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May 11, 2023

Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 4974
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 Scheduled date of annual general meeting of shareholders: June 23, 2023
 Scheduled date to commence dividend payments: June 26, 2023
 Scheduled date to file annual securities report: June 29, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Mar. 31, 2023	78,142	15.4	20,541	(28.9)	20,682	(27.3)	16,012	(19.3)
Mar. 31, 2022	67,699	46.9	28,902	107.1	28,459	101.0	19,849	107.9

Note: Comprehensive income For the fiscal year ended Mar. 31, 2023: ¥20,363 million (14.0%)
 For the fiscal year ended Mar. 31, 2022: ¥23,689 million 173.1%

Fiscal year ended	Net income per share	Fully Diluted net income per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Mar. 31, 2023	132.97	-	15.4	16.9	26.3
Mar. 31, 2022	164.84	-	23.3	27.7	42.7

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended Mar. 31, 2023: ¥- million
 For the fiscal year ended Mar. 31, 2022: ¥- million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
Mar. 31, 2023	129,202	112,454	86.9	931.93
Mar. 31, 2022	115,712	96,064	82.9	796.18

Reference: Equity
 As of Mar. 31, 2023: ¥112,219 million
 As of Mar. 31, 2022: ¥95,873 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Mar. 31, 2023	36,897	(6,693)	(4,119)	49,058
Mar. 31, 2022	6,985	(7,071)	(2,070)	22,160

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended Mar. 31, 2022	-	0.00	-	33.00	33.00	3,973	20.0	4.7
Fiscal year ended Mar. 31, 2023	-	0.00	-	42.00	42.00	5,057	31.6	4.9
Fiscal year ending Mar. 31, 2024 (Forecast)	-	0.00	-	17.00	17.00		37.2	

3. Consolidated financial forecasts for the fiscal year ending March 31, 2024 (April. 1, 2023 – March. 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income attributable to owners of the parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Second quarter (cumulative)	22,800	(30.0)	2,100	(80.7)	2,100	(80.8)	1,200	(85.9)	9.96
Full year	53,300	(31.8)	8,000	(61.1)	8,200	(60.4)	5,500	(65.7)	45.67

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

Newly included: - companies (Company name)

Excluded: - companies (Company name)

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(Notes) For details, please refer to “(5). Notes to Consolidated Financial Statements (Changes in Accounting Policies)” of “3. Consolidated Financial Statements and Primary Notes” on page 10 of the attached material.

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of Mar. 31, 2023	120,415,600 shares
As of Mar. 31, 2022	120,415,600 shares

(ii) Number of treasury shares at the end of the period

As of Mar. 31, 2023	- shares
As of Mar. 31, 2022	- shares

(iii) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2023	120,415,600 shares
Fiscal year ended Mar. 31, 2022	120,415,600 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated results for the year ended March 31, 2023 (April 1, 2022 – March 31, 2023)

(1) Non-consolidated Results of Operations

	Year ended Mar. 31, 2023		Year ended Mar. 31, 2022	
	(Millions of yen)	(%)	(Millions of yen)	(%)
Net sales	57,280	13.7	50,398	48.7
Operating profit	14,553	(33.6)	21,931	126.3
Ordinary profit	17,444	(30.4)	25,063	118.0
Net income	14,313	(22.6)	18,485	112.9
Net income per share (in yen)	118.87		153.51	
Fully diluted net income per share (in yen)	-		-	

(2) Non-consolidated Financial Position

	As of Mar. 31, 2023		As of Mar 31, 2022	
	(Millions of yen)		(Millions of yen)	
Total assets	108,607		101,386	
Net assets	96,544		86,204	
Equity ratio (%)	88.9		85.0	
Net assets per share (in yen)	801.76		715.89	
(Reference) Equity	96,544		86,204	

<Reasons for the difference from the results of the previous fiscal year for the non-consolidated results>

In the fiscal year under review, although net sales increased due to the strong performance of reagents, the cost of sales ratio rose due to changes in the sales mix and other factors, resulting in a difference between the actual value for the previous fiscal year and the actual value for the current fiscal year.

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

Forward-looking statements contained in this document are determined by the Takara Bio Inc. (the “Company”) 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. Overview of Financial Results for the year ended March 31, 2022, (4) Future Outlook on page 3 of the attached document.

The Company will hold a briefing for institutional investors and analysts on Tuesday, May 16, 2023. The material handed out at this briefing and a review of questions and answers will be posted on our website after the briefing

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1. Overview of Financial Results for the year ended March 31, 2023

(1) Overview of Financial Results

The outlook for the global economy in the fiscal year under review is uncertain due to the outbreak of the new Coronavirus disease (COVID-19), prolonged trade friction between the U.S. and China, and Russia's invasion of Ukraine.

Under these circumstances, Takara Bio Group is promoting initiatives to advance the development of fundamental biologics development technologies and become a biologics development company that continuously creates new modalities through the Reagents and Instruments and CDMO business under the six-year Long-Term Management Plan FY2026, which ends in fiscal 2026, and the three-year Medium-Term Management Plan FY2023, which ends in fiscal 2023¹. In addition, the Group worked aggressively to ensure a stable supply of testing-related products for the new Coronavirus and to establish a manufacturing system for regenerative/cellular medicine and gene therapies products, including vaccines for COVID-19.

In the fiscal year under review, although sales of Instruments and CDMO decreased year on year, sales of Reagents and Gene Therapy increased year on year. In particular, sales of COVID-19 antigen test and other reagents related to the new Coronavirus testing grew significantly. As a result, net sales increased to ¥78,142 million (up 15.4% year on year), while the cost of sales increased to ¥33,377 million (up to 80.5% year on year), reflecting a rise in the cost of sales ratio due to changes in the sales mix and other factors. As a result, gross profit decreased to ¥44,765 million (down 9.0% year on year). Selling, general and administrative (SG&A) expenses were ¥24,224 million (up to 19.3% year on year) due to an increase in personnel expenses, research and development (R&D) expenses, etc., and operating profit decreased to ¥20,541 (down 28.9% year on year). As a result of the decrease in operating profit, ordinary profit was ¥20,682 million (down 27.3% year on year), profit before income taxes and others was ¥21,224 million (down 22.9% year on year), and net income attributable to owners of the parent was ¥16,012 million (down 19.3% year on year).

From the first quarter of the current fiscal year, due to a review of management classification, sales of reagents and other reagents of GMP grades (for manufacturing products such as regenerative medicine) that were previously included in "Reagents" are included in "Gene Therapy." As a result, net sales for the previous fiscal year have been reclassified based on the new classification, and the ¥2,126 million included in "Reagents" has been reclassified as "Genetic Therapy."

Since our group is a single segment, the disclosure by segment is omitted.

(2) Overview of Financial Position

Total assets at the end of the fiscal year under review were ¥129,202 million, an increase of ¥13,489 million from the end of the previous fiscal year. This was mainly due to an increase of ¥28,214 million in cash and deposits and an increase of ¥4,560 million in property, plant and equipment mainly due to the acquisition of our manufacturing facilities, despite a decrease of ¥12,717 million in merchandise and finished goods and a decrease of ¥5,277 million in trade receivables.

Total liabilities at the end of the fiscal year under review were ¥16.747 billion, a decrease of ¥2,900 million from the end of the previous fiscal year. This was mainly due to a decrease of ¥4,826 million in accrued income taxes, despite an increase of ¥1,338 million in other current liabilities and ¥364 million in notes and accounts payable-trade.

Total net assets at the end of the fiscal year under review were ¥112,454 million, an increase of ¥16,389 million from the end of the previous fiscal year. This was mainly due to an increase of ¥12,038 million in retained earnings and ¥4,471 million in foreign currency translation adjustment due to the yen's depreciation.

(3) Overview of Cash Flows

Net cash provided by operating activities amounted to ¥36,897 million, an increase of ¥29,911 million from the previous fiscal year. This was mainly due to cash inflow from income before income taxes and others of ¥21,224 million, a decrease in inventories of ¥13,510 million, a decrease in trade receivable of ¥5,718 million and depreciation and amortization of ¥4,050 million, and cash outflow from income taxes paid of ¥9,902 million.

Net cash used in investing activities amounted to ¥6,693 million, a decrease of ¥377 million from the previous fiscal year. This was mainly due to proceeds from withdrawal of time deposits of ¥16,554 million, payments

¹ FY2026 and FY2023 refer to the fiscal year ending March 31, 2026 and 2023, respectively.

into time deposits of ¥17,769 million, and purchases of property, plant and equipment and intangible assets of ¥5,747 million.

Net cash used in financing activities totaled ¥4,119 million, mainly due to cash dividends paid of ¥3,968 million, an increase of ¥2,048 million compared with the previous fiscal year.

As a result of the above, the balance of cash and cash equivalents at the end of the fiscal year under review, including the effect of exchange rate changes on cash and cash equivalents, increased by ¥26,897 million from the end of the previous fiscal year to ¥49,058 million.

(4) Future Outlook

In the next consolidated fiscal year, net sales are expected to decrease as a whole due to the anticipated decline in demand for reagents related to the new coronavirus test. SG&A expenses are expected to decrease due to the planned increase in personnel expenses, R&D expenses, etc.

As a result, we forecast net sales of ¥53,300 million, operating profit of ¥8,000 million, ordinary profit of ¥8,200 million, and net income attributable to owners of the parent of ¥5,500 million.

For a comparison of the forecasts for the next fiscal year and the results for the year ended March 31, 2023, please refer to page 13 "4. Supplementary Information (3) Comparative Profit and Loss Statements Relating to Forecasts."

2. Basic Concept on Selection of Accounting Standards

The Group prepares its consolidated financial statements in accordance with Japanese GAAP, considering the comparability of consolidated financial statements between periods and between companies.

With regard to the application of IFRS, the Company's policy is to respond appropriately, taking into account various domestic and overseas circumstances.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of Mar. 31, 2022	As of Mar. 31, 2023
Assets		
Current assets		
Cash and deposits	23,633	51,847
Notes receivable-trade	466	244
Electronically recorded monetary claims-operating	1,231	984
Accounts receivable-trade	16,147	11,338
Merchandise and finished goods	18,966	6,248
Work in process	1,361	1,125
Raw materials and supplies	3,738	3,714
Other	2,637	2,184
Allowance for doubtful accounts	(40)	(118)
Total current assets	68,141	77,569
Non-current assets		
Property, plant and equipment		
Buildings and structures	23,553	28,098
Accumulated depreciation	(5,937)	(7,064)
Buildings and structures, net	17,615	21,034
Machinery, equipment and vehicles	7,626	8,384
Accumulated depreciation	(4,147)	(4,883)
Machinery, equipment and vehicles, net	3,479	3,500
Tools, furniture and fixtures	9,530	10,569
Accumulated depreciation	(5,516)	(6,229)
Tools, furniture and fixtures, net	4,014	4,340
Land	8,413	8,654
Leased assets	756	756
Accumulated depreciation	(125)	(178)
Leased assets, net	631	578
Construction in progress	1,519	2,102
Others	885	992
Accumulated depreciation	(161)	(246)
Others, net	723	745
Total Property, plant and equipment	36,395	40,956
Intangible assets		
Goodwill	6,309	6,674
Technology-based intangible assets	1,523	1,011
Other	1,326	1,360
Total intangible assets	9,159	9,047
Investments and other assets		
Deferred tax assets	1,539	1,067
Retirement benefit assets	123	93
Others	352	466
Total investments and other assets	2,015	1,627
Total non-current assets	47,571	51,632
Total assets	115,712	129,202

(Millions of yen)

	As of Mar. 31, 2022	As of Mar. 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,959	2,323
Lease obligations	137	151
Accrued payable-other	4,443	4,405
Accrued income taxes	5,498	672
Provision	923	1,065
Other	4,418	5,756
Total current liabilities	17,380	14,375
Non-current liabilities		
Lease obligations	910	821
Deferred tax liabilities	198	179
Retirement benefit liabilities	788	992
Other	370	378
Total non-current liabilities	2,266	2,372
Total liabilities	19,647	16,747
Net assets		
Shareholders' equity		
Share capital	14,965	14,965
Capital surplus	32,893	32,893
Retained earnings	45,009	57,047
Total shareholders' equity	92,868	104,906
Accumulated other comprehensive income		
Foreign currency translation adjustment	3,208	7,680
Cumulative remeasurements of retirement benefit	(204)	(367)
Total accumulated other comprehensive income	3,004	7,312
Non-controlling interests	191	235
Total net assets	96,064	112,454
Total liabilities and net assets	115,712	129,202

(2) Consolidated Statements of Profit or Loss and Consolidated Statements of Comprehensive Income**(Consolidated Statements of Profit or Loss)**

(Millions of yen)

	Year ended Mar. 31, 2022	Year ended Mar. 31, 2023
Net sales	67,699	78,142
Cost of sales	18,488	33,377
Gross profit	49,211	44,765
SG&A expenses		
Provision for doubtful accounts	20	79
Employees' salaries and bonuses	5,327	5,877
Provision for accrued bonuses	528	574
Retirement benefit expenses	230	249
R&D expenses	6,109	8,575
Other	8,093	8,865
Total SG&A expenses	20,309	24,224
Operating profit	28,902	20,541
Non-operating income		
Interest income	122	142
Rent income from real estate	141	158
Other	94	62
Total non-operating income	357	363
Non-operating expenses		
Interest expenses	23	24
Foreign exchange loss	706	120
Rent expenses on real estate	61	70
Other	8	6
Total non-operating expenses	800	221
Ordinary profit	28,459	20,682
Extraordinary gains		
Gain on sale of fixed assets	6	251
Insurance received	-	678
National subsidies	4,470	-
Total extraordinary profit	4,476	930
Extraordinary losses		
Loss on disposal of fixed assets	174	348
Asset shrinkage losses	4,470	-
Loss of valuation of inventory	589	-
Impairment loss	168	-
Others	-	39
Total extraordinary losses	5,403	388
Profit before income taxes and others	27,532	21,224
Income taxes-current	7,901	4,679
Income taxes-deferred	(277)	496
Total income taxes	7,624	5,176
Net income	19,908	16,047
Net income attributable to non-controlling interest	58	35
Net income attributable to owners of the parent	19,849	16,012

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
Net income	19,908	16,047
Other comprehensive income		
Foreign currency translation adjustment	3,751	4,478
Remeasurements of retirement benefit	29	(163)
Total other comprehensive income	3,781	4,315
Comprehensive income	23,689	20,363
Comprehensive income attributable to:		
Owners of the parent	23,617	20,319
Non-controlling interest	71	43

(3) Consolidated Statements of Changes in Net Assets

Previous fiscal year (from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity				Accumulated other comprehensive income			Non-Controlling Interest	Total net assets
	Share Capital	Capital surplus	Retained earnings	Total shareholders' equity	Foreign currency translation adjustment	Cumulative remeasurements of retirement benefit	Total accumulated other comprehensive income		
Balance at the beginning of current period	14,965	32,893	27,085	74,945	(529)	(234)	(763)	120	74,302
Change of items during the period									
Dividends from surplus			(1,926)	(1,926)					(1,926)
Net income attributable to owners of the parent			19,849	19,849					19,849
Net changes of items other than shareholders' equity					3,737	29	3,767	71	3,839
Total changes of items during the period	-	-	17,923	17,923	3,737	29	3,767	71	21,762
Balance at the end of current period	14,965	32,893	45,009	92,868	3,208	(204)	3,004	191	96,064

Current fiscal year (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Share Capital	Capital surplus	Retained earnings	Total shareholders' equity	Foreign currency translation adjustment	Cumulative remeasurements of retirement benefit	Total accumulated other comprehensive income		
Balance at the beginning of current period	14,965	32,893	45,009	92,868	3,208	(204)	3,004	191	96,064
Changes of items during the period									
Dividends from surplus			(3,973)	(3,973)					(3,973)
Net income attributable to owners of the parent			16,012	16,012					16,012
Net changes of items other than shareholders' equity					4,471	(163)	4,307	43	4,351
Total changes of items during the period	-	-	12,038	12,038	4,471	(163)	4,307	43	16,389
Balance at the end of current period	14,965	32,893	57,047	104,906	7,680	(367)	7,312	235	112,454

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended Mar. 31, 2022	Year ended Mar. 31, 2023
Net cash provided by (used in) operating activities		
Income before income taxes and others	27,532	21,224
Depreciation and amortization	3,554	4,050
Impairment loss	168	-
Depreciation and amortization on other	95	86
Amortization of goodwill	500	599
Increase (decrease) in allowance for doubtful accounts	(3)	56
Increase (decrease) in reserve for bonuses	144	78
Increase (decrease) in retirement benefit liabilities	(12)	202
Interest income	(122)	(142)
Interest expenses	23	24
Insurance claim income	-	(678)
Loss (gain) on sale and retirement of fixed assets	168	97
Decrease (increase) in trade receivables	(4,812)	5,718
Decrease (increase) in inventories	(14,233)	13,510
Increase (decrease) in notes and accounts payable-trade	(431)	139
Increase (decrease) in other current liabilities	81	899
Others	(526)	162
Subtotal	12,127	46,028
Interest and dividend income received	133	116
Income expenses paid	(23)	(24)
Income taxes paid	(5,922)	(9,902)
Proceeds from insurance income	-	678
Subsidies received	671	-
Net cash provided by (used in) operating activities	6,985	36,897
Net cash provided by (used in) investing activities		
Payments into time deposits	(11,406)	(17,769)
Proceeds from withdrawal of time deposits	12,877	16,554
Purchase of property, plant and equipment and intangible assets	(12,403)	(5,747)
Proceeds from sales of property, plant and equipment and intangible assets	47	396
Purchase of other depreciable assets	(136)	(135)
Subsidies received	3,960	-
Others	(10)	7
Net cash provided by (used in) investing activities	(7,071)	(6,693)
Net cash provided by (used in) financing activities		
Dividends paid	(1,923)	(3,968)
Repayments of lease obligations	(147)	(151)
Net cash provided by (used in) financing activities	(2,070)	(4,119)
Effect of exchange rate change on cash and cash equivalents	1,008	813
Net increase (decrease) in cash and cash equivalents	(1,148)	26,897
Cash and cash equivalents at beginning of period	23,308	22,160
Cash and cash equivalents at end of period	22,160	49,058

(5) Notes to Consolidated Financial Statements

(Notes on Premise of Going Concern)

No items to report.

(Significant Accounting Estimates)

(Goodwill)

Our group recorded goodwill at Takara Bio USA, Inc., which was recorded in the past upon the acquisition of all of the shares of Clontech Laboratories, Inc., Rubicon Genomics, Inc. and WaferGen Bio-systems, Inc., respectively.

(1) Amounts recorded in the consolidated financial statements for the current fiscal year

	End of previous fiscal year	Current Consolidated Fiscal Year
Goodwill	6,309	6,674

(Millions of yen)

(2) Information on the content of critical accounting estimates for identified items

The Group determined Takara Bio USA, Inc. as a reporting unit, including goodwill, and took procedures to identify an indication of impairment. The recoverable amount of the reporting unit is based on its fair value. Fair value is determined primarily based on the discounted present value of estimated future cash flows, which utilize assumptions such as future growth rates to estimate such cash flows.

As the recoverable amount sufficiently exceeds the carrying amount at the end of the fiscal year under review, the Company considers that it is unlikely that a material impairment loss will occur even if there is a reasonable range of changes in future growth rates and other factors used in the calculation of the recoverable amount.

(Changes in Accounting Policies)

(Adoption of ASU No. 842, "Leasing")

Certain foreign consolidated subsidiaries that have adopted U.S. GAAP have adopted ASU No. 842, "Leasing" effective from the fiscal year under review. As a result, the lessee has decided to record all leases as assets and liabilities in the balance sheet in principle.

In applying this standard, the Company adopted a method of recognizing the cumulative effect of adopting this standard on the date of adoption, which is permitted as a transitional measure.

As a result, at the end of the fiscal year under review, "Other" in Investments and other assets increased by 45 million yen, while "Other" in Current liabilities increased by 41 million yen, and "Other" in Non-current liabilities increased by 4 million yen. The impact of this change on the Company's profit and loss for the fiscal year under review is immaterial.

(Segment Information)

Since our group is a single segment, this information is omitted.

(Per-Share Information)

	End of previous fiscal year (From April 1, 2021 to March 31, 2022)	Current Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)
Net assets per share	¥796.18	¥931.93
Net income per share	¥164.84	¥132.97

(NOTE) 1. Diluted net income per share is not presented because there were no dilutive shares.

2. The basis for calculating net income per share is as follows.

	End of previous fiscal year (From April 1, 2021 to March 31, 2022)	Current Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)
Net income per share		
Profit attributable to owners of parent (Millions of yen)	19,849	16,012
Amounts not attributable to common stock (Millions of yen)	-	-
Profit attributable to owners of parent attributable to common stock (Millions of yen)	19,849	16,012
Average number of shares of common stock outstanding during the period (Thousands of shares)	120,415	120,415

(Significant Subsequent Events)

Not applicable.

4. Supplementary Information

(1) Trends in Key Indicators for Business Management

1) Cash Flows

(Millions of yen)

	Year ended Mar. 31, 2022 (Apr. 1, 2021 – Mar. 31, 2022)	Year ended Mar. 31, 2023 (Apr. 1, 2022 – Mar. 31, 2023)
Cash flow from operating activities	6,985	36,897
Cash flow from investing activities	(7,071)	(6,693)
Cash flow from financing activities	(2,070)	(4,119)

2) Sales Breakdown by Region

(Millions of yen)

	Year ended Mar. 31, 2022 (Apr. 1, 2021 – Mar. 31, 2022)	Year ended Mar. 31, 2023 (Apr. 1, 2022 – Mar. 31, 2023)
Japan	34,076	45,667
United States	10,186	12,886
China	11,908	10,799
Asia excluding Japan and China	6,614	3,546
Europe	4,668	4,949
Others	244	293
Total	67,699	78,142

3) R&D Expenses by Reportable Segment

Since our group is a single segment, this information is omitted.

(2) Comparative Consolidated Statement of Income

(Rounded down to one million yen)

	Year ended Mar. 31, 2022	Year ended Mar. 31, 2023	Y/Y Change	Y/Y Ratio
(Net sales)				
Reagents	52,479	65,925	13,446	25.6%
Instruments	1,518	1,375	(142)	(9.4%)
CDMO	11,426	8,200	(3,226)	(28.2%)
Gene Therapy	2,275	2,640	365	16.1%
Total net sales	67,699	78,142	10,442	15.4%
(Operating profit and Loss)				
Net sales	67,699	78,142	10,442	15.4%
Cost of sales	18,488	33,377	14,888	80.5%
Gross profit	49,211	44,765	(4,445)	(9.0%)
SG & A expenses	20,309	24,224	3,914	19.3%
Transportation expenses	755	653	(102)	(13.6%)
Advertising expenses	58	48	(9)	(16.5%)
Promotion expenses	683	699	15	2.3%
R&D expenses	6,109	8,575	2,466	40.4%
Administrative expense, other	12,153	13,790	1,637	13.5%
Enterprise taxes (external standards taxation)	548	456	(92)	(16.8%)
Operating profit	28,902	20,541	(8,360)	(28.9%)
(Non-operating income and Expenses)				
Non-operating income	357	363	5	1.5%
Non-operating expenses	800	221	(578)	(72.3%)
Ordinary profit	28,459	20,682	(7,777)	(27.3%)
(Extraordinary gains & Losses)				
Extraordinary gains	4,476	930	(3,545)	(79.2%)
Extraordinary losses	5,403	388	(5,014)	(92.8%)
Income before income taxes and others	27,532	21,224	(6,308)	(22.9%)
Income taxes	7,624	5,176	(2,447)	(32.1%)
Net income	19,908	16,047	(3,860)	(19.4%)
Net income (loss) attributable to non-controlling interests	58	35	(22)	(38.5%)
Net income attributable to owners of the parent	19,849	16,012	(3,837)	(19.3%)
Depreciation and amortization (Property, plant and equipment and intangible assets)	3,554	4,050	495	13.9%
Amortization of goodwill	500	599	98	19.8%

※ The sales of GMP-grade reagents included in "Reagents" until the year ended of March 31, 2022 have been included in "Gene Therapy" since the year ending March 31, 2023. The result for the year ended Mar. 31, 2022 in this table have been reclassified to reflect these changes.

(3) Comparative Statement of Income Relating to Consolidated Financial Forecasts

(Rounded down to one million yen)

	Year ended Mar. 31, 2023	Year ending Mar. 31, 2024 Forecast	Y/Y Change	Y/Y Ratio
(Net sales)				
Reagents	65,925	38,353	(27,571)	(41.8%)
Instruments	1,375	2,019	643	46.8%
CDMO	8,200	9,914	1,713	20.9%
Gene Therapy	2,640	3,012	372	14.1%
Total Net Sales	78,142	53,300	(24,842)	(31.8%)
(Operating profit and Loss)				
Net sales	78,142	53,300	(24,842)	(31.8%)
Cost of sales	33,377	19,315	(14,061)	(42.1%)
Gross profit	44,765	33,984	(10,780)	(24.1%)
SG & A expenses	24,224	25,984	1,760	7.3%
Transportation expenses	653	691	38	5.9%
Advertising expenses	48	74	25	53.3%
Promotion expenses	699	965	265	38.0%
R&D expenses	8,575	9,000	424	4.9%
Administrative expenses, other	13,790	14,881	1,090	7.9%
Enterprise taxes (external standards taxation)	456	372	(84)	(18.5%)
Operating profit	20,541	8,000	(12,541)	(61.1%)
(Non-operating income and Expenses)				
Non-operating income	363	386	23	6.4%
Non-operating expenses	221	186	(35)	(16.0%)
Ordinary profit	20,682	8,200	(12,482)	(60.4%)
(Extraordinary gains & Losses)				
Extraordinary gains	930	-	(930)	-
Extraordinary losses	388	59	(329)	(84.7%)
Income before income taxes and others	21,224	8,140	(13,083)	(61.6%)
Income taxes	5,176	2,612	(2,564)	(49.5%)
Net income	16,047	5,528	(10,519)	(65.6%)
Net income (loss) attributable to non- controlling interests	35	28	(7)	(21.1%)
Net income attributable to owners of parent	16,012	5,500	(10,512)	(65.7%)
Depreciation and amortization (Property, plant and equipment and intangible assets)	4,050	4,590	539	13.3%
Amortization of goodwill	599	637	38	6.4%