



To whom it may concern:

August 3, 2021



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## Notice of Revision of Financial Forecast and Dividend Forecast (Dividend Increase)

Kusatsu/Shiga, Japan-August 3, 2021 – Takara Bio Inc. (Takara Bio), announced the revision of the consolidated financial forecast and the dividend forecast for the fiscal year ending March 31, 2022 (April 1, 2021 – March 31, 2022) that was disclosed on May 13, 2021, as follows based on a review of current trends in results of operations.

### 1. Revisions to Financial Forecast

(1) Revisions to the Consolidated Forecasts for the first half of the fiscal year ending March 2022

(April 1, 2021-September 30, 2021)

	Net sales	Operating Profit	Ordinary Profit	Net profit attributable to owners of parent	Net income per share
Previous forecast (A)	Millions yen	Millions yen	Millions yen	Millions yen	Yen
	24,609	7,139	7,220	4,889	40.61
Revised forecast (B)	29,700	11,400	11,400	7,900	65.61
Change (B-A)	5,090	4,260	4,180	3,010	-
Change (%)	20.7	59.7	57.9	61.6	-
(Reference) Results for the first half of the previous fiscal year ended March 31, 2021	17,393	3,736	3,820	2,274	18.89

(2) Revisions to the Consolidated Forecasts for the fiscal year ending March 2022

(April 1, 2021-March 31, 2022)

	Net sales	Operating profit	Ordinary profit	Net profit attributable to owners of parent	Net income per share
Previous forecast (A)	Millions yen	Millions yen	Millions yen	Millions yen	Yen
	50,500	14,000	14,200	9,800	81.38
Revised forecast (B)	54,200	17,000	17,100	11,900	98.82
Change (B-A)	3,700	3,000	2,900	2,100	-
Change (%)	7.3	21.4	20.4	21.4	-
(Reference) Results for the previous fiscal year ended March 31, 2021	46,086	13,952	14,159	9,547	79.29

### (3) Reason for the Revision

The forecasts for the first half and the full fiscal year have been revised from the forecasts announced on May 13, 2021, based on recent conditions.

In terms of net sales, in addition to the recovery in the general research reagent market, which had been sluggish due to the impact of the new Coronavirus, PCR testing-related products for the virus are also expected to increase. Moreover CDMO business, such as outsourcing related to genetic analysis, is expected to increase. As a result, net sales are expected to exceed the forecast as a whole.

With regard to SG&A expenses, while R&D expenses will increase from the initial plan, the increase in gross profit due to the increase in sales will be larger than the increase of SG&A expenses. As a result operating income, ordinary income, and net income attributable to owners of the parent are expected to exceed the previous forecast. For the reasons stated above, the forecasts for the first half and the full fiscal year have been revised.

For details of the forecast announced this time, please refer to page 11-12 of the "Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2022" announced today.

## 2. Revision to Dividend Forecast

### (1) Details of Revised Dividend Forecast

Record Date	Cash dividends per share (yen)		
	End of first half	Year-end	Total
Previous forecast	0.00 yen	16.00 yen	16.00 yen
Revised forecast	0.00 yen	20.00 yen	20.00 yen
Actual results			
Results for the previous fiscal year ended March 31, 2021)	0.00 yen	16.00 yen	16.00 yen

### (2) Reason for the Revision

Considering the management performance and financial statement comprehensively, Takara Bio recognizes a basic policy aimed for profit contribution, positioning an important business management issue to distribute profits to shareholders as well as enhancing the internal reserves to strengthen the research development activities in Bioindustry and Gene Therapy businesses. Specifically, the dividends of surplus will be paid at around 20% of estimated profit calculated without considering extraordinary income or loss in the consolidated financial statements.

Based on the above upward revision of the full-year consolidated results forecast and the above shareholder return policy, Takara Bio has revised the year-end distribution forecast for the year ending March 2022 from 16.00 to 20.00 per share.

The year-end dividend for the fiscal year ending March 31, 2022 is scheduled to be discussed at the 20th Ordinary General Meeting of Shareholders to be held in June 2022.

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#### Notes on handling this material

Statements made in this document with respect to our current plans, estimates, strategies, beliefs and other statements that are not historical facts are forward-looking statements about our future performance, which are based on our management's beliefs in light of information currently available, but which are based on a number of assumptions and beliefs in light of information that involves substantial risks and uncertainties. Please be aware that actual results may differ materially 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 our intellectual property rights, rapid advances in technology, and unfavorable verdicts in major litigation.