

The original disclosure in Japanese was released on Oct. 20, 2016 at 15:30 (GMT+9)

To whom it may concern,

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Stock exchange listings: Tokyo (1st section)
Securities code: 2531
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Revision of Consolidated Business Results Forecast for the First Half of the Fiscal Year Ending March 31, 2017

Kyoto, Japan—Takara Holdings announced revisions to the business results forecast for the first half of the fiscal year ending March 31, 2017 (from April 1, 2016, to March 31, 2017) that it released on May 9, 2016, as stated below. These revisions were based on consideration of recent performance trends.

1. Revised figures for the business results forecast for the first half of the fiscal year ending March 31, 2017 (from April 1, 2016, to September 30, 2016)

(Millions of yen / %)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share
Previous forecast (A) (May 9, 2016, announcement)	107,900	3,800	4,000	2,000	9.94 yen
Revised forecast (B)	107,500	5,200	5,600	3,100	15.41 yen
Difference (B – A)	△400	1,400	1,600	1,100	—
Difference (%)	△0.4	36.8	40.0	55.0	—
Reference: Previous business results (First half of the fiscal year ended March 31, 2016)	106,934	3,880	4,326	2,525	12.55 yen

2. Reason for revision

Consolidated net sales are expected to be ¥400 million (0.4%) lower than previous forecasts due to the impact of the decreased net sales at overseas subsidiaries in yen terms of approximately ¥1,700 million as a result of stronger yen compared with the Company projection.

As for income, due to the lowered cost of sales ratio, a decline in SG&A expenses and other factors, operating income is projected to be ¥1,400 million (36.8%) higher than forecasted. Also, ordinary income and net income attributable to owners of the parent are expected to be ¥1,600 million (40.0%) and ¥1,100 million (55.0%) higher than projected by previously released forecasts, respectively. Performance trends by major groups were as follows.

(Takara Shuzo Group)

Net sales are expected to exceed the projection as the domestic alcoholic beverages business, such as shochu and light-alcohol refreshers, and other businesses offset the impacts of the appreciation of yen more than projected on the sales of the Japanese food wholesale business in overseas markets that have been favorable on a local currency basis.

Also for income, operating income is projected to be higher than projected, reflecting such factors as the lowered cost of sales ratio and a decline in SG&A expenses in addition to the increase in gross profit due to accompanying growth in net sales.

(Takara Bio Group)

Net sales are expected to be lower than the projection due to such factors as stronger yen than the projection and a decline in sales of culture medium and bags for medical uses affected by the regulations on immunotherapy in China. However, as for income, the lowered cost of sales ratio due to the robust sales of highly profitable research reagents mainly overseas and declines in research and development expenses, promotion expenses and other expenses in SG&A expenses are expected to result in higher operating income than projected.

Further, today consolidated subsidiary Takara Bio Inc. (The First Section of Tokyo Stock Exchange, security code number: 4974) also announced revisions to forecasts for the six-month period ended September 30, 2016.

3. Full-year business results forecast for the fiscal year ending March 31, 2017

The Company is currently evaluating whether or not revisions to forecasts for consolidated business results for the full fiscal year are necessary and considering the details of possible revisions. The Company will make an announcement in this regard when it announces its business results for the first half on November 10 2016.

* The above-mentioned forecasts have been prepared based on the information available as of the date of announcement of this document and could differ from the business result figures scheduled to be announced on November 10, 2016.

Cautionary Statement on the Use of This Document

Statements in this document, other than those based on historical fact, concerning the current plans, prospects, strategies and expectations of the Company represent forecasts of future results. While such statements are based on the conclusions of management according to information available at the time of writing, they reflect many assumptions and opinions derived from information that includes major risks and uncertainties. Actual results may vary significantly from these forecasts due to various factors. Factors that could influence actual results include, but are not limited to, economic conditions, especially trends in consumer spending, as well as exchange rate fluctuations, changes in laws and government systems, pressure from competitors' prices and product strategies, declines in selling power of the Company's existing and new products, disruptions to production, violations of the Company's intellectual property rights, rapid advances in technology and unfavorable verdicts in major litigation.