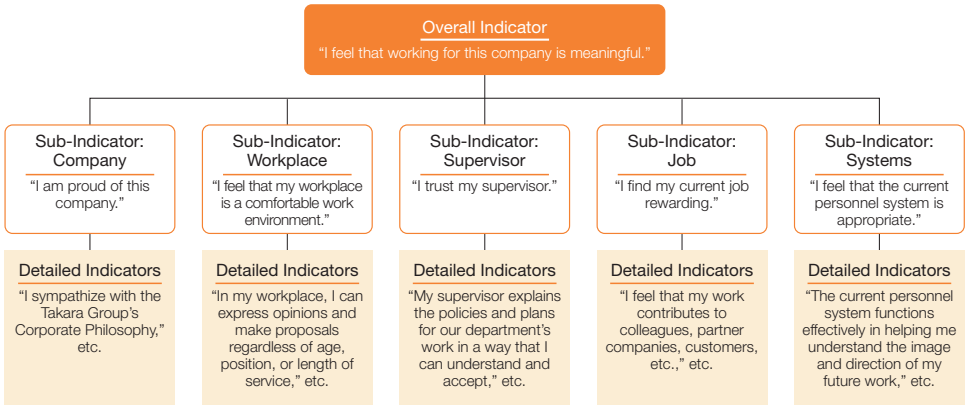
To enhance this organizational execution capability and translate it into higher productivity and innovation, it is essential to create a workplace environment in which employees find their work rewarding and can work proactively. To understand the state of employee engagement, which is one of the key indicators of such an environment, we began conducting employee engagement surveys in fiscal 2022. We conducted the second survey in fiscal 2024 and continue to monitor employee awareness and organizational conditions.

Implementation schedule

FY2022	FY2023	FY2024	FY2025
First survey		Second survey	
· Consider implementation approach · Design survey and conduct first survey	· Analyze results · Identify issues · Provide internal feedback · Consider and implement employee engagement improvement measures	· Revise survey design and conduct second survey · Analyze results · Identify issues · Provide internal feedback	· Consider and implement employee engagement improvement measures

Survey design overview

To gain a more accurate understanding of the Company's situation, we developed our own survey design with the cooperation of external experts. The survey defines the state in which an employee "feels that working for this company is meaningful" as the "Overall Indicator." To understand what factors influence the Overall Indicator, we also established "Sub-Indicators" comprising five categories: "Company," "Workplace," "Supervisor," "Job," and "Systems." In addition, we designed groups of specific questions that affect each Sub-Indicator as "Detailed Indicators," enabling multifaceted analysis of employee awareness and the workplace environment.



Measures based on the results of the employee engagement survey

After sharing the survey analysis results and issues identified through the survey with executives and all employees, we connect them to initiatives under the companywide project to promote corporate culture transformation and to strengthened career development support, aiming to further improve employee engagement. In the second survey, we are prioritizing the following measures to address issues related to the "Company" and "Job" Sub-Indicators, which showed particularly high correlations with the Overall Indicator.

Examples of how survey findings are reflected in measures to improve engagement

Company

To further foster a challenging corporate culture and capacity for transformation, we are implementing initiatives to build a trial-and-error culture, including the Try-Time self-development program, which supports employees in improving their capabilities, and starTreasure, an internal open-call new business development program.

Job

To help employees develop clearer medium- to long-term career visions, we implement the following initiatives:

· One-on-one meetings between supervisors and subordinates

· Career roundtable discussions for female employees with female managers

In fiscal 2026, we plan to conduct the third employee engagement survey to verify the results of the initiatives taken to date and identify new issues.

Takara Group's Sustainability

Strengthening the Management Foundation | Creation of New Value

Employee data (Total of Takara Holdings, Takara Shuzo, and Takara Shuzo International)

Theme	Classification	Item	Unit	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Promoting the active involvement of diverse talent	Employees	Number of full-time employees (as of April 1)	People	1,336	1,314	1,269	1,264	1,265	1,267
		Men	People	1,141	1,117	1,074	1,048	1,033	1,016
		Women	People	195	197	195	216	232	251
		Ratio of women	%	14.6	15.0	15.4	17.1	18.3	19.8
		Average years of service (for full-time employees as of April 1)	Year	22.4	22.7	22.6	22.0	21.1	20.5
		Men	Year	23.1	23.4	23.4	23.0	22.2	21.7
		Women	Year	18.2	18.7	18.5	17.4	16.5	15.4
		Number of new graduate hires (university and graduate school graduates)	People	33	15	23	33	32	45
		Men	People	17	8	12	15	17	23
		Women	People	16	7	11	18	15	22
		Ratio of women	%	48.5	46.7	47.8	54.5	46.9	48.9
		Turnover rate within three years (new graduate hires)	%	13.3	6.3	10.9	6.0	12.5	11.3
		Voluntary turnover rate (full-time employees)	%	1.6	2.4	1.6	1.4	2.2	1.2
	Promoting the active involvement of female employees	Number of women in managerial positions (as of April 1)	People	17	19	22	28	34	39
		Ratio of women in managerial positions (as of April 1)	%	4.0	4.5	5.3	6.7	8.6	10.2
		Number of newly appointed women in managerial positions	People	2	2	4	7	6	6
		Number of women in management positions (as of April 1)	People	34	39	41	48	53	55
		Ratio of women in management positions (as of April 1)	%	5.5	6.2	6.7	7.9	9.0	9.6
		Number of newly appointed personnel in management positions	People	4	8	9	14	12	10
	Promoting the active involvement of seniors	Number of employees re-employed after retirement	People	35	39	39	48	46	55
	Promoting the hiring of people with disabilities	Ratio of employees with disabilities (Takara Holdings as of April 1)	%	2.78	2.65	2.44	2.78	3.12	3.01
		Ratio of employees with disabilities (Takara Shuzo as of April 1)	%	2.59	2.69	2.59	2.49	2.92	3.20
	Acquisition of diverse talent	Mid-career hiring ratio (including full-time employees)	%	23.3	41.4	31.9	38.4	29.3	27.7
Achieving a comfortable workplace environment and a work-life balance	Working hours	Total working hours	Hours	1,845.17	1,862.05	1,862.49	1,854.22	1,850.41	1,869.48
		Overtime working hours	Hours	103.55	137.20	136.45	134.10	132.56	142.74
	Taking paid leave	Ratio of paid leave taken	%	66.4	69.1	76.5	73.5	78.2	77.4
	Taking childcare leave	Number of employees taking childcare leave	People	6	8	10	20	17	27
		Men	People	0	3	6	16	11	19
		Women	People	6	5	4	4	6	8
		Reinstatement rate from childcare leave	%	100.0	100.0	100.0	100.0	100.0	100.0
		Ratio of childcare leave taken by male employees	%	0.0	18.8	27.3	84.2	84.6	86.4
	Occupational health and safety	Number of employees receiving occupational health and safety training (at time of hiring)	People	65	35	54	78	67	68
	Industrial accidents	Frequency rate of industrial accidents (Whole company)*1	—	0.36	1.09	0.74	2.57	1.83	0.36
		Industrial accidents severity rate (Whole company)*2	—	0	0.034	0.003	0.004	0.094	0.017
		Number of serious industrial accidents*3	Accidents	0	0	0	0	0	0
	Working from home	Number of employees using the work-from-home system	People	794	769	684	526	466	357

*1 Frequency rate of industrial accidents: total number of accidents involving absence from work or death / total number of hours actually worked × 1,000,000
*2 Industrial accidents severity rate: number of workdays lost / total number of hours actually worked × 1,000
*3 Serious industrial accidents stipulated by Order of the Ministry of Health, Labour and Welfare (fatal accidents, etc.)

For employee data of Takara Bio, please visit Takara Bio's website.
https://www.takara-bio.com/en/sustainability/materiality/human.html

For details, please visit Takara Holdings' website "Human Resources."
https://www.takara.co.jp/english/sustainability/materiality/human-resources.html

Value Creation in New Business Areas

New business development initiatives

Policy of the New Business Development Department

We are working to develop new businesses that help address social issues such as food shortages and environmental problems by creating new value through biotechnology (fermentation and biotechnology), which is the Takara Group's core competence. In addition to generating ideas internally through starTreasure, an internal open-call new business development program, and workshops involving operating companies, we are also generating ideas externally through LP investments and CVC activities. We aim to commercialize two new businesses by fiscal 2030 and achieve net sales of ¥200.0 billion from new businesses by fiscal 2050.

Initiatives with Takara Bio

Taking Takara Bio's transition to a wholly owned subsidiary as an opportunity, we have begun discussions with Takara Bio members to develop concrete new business concepts. We hold regular exchanges of views and share business ideas, and conduct facility tours to deepen mutual understanding of the assets of both companies.

By combining assets held by Takara Shuzo and Takara Shuzo International, such as fermentation, distillation, and blending technologies, manufacturing by-products, and domestic and overseas sales networks, with Takara Bio's gene and cell engineering technologies and manufacturing facilities for recombinant proteins and various enzymes, we aim to create new businesses unique to the Takara Group.

For details, please visit Takara Holdings' website "Value Creation in New Business Areas."
https://www.takara.co.jp/english/sustainability/materiality/value-in-new-areas.html

Takara Group's Sustainability Commitment to Social Responsibility

Safety and Reliability

Safety and reliability initiatives

Initiatives at major Group companies

Takara Shuzo has introduced the international standard FSSC 22000 at all six of its plants in Japan and thoroughly ensure food safety and quality control. At the product design stage, we carry out checks covering raw materials, manufacturing, labeling, and shipping to ensure compliance with laws and regulations and product safety, while also conducting ongoing employee training. We only use raw materials whose quality has been assured, and work to prevent contamination by hazardous substances and improve reliability through supplier audits and analyses for residual agricultural chemicals and heavy metals.

The Takara Shuzo International Group is strengthening its overseas quality assurance system and shares information on quality policies and food safety at meetings with the management of our overseas Group companies. Through quality audits conducted in cooperation with Takara Holdings, we identify quality risks and implement improvements, while gathering information on laws and regulations in each country and ensuring compliance with export requirements.

The Takara Bio Group maintains certifications including ISO 9001 and ISO 13485, strengthens quality control by obtaining various third-party certifications and business licenses, and develops manufacturing systems compliant with GMP and GCTP. The Group also appropriately discloses product information in multiple languages and works to improve quality and ensure safety.

For details, please see "Safety and Reliability."
https://www.takara.co.jp/english/sustainability/materiality/safety-and-security.html

Responsible Alcohol Producer

Spreading awareness on the appropriate consumption of alcohol

Educational efforts using our website

Since 1985, Takara Shuzo has been expanding the "Say No!" campaign focusing on the "appropriate day, appropriate sake, and appropriate manner" proposal to foster harmony between society and drinking. In 2009, Takara Shuzo published the booklet "Maintaining a Positive Relationship with Alcohol" to promote responsible drinking and made its contents available on the Takara Shuzo website.

The "Maintaining a Positive Relationship with Alcohol" booklet, Takara Shuzo Co., Ltd. (Japanese only)
https://www.takarashuzo.co.jp/saynoweb/

Implementation of responsible marketing

Conscientious product labeling

Takara Shuzo displays the prohibition of underage drinking on product packages since 1995 and warnings about the risk of drinking for expectant or nursing mothers since 2004 to prevent drinking while pregnant or nursing.

Takara Shuzo discloses information on pure alcohol content for products in all categories on its website. By March 2026, Takara Shuzo completed displaying this information on the packaging of all consumer products sold in Japan, except for alcohol-based seasoning.

For details, please see "Responsible Alcohol Producer."
https://www.takara.co.jp/english/sustainability/materiality/proper-drink.html

Community

Education on the environment and other issues for children who will lead the future

Takara Shuzo Farm School

Since 2004, Takara Shuzo has offered hands-on classes in which parents and children learn firsthand about the importance of preserving biodiversity and the connections between natural bounty and life through experiences such as rice cultivation and nature observation. In 2026, we are hosting two classes targeting elementary school students and their families in a rice field in Nantan, Kyoto Prefecture, including rice farming experience from planting in spring to harvest in fall and nature observation of rural mountain woodlands.


Rice planting experience

Takara Bio's initiatives to foster the future of biotechnology

Takara Bio conducts bio classes for elementary school students in nearby communities. In fiscal 2025, students conducted an experiment to extract DNA from bananas. Through hands-on experiences in the bio classes, students are encouraged to see biotechnology as something familiar and understand how it helps us study the mechanisms of life, providing an opportunity to spark their interest in biotechnology.


Bio class

For details, please see "Community."
https://www.takara.co.jp/english/sustainability/materiality/community.html

Takara Group's Sustainability Strengthening the Management Foundation

Human Rights

Respect for human rights

Implementation of programs to deepen understanding of human rights

Within the Group, we promote awareness of human rights by providing programs to deepen understanding of human rights, including the Takara Group Human Rights Policy, through initiatives such as compliance education by e-learning, new employee training, and training sessions for each job level. In fiscal 2025, we continued to implement a program on human rights at training sessions for risk compliance leaders for the entire group, followed by on-the-job training led by these leaders.



Initiatives to prevent harassment

To prevent sexual harassment, power harassment, and other forms of harassment related to pregnancy, childbirth, childcare, and nursing care, we have established consultation and complaint desks at each Group company and business site, as well as an Ombudsman Committee. In addition, as part of compliance education, we provide education on various forms of harassment on an ongoing basis.

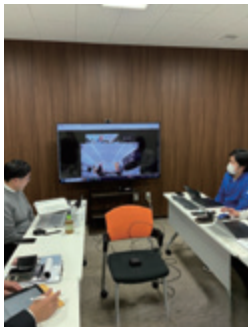
For details, please see "Human Rights."
https://www.takara.co.jp/english/sustainability/materiality/human-rights.html

Procurement

Collaboration with suppliers

ESG survey

In order to strengthen our manufacturing system for safe, reliable, and sustainable products, in December 2025, the Takara Group conducted its first ESG survey at a supplier's local plant. We conducted a total of two surveys in fiscal 2025. Going forward, we will continue to create opportunities for active information and opinion exchange with key suppliers on environmental issues, human rights issues, governance structure, and other topics.



Scene from the ESG survey

Requesting suppliers to comply with the Sustainability Procurement Guidelines

Takara Shuzo is asking its suppliers to observe the Sustainability Procurement Guidelines that give consideration to the environmental and social issues. The Guidelines have been presented to a total of 281 suppliers as of June 2026, all of whom have submitted a letter of consent. We will continue to explain and present the Guidelines and obtain letters of consent when appointing new suppliers.

On-site inspection of suppliers

As part of human rights due diligence of suppliers, in May 2023, we visited four suppliers in Brazil who are manufacturers of ethanol for on-site inspections.

The inspections confirmed that these suppliers met standards for all of the 26 items listed in the Sustainability Procurement Guidelines and that there was no case of child labor or forced labor. We plan to continue conducting CSR surveys of ethanol suppliers so that we can continuously assess risks.



On-site inspection of a supplier

For details, please see "Procurement."
https://www.takara.co.jp/english/sustainability/materiality/supply-chain.html

05 Governance, Financial Information, and Corporate Information

The Takara Group is working to enhance corporate governance and implement sound financial management in order to sustainably improve corporate value.

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Chapter 05



Messages from Outside Directors



We support the enhancement of sustainable corporate value through diverse perspectives and effective governance.

Outside Director **Masako Tomotsune**
(Appointed June 28, 2018)

Key Areas of Focus as an Outside Director

I have focused on improving governance, particularly by enhancing the effectiveness and revitalization of the Board of Directors. As a result, more active discussions have been held regarding management strategies, including at meeting bodies other than the Board. In addition to discussions at meeting bodies, Outside Directors also discuss management issues as needed. With the addition of individuals with management experience, diversity has increased further, enabling active discussions that draw on each Director's area of expertise. At the Nomination and Compensation Committee, we deliberate on matters that are necessary to ensure that the Company has an objective and transparent nomination and compensation process, and also discuss succession planning. From the standpoint of an attorney, I also closely monitor compliance and actively voice my views.

As an Outside Director, I actively encourage the Company to share the valuable feedback of shareholders and investors internally and reflect them in management. In addition, I have made proposals on reinforcing ROIC-based management, business portfolio strategy, dividend policy, and external communication. In terms of talent development, as approximately 60% of both sales and our employees are located overseas, I believe that the development of global talent based on our management strategies, as well as the development and effective utilization of overseas talent are issues that must be addressed. Opportunities for women to play active roles within the Company are expanding. At the same time, because people are our most important assets, I believe that creating a rewarding workplace where everyone, including people with disabilities, can work comfortably regardless of gender, further realizing "Smiles in Life" within the Company, and improving employee engagement will lead to the Company's sustainable growth.

Takara Group Medium-Term Management Plan for 2030

The current Medium-Term Management Plan was formulated by backcasting from the TaKaRa Group Long-Term Vision 2050, while incorporating feedback from Outside Directors and utilizing external expertise.

First of all, we took seriously the difficult situation in which the targets of the previous Medium-Term Management Plan had not been achieved. Based on the belief that the future must be built on a thorough review of the past, the Company carefully assessed the current situation and analyzed its underlying causes, while openly disclosing even negative information. I consider this straightforward approach to be one of the Company's primary characteristics. Specifically, we will strengthen management of the Overseas Business to steadily realize returns on investments made during the previous Medium-Term Management Plan, while rapidly reforming profit structures of businesses including Takara Bio, which became a wholly owned subsidiary. We believe that execution and speed are the keys to success. In the first two years, we are not merely reviewing businesses, and have already moved quickly to discontinue proprietary gene therapy clinical development programs, withdraw from GMP cell processing contract services at CDMO, and implement other profit structure reforms. We have also established a new meeting body for discussing our business portfolio strategy, and intend to hold discussions that remain conscious of the cost of capital, with a sense of speed. Given the long-term risk of declining demand in the alcoholic beverage market, developing new businesses with biotechnology as a core competence is also an important issue. We are advancing initiatives such as starTreasure, an internal open-call new business development program, as well as limited partnership investments. In addition, we will also focus on talent development through job rotations, an internal internship program, and opportunities for autonomous learning.

The current Medium-Term Management Plan introduces progressive dividends and clearly outlines cash allocation. We will continue to pursue both shareholder returns and growth investment.

While we expect the current challenging business environment to continue amidst the situation in the Middle East and other geopolitical risks, as an Outside Director, I will continue to actively gather information from both inside and outside the Company, take shareholder feedback into account, and supervise management from an independent and objective standpoint, while considering the perspectives of all stakeholders, with the aim of achieving the targets of the current Medium-Term Management Plan and enhancing our corporate value over the medium- to long-term.

Messages from Outside Directors



Achieving management targets for each business portfolio and steadily returning to a growth trajectory

Outside Director **Tomoko Kawakami**
(Appointed June 27, 2019)

Key Areas of Focus as an Outside Director

I am Tomoko Kawakami, a professor at Waseda University, and I serve as an Outside Director. I teach Marketing and Innovation at a business school (MBA) for working professionals. In the past year, I was keenly aware of increasingly tense market conditions, driven by the geopolitical situation and the rapid proliferation of interactive generative AI, even in the field of professional education, where working students gather from Japan and various countries around the world.

As a scholar, my current research themes include topics related to the Company's businesses, such as the utilization of generative AI in business activities, bio-manufacturing, and sustainability and branding. I therefore strive to obtain cutting-edge information globally through opportunities to speak at international academic conferences and seminars for business practitioners, as well as through discussions with overseas research collaborators, and to apply that information to management in a timely and appropriate manner.

Having marked the 100th anniversary of its founding last year, the Company embodies traditions that have been cultivated over many years, as well as the innovation necessary to realize its future toward 2050, as set out in its Long-Term Vision. We will continue to make efforts to capitalize on our strengths in the global supply chain of *washu* and Japanese foods, as well as in biotechnology and other areas held by Takara Bio, which has become a wholly owned subsidiary, to put ourselves on a steady growth trajectory and make a major leap forward.

Takara Group Medium-Term Management Plan for 2030

The Takara Group Medium-Term Management Plan for 2030 was formulated with employees participating in discussions and with timely reports provided to Outside Directors. The most distinctive feature is the clarification of targets for each business unit, based on the business portfolio strategy.

Under the current Medium-Term Management Plan, each unit will promote its business toward ROIC targets established based on WACC, thereby improving the investment efficiency of the Group and building a more robust management foundation. In particular, reforming profit structures and optimizing growth investments are urgent priorities during the two years from 2026 to 2027, and as an Outside Director, I intend to exercise even stronger governance.

Furthermore, precisely because we are in the midst of management reform, I would like to emphasize once again that people are the main players. While numerical targets are important, what matters most is for employees to take ownership of the issues, challenge themselves, and execute measures.

For example, synergies between businesses cannot be created if we are constrained by the existing business framework. At times, it is necessary to go beyond the boundaries of existing businesses and use creativity to create new ventures. I expect the Group to steadily achieve medium- to long-term growth by advancing selection and concentration, while intensively allocating resources to areas where growth investment is needed.

Messages from Outside Directors



Supporting a return to a growth trajectory through constructive dialogue and objective verification

Outside Director **Takao Motomiya**
(Appointed June 29, 2023)

Key Areas of Focus as an Outside Director

Since assuming the role of Outside Director, I have attended the Board of Directors and other meeting bodies as frequently as possible, to gain an understanding of the Takara Group's current situation and issues. In addition, based on my experience in planning administrative operations and conducting administrative inspections and evaluations, I have striven to ask questions, give opinions, and make proposals from the perspectives of laws and regulations, compliance, and governance, particularly regarding key considerations when planning measures, as well as the evaluation, verification, and issues regarding implementation status.

At the Company's Board of Directors and other meeting bodies, Outside Directors had proposed that it would be optimal if discussions were held before matters are fully organized into formal agenda items or measures. Opportunities for advance briefings increased last year, and beginning this fiscal year, prior briefing sessions for the Board of Directors meetings will be held on a regular basis. I believe that creating an environment for active discussions in advance will contribute to enhancing management strategies and organizational management.

In formulation of the Takara Group Medium-Term Management Plan for 2030—in which I participated as an Outside Director for the first time—I believe that the active advance discussions that were held among the relevant parties, including Outside Directors, had a positive effect on enhancing the plan's content.

Going forward, I will continue to fulfill the roles and responsibilities of an Outside Director—providing advice on management policies and improvement, supervising management, overseeing conflicts of interest, and reflecting stakeholder feedback—and work to enhance the Group's corporate value over the medium- to long-term.

Takara Group Medium-Term Management Plan for 2030

In the Medium-Term Management Plan for 2030, in light of factors such as the significant failure to achieve the targets of the previous Medium-Term Management Plan, we have positioned the first two years (up to the fiscal year ending March 31, 2028) as a period of "structural reform, turnaround, and laying the groundwork for future growth," and the latter three years (up to the fiscal year ending March 31, 2031) as a period of "accelerating growth and creating future growth drivers." Under the overall policy of "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," we have established specific strategies and targets, including five basic policies.

In order to achieve the plan, it is necessary to steadily implement its basic policies, etc. and obtain results. The first two years can be viewed as a grace period for structural reform, etc., making it important to produce results as early as possible. I will endeavor to provide opinions and advice to ensure that we can achieve substantial results in the fiscal year ending March 31, 2027, which is the first year of the plan.

To this end, I believe it is important to monitor and analyze progress in a timely manner, and consider whether to continue or revise strategies, or to adopt new strategies when necessary. In addition, conducting quantitative analyses to support this monitoring and analyzing process will make it easier for the relevant parties to discuss and make decisions based on a shared understanding. In the Medium-Term Management Plan for 2030, quantitative targets are set for only certain items, such as financial targets for ROIC, ROE, operating income, and net sales. In addition, I would like the Company to make efforts to present results quantitatively for initiatives such as reform of the profit structure of existing businesses, as well.

The Medium-Term Management Plan for 2030 sets targets that should serve as near-term milestones toward achieving Long-Term Vision 2050, and presents specific strategies and plans for their achievement. I will work to ensure an enhancement of our corporate value over the medium- to long-term, through the successful implementation of the plan.

Messages from Outside Directors



Identifying the essence of management issues and supporting the execution of transformation

Outside Director **Seiichiro Shirahata**
(Appointed June 27, 2025)

Key Areas of Focus as an Outside Director

From the time when I became an Outside Director in June 2025, it became apparent that significant shortfalls had been reported in profit plans for the Japanese Food Wholesale Business and the Biomedical Business. An analysis indicated that the true cause was a situation in which a balance between investment plans and returns had not been achieved, and that investments to expand overseas bases were not in line with profit plans.

In particular, although a deterioration of the business environment, including intensified competition, was cited as a reason for the shortfall in the Japanese Food Wholesale Business profit plan, I pointed out that decisive action was needed to address rising SG&A expenses at overseas subsidiaries acquired to drive sales growth. Nevertheless, the response was delayed.

A major point for reflection is that the strong sales growth achieved after acquiring overseas companies led to delayed actions regarding profit management, while the holding company was not sufficiently involved in subsidiary-led business operations.

When I took office, TaKaRa Group Long-Term Vision 2050 (hereinafter, the “Long-Term Vision 2050”) had already been compiled. Regarding the proposal to extend the new Medium-Term Management Plan period from three years to five years, I proposed that incorporating measures to address the current situation into the current Medium-Term Management Plan should be given the highest priority. As a result, the first two years were positioned as a period of structural reform for the Company.

Takara Group Medium-Term Management Plan for 2030

The Company has resolved to undertake a major structural reform during the first two years of the five-year Medium-Term Management Plan, staking the recovery of its businesses on this effort.

The issues that Outside Directors should address are: reviewing the business portfolio at an early stage so that the Group can move forward toward the Long-Term Vision 2050; ensuring that the Group is already moving decisively toward that Vision by the start of the latter three years; and requiring advance preparation of a Plan B in case the profit improvement plans developed by management do not progress as intended.

In the past, proposals from the executive side have typically been submitted to the Board of Directors for ratification, with the content narrowed down to a single option.

Going forward, we will create an environment in which the Board of Directors can take risks appropriately, by having a separate meeting body review business strategies, present comparisons and possibilities including alternative plans, and deliberate on them.

I intend to manage and supervise this process to ensure that the Company completes its structural improvements within the limited timeframe.

Governance

Governance

Basic Policy on Corporate Governance

The Takara Group believes that an appropriate corporate governance structure that ensures a transparent, fair, speedy and resolute decision making is necessary to realize the "ideal state*1" set out in Long-Term Vision 2050. At the same time, we also believe that to continue to be a trusted corporate group, we need a structure that respects the positions of stakeholders, including shareholders, customers, employees, creditors, and local communities, and enables us to make efforts in appropriate communication.

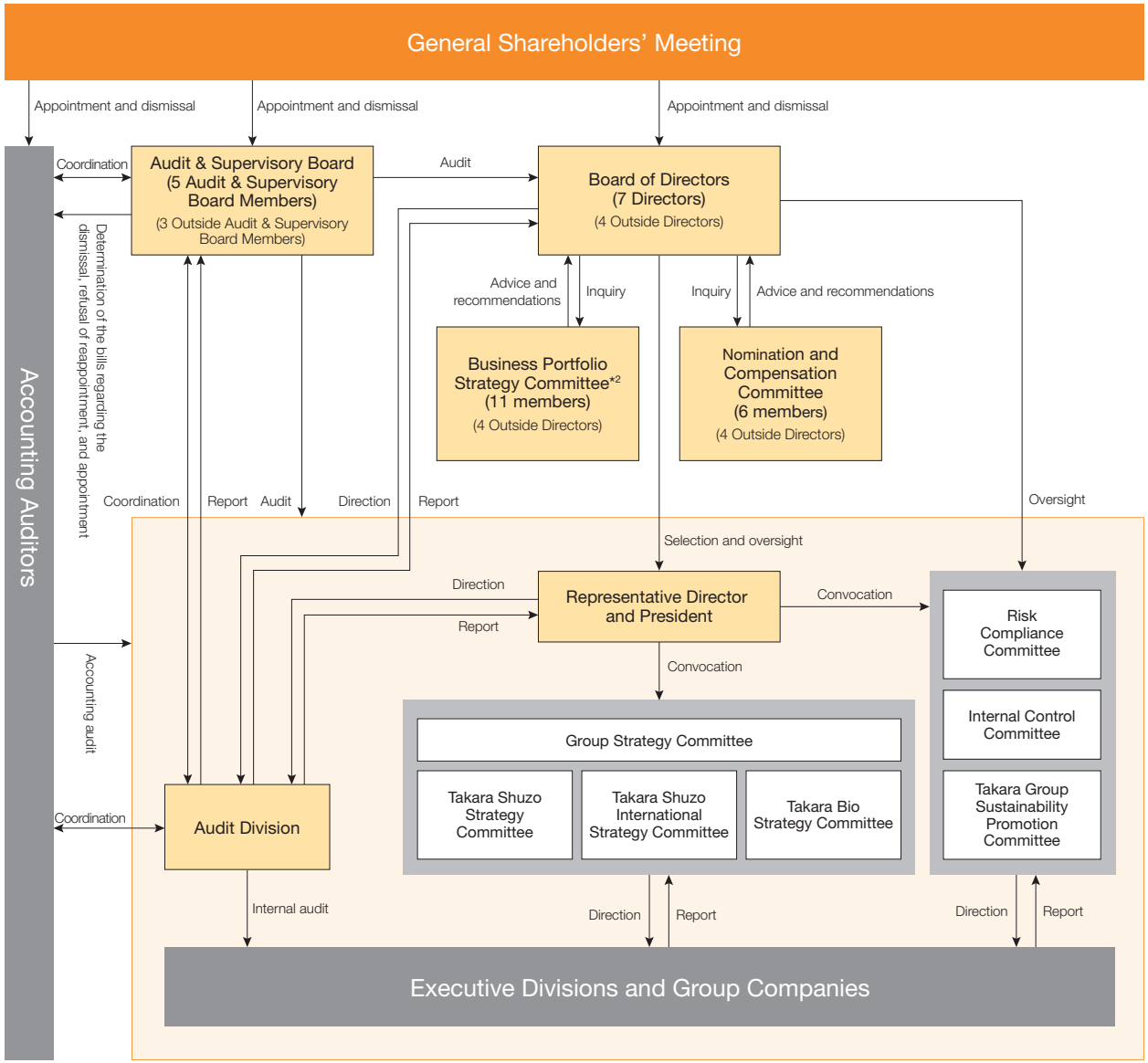
Based on the above policy, the Company aims for sustainable growth of the Group and an increase in its corporate value over the medium- to long-term by establishing and maintaining an appropriate corporate governance structure in accordance with the specific policies set forth in the Takara Holdings Corporate Governance Policy.

*1 Ideal state
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.

*2 Business Portfolio Strategy Committee

Role	As an advisory body to the Board of Directors of the Company, discuss reviews of our business portfolio strategy and policies for allocating management resources, and deliberate on highly important investment projects from an early stage, such as the concept and planning stages.
Frequency	As a general rule, once per quarter, with additional meetings held as needed
Members	Directors and Executive Officers of the Company

Corporate Governance System (as of June 26, 2026)



Governance

Promotion of Corporate Governance

Corporate governance structure

As a holding company that manages a corporate group, Takara Holdings has decided that the following framework will be most appropriate for the Takara Group to ensure highly effective supervision and audits of corporate management. Hence, we have adopted a system of a Company with an Audit & Supervisory Board as our corporate governance structure.

- The Board of Directors makes important management decisions and supervises the execution of operations. The Board consists of executive Directors with high level of expertise and experience related to our businesses and multiple independent Outside Directors with a wealth of experience and a broad view who are capable of offering advice and suggestions from the perspectives of all stakeholders including shareholders.
- Audit & Supervisory Board Members with the knowledge of finance, accounting, and legal affairs, including independent Outside Audit & Supervisory Board Members with a wealth of experience and a broad view, comprise the Audit & Supervisory Board. Each Audit & Supervisory Board Member effectively exercises their function and authority to audit the execution of operations by Directors.

With these frameworks in place, Outside Directors and Audit & Supervisory Board Members monitor, supervise, and offer advice on Directors' business management and performance of duty according to their roles and functions from their independent and objective standpoint, thereby providing highly effective supervision.

Directors and Board of Directors

From among those who meet certain criteria, persons who are deemed to be best suited from the viewpoint of mutually complementing the execution of operations and enhancing supervisory functions are appointed as Directors, regardless of gender, nationality, career, and age, among others, by taking into account the candidates' skills, knowledge, experience, and specialization. This way we ensure the diversity necessary for the Board of Directors as a whole. Currently, of our seven Directors (same as the number of Directors provided for in the Articles of Incorporation), four, or a majority, are Outside Directors, and two of our Directors are women.

The term of office for our Directors is set at one year in order to respond promptly to changes in the management environment and to ensure the clarity of Directors' management responsibilities.

Audit & Supervisory Board Members and Audit & Supervisory Board

Takara Holdings appoints individuals with the knowledge of finance, accounting, and legal affairs as Audit & Supervisory Board Members in order to ensure functions necessary to perform the roles and responsibilities of the Audit & Supervisory Board Members and Audit & Supervisory Board. Currently, three of our five Audit & Supervisory Board Members are Outside Audit & Supervisory Board Members, and three of our Audit & Supervisory Board Members are women. Of the five Audit & Supervisory Board Members, three have extensive knowledge of finance and accounting.

Areas of Expertise and Experience (Skill Matrix)

<Directors>

Name	Corporate management Management strategies	Finance Accounting Tax affairs	Legal affairs Compliance	Human resources Labor affairs	Research and development Product technologies	Brand strategies Marketing	Overseas business Internationality
Mutsumi Kimura	●	●	●	●			●
Masanao Suzuki	●			●			
Kei Sato	●	●				●	
Masako Tomotsune			●	●			
Tomoko Kawakami	●					●	●
Takao Motomiya		●	●				
Seiichiro Shirahata	●				●	●	●

<Executive Officers>

Name	Corporate management Management strategies	Finance Accounting Tax affairs	Legal affairs Compliance	Human resources Labor affairs	Research and development Product technologies	Brand strategies Marketing	Overseas business Internationality
Minori Mori	●					●	●
Naoki Shibuya	●					●	
Tsuyoshi Miyamura	●				●	●	●
Mineo Kawashima	●		●				

Governance

Appointment of independent officers

Takara Holdings has established criteria for independent officers, which are more rigorous than those specified by the Tokyo Stock Exchange, and it designates all of the Outside Officers who are deemed to be independent by meeting these criteria as independent officers. Currently, a total of seven officers are designated as independent officers. They are four Outside Directors Masako Tomotsune, Tomoko Kawakami, Takao Motomiya, and Seiichiro Shirahata, and three Outside Audit & Supervisory Board Members Akiko Yoshimoto, Akiko Yakura, and Aki Miyaguchi.

Nomination and Compensation Committee

To ensure the independence and objectivity of the Board of Directors' functions regarding the nomination of Director candidates and Director compensation, Takara Holdings has established the Nomination and Compensation Committee, a majority of whose members are independent Outside Directors, under the Board of Directors and ensures their appropriate participation.

The Nomination and Compensation Committee consists of at least three members, a majority of whom are independent Outside Directors, and the chair is elected from among the independent Outside Directors. This way, the committee's independence is ensured. The committee deliberates matters regarding nomination of Director candidates and Director compensation before they are resolved at the Board of Directors' meetings and offers advice and suggestions to the Board of Directors.

<Matters to be discussed by the Nomination and Compensation Committee>

- Matters concerning candidates for Directors to be proposed to the general shareholders' meeting
- Matters concerning revisions to the maximum amount of compensation for Directors to be proposed to the general shareholders' meeting
- Matters concerning compensation of individual Directors
- Matters concerning succession planning for the Representative Director and President as well as selection or removal
- Other matters concerning nomination and compensation of Directors

Officer compensation

Compensation for Directors and Audit & Supervisory Board Members is determined based on the Rules for Compensation of Officers approved by the Board of Directors within the range of the amount for each based on resolutions at the general shareholders' meeting. Compensation for Directors is determined by the Representative Director and President delegated by resolution of the Board of Directors, upon deliberation by the Nomination and Compensation Committee; while compensation for Audit & Supervisory Board Members is determined by deliberation by the Audit & Supervisory Board Members. Revisions to the Rules for Compensation of Officers relating to Directors are based on resolutions by the Board of Directors, while revisions relating to Audit & Supervisory Board Members are subject to consultation with the Audit & Supervisory Board Members.

Compensation for executive Directors consists of a fixed amount of compensation in accord with the Director's title and role, plus performance-linked compensation to enhance incentive, while compensation for Outside Directors and Audit & Supervisory Board Members consists of a fixed amount of compensation only, taking their role into consideration.

The amount of performance-linked compensation for each executive Director is determined based on the amount of performance-linked compensation paid for the previous fiscal year and each of their performance evaluation points of the previous fiscal year.

The performance evaluation points are calculated using consolidated operating income, a management indicator on which the Company attaches the greatest importance, as the primary evaluation indicator, in addition to the degree of achievement of ROIC and sustainability measures, among others.

Cross shareholdings

- Policy on reducing cross shareholdings

In our Group, the Company and Group companies may strategically hold shares of the companies that have business relationships with individual companies in the Group. Such strategic holding of shares shall be implemented only if the Board of Directors of the Group company intending to purchase said shares acknowledges that the shareholding is reasonable as a means of business alliance, maintenance and enhancement of transaction, etc., and in view of the benefits and risks. With regard to the individual shareholdings, the Board of Directors of the Company shall annually judge whether to continue to hold shares through the examination in terms of the contribution to the achievement of continuous growth of the Group and an increase in its corporate value over the medium- to long-term, and disclose the results of its judgement. For shareholdings acknowledged to have no economic rationale, cross shareholdings shall be reduced through sale in a timely manner upon consultation with the company in question. Meanwhile, on being informed by a company that holds cross shareholdings of the Company's shares (the shareholder of cross-held shares) that the company in question intends to sell the Company's shares, the Company shall respect the said intention.

At the Board of Directors meeting held on May 13, 2025, the Company reviewed all cross shareholdings held by the Company and its subsidiaries as of the end of the fiscal year ended March 31, 2025, to determine the appropriateness of continuing to hold them. With the aim of further improving capital efficiency, the Board resolved to reduce the total amount of cross shareholdings by 50% by the end of the fiscal year ending March 31, 2030, compared with the market value of approximately ¥32.0 billion as of the end of March 2025 (bringing the total amount of cross shareholdings to approximately 5% of consolidated net assets). In addition, on being informed by a company that holds cross shareholdings of the Company's shares (the shareholder of cross-held shares) that the company in question intends to sell the Company's shares, the Company shall respect the said intention.

- Results of the assessment of the appropriateness of continuing to hold cross shareholdings and progress in reducing cross shareholdings

In the fiscal year ended March 31, 2026, the Boards of Directors of the Company and its subsidiaries designated a total of 33 stocks for sale (including stocks for which a portion of the shares held were designated for sale), comprising seven stocks as of May 13, 2025 and additional 26 stocks thereafter. By the end of the fiscal year ended March 31, 2026, 32 stocks had been sold. Proceeds from the sales were approximately ¥7.9 billion, corresponding to a 21.7% reduction in the holdings based on their market value as of the end of March 2025.

Meanwhile, due in part to significant increases in the stock prices of the holdings, the balance of cross shareholdings as of the end of March 2026 was approximately ¥37.1 billion, an increase of 16.1% from the end of March 2025.

At the Board of Directors meeting held on May 13, 2026, the Company decided that, for the fiscal year ending March 31, 2027, of the total of 57 stocks—comprising seven stocks of financial institutions, 14 stocks of suppliers and contractors, 27 stocks of customers and sales partners, and nine stocks of other related parties—20 stocks as of the date of the Board resolution would be designated for sale and sold as appropriate.

Governance

Reasons for Appointment as Outside Officers and Attendance at the Board of Directors' Meetings and Audit & Supervisory Board Meetings

Position	Name	Reasons for Appointment	Attendance at Board of Directors' Meetings	Attendance at Audit & Supervisory Board Meetings
Outside Director	**Masako Tomotsune**	As an attorney, Masako Tomotsune possesses broad knowledge as well as extensive experience and track record related to corporate law and other matters. The Company has determined that these qualifications will be useful in the further enhancement of its management structure.	11 out of 11 meetings	—
Outside Director	**Tomoko Kawakami**	Tomoko Kawakami has been involved over many years in the academic field of economics at Waseda University and elsewhere, in addition to research activities related to marketing and other fields. The Company has determined that her broad knowledge, extensive experience, and track record in these areas will be useful in the further enhancement of its management structure.	11 out of 11 meetings	—
Outside Director	**Takao Motomiya**	Takao Motomiya served in key positions at the National Tax Agency and other organizations. The Company has determined that his broad knowledge as well as extensive experience and track record related to tax affairs will be useful in the further enhancement of its management structure.	11 out of 11 meetings	—
Outside Director	**Seiichiro Shirahata** (Appointed in June 2025)	Seiichiro Shirahata served in key positions at Nippon Paint Holdings Co., Ltd. and its group companies. The Company has determined that his broad knowledge as well as extensive experience and track record in corporate management, management strategies, overseas business, and other areas earned through his career will be useful in the further enhancement of its management structure.	8 out of 8 meetings	—
Outside Audit & Supervisory Board Member	**Akiko Yoshimoto**	Akiko Yoshimoto served in key positions at the Ministry of Health, Labour and Welfare and other organizations, and the Company has determined that her broad knowledge as well as extensive experience and track record related to labor laws and systems, etc. will be useful in the further enhancement of its audit structure.	11 out of 11 meetings	14 out of 14 meetings
Outside Audit & Supervisory Board Member	**Akiko Yakura** (Appointed in June 2025)	As an attorney, Akiko Yakura possesses broad knowledge as well as extensive experience and track record related to corporate law and other matters. The Company has determined that these qualifications will be useful in the further enhancement of its audit structure.	8 out of 8 meetings	10 out of 10 meetings
Outside Audit & Supervisory Board Member	**Aki Miyaguchi** (Appointed in June 2025)	As a certified public accountant, Aki Miyaguchi possesses broad knowledge as well as extensive experience and track record related to corporate accounting and other matters. The Company has determined that these qualifications will be useful in the further enhancement of its audit structure.	8 out of 8 meetings	10 out of 10 meetings

Compensation for Directors and Audit & Supervisory Board Members (fiscal year ended March 31, 2026)

Officer category	Fixed amount of compensation		Amount of performance-linked compensation		Total (Millions of yen)
	Number of eligible officers	Total amount (Millions of yen)	Number of eligible officers	Total amount (Millions of yen)	
Directors (Outside Directors)	9 (4)	88 (31)	5 (—)	51 (—)	140 (31)
Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members)	8 (5)	75 (31)	— (—)	— (—)	75 (31)
Total (Outside Officers)	17 (9)	163 (63)	5 (—)	51 (—)	215 (63)

Notes:

1. The amount of compensation and other benefits for Directors does not include the employee salary component for Directors serving concurrently as employees.
2. At end of the fiscal year under review, the number of Directors was seven (including four Outside Directors) and the number of Audit & Supervisory Board Members was five (including three Outside Audit & Supervisory Board Members). The reason for the discrepancy with the above-noted number of Directors is that it includes two Directors and three Audit & Supervisory Board Members (two Outside Audit & Supervisory Board Members) who retired during the fiscal year under review.
3. Performance-linked compensation is determined by the Representative Director and President, upon deliberation by the Nomination and Compensation Committee, based on the amount of performance-linked compensation paid for the previous fiscal year and each of their performance evaluation points of the previous fiscal year. The performance evaluation points for the previous fiscal year are calculated using consolidated operating income as the primary evaluation indicator. This is because consolidated operating income is positioned as the most important management indicator.
4. The 114th General Shareholders' Meeting held on June 27, 2025, approved an annual amount of up to ¥136 million as fixed compensation for Directors (of which up to ¥40 million is for Outside Directors), while the 104th General Shareholders' Meeting held on June 26, 2015, approved an annual amount equivalent to 1% of consolidated operating income for the previous fiscal year as performance-linked compensation (for Directors other than Outside Directors). The 106th General Shareholders' Meeting held on June 29, 2017, approved an annual amount of up to ¥120 million as compensation for Audit & Supervisory Board Members.

Governance

Assessment of effectiveness of the Board of Directors

Takara Holdings assesses the effectiveness of the Board of Directors every year from the viewpoints of its operation as a conference body and its role as an organ that works to increase corporate value over the medium- to long-term. An overview of the results of the assessment for the fiscal year ended March 31, 2026, is as follows.

1 Assessment method

We conducted a questionnaire survey of all Directors and Audit & Supervisory Board Members, in which respondents evaluated the following categories on a five-point scale and answered open-ended questions.

[Matters to be assessed]

1. **Operation of the Board of Directors as a conference body**
   Agenda items; convocation procedures; meeting materials; explanation, discussion, and decision-making; meeting minutes; and yearly schedule
2. **Role of the Board of Directors as an organ that works to increase corporate value over the medium- to long-term**
   Discussions on management strategies and other matters and the composition of the Board of Directors

2 Overview of assessment results

1. **On the operation of the Board of Directors as a conference body**
   It was determined that the Board of Directors operates properly for the most part and are effective. On the other hand, we are aware that there are still issues regarding the matters to be submitted to the Board of Directors in light of the future management structure and further deepening discussions at Board of Directors' meetings. In FY2026, we will undertake the following initiatives.
   ① In light of the management structure following the move to make Takara Bio a wholly owned subsidiary, we will review the matters to be submitted to the Board of Directors of the Company as a holding company.
   ② To further deepen discussions at Board of Directors' meetings, we will promote greater information sharing among Board members (executive Directors, Outside Directors, and Audit & Supervisory Board Members).
2. **On the ideal form of the Board of Directors as an organ**
   While there are certain positive opinions regarding the involvement of independent Outside Officers in the formulation process of medium- to long-term management strategies and other matters, we recognize that there are ongoing challenges regarding the monitoring function of the Board of Directors as a holding company and the reflection of more diverse opinions in medium- to long-term management strategies and other matters. In FY2026, we will undertake the following initiatives.
   ① In light of the management structure following the move to make Takara Bio a wholly owned subsidiary and the formulation of the Takara Group Medium-Term Management Plan for 2030, we will consider the appropriate monitoring function of the Board of Directors and implement measures deemed necessary.
   ② By continuously considering future agenda-setting and methods for operating forums for discussing medium- to long-term management strategies and other matters, we will continue initiatives to reflect diverse opinions in medium- to long-term management strategies (including the business portfolio strategy).

Consider optimum corporate governance

As a holding company, Takara Holdings has established the "Rules and Regulations for Overseeing Group Companies" that specify matters necessary to manage the Group companies. We require these companies to regularly report on their business activities while ensuring that they maintain their uniqueness and autonomy, and to discuss material matters with us before making any decisions or report decisions to us as soon as they are made. This way we support their appropriate risk-taking while supervising their execution of operations.

We have meeting bodies in place as described below in order to ensure that operational decisions are made and information is delivered properly and promptly.

- The Group Strategy Committee meets at least six times a year as a rule to discuss material matters related to the overall management of the Takara Group, review each Group company's performance, and report updates on activities.
- The Takara Shuzo Strategy Committee, the Takara Shuzo International Strategy Committee, and the Takara Bio Strategy Committee each meet once a month as a rule to hold preliminary discussions on material matters, including the matters to be resolved at the Boards of Directors of Takara Shuzo Co., Ltd., Takara Shuzo International Co., Ltd., and Takara Bio Inc., report on these matters, and provide updates on relevant activities. Furthermore, each of the other subsidiaries holds the Strategy Committee meetings and the Consultation and Coordination Committee meetings four times a year as a rule to hold preliminary discussions on material matters, including the matters to be resolved at the Board of Directors of each of these subsidiaries, report on these matters, and provide updates on relevant activities.

Special Circumstances Which May Have Material Impact on Corporate Governance

Making Takara Bio Inc., formerly a listed subsidiary, a wholly owned subsidiary

The Company conducted a tender offer for Takara Bio Inc., formerly a listed subsidiary, from February 16, 2026 to April 6, 2026, with the aim of making Takara Bio a wholly owned subsidiary. Following the subsequent squeeze-out procedures, the Company acquired 100% of Takara Bio's voting rights on June 16, 2026, making it a wholly owned subsidiary. Takara Bio's shares were delisted as of June 12, 2026. Accordingly, the Company has no listed subsidiaries as of June 26, 2026.

Governance

Takara Group Compliance Action Guidelines <Basic Policy>

The Takara Group aims to achieve corporate philosophy, "Contributing to the creation of a vital society and a healthy lifestyle through our fermentation technology and biotechnology in a way that achieves harmony with nature." In the process of realizing it, we perform business activities honestly and fairly under the TaKaRa Five Values, which are the shared values of the Group.

① We will comply with laws and regulations in Japan and overseas, fully recognize social ethics, and act with common sense and responsibility as a member of society.
② We will work to lower environmental burdens, and contribute to the development of life science that values the dignity of life.
③ We will conduct sustainable business activities that are widely useful to society by pursuing profit through fair competition rather than pursuing profit in a manner contrary to these Action Guidelines.
④ We will comply with employment regulations, and will not engage in any unfair or dishonest practices in violation of employment regulations.
⑤ We will always draw a line between public and private matters, and will not pursue personal gain by using corporate assets, information, business authority, or position.

Promotion of Compliance

Reinforce the compliance promotion structure

The Takara Group has established the Risk Compliance Committee, chaired by the Representative Director and President of Takara Holdings and supervised by the Board of Directors of Takara Holdings, in order to ensure trustworthy and fair corporate activities and is undertaking a reinforcement of the Group-wide risk management and compliance promotion structure. Our goal is to prevent serious noncompliance, including corrupt practices, and to fulfill the corporate social responsibility of the entire Takara Group and increase the Group's corporate value by ensuring that all employees understand the Takara Group Compliance Action Guidelines through such means as the intranet and booklet distribution, ensuring each Group company's proper compliance and taking risk management measures in accordance with the guidelines.

Implement compliance education

In order to enhance employees' compliance awareness, the Takara Group issues monthly compliance newsletters that deal with compliance-related subjects familiar to its employees and offers an e-learning course every month, which is constantly attended by 100% of the employees. We also provide annual training for each job level, including risk and compliance seminars for top management led by guest specialists, training sessions for new managers, and new employee training, along with annual group training based on Takara Group Compliance Action Guidelines for risk compliance leaders who promote workplace compliance education. The group training is designed to advance the leaders' understanding of their role, respect for human rights, prevention of harassment, prevention of all forms of unfair or corrupt practices such as bribery, kickbacks and embezzlement, as well as understanding of the key and relevant compliance-related subjects. Furthermore, based on these subjects that the group training deals with, the compliance leaders provide on-the-job training at their offices as part of our companywide compliance education.

Respond to compliance violations

In the event of a suspected compliance violation, the relevant divisions and departments will collaborate to promptly confirm the details of the case, conduct a detailed investigation of the facts, and based on the investigation results, consider and implement countermeasures and recurrence prevention measures.

For cases deemed to be serious compliance violations, the outline and recurrence prevention measures will be communicated internally, and focused risk and compliance education will be conducted based on the case. The status of these efforts will be reported to the "Risk Compliance Committee."

In addition, necessary disciplinary measures will be taken for serious compliance violations in accordance with the employment regulations.



Training for risk compliance leaders

Appropriately operate the whistleblowing system

We have helplines in place inside as contacts for whistleblowers in the event that they have noticed any legal infringements, unfair practices, corrupt practices, human rights violations, or acts that violate social ethics, such as bullying or harassments, and outside the Company (i.e., third-party organizations) for securing the anonymity of the whistleblowers. We operate these helplines in accordance with Japan's Whistleblower Protection Act and the Helpline Rules in order to ensure that whistleblowers do not receive disadvantageous treatment due to the reports they have made. The Company gives full consideration to maintaining confidentiality when investigating reports and takes appropriate action based on confirmed facts, including promptly implementing corrective measures where the investigation reveals matters requiring rectification.

Our Group companies in overseas locations also have their local whistleblowing hotlines and have established and operate processes that allow their local employees to directly contact the helpline in Japan for reporting and consultation through a third-party organization.

Governance

Reinforcement of the Risk Management Structure

Promote risk management (normal risk management)

The Takara Group strives to prevent the materialization of risks and to mitigate risks by thoroughly checking each workplace for any potential risks (including unfair and corrupt practices) and taking preventive measures according to the findings. We also confirm the effectiveness of these measures against risks annually and review these measures if necessary. These activities are repeated every year, and the status of risk management activities throughout the year is reported to and monitored by the Risk Compliance Committee. Through these efforts, we aim to reinforce the risk management structure.

Promote crisis management (emergency risk management)

Takara Group has a Business Continuity Plan (BCP) in place in anticipation of emergency risks. For example, in preparation for natural disasters (such as earthquakes or typhoons), we have established measures to ensure the safety of employees, officers, their families, and external visitors as quickly as possible after the occurrence of damage. Additionally, we have outlined actions to restore and continue providing products and services to customers. In addition to taking such steps as ensuring electric power at our production sites through the introduction of private electricity generating equipment, establishing multiple modes of information dissemination, and preparing backup offices in case the regular offices are devastated, we ensure the effectiveness of our BCP by conducting emergency drills according to the plan.

Furthermore, we have developed response flows for situations with a possibility of endangering life and limb, such as infectious diseases or quality issues (e.g., product recalls), as well as for situations that could seriously impact on corporate confidence or assets, such as suspension of important operations due to IT system failures or confidential information leaks. In case of an emergency, we promptly establish an Emergency Response Headquarters while cooperating with each department to take prompt and targeted action.

We will continue to improve the BCP.

Initiatives to address risks anticipated in the Business Continuity Plan

① Natural disasters (earthquakes, typhoons, etc.)
Implementation of drills to confirm safety in the event of disasters such as earthquakes, fire drills at each business site, and backup office (*) drills, etc.
* An alternative office to be established at another business site in the event of a temporary suspension of head office functions due to a disaster

② Infectious diseases (highly pathogenic new influenza, etc.)
Stockpiling masks, alcohol-based disinfectants and other supplies, and establishing an environment that enables remote work in preparation for social infrastructure disruptions and employees being unable to commute to work, etc.

③ Quality issues (product recalls, etc.)
Implementation of emergency public relations response drills based on scenarios such as the discovery of a serious product defect, etc.

④ Suspension of important operations and leakage of confidential information due to IT system failures
Implementation of response drills to suspicious emails and incident response drills simulating cyberattacks and information security incidents, etc.

Areas of Activities for Risk Management and Compliance Promotion



The Takara Group has defined “compliance” and “risk management” as the areas of activities for Takara’s risk management and compliance promotion, and further classified risk management into “risk management” for preventing risks surrounding companies and “crisis management” that sets forth actions to take in an emergency.

For details, please see “Governance.”
https://ir.takara.co.jp/en/Management/CorporateGovernance.html

Directors and Audit & Supervisory Board Members (As of June 30, 2026)

Directors



Mutsumi Kimura (63)

Representative Director and President

Representative Director and President

Apr. 1985	Joins the Company
Apr. 2002	Director, TAKARA BIO INC.
Jun. 2004	Managing Director, TAKARA BIO INC.
Jun. 2007	Senior Managing Director, TAKARA BIO INC.
Jun. 2009	Executive Vice President, TAKARA BIO INC.
Jun. 2014	Director Senior Managing Director, TAKARA SHUZO CO., LTD.
Jun. 2016	Executive Vice President
Jun. 2017	Director, TAKARA SHUZO CO., LTD. (incumbent)
Jul. 2017	President, TAKARA SHUZO INTERNATIONAL CO., LTD.
Jun. 2018	President (incumbent)
Apr. 2020	Director, TAKARA SHUZO INTERNATIONAL CO., LTD. (incumbent)
Jun. 2022	Director, TAKARA BIO INC. (incumbent)



Masanao Suzuki (61)

Director

(Personnel affairs, sustainability promotion, business support & IT promotion)

Apr. 1988	Joins the Company
Apr. 2014	Representative Director and President, Takara Chou Un Co., Ltd. (currently, Nagasaki Unsou Co., Ltd.)
Jun. 2018	General Manager of Personnel Dept. Chief General Manager of Administration Division and General Manager of General Affairs and Personnel Dept., TAKARA SHUZO CO., LTD. General Manager of General Affairs and Personnel Dept., TAKARA SHUZO INTERNATIONAL CO., LTD.
Apr. 2023	Executive Officer, General Manager of Personnel Dept.
Jun. 2025	Director (incumbent)



Kei Sato (54)

Director

(Business management, new business development, accounting & finance, public relations & investor relations)

Apr. 1995	Joins the Company
Apr. 2019	General Manager of Brand Management Dept. and General Manager of Alcoholic Beverages Sales Management Dept., TAKARA SHUZO CO., LTD.
Apr. 2020	General Manager of Sales Dept., TAKARA SHUZO CO., LTD.
Apr. 2024	Executive Officer, General Manager of Business Management Dept.
Jun. 2025	Director (incumbent)



Masako Tomotsune (54)

Outside Director

Oct. 2002	Joins Tanabe & Partners
Apr. 2010	Self-Defense Forces Personnel Ethics Board Member
Apr. 2013	Partner at Tanabe & Partners (incumbent)
Jun. 2018	Director (incumbent)
Jun. 2020	Outside Director (Audit & Supervisory Committee Member), The Kodensha Co., Ltd. (incumbent)
Apr. 2024	Member of the Evaluation Committee, Member of the Compliance Committee, Agriculture & Livestock Industries Corporation (incumbent)
Nov. 2025	Certified Fraud Examiner (CFE) qualification obtained



Tomoko Kawakami (61)

Outside Director

Apr. 2009	Professor, Faculty of Business and Commerce, Kansai University
Apr. 2015	Professor, Waseda Business School (Graduate School of Business and Finance) (incumbent)
Jun. 2019	Director (incumbent)
Dec. 2019	Examiner of Certified Public Accountant Examination
Sep. 2022	Outside Director, BeNext-Yumeshin Group Co. (currently Open Up Group Inc.) (incumbent)
Mar. 2023	Visiting Scholar, Shidler College of Business, University of Hawaii at Manoa
Jun. 2026	Outside Director, NS Solutions Corporation

Directors and Audit & Supervisory Board Members

Directors



Takao Motomiya (69)

Outside Director

Jul. 2016 Regional Commissioner, Takamatsu Regional Taxation Bureau, National Tax Agency
Jul. 2017 Retired from National Tax Agency
Dec. 2017 Tax accountant, Takao Motomiya Certified Tax Accountant Office (incumbent)
Jun. 2023 Director (incumbent)
Auditor of Public Interest Incorporated Foundation Brewing Society of Japan (incumbent)



Seiichiro Shirahata (65)

Outside Director

Apr. 1983 Joins Nippon Paint Co., Ltd.
Apr. 2013 Executive Officer, Nippon Paint Co., Ltd.
Oct. 2014 Executive Officer, Nippon Paint Holdings Co., Ltd.
Apr. 2015 Senior Executive Officer, Nippon Paint Holdings Co., Ltd.
President and Representative Director, Nippon Paint Surf Chemicals Co., Ltd.
Jan. 2018 Vice President, Nippon Paint Holdings Co., Ltd.
President and Representative Director, Nippon Paint Marine Coatings Co., Ltd.
Mar. 2018 Director and Vice President, Nippon Paint Holdings Co., Ltd.
Mar. 2020 Managing Executive Officer, Nippon Paint Holdings Co., Ltd.
Jan. 2022 Advisor, Nippon Paint Holdings Co., Ltd.
Mar. 2023 Outside Director, Nabtesco Corporation (incumbent)
Jun. 2024 Outside Director, Lintec Corporation (incumbent)
Jun. 2025 Director (incumbent)

Audit & Supervisory Board Members

Teruaki Mitsui (64) | Standing Audit & Supervisory Board Member

Apr. 1985 Joins the Company
Apr. 2015 General Manager of Accounting & Shared Services Dept.
Jun. 2017 Executive Officer, General Manager of Accounting & Shared Services Dept.
Audit & Supervisory Board Member, TAKARA SHUZO CO., LTD.
Apr. 2020 Executive Officer, General Manager of Accounting Dept.
Jun. 2020 Standing Audit & Supervisory Board Member (incumbent)
Jun. 2021 Audit & Supervisory Board Member, TAKARA SHUZO CO., LTD. (incumbent)
Audit & Supervisory Board Member, TAKARA SHUZO INTERNATIONAL CO., LTD. (incumbent)

Keisuke Mori (63) | Standing Audit & Supervisory Board Member

Apr. 1985 Joins the Company
Apr. 2008 General Manager of Administrative Innovation Division
Apr. 2011 Concurrent General Manager of Corporate Planning Division
Apr. 2012 General Manager of Business Management Division
Apr. 2015 Concurrent General Manager of Business Support & IT Promotion Dept.
Jun. 2017 Executive Officer, General Manager of Business Management Division
Jul. 2017 Audit & Supervisory Board Member, TAKARA SHUZO INTERNATIONAL CO., LTD.
Jun. 2018 Director
Jun. 2020 Audit & Supervisory Board Member, TAKARA SHUZO CO., LTD.
Jun. 2025 Standing Audit & Supervisory Board Member (incumbent)
Audit & Supervisory Board Member, TAKARA SHUZO CO., LTD. (incumbent)
Audit & Supervisory Board Member, TAKARA SHUZO INTERNATIONAL CO., LTD. (incumbent)

Akiko Yoshimoto (63) | Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)

Jul. 2019 Director-General of Secretariat, Central Labour Relations Commission, Ministry of Health, Labour and Welfare
Oct. 2021 Retired from Ministry of Health, Labour and Welfare
Feb. 2022 Senior Advisor, Boston Consulting Group (incumbent)
Jun. 2022 Outside Director, Toenec Corporation (incumbent)
Jun. 2023 Audit & Supervisory Board Member (incumbent)
Jun. 2024 External Director, Sumitomo Seika Chemicals Company, Limited.
Jun. 2026 External Director (Audit and Supervisory Committee Member), Sumitomo Seika Chemicals Company, Limited. (incumbent)

Akiko Yakura (66) | Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)

Apr. 2000 Co-established Aska Law Office as Partner (incumbent)
Apr. 2013 Vice President, Osaka Bar Association
Governor, Japan Federation of Bar Associations
Jun. 2020 Outside Director (Audit & Supervisory Committee Member), Taoka Chemical Co., Ltd. (incumbent)
Jan. 2021 Outside Director, Shinto Paint Co., Ltd. (incumbent)
Apr. 2022 Vice President, Japan Federation of Bar Associations
May 2025 Outside Director (Audit & Supervisory Committee Member), Wakita & Co., LTD. (incumbent)
Jun. 2025 Audit & Supervisory Board Member (incumbent)

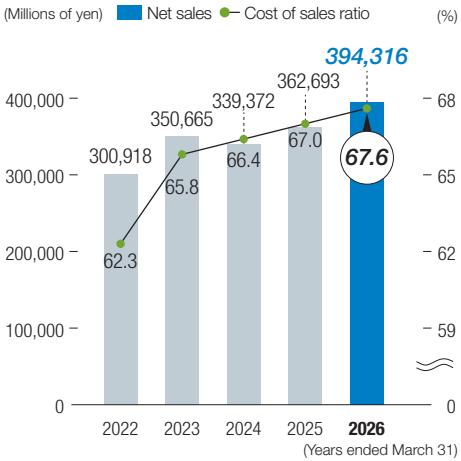
Aki Miyaguchi (59) | Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)

Oct. 1989 Joins Showa Ota & Co. (currently, Ernst & Young ShinNihon LLC)
Apr. 2024 Established Aki Miyaguchi Certified Public Accountant Office as President (incumbent)
Jun. 2024 Outside Director, Ichinen Holdings Co., Ltd. (incumbent)
Outside Director (Audit & Supervisory Committee Member), Sanyo Special Steel Co., Ltd.
Jun. 2025 Audit & Supervisory Board Member (incumbent)
Jun. 2026 External Audit & Supervisory Board Member, Konoike Transport Co., Ltd. (incumbent)

Financial Highlights

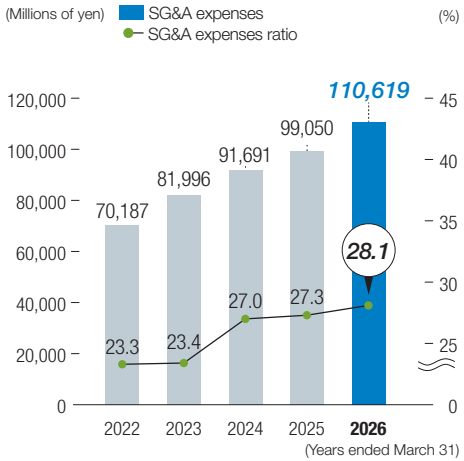
Net sales / Cost of sales ratio

¥394,316 million 67.6%



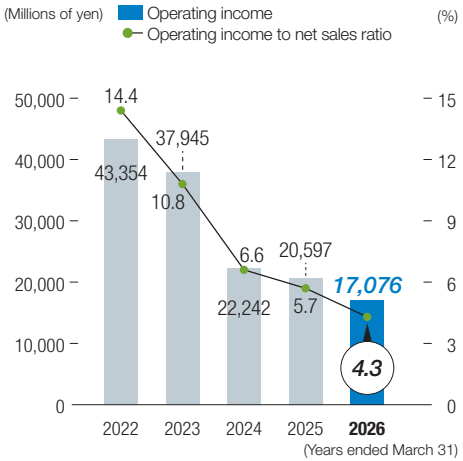
SG&A expenses / SG&A expenses ratio

¥110,619 million 28.1%



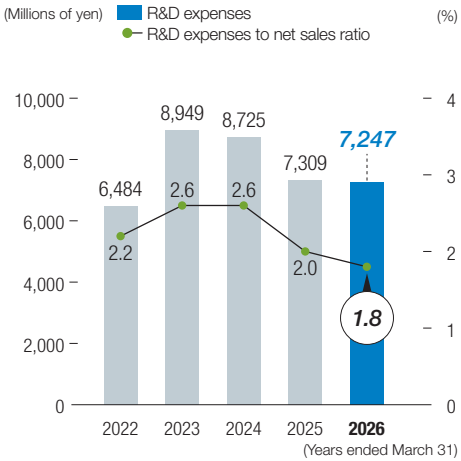
Operating income / Operating income to net sales ratio

¥17,076 million 4.3%



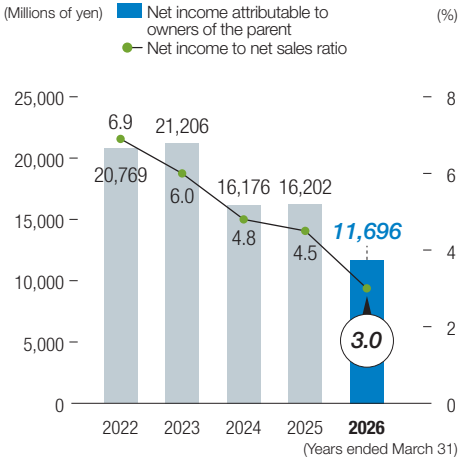
R&D expenses / R&D expenses to net sales ratio

¥7,247 million 1.8%



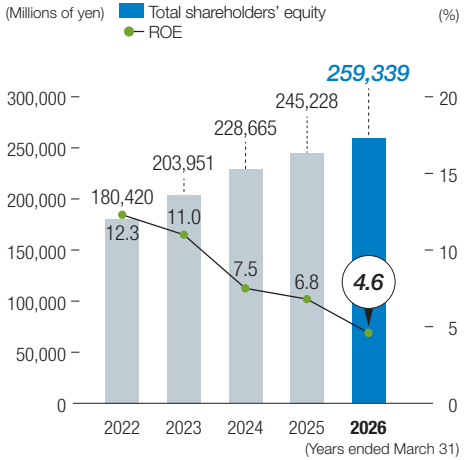
Net income attributable to owners of the parent / Net income to net sales ratio

¥11,696 million 3.0%



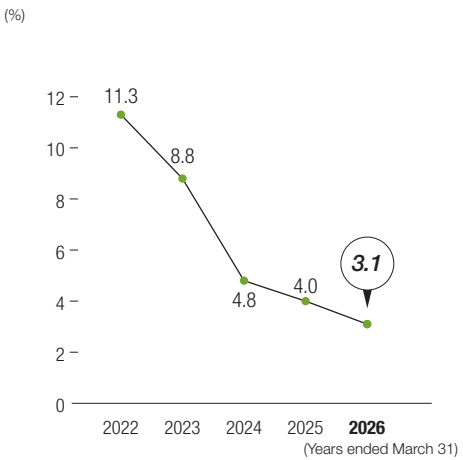
Total shareholders' equity / ROE

¥259,339 million 4.6%



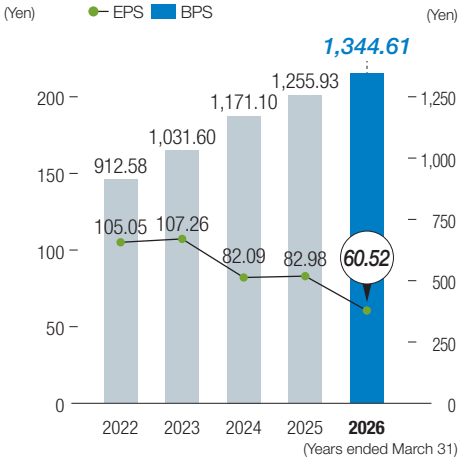
Return on invested capital (ROIC)

3.1%



EPS / BPS

¥60.52 ¥1,344.61

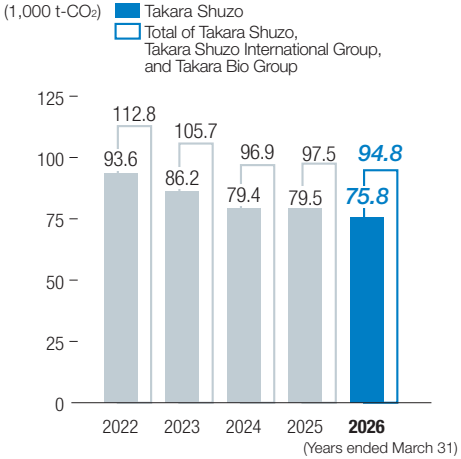


From the fiscal year ended March 31, 2022, in accordance with the adoption of the Accounting Standard for Revenue Recognition, a part of expenses that were previously accounted for as SG&A expenses were deducted from net sales.

Non-Financial Highlights

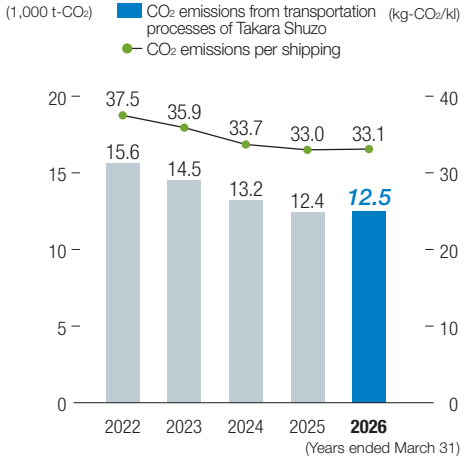
Production process CO_2 emissions

94,800 t-CO_2



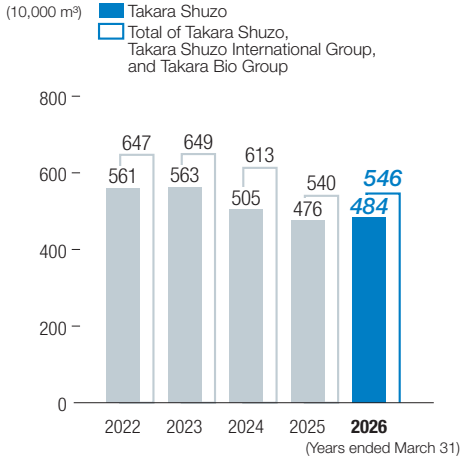
CO_2 emissions / emission intensity from transportation processes (Takara Shuzo)

12,500 t-CO_2 33.1 kg-CO_2/kl



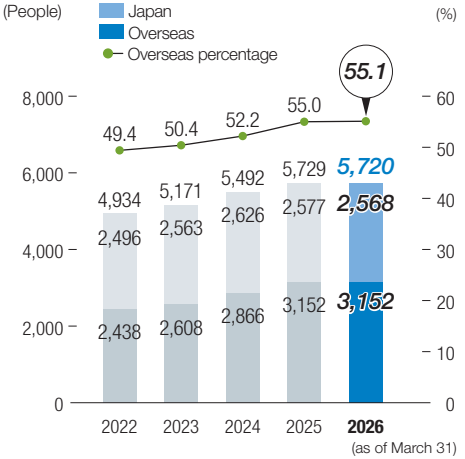
Volume of water used in production processes

5,460,000 m³



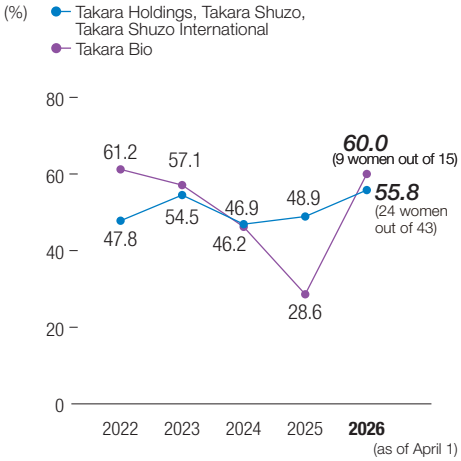
Percentage of overseas employees

55.1%



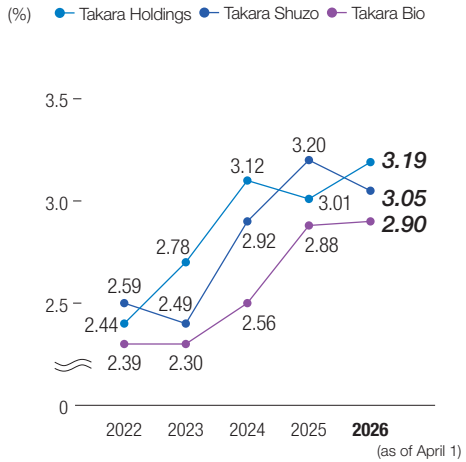
Percentage of women among college graduate new hires

Takara Holdings, Takara Shuzo, and Takara Shuzo International 55.8% Takara Bio 60.0%



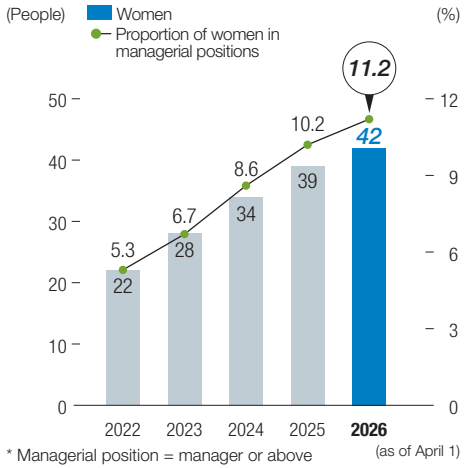
Percentage of employees with disabilities (Takara Holdings, Takara Shuzo, Takara Bio)

Takara Holdings 3.19% Takara Shuzo 3.05% Takara Bio 2.90%



Proportion of women in managerial positions (Takara Holdings, Takara Shuzo, Takara Shuzo International)

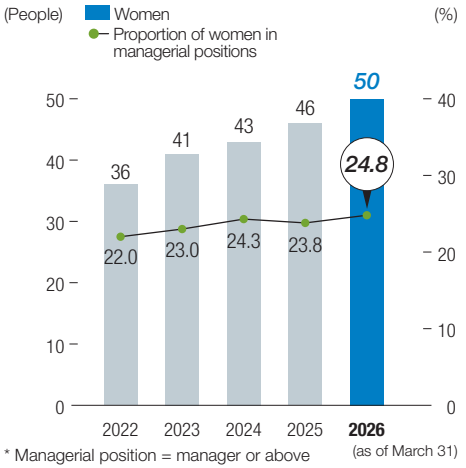
11.2%



* Managerial position = manager or above

Proportion of women in managerial positions (Takara Bio)

24.8%



* Managerial position = manager or above

Eleven-Year Consolidated Financial Summary

Millions of yen*3

	2026/3	2025/3	2024/3	2023/3	2022/3	2021/3	2020/3	2019/3	2018/3	2017/3	2016/3
For the Years Ended March 31											
Net sales*1	***¥394,316***	¥362,693	¥339,372	¥350,665	¥300,918	¥278,443	¥281,191	¥277,443	¥268,142	¥234,193	¥225,364
Takara Shuzo	***119,122***	119,663	123,786	122,921	119,710	152,537	153,141	152,457	149,839	149,452	145,492
Takara Shuzo International Group	***221,888***	185,803	160,427	137,483	102,186	69,589	82,765	77,834	70,717	37,540	30,490
Takara Bio Group	***40,318***	45,039	43,505	78,142	67,699	46,086	34,565	35,841	32,312	29,375	29,729
Others (Domestic Group companies)	***32,200***	30,867	30,271	30,950	30,719	29,238	31,801	32,742	36,412	39,017	41,050
Adjusted amounts	***(19,214)***	(18,680)	(18,619)	(18,832)	(19,396)	(19,007)	(21,082)	(21,431)	(21,140)	(21,193)	(21,398)
Cost of sales	***266,620***	243,045	225,438	230,723	187,376	162,849	172,574	168,694	163,529	140,182	135,868
Gross profit	***127,696***	119,647	113,933	119,941	113,541	115,594	108,617	108,749	104,612	94,010	89,495
Selling, general and administrative (SG&A) expenses	***110,619***	99,050	91,691	81,996	70,187	93,999	92,781	90,945	88,999	80,458	77,815
Operating income (loss)*1	***17,076***	20,597	22,242	37,945	43,354	21,595	15,836	17,804	15,612	13,551	11,680
Takara Shuzo	***5,729***	5,037	5,503	4,890	4,135	4,879	4,175	5,948	5,569	5,071	4,082
Takara Shuzo International Group	***14,201***	11,655	12,291	10,821	8,472	1,043	3,532	4,532	4,393	3,182	2,752
Takara Bio Group	***(4,688)***	2,263	3,003	20,541	28,902	13,952	6,274	5,463	3,555	3,202	2,667
Others (Domestic Group companies)	***3,358***	2,708	2,363	2,293	2,222	1,803	2,018	1,954	2,318	2,167	2,058
Adjusted amounts	***(1,524)***	(1,067)	(919)	(601)	(379)	(84)	(164)	(95)	(224)	(72)	120
Income before income taxes	***18,270***	25,815	26,238	39,692	40,961	20,583	15,643	17,658	18,903	14,520	12,548
Net income attributable to owners of the parent	***11,696***	16,202	16,176	21,206	20,769	10,574	8,980	10,411	11,029	8,480	7,055
Depreciation and amortization	***15,625***	12,349	11,371	10,295	9,589	9,298	8,874	7,827	7,702	6,213	6,180
Capital expenditures	***24,500***	20,783	21,915	14,165	16,213	13,775	14,195	10,671	6,414	6,658	6,003
Research and development (R&D) expenses	***7,247***	7,309	8,725	8,949	6,484	5,914	4,259	4,708	5,063	4,550	4,608
Net cash provided by (used in) operating activities	***17,318***	16,155	29,178	45,478	16,376	27,100	11,744	13,508	16,265	12,826	10,373
Net cash provided by (used in) investing activities	***(15,341)***	(41,562)	(19,993)	(10,474)	(10,399)	(6,738)	(3,690)	(9,213)	(19,916)	16,200	(10,864)
Net cash provided by (used in) financing activities	***(9,307)***	6,548	(13,448)	(22,215)	4,133	(1,506)	(11,653)	(4,243)	(5,570)	(2,828)	(9,482)
Free cash flow	***1,977***	(25,406)	9,185	35,003	5,977	20,362	8,054	4,295	(3,650)	29,026	(490)
As of March 31											
Total assets	***¥513,801***	¥477,587	¥437,468	¥399,174	¥362,438	¥306,918	¥283,882	¥287,106	¥284,281	¥274,368	¥253,253
Interest-bearing debt	***79,133***	73,307	55,299	51,793	60,655	50,256	46,070	47,427	47,982	47,852	42,837
Total net assets	***310,937***	300,903	280,465	255,318	224,555	191,535	181,329	179,795	176,217	165,920	156,148
Total shareholders' equity	***259,339***	245,228	228,665	203,951	180,420	156,884	147,762	148,197	145,111	135,043	130,386
Per Share of Common Stock (Yen):											
Basic net income	***¥ 60.52***	¥ 82.98	¥ 82.09	¥ 107.26	¥ 105.05	¥ 53.48	¥ 45.11	¥ 52.15	¥ 54.97	¥ 42.15	¥ 35.06
Total equity	***1,344.61***	1,255.93	1,171.10	1,031.60	912.58	793.53	747.39	742.36	726.90	671.11	647.97
Annual dividends	***31.00***	31.00	29.00	38.00	37.00	21.00	20.00	18.00	16.00	13.00	12.00
Ratios:											
Return on assets (ROA)	***2.4%***	3.5%	3.9%	5.6%	6.2%	3.6%	3.1%	3.6%	3.9%	3.2%	2.7%
Return on equity (ROE)	***4.6***	6.8	7.5	11.0	12.3	6.9	6.1	7.1	7.9	6.4	5.4
Equity ratio	***50.5***	51.3	52.3	51.1	49.8	51.1	52.1	51.6	51.0	49.2	51.5
D/E ratio	***30.5***	29.9	24.2	25.4	33.6	32.0	31.1	32.0	33.1	35.4	32.9
Dividend payout ratio	***51.2***	37.4	35.3	35.4	35.2	39.3	44.3	34.5	29.1	30.8	34.2

*1 Starting in the fiscal year ended March 31, 2018, we reorganized our business segments. Net sales and operating income (loss) for the fiscal years ended March 31, 2016 to 2017 have been calculated based on business segments restructured after the change.
*2 From the fiscal year ended March 31, 2022, in accordance with the adoption of the Accounting Standard for Revenue Recognition, a part of expenses that were previously accounted for as SG&A expenses were deducted from net sales. The net sales and SG&A expenses for the fiscal year ended March 31, 2021 and before are figures before the adoption of the Accounting Standard for Revenue Recognition.
*3 Japanese yen amounts are rounded down to the nearest million yen.
*4 The Company adopted Partial Amendments to Accounting Standard for Tax Effect Accounting from the fiscal year ended March 31, 2019, and some of the figures for the fiscal year ended March 31, 2018 have been restated.

Major Consolidated Subsidiaries (as of March 31, 2026)

Note: Percentage of equity owned in parentheses indicates percentage of indirectly owned equity.

Name	Address	Issued capital	Percentage of equity owned	Line of business
Takara Shuzo (Domestic Business)				
TAKARA SHUZO CO., LTD.	20 Naginataboko-cho, Shijo-dori Karasuma Higashi-iru, Shimogyo-ku, Kyoto 600-8688, Japan	¥1,000 million	100.0%	Manufacture and sale of alcoholic beverages, seasonings, and raw alcohol
Takara Shuzo International Group (Overseas Business)				
TAKARA SHUZO INTERNATIONAL CO., LTD.	20 Naginataboko-cho, Shijo-dori Karasuma Higashi-iru, Shimogyo-ku, Kyoto 600-8688, Japan	¥10 million	100.0%	Management of Group companies, export and sale, etc. of alcoholic beverages and seasonings
Takara Sake USA Inc.	708 Addison St., Berkeley, CA 94710, U.S.A.	US$7,000 thousand	(100.0%)	Manufacture, sale, export, and import and sale of alcoholic beverages
Takara Shuzo Foods Co., Ltd.	No.31 Nanyuan West St., Fengtai District Beijing, China 100076	RMB130,000 thousand	(92.0%)	Manufacture, sale, and import and sale of alcoholic beverages
Ontario Spring Water Sake Company	51 Gristmill Lane, Toronto Ontario, Canada, M5A 3C4	CDN$100	(80.0%)	Manufacture and sale of alcoholic beverages
The Tomatin Distillery Co. Ltd	Tomatin, Inverness-shire, IV13 7YT Scotland, U.K.	£3,297 thousand	(94.2%)	Manufacture and sale of Scotch whisky
Age International, Inc.	229 W.Main St., Frankfort, KY 40601, U.S.A.	US$250 thousand	(100.0%)	Sale of bourbon whiskey
Shanghai Takara Shuzo International Trading Co., Ltd.	Shenergy International Building 18th Floor, Room 1808A, No.1, FuXing Middle RD, Huangpu District, Shanghai, China 200021	US$600 thousand	(100.0%)	Import and sale of alcoholic beverages and foods
Mutual Trading Co., Inc.	4200 Shirley Avenue, El Monte, CA 91731 U.S.A.	US$5,394 thousand	(85.8%)	Import and wholesale of alcoholic beverages, foods, seasonings, etc.
FOODEX SAS	64 Rue du Ranelagh, 75016 Paris, France	€10,250 thousand	(100.0%)	Import and wholesale of alcoholic beverages, foods, seasonings, etc.
Cominport Distribución, S.L.	Avenida Marconi nave 1-P.A.E. Neisa Sur-28021, Madrid, Spain	€166 thousand	(100.0%)	Import and wholesale of alcoholic beverages, foods, seasonings, etc.
Tazaki Foods Ltd.	12 Innova Way, Enfield, EN3 7FL, U.K.	£6,357 thousand	(100.0%)	Import and wholesale of alcoholic beverages, foods, seasonings, etc.
Kagerer & Co. GmbH	Weißenfelder Straße 6, 85622 Feldkirchen, Germany	€30 thousand	(90.0%)	Import and sale of fishery products, Japanese and Asian food, and seasonings
Nippon Food Supplies Company Pty Ltd	Warehouse 9 and 10, Building 3, 161 Manchester Road, Auburn, NSW 2144, Australia	A$17,772 thousand	(100.0%)	Import and wholesale of alcoholic beverages, foods, seasonings, etc.
Tokyo Mutual Trading Co., Ltd.	4-26-4, Taito, Taito-ku, Tokyo 110-0016, Japan	¥60 million	(51.0%)	Export and sale of foods, alcoholic beverages, sundries, etc.
Takara Bio Group (Biomedical Business)				
TAKARA BIO INC.	Nojihigashi 7-4-38, Kusatsu, Shiga 525-0058, Japan	¥14,965 million	60.9%	Development, manufacture and sales of reagents and equipment, contract manufacturing, genetic medicine
Takara Bio USA, Inc.	2560 Orchard Parkway, San Jose, CA 95131, U.S.A.	US$83 thousand	(100.0%)	Development, manufacture and sales of reagents and equipment
Takara Bio Europe S.A.S.	34 rue de la Croix de Fer 78100 Saint-Germain-en-Laye, France	€891 thousand	(100.0%)	Sales of reagents and equipment, and contract manufacturing
DSS Takara Bio India Pvt. Ltd.	A-5 Mohan Co-op Industrial Estate, Mathura Road, New Delhi,110044, India	Rs.110 million	(51.0%)	Manufacture and sale of reagents
Takara Biotechnology (Dalian) Co., Ltd.	No.19 Dongbei 2nd Street, Development Zone, Dalian 116600 China	¥2,350 million	(100.0%)	Development, manufacture, sales within the Group of reagents, and contract manufacturing
Takara Biomedical Technology (Beijing) Co., Ltd.	Life Science Park, 22 KeXueYuan Road Changping District, Beijing 102206 China	¥1,330 million	(100.0%)	Sales of reagents and equipment
Takara Korea Biomedical Inc.	601, New T Castle, 108, Gasan Digital 2-ro, Geumcheon-gu, Seoul 08506, Korea	₩3,860 million	(100.0%)	Sales of reagents and equipment
Others (Domestic Group companies)				
Takara Butsuryu System Co., Ltd.	55-13 Osumihama, Kyotanabe, Kyoto 610-0343, Japan	¥50 million	100.0%	Transportation, warehousing, automobile service, non-life insurance agent, travel agent, etc.
Takara Supply Communications Co., Ltd.	1 Butai-cho, Fushimi-ku, Kyoto 612-8338, Japan	¥90 million	100.0%	Wholesaling of containers and packaging materials, printing, web production, and digital services
Luc Corporation, Ltd.	2-12, 3-chome, Akasaka, Minato-ku, Tokyo 107-0052, Japan	¥80 million	100.0%	Import and sale of wine
Total Management Business Co., Ltd.	20 Naginataboko-cho, Shijo-dori Karasuma Higashi-iru, Shimogyo-ku, Kyoto 600-8008, Japan	¥20 million	100.0%	Marketing research, sales promotion planning, and temporary staffing service
Takara Bussan Co., Ltd.	5-487 Shinmachi Fushimi-ku, Kyoto 612-8081, Japan	¥10 million	100.0%	Sale of foods and feed
Kawahigashi Shoji Co., Ltd.	20 Naginataboko-cho, Shijo-dori Karasuma Higashi-iru, Shimogyo-ku, Kyoto 600-8008, Japan	¥30 million	100.0%	Real estate leasing

Investor Information (as of March 31, 2026)

Trade Name	TAKARA HOLDINGS INC.
Business	Holding company
Head Office	20 Naginataboko-cho, Shijo-dori Karasuma Higashi-iru, Shimogyo-ku, Kyoto 600-8688, Japan
Telephone	+81-75-241-5130
Established	September 6, 1925
Issued Capital	¥13,226 million
Company Representative	Mutsumi Kimura, President
Website	www.takara.co.jp/english

External evaluation of ESG

as of July 2026

FTSE4Good Index Series

FTSE Blossom Japan Index

FTSE Blossom Japan Sector Relative Index

2026 CONSTITUENT MSCI日本株 ESGセレクト・リーダーズ指数

* THE INCLUSION OF [Takara holdings inc.] IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF [Takara holdings inc.] BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

MSCI Nihonkabu ESG Select Leaders Index

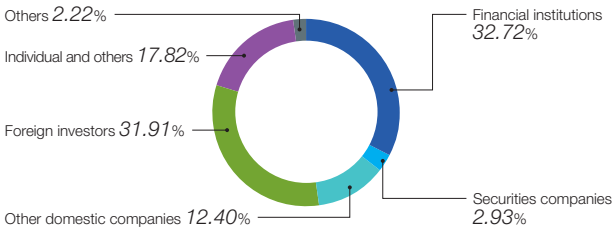
S&P/JPX Carbon Efficient Index

CDP Supplier Engagement Leader

Stock and Investor Information

Common Stock Authorized Issued and Outstanding	 870,000,000 shares 197,252,043 shares
Number of Shareholders	80,239
Stock Listings (Common Stock)	Prime Market of Tokyo Stock Exchange, Inc.
Securities Code Number	2531
Shareholder Registry Administrator	3-3 Marunouchi 1-chome, Chiyoda-ku, Tokyo Mizuho Trust & Banking Co., Ltd.
Inquiries to Shareholder Registry Administrator	8-4, Izumi 2-chome, Suginami-ku, Tokyo 168-8507, Japan Mizuho Trust & Banking Co., Ltd. Stock Agency Transfer Department Telephone: 0120-288-324 (toll free, within Japan only)
Annual Meeting of Shareholders	The Annual Meeting of Shareholders of the Company is normally held in June each year in Kyoto, Japan. In addition, the Company may hold a special meeting of shareholders whenever necessary by giving at least two weeks, advance notice to shareholders.
Independent Auditor	Deloitte Touche Tohmatsu LLC

Distribution of ownership among shareholders



Principal shareholders

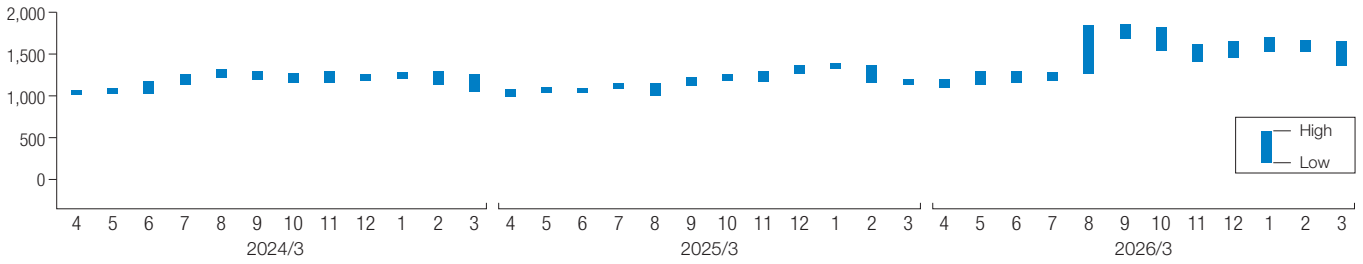
Name	Number of shares held (Thousand shares)	Percentage of shares held (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	19,763	10.25
STATE STREET BANK AND TRUST COMPANY 505010	17,488	9.07
Mizuho Bank, Ltd.	9,616	4.99
The Norinchukin Bank	8,550	4.43
VALUEACT JAPAN MASTER FUND, L.P.	6,000	3.11
Meiji Yasuda Life Insurance Company	5,370	2.78
Custody Bank of Japan, Ltd. (Trust Account)	5,345	2.77
Bank of Kyoto, Ltd.	5,000	2.59
STATE STREET BANK AND TRUST COMPANY 510311	4,908	2.54
STATE STREET BANK AND TRUST COMPANY 510312	4,809	2.49

Notes: (1) Number of shares held is rounded down to the nearest thousand.
(2) The percentage of shares held was calculated excluding 4,378 thousand shares of treasury stock.

Bond ratings

Rating institution	Long-term rating	Short-term rating
Rating and Investment Information, Inc. (R&I)	A/Stable	a-1
Japan Credit Rating Agency, Ltd. (JCR)	A+/Stable	J-1

Stock Price Range on the Tokyo Stock Exchange (Yen)

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