



Financial Results for the 3rd Quarter Ended December 31, 2021

TAKARA BIO INC.
February 10, 2022

This is an English translation from Japanese presentation material.

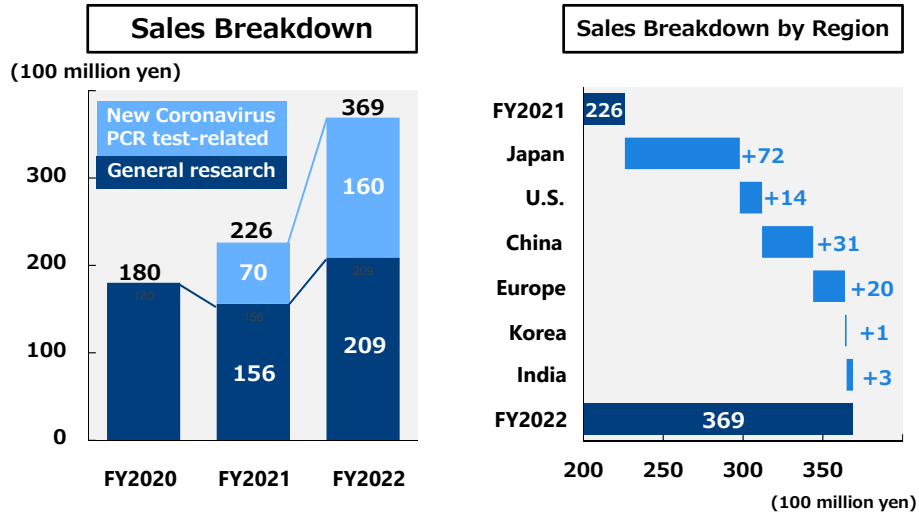
Consolidated Financial Results of FY2022 For the 3rd Quarter Ended Dec. 31, 2021

| (million yen) | FY2022 3 rd Quarter | Y/Y | |
|-------------------------|-----------------------------------|----------------------------|--|
| Net sales | 45,659 | +16,110 +54.5% | Reagents Growth in the new Coronavirus PCR testing reagents. General research reagents recovered to the growth pace before the COVID-19 crisis. |
| Reagents* | 36,998 | +14,382 +63.6% | Instruments Demand for PCR instruments have subsided. |
| Instruments | 1,040 | ▲73 ▲6.6% | CDMO Increased in revenue for regenerative medicine, gene analysis and testing, and vaccine on CDMO. |
| CDMO | 7,474 | +1,898 +34.0% | Gene therapy Decrease in sales of investigational products. |
| Gene therapy | 146 | ▲96 ▲39.7% | Gross profit Increased due to higher sales, and the improvement in the profitability of CDMO. |
| Gross profit | 34,100 | +12,848 +60.5% | Operating income Despite increase mainly in R&D and administrative expenses, increase in gross profit was significant, resulting in increase in profits. |
| Operating profit | 19,926 | +11,134 +126.7% | |

2 (NOTE) Explanation of year-on-year changes * Including in vitro diagnostics



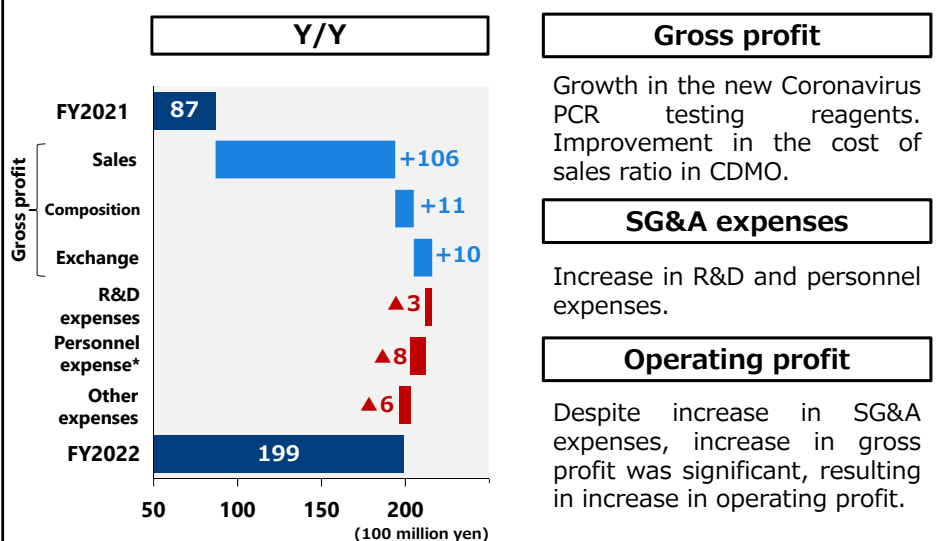
3rd Quarter Ended Dec. 31, 2021: Sales for Reagents



3



3rd Quarter Ended Dec. 31, 2021: Operating Profit




4

* Excluding R&D personnel expenses

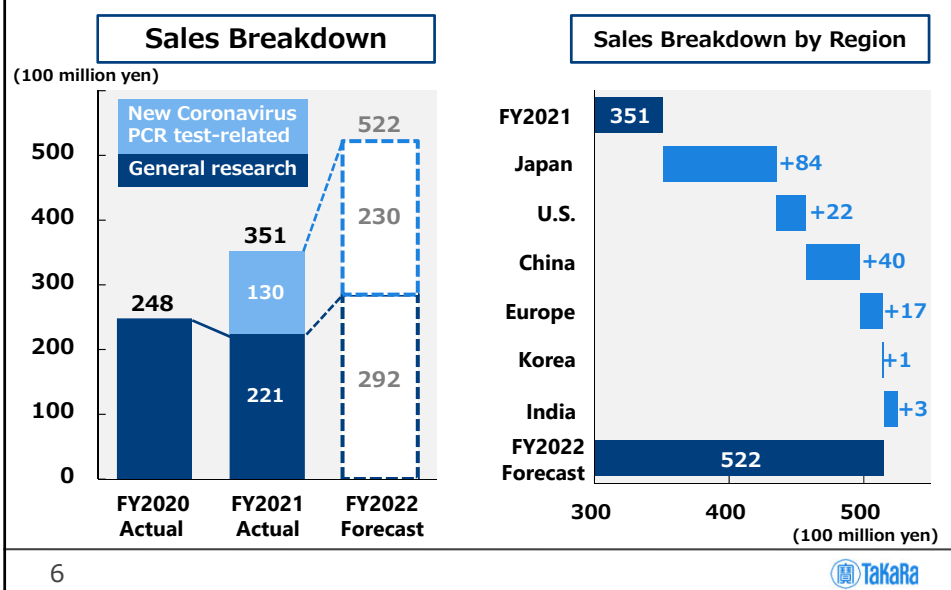


Consolidated Financial Forecast for FY2022 (for the Year Ending Mar. 31, 2022)

| (million yen) | FY2022 Full-year | Y/Y | Comparison with Nov. 9 forecast | |
|-------------------------|------------------|---------------------------|---------------------------------|--|
| Net sales | 65,000 | +18,913 +41.0% | +5,700 +9.6% | Reagents Increase in sales of general research and new Coronavirus PCR testing reagents. |
| Reagents * | 52,213 | +17,023 +48.4% | +5,837 +12.6% | Instruments Decrease in sales of PCR instruments related to the new Coronavirus PCR test due to subsiding of the demand. |
| Instruments | 1,354 | ▲372 ▲21.5% | ▲34 ▲2.5% | CDMO Increase in revenue on CDMO for regenerative medicine, gene analysis and testing, and vaccine. |
| CDMO | 11,283 | +2,381 +26.8% | ▲105 ▲0.9% | Gene therapy Decrease in sales of investigational products. |
| Gene therapy | 148 | ▲119 ▲44.5% | +2 +1.5% | Gross profit Increase due to higher sales and improvement in the profitability of CDMO. |
| Gross profit | 46,475 | +14,603 +45.8% | +5,972 +14.7% | Operating profit Forecast 13 consecutive years of profit growth. |
| Operating profit | 26,000 | +12,047 +86.3 | +6,000 +30.0% | |

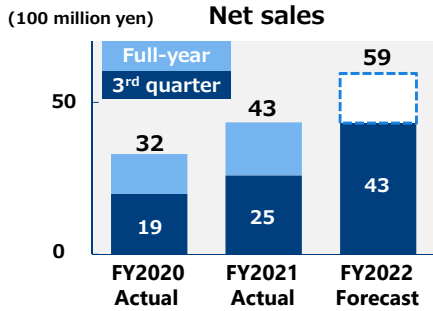
5 (NOTE) Explanation of year-on-year changes * Including in vitro diagnostics 

Full-year Forecast for FY2022: Sales for Reagents



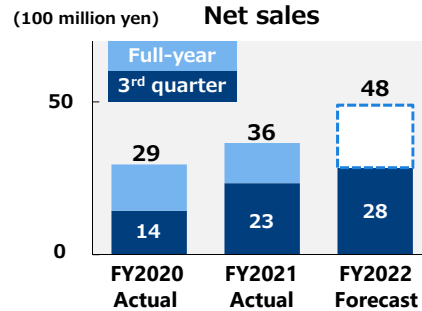
Full-year Forecast for FY2022: CDMO

Regenerative medicine



- Pharma and bio-ventures for regenerative medicine product development projects are increasing.
- Several COVID-19 vaccine projects are contributing to the increase in revenue.

Gene analysis and testing



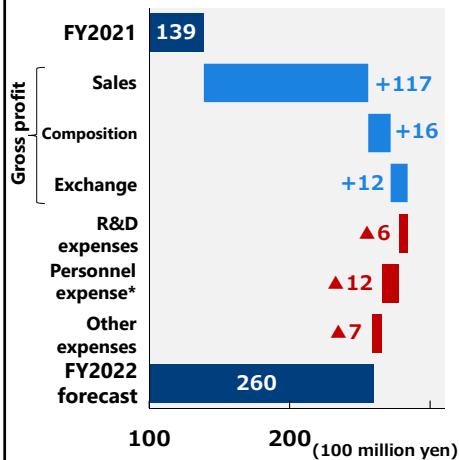
- Achieving the steady growth by orders for several large-scale genome projects.
- The next-generation sequencer analysis from company are also increasing in addition to that from academia.

7

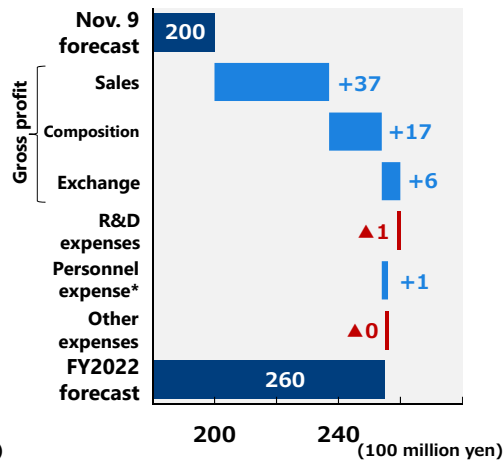


Full-year Forecast for FY2022: Operating Profit

Y/Y



Comparison with Nov. 9 Forecast



8 * Excluding R&D personnel expenses



Other Topics

■ Manufacturing System for the new Coronavirus PCR testing reagents

We are strengthening our supply chain, including our manufacturing system, to respond to rising demand associated with the infection condition. If there is an impact on the forecast of financial results, we will announce it as appropriate.

■ Revision of year-end dividend forecast (Dividend increase)

Revised the previous forecast (Nov. 9, 2021) from ¥24 per share to ¥30 per share, an increase of ¥6. This represents an increase of ¥14 from the previous fiscal year and is expected to be the tenth consecutive year of dividend increases since the start of the dividend.*

■ Transition to the "Prime Market" on the Tokyo Stock Exchange/New Market Category

The transition is scheduled for Apr. 4, 2022.

9 * Scheduled to be discussed at the Ordinary General Meeting of Shareholders (Jun. 2022)



[Reference]


Reference Information (FY2022 Results)

- Consolidated Financial Results (3Q)
- Consolidated Financial Results (Full-year Forecast)
- Net Sales by Category (3Q)
- Net Sales by Category (Full-year Forecast)
- Reagents Sales by Region (3Q)
- Reagents Sales by Region (Full-year Forecast)
- Performance by Subsidiaries (3Q, Full-year Forecast)
- Exchange Rate


10




| [Reference] | | | |
|---|------------------------------------|---------|---------|
| Consolidated Financial Results (3Q) | | | |
| (million yen) | | | |
| | FY2022 3 rd -quarter | Y/Y | |
| | | Change | Ratio |
| Net sales | 45,659 | +16,110 | +54.5% |
| Cost of sales | 11,559 | +3,261 | +39.3% |
| Gross profit | 34,100 | +12,848 | +60.5% |
| SG&A expenses | 14,174 | +1,713 | +13.8% |
| Operational profit | 19,926 | +11,134 | +126.7% |
| Ordinary profit | 20,154 | +11,235 | +126.0% |
| Net income attributable to owners of parent | 14,364 | +8,637 | +150.8% |

11 


| [Reference] | | | | | |
|--|---------------------|---------|--------|------------------------------------|--------|
| Consolidated Financial Results (Full-year Forecast) | | | | | |
| (million yen) | | | | | |
| | FY2022 Full-year | Y/Y | | Comparison with Nov. 9 forecast | |
| | | Change | Ratio | Change | Ratio |
| Net sales | 65,000 | +18,913 | +41.0% | +5,700 | +9.6% |
| Cost of sales | 18,524 | +4,310 | +30.3% | ▲272 | ▲1.5% |
| Gross profit | 46,475 | +14,603 | +45.8% | +5,972 | +14.7% |
| SG&A expenses | 20,475 | +2,556 | +14.3% | ▲27 | ▲0.1% |
| Operating profit | 26,000 | +12,047 | +86.3% | +6,000 | +30.0% |
| Ordinary profit | 26,200 | +12,040 | +85.0% | +6,000 | +29.7% |
| Net income attributable to owners of parent | 18,500 | +8,952 | +93.8% | +4,400 | +31.2% |

12 

| [Reference] | | | |
|-----------------------------------|------------------------------------|----------------|---------------|
| Net Sales by Category (3Q) | | | |
| (million yen) | | | |
| | FY2022 3 rd -Quarter | Y/Y | |
| | | Change | Ratio |
| Reagents | 36,998 | +14,382 | +63.6% |
| Instruments | 1,040 | ▲73 | ▲6.6% |
| CDMO | 7,474 | +1,898 | +34.0% |
| Gene therapy | 146 | ▲96 | ▲39.7% |
| Total net sales | 45,659 | +16,110 | +54.5% |

13 

| [Reference] | | | | | |
|---|---------------------|----------------|---------------|------------------------------------|--------------|
| Net Sales by Category (Full-year Forecast) | | | | | |
| (million yen) | | | | | |
| | FY2022 Full-year | Y/Y | | Comparison with Nov. 9 forecast | |
| | | Change | Ratio | Change | Ratio |
| Reagents | 52,213 | +17,023 | +48.4% | +5,837 | +12.6% |
| Instruments | 1,354 | ▲372 | ▲21.5% | ▲34 | ▲2.5% |
| CDMO | 11,283 | +2,381 | +26.8% | ▲105 | +0.9% |
| Gene therapy | 148 | ▲119 | ▲44.5% | +2 | +1.5% |
| Total net sales | 65,000 | +18,913 | +41.0% | +5,700 | +9.6% |

14 

| [Reference] | | | |
|--------------------------------------|------------------------------------|-------------------------|---------------|
| Reagents Sales by Region (3Q) | | | |
| (million yen) | | | |
| | FY2022 3 rd -quarter | Y/Y (Exchange excluded) | |
| | | Chang | Ratio |
| Japan | 13,957 | +7,235 | +107.6% |
| U.S. | 8,165 | +1,354 | +20.1% |
| China | 7,782 | +2,540 | +55.4% |
| Europe | 5,449 | +1,630 | +47.3% |
| Korea | 826 | +59 | +8.4% |
| India | 816 | +383 | +91.9% |
| Total | 36,998 | +13,203 | +58.4% |

15



| [Reference] | | | | | |
|--|---------------------|----------------------------|---------------|--|---------------|
| Reagents Sales by Region (Full-year Forecast) | | | | | |
| (million yen) | | | | | |
| | FY2022 Full-year | Y/Y (Exchange excluded) | | Comparison with Nov. 9 forecast (Exchange excluded) | |
| | | Change | Ratio | Change | Ratio |
| Japan | 19,704 | +8,446 | +75.0% | +3,622 | +22.5% |
| U.S. | 11,311 | +1,916 | +21.1% | +412 | +3.8% |
| China | 11,167 | +3,040 | +42.8% | +1,169 | +11.9% |
| Europe | 7,919 | +1,305 | +21.3% | +299 | +3.9% |
| Korea | 1,119 | +80 | +8.3% | +37 | +3.5% |
| India | 990 | +305 | +46.8% | +43 | +4.6% |
| Total | 52,213 | +15,095 | +42.9% | +5,585 | +12.0% |

16



| [Reference] | | | | |
|---|---------------------------------|------------------|--------------------|------------------|
| Performance by Subsidiaries (3Q, Full-year Forecast) | | | | |
| (million yen) | | | | |
| | 3 rd -quarter Actual | | Full-year Forecast | |
| | Net sales | Operating profit | Net sales | Operating profit |
| Takara Bio (Non-consolidated) | 34,192 | 15,114 | 47,431 | 18,989 |
| Takara Bio Europe (Consolidated) | 5,682 | 1,032 | 8,270 | 1,543 |
| Takara Biotechnology (Dalian) | 3,547 | 1,042 | 4,940 | 1,391 |
| Takara Biomedical Technology (Beijing) | 8,259 | 1,497 | 11,800 | 1,906 |
| Takara Korea Biomedical | 910 | 151 | 1,229 | 197 |
| DSS Takara India | 828 | 141 | 1,007 | 153 |
| Takara Bio USA | 9,854 | 1,306 | 13,680 | 1,877 |

17



| [Reference] | | | | |
|----------------------|---------------------------------|------------------|---------------------------------|------------------|
| Exchange Rate | | | | |
| (Unit: yen) | FY2021 3 rd -Quarter | FY2021 Full-year | FY2022 3 rd -Quarter | FY2022 Full-year |
| | Actual | Actual | Actual | Forecast |
| US dollar | 107.57 | 106.77 | 108.58 | 109.90 |
| Euro | 120.94 | 121.88 | 129.86 | 129.91 |
| Yuan | 15.37 | 15.48 | 16.79 | 17.04 |
| 100 Won | 8.96 | 9.06 | 9.59 | 9.60 |
| Rupee | 1.45 | 1.44 | 1.48 | 1.49 |
| Sweden Krona | 11.46 | 11.63 | 12.79 | 12.81 |
| Pound | - | - | 150.45 | 151.17 |

18



Forward-looking Statements

Statements in this news release, other than those based on historical fact, concerning the current plans, prospects, strategies and expectations of the Company and its Group 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, decline 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.

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