July21, 2026

To whom it may concern,

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(Update on Previously Disclosed Matter) Notice Regarding of Implementation of Structural Reforms for Profit Improvement by our Subsidiary (Takara Bio Inc.)

Takara Holdings Inc. (the "Company") hereby announces, as set forth below, the progress of the matters disclosed in the "Notice Regarding of Implementation of Structural Reforms for Profit Improvement by our Subsidiary (Takara Bio Inc.)　("Takara Bio")" released on May 13, 2026.

1. Implementation of a Voluntary Retirement Program to Optimize Workforce Levels

(i) Overview of the Voluntary Retirement Program
Eligible Employees: All employees of Takara Bio (excluding new graduates hired as of April 1, 2026)
Planned Number of Applicants: Approximately 120
Application Period: June 15, 2026 – July 17, 2026
Retirement Date: October 31, 2026 (scheduled)
Other: Employees who voluntarily retire under the program will receive the standard severance payment provided under the Company's regulations, as well as an additional severance payment. Outplacement support will also be provided.

(ii) Result
Number of Employees Participating:148

(iii) Outlook
The total amount of additional retirement benefits and other costs arising from the implementation of this measure is expected to be ¥ 1,706 million for the fiscal year ending March 31, 2027(compared with the originally planned amount of ¥1,440 million), and we plan to record this as an extraordinary loss. Of this, ¥1,651 million is planned to be recorded in the first quarter financial results. Also, we expect annual personnel cost savings of ¥1,105 million (compared with the originally planned amount of ¥720 million), with ¥576 million (compared with the originally planned amount of ¥300 million) expected in the fiscal year ending March 31, 2027.
This measure has already been factored into the earnings forecast for the fiscal year ending March 31, 2027, which we announced on May 13, 2026, the impact on the outlook is minimal.

2. Withdraw from GMP cell processing and prioritization of target modalities in CDMO business

Takara Bio, regarding the succession of its GMP-compliant cell processing contract manufacturing business (the "Business Succession") entered into a basic agreement (the "Basic Agreement") on July 21, 2026 with Sumitomo Chemical Co., Ltd. ("Sumitomo Chemical"), Sumitomo Pharma Co., Ltd. ("Sumitomo Pharma"), and S-RACMO Co., Ltd. ("S-RACMO"), a joint venture established by Sumitomo Chemical and Sumitomo Pharma, to discuss the terms and conditions related to the Business Succession.

Pursuant to the Basic Agreement, Takara Bio, Sumitomo Chemical, Sumitomo Pharma and S-RACMO will continue detailed discussions regarding the specific scope and terms of the Business Succession, including personnel, assets, and contract projects to be transferred, as well as the framework for collaboration following the completion of the Business Succession.Through this, Takara Bio aims to optimize its business portfolio and improve operational efficiency by focusing its CDMO business on key modalities, including nucleic acids/plasmids, proteins/enzymes, and viral vectors.

The parties aim to execute a definitive agreement by around October 2026 and subsequently implement the Business Succession. However, the execution of the Business Succession is contingent upon the conclusion of the definitive agreement and the fulfillment of the conditions set forth therein, and therefore is not yet finalized.

3. Discontinuation of Takara Bio's in-house gene therapy clinical development project

Regarding the succession of Takara Bio's in-house gene therapy clinical development project TBI-1301, discussions and considerations are currently ongoing with the Sumitomo Chemical Group. We will provide updates as progress is made.

4. Clarifying management responsibilities and streamlining the management structure

The reduction in the number of directors at Takara Bio, the voluntary return of executive compensation, and the reduction of executive compensation are being implemented as originally planned.

(i) Reduction in the Board of Directors

Reduced from 9 to 3

(approved at the 24th Annual General Meeting of Shareholders)

(ii) Voluntary return of executive compensation

Chairman	30% of the monthly compensation
President & CEO	30% of the monthly compensation
Vice President and Executive Officer	25% of the monthly compensation

[Period for return of executive compensation] April 2026 to June 2026 (3 months)

(iii) Reduction of Directors' Compensation

Reduction in the following ratio from the base amount of remuneration determined for each position

President & CEO	35% of the monthly compensation
Vice President and Executive Officer	30% of the monthly compensation
Senior Executive Officer	30% of the monthly compensation
Executive Officer	25% of the monthly compensation
Operating Officer	20% of the monthly compensation

[Period of reduction of executive compensation] July 2026 to June 2027 (1 year)

One director (part-time) will voluntarily return the full amount of executive compensation for the same period.

5.Other

We are moving forward with preparations to close the Sweden site, but at this time, there are no decisions to announce. If anything comes up that needs to be disclosed in the future, we will let you know right away.
Also, since Takara Bio was delisted on June 12, 2026, the reduction in listing-related expenses is expected to be in line with the original plan.
