



**Consolidated Financial Results of FY2022
for the 1st Quarter ended Jun 30, 2021**

TAKARA BIO INC.
August 3, 2021

This is an English translation from Japanese presentation material.

**Consolidated Financial Results of FY2022
for the 1st Quarter Ended Jun 30, 2021**

(million yen)	FY2022	Y/Y Change	
Net sales	15,272	+8,333 +120.1%	Net sales Growth in the sales of new Coronavirus PCR test-related products and CDMO.
Gross profit	13,138	+8,434 +179.3%	Gross profit In addition to the growth in revenue, profit increased significantly due to changes in product mix and a reduction in the cost of sales ratio by an improvement in production efficiency.
SG&A expenses	4,633	+624 +15.6%	Operating income SG&A expenses increased mainly due to personnel expenses and R&D expenses, but profits increased significantly
Operating Income	8,504	+7,810 +1,125.5%	
Net Income attributable to owners of parent	6,025	+5,621 +1,391.0%	

Net Sales 1st Quarter Ended Jun 30, 2021

(million yen)	FY2022	Y/Y change
Reagents	12,873	+7,358 +133.4%
Instruments	390	+224 +134.9%
CDMO	1,955	+817 +71.9%
Gene therapy	53	▲65 ▲55.3%
Total net sales	15,272	+8,333 +120.1%

Reagents

Sales of reagents for general research exceeded the level before the Coronavirus pandemic, and sales of products related to the new Coronavirus PCR test also grew, resulting in a significant increase in revenue.

Instruments


Growth in PCR instruments related to the new Coronavirus test.

CDMO

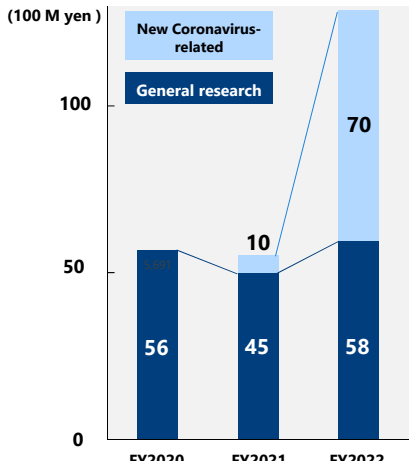
Increased in revenue for regenerative medicine-related products and genetic analysis and testing, and also vaccine-related contract added.


Gene Therapy

Decrease in sales due to a decrease in sales of investigational products, etc.

2 From the first quarter of the current fiscal year, the names of the categories of net sales have been changed from "Research reagents", "Scientific instruments" and "Contract service" to "Research", "Instruments" and "CDMO", respectively. 

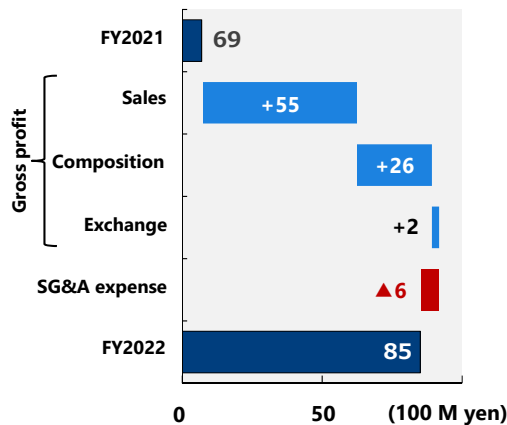
Sales by Region for Reagents 1st Quarter Ended Jun 30, 2021

Sales Breakdown		Net Sales by Region			
(100 M yen)		(million yen)	FY2022	Y/Y (excl. forex impact)	
				Change	Ratio
		Japan	4,832	+3,615	+297.0%
		China	2,885	+1,755	+177.3%
U.S.	2,495	+218	+9.3%		
Europe	2,136	+1,332	+197.3%		
India	267	+174	+171.2%		
Korea	255	+58	+31.3%		
Total	12,873	+7,155	+129.7%		

3 (NOTE) First Quarter: "April to June" as Japan, "January to March" as Overseas subsidiaries 

Operating Income 1st Quarter Ended Jun 30, 2021

Y/Y change in operating income



Gross Profit

Profit increased substantially due to a significant increase in sales of reagents related to the new Coronavirus PCR test and a reduction in the cost of sales ratio due to changes in the product mix and improved production efficiency.

SG&A Expenses

R&D and personnel expense increased.

Operating Income

SG&A expenses increased, but gross profit increased significantly, resulting in an increase in operating income.

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Revised Consolidated Financial Forecast for FY2022 for the year ending March 31, 2022

(million yen)	FY2022 Full year forecast	Y/Y change	Previous forecast change
Net sales	54,200	+8,113 +17.6%	+3,700 +7.3%
Gross profit	37,267	+5,394 +16.9%	+3,250 +9.6%
SG&A expenses	20,267	+2,347 +13.1%	+250 +1.2%
Operating income	17,000	+3,047 +21.8%	+3,000 +21.4%
Net income attributable to owners of the parent	11,900	+2,352 +24.6%	+2,100 +21.4%

Comparison with previous forecast

(Net sales)

Reagents and CDMO increasing.

(Gross profit)

Increasing profits due to higher sales.

(SG&A expenses)

Plan to increase in R&D and personnel expenses.

(Operating income)

Greater profit than expected previous forecast. Expected to increase for 13 consecutive years.

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Revised Net Sales Forecast for year ending Mar 31, 2022

(million yen)	FY2022 Full year forecast	Y/Y change	Previous vs. forecast	Comparison with previous forecast
Reagents	40,594	+5,405 +15.4%	+3,793 +10.3%	(Reagents) Sales increased due to a recovery in sales of reagents for general research, and sales of products related to the new Coronavirus PCR test grew. (Instruments) Products other than PCR instrument were sluggish. (CDMO) Growth in the genetic analysis field. (Gene Therapy) Not achieved forecast due to delayed progress of out-licensing products.
Instruments	1,542	▲184 ▲10.7%	▲178 ▲10.4%	
CDMO	11,346	+2,444 +27.5%	+761 +7.2%	
Gene Therapy	716	+448 +167.0%	▲676 ▲48.6%	
Total net sales	54,200	+8,113 +17.6%	+3,700 +7.3%	

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Other Topics

■ Status of Manufacturing System Development

- Japan (Kusatsu): Manufacturing system for important components for *in vitro* diagnostic reagents and reagent kits, and that for regenerative medicine products, including vaccines, is scheduled to be completed by this autumn.
- U.S. (San Jose): The new base of Takara Bio USA, Inc. is scheduled to start full-scale operation around September.

■ Response to New Market Segments of Tokyo Stock Exchange


- Meet the Prime Market Listing standards.
- The application procedure is scheduled to be implemented in accordance with schedule of the Tokyo Stock Exchange.


■ Year ending dividends forecast for FY2022

- Revised dividends from the previous announcement of ¥16.0 per share to ¥20.0 per share, an increase of ¥4.0.


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[Reference]
Reference


Consolidated Financial Results of FY2022 for the 1st Quarter Ended Jun 30, 2021				[Reference]
				(million yen)
	FY2022 1 st Quarter	Y/Y		
		Change	Ratio (%)	
Net sales	15,272	+8,333	+120.1	
Cost of sales	2,133	▲100	▲0.5	
Gross profit	13,138	+8,434	+179.3	
SG&A expenses	4,633	+624	+15.6	
Operating income	8,504	+7,810	+1,125.5	
Ordinary income	8,579	+7,834	+1,050.8	
Net income attributable to owners of parent	6,025	+5,621	+1,391.0	
				


Revised Consolidated Financial Forecast of FY2022 for 1st Half Ending Sep 30, 2021					
(million yen)					
	FY2022 1 st half	Y/Y		Comparison with previous forecast*	
		Change	Ratio	Change	Ratio
Net sales	29,700	+12,306	+70.8%	+5,090	+20.7%
Cost of sales	8,749	+3,183	+57.2%	+800	+10.1%
Gross profit	20,950	+9,123	+77.1%	+4,289	+25.7%
SG&A expenses	9,550	+1,459	+18.0%	+29	+0.3%
Operating income	11,400	+7,663	+205.1%	+4,260	+59.7%
Ordinary income	11,400	+7,579	+198.4%	+4,180	+57.9%
Net income	7,900	+5,625	+247.3%	+3,010	+61.6%

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Revised Consolidated Financial Forecast of FY2022 Ending Mar 31, 2022					
(million yen)					
	FY2022 Full year	Y/Y		Comparison with previous forecast*	
		Change	Ratio	Change	Ratio
Net sales	54,200	+8,113	+17.6%	+3,700	+7.3%
Cost of sales	16,932	+2,718	+19.1	+449	+2.7%
Gross profit	37,267	+5,394	+16.9	+3,250	+9.6%
SG&A expenses	20,267	+2,347	+13.1	+250	+1.2%
Operating income	17,000	+3,047	+21.8	+3,000	+21.4%
Ordinary income	17,100	+2,940	+20.8	+2,900	+20.4%
Net income attributable to owners of parent	11,900	+2,352	+24.6	+2,100	+21.4%

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Net Sales by Category				[Reference]
1st Quarter				
(million yen)				
	FY2022 1 st quarter	Y/Y		
		Change	Ratio	
Reagents	12,873	+7,358	+133.4%	
Instruments	390	+224	+134.9%	
CDMO	1,955	+817	+71.9%	
Gene therapy	53	▲65	▲55.3%	
Total net sales	15,272	+8,333	+120.1%	

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Revised Net Sales Forecast by Category						[Reference]
1st Half						
(million yen)						
	FY2022 1 st half	Y/Y		Comparison with previous forecast*		
		Change	Ratio	Change	Ratio	
Reagents	24,058	+10,721	+80.4%	+4,930	+25.8%	
Instruments	790	+323	+69.4%	▲46	▲5.6%	
CDMO	4,727	+1,353	+40.1%	+693	+17.2%	
Gene therapy	123	▲92	▲42.7%	▲487	▲79.7%	
Total net sales	29,700	+12,306	+70.8%	+5,090	+20.7%	

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Revised Net Sales Forecast by Category For Full Year						[Reference]
(million yen)						
	FY2022 Full year	Y/Y		Comparison with previous forecast*		
		Change	Ratio	Change	Ratio	
Reagents	40,594	5,405	+15.4%	3,793	+10.3%	
Instruments	1,542	▲184	▲10.7%	▲178	▲10.4%	
CDMO	11,346	2,444	+27.5%	761	+7.2%	
Gene therapy	716	448	+167.0%	▲676	▲48.6%	
Total net sales	54,200	8,113	+17.6%	3,700	+7.3%	

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Reagents sales by Region 1st Quarter of FY2022				[Reference]
(million yen)				
	FY2022 1 st quarter	Y/Y (excl. forex impact)		
		Change	Ratio	
Japan	4,832	+3,615	+297.0%	
China	2,885	+1,755	+177.3%	
U.S.	2,495	+218	+9.3%	
Europe	2,136	+1,332	+197.3%	
India	267	+174	+171.2%	
Korea	255	+58	+31.3%	
Total	12,873	+7,155	+129.7%	

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Revised Forecast [Reference]					
Reagents sales by Region 1st Half of FY2022					
(million yen)					
	FY2022 1 st half	Y/Y (excl. forex impact)		Comparison with previous forecast*	
		Change	Ratio	Change	Ratio
Japan	8,608	+4,910	+132.8%	+3,565	+70.7%
U.S.	5,153	+870	+20.2%	+467	+10.4%
China	5,013	+1,868	+67.4%	+20	+0.4%
Europe	4,033	+1,853	+100.0%	▲444	▲10.5%
India	675	+448	+201.8%	+271	+72.8%
Korea	559	+32	+6.6%	+43	+9.1%
Total	24,058	+9,982	+74.8%	+3,923	+20.5%

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Revised Forecast [Reference]					
Reagents sales by Region FY2022					
(million yen)					
	FY2022 Full year	Y/Y (excl. forex impact)		Comparison with previous forecast*	
		Change	Ratio	Change	Ratio
Japan	13,607	+2,348	+20.9%	+3,413	+33.5%
U.S.	10,221	+1,420	+15.7%	+384	+3.9%
China	7,845	+992	+14.0%	▲122	▲1.5%
Europe	6,995	+863	+14.1%	▲249	▲3.4%
Korea	997	+38	+4.0%	+45	+4.7%
India	927	+301	+15.7%	+321	+3.9%
Total	40,594	+5,965	+17.0%	+3,793	+10.3%

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[Reference]

Performance by Subsidiaries

(million yen)

	1st-quarter Actual		1st-half Forecast*		Full-year Forecast*	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Takara Bio (Non-consolidated)	11,891	5,988	20,987	8,592	39,310	12,200
Takara Bio Europe (Consolidated)	2,221	476	4,201	823	7,398	1,249
Takara Biotechnology (Dalian)	1,366	442	2,537	764	3,989	982
Takara Biomedical Technology (Beijing)	3,092	558	5,368	974	8,424	1,271
Takara Korea Biomedical	273	40	604	96	1,087	167
DSS Takara India	271	49	684	115	940	127
Takara Bio USA	3,127	397	6,348	733	12,362	990

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* August 3, 2021



[Reference]

Exchange Rate

(Unit: Yen)	FY2021 Full-year	FY2022 1st-quarter	FY2022 1st-half	FY2022 Full-year
	Actual	Actual	Forecast	Forecast
US dollar	106.77	106.09	107.82	104.00
Euro	121.88	127.80	129.88	122.00
Yuan	15.48	16.38	16.67	15.00
100 won	9.06	9.52	9.64	8.90
Indian Rupee	1.44	1.46	1.47	1.40
Sweden Krona	11.63	12.63	12.82	11.80
Pound	-	146.32	149.78	135.00

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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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