



**Consolidated Financial Statements for the Third Quarter Ended December 31, 2018
FY2019 (April 1, 2018 - March 31, 2019) [UNAUDITED]**

January 30, 2019

Company name: Takara Bio Inc.
 Stock exchange listings: Tokyo Stock Exchange (1st section)
 Code number: 4974
 URL: <http://www.takarabio.com/>
 Company representative: Koichi Nakao, President
 Contact: Shuichiro Matsuzaki, Executive Vice President
 Tel. (077) 565-6970
 Quarterly statement filing date (as planned) February 8, 2019

Scheduled date of starting delivery of dividends:
 Supplementary documents of the financial results Yes
 Financial results information meeting: No

Notes: 1. The accompanying financial statements have been prepared in accordance with accounting principles and practices generally accepted in Japan.
 2. Amounts are rounded down to the nearest million yen.

1. Results for the nine months ended December 31, 2018 (Apr. 1, 2018 – Dec. 31, 2018)

(1) Operating results

(Percentages indicate changes from the same period of the previous fiscal year.)

| | Nine months ended Dec. 31, 2018 | | Nine months ended Dec. 31, 2017 | |
|--|------------------------------------|----------|------------------------------------|--------|
| | (Millions of yen) | (%) | (Millions of yen) | (%) |
| Net sales | 25,888 | 14.3 | 22,646 | 9.7 |
| Operating income | 3,432 | 113.4 | 1,608 | (41.0) |
| Ordinary income | 3,549 | 101.4 | 1,762 | (38.6) |
| Net income (loss) attributable to owners of the parent | 2,088 | 95.4 | 1,068 | (31.5) |
| Net income per share (in yen) | 17.35 | | 8.88 | |
| Fully diluted net income per share (in yen) | | | | |
| Note: Comprehensive income | 1,776 | (118.8%) | 811 | (%) |

(2) Financial position

| | As of Dec. 31, 2018 | As of Mar. 31, 2018 |
|-------------------------------|---------------------|---------------------|
| | (Millions of yen) | (Millions of yen) |
| Total assets | 70,705 | 68,670 |
| Net assets | 63,193 | 61,959 |
| Equity ratio (%) | 89.2 | 90.1 |
| Net assets per share (in yen) | 523.97 | 513.66 |
| (Reference) Equity | 63,094 | 61,852 |

Notes: Partial revision of accounting standard related to tax effect accounting (Article 28 on corporate accounting standard, February 16, 2018) has been applied from the beginning of the year ending March 31, 2019. Accordingly, financial position for the year ended March 31, 2018 indicates the numerical value after retroactive adjustment due to this revision.

2. Dividends

| | Annual dividends per share in yen | | |
|--------------------|-----------------------------------|------------------------------|---|
| | Year ended Mar. 31, 2018 | Year ending Mar. 31, 2019 | Year ending Mar. 31, 2019 (Forecast) |
| First quarter end | | | |
| Second quarter end | 0.00 | 0.00 | |
| Third quarter end | | | |
| Year end | 4.50 | | 7.00 |
| Annual | 4.50 | | 7.00 |

Note: Revision of dividend payment forecast since the most recently announced payment forecast : Yes

3. Forecast for the year ending March 31, 2019 (Apr. 1, 2018 – Mar. 31, 2019)

(Percentages indicated changes from the same period of the previous fiscal year.)

| | Year ending Mar. 31, 2019 | |
|---|---------------------------|------|
| | (Millions of yen) | (%) |
| Net sales | 35,800 | 10.8 |
| Operating income | 5,200 | 46.2 |
| Ordinary income | 5,400 | 39.8 |
| Net income attributable to owners of the parent | 3,150 | 34.9 |
| Net income per share (in yen) | 26.16 | |

Note: Revision of financial forecast since the most recently announced financial forecast : Yes

※ Others

(1) Changes in subsidiaries during the nine months ended Dec. 31, 2018
(Changes in specified subsidiaries resulting in change of scope) : No

Newly included: (Name)

Excluded: (Name)

(2) Application of special accounting methods to the consolidated quarterly financial statements : No

(3) Changes in accounting policies, changes in accounting estimates, and retrospective restatement

① Changes based on revisions of accounting standard : No

② Changes other than ones based on revisions of accounting standard : No

③ Changes in accounting estimates : No

④ Restatement : No

(4) Number of outstanding shares (Common stock)

① Number of outstanding shares at year end (Treasury stocks are included)

As of December 31, 2018 120,415,600

As of March 31, 2018 120,415,600

② Number of treasury stocks at year end

As of December 31, 2018

As of March 31, 2018

③ Average number of outstanding shares (Quarterly total)

As of December 31, 2018 120,415,600

As of December 31, 2017 120,415,600

※ These quarterly financial statements are not subject to auditing.

※ Comment regarding appropriate use of earnings forecasts and other special notes

Forward-looking statements contained in this document are determined by the Takara Bio based on information currently available to the Company and include a number of uncertainties. Actual results could differ from these forecasts due to changes in conditions that occur in the future. For information regarding the above, please refer to "1. Qualitative Information for the nine months ended December 31, 2018 (4) Qualitative Information Regarding Consolidated Forecasts, on page 3 of the attached document".

(Change in calendar indication)

Calendar indication has been changed from Japanese style to western style since Consolidated Financial Statements for the first quarter ended June 30, 2018.