



**Consolidated Financial Statements for the Third Quarter Ended December 31, 2019  
FY2020 (April 1, 2019 - March 31, 2020) [UNAUDITED]**

February 13, 2020

Company name:	Takara Bio Inc.
Stock exchange listings:	Tokyo Stock Exchange (1st section)
Code number:	4974
URL:	<a href="http://www.takara-bio.co.jp">http://www.takara-bio.co.jp</a>
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Scheduled date of quarterly statement filing:	February 14, 2020
Scheduled date of starting delivery of dividends:	—
Supplementary documents of the financial results:	Yes
Financial results information meeting:	—

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, 2019 (Apr. 1, 2019 – Dec. 31, 2019)**

**(1) Consolidated operating results**

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

	Nine months ended Dec. 31, 2019		Nine months ended Dec. 31, 2018	
	(Millions of yen)	(%)	(Millions of yen)	(%)
Net sales	24,558	(5.1)	25,888	14.3
Operating income	3,879	13.0	3,432	113.4
Ordinary income	3,896	9.8	3,549	101.4
Net income (loss) attributable to owners of the parent	2,708	29.7	2,088	95.4
Net income per share (in yen)	22.49		17.35	
Fully diluted net income per share (in yen)	—		—	
Note: Comprehensive income	1,512	85.2%	1,776	118.8%

**(2) Consolidated financial position**

	As of Dec. 31, 2019	As of Mar. 31, 2019
	(Millions of yen)	(Millions of yen)
Total assets	71,835	71,040
Net assets	64,888	64,095
Equity ratio (%)	90.2	90.1
Net assets per share (in yen)	538.11	531.57
(Reference) Equity	64,797	64,009

**2. Dividends**

	Annual dividends per share in yen		
	Year ended Mar. 31, 2019	Year ending Mar. 31, 2020	Year ending Mar. 31, 2020 (Forecast)
First quarter end	—	—	
Second quarter end	0.00	0.00	
Third quarter end	—	—	
Year end	7.00		8.00
Annual	7.00		8.00

Note: No revision of dividend payment forecast since the most recently announced payment forecast.

The original disclosure in Japanese was released on February 13, 2020 at 15:00 (GMT+8)

### 3. Forecast for the year ending March 31, 2020 (Apr. 1, 2019 – Mar. 31, 2020)

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

	Year ending Mar. 31, 2020	
	(Millions of yen)	(%)
Net sales	34,300	(4.3)
Operating income	6,200	13.5
Ordinary income	6,300	11.2
Net income attributable to owners of the parent	3,700	1.2
Net income per share (in yen)	30.73	

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

#### ※ Others

(1) Changes in subsidiaries during the nine months ended December 31, 2019

(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: Yes

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

3) Changes in accounting estimates: No

4) Restatement: No

For details, please refer to “2. Consolidated Quarterly Financial Statements and Primary Notes (4) Notes to

Consolidated Quarterly Financial Statements (Changes in Accounting Policies) on page 9 of the attached document”.

(4) Number of outstanding shares (Common stock)

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

As of December 31, 2019 120,415,600

As of March 31, 2019 120,415,600

2) Number of treasury stocks at year end

As of December 31, 2019 —

As of March 31, 2019 —

3) Average number of outstanding shares

As of December 31, 2019 120,415,600

As of December 31, 2018 120,415,600

※ These 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 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 nine months ended December 31, 2019 (4) Qualitative Information Regarding Consolidated Forecasts, on page 3 of the attached document.

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## 1. Overview of Financial Results for the nine months ended December 31, 2019

### (1) Overview of Financial Results

In the nine months ended December 31, 2019, the Japanese economy continues to be unpredictable due to the protracted trade friction issue in the U.S. and China, upsurge of geopolitical risks and others, in addition to weakening export and production and standstill economy growth.

Under these circumstances, facing the last year of the three-year Takara Bio's Medium-Term Management Plan FY2020 started in FY2018, the Takara Bio Company (the Company) made the efforts toward the overall policy to enhance our presence as a global enterprise and regenerative medical product company, and achieve prodigious growth.

As a result, overall net sales in the nine months ended December 31, 2019 decreased 5.1% year on year to ¥24,558 million, due to a decrease in sales of scientific instruments and influence of business transfers related to functional food and mushroom in the AgriBio Business Unit in the previous fiscal year despite contributions from sales for research reagents and contract services exceeding those of the same period of the previous fiscal year. Cost of sales decreased 10.8% year on year to ¥9,767 million due to a decrease of cost percentage from change of sales composition by item and others, and gross profit decreased 1.0% year on year to ¥14,791 million. Selling, general and administrative (SG&A) expenses decreased 5.2% year on year to ¥10,911 million due to the decrease in R&D expenses, and the Company recorded operating income up 13.0% year on year to ¥3,879 million.

Accompanied with the increase in operating income, ordinary income increased 9.8% to ¥3,896 million, income before income taxes and others increased 43.6% year on year to ¥3,883 million, and net income attributable to owners of the parent increased 29.7% year on year to ¥2,708 million.

The statuses of the Company business segments are as follows.

#### Bioindustry Business

Given the ever-widening activities of biotechnology R&D, the Company has positioned the Bioindustry Business as its core business, which mainly develops and provides products and services supporting such R&D activities.

In the nine months ended December 31, 2019, sales of scientific instruments decreased year on year, but sales of research reagents and contract service increased year on year.

As a result of the above, sales to external customers for this business increased 1.8% year on year to ¥22,388 million, and gross profit increased 3.3% year on year to ¥13,106 million due to a decrease of cost percentage from change of sales composition by item and others. SG&A expenses increased 1.0% year on year to ¥8,640 million due to the increase in R&D expenses, but the Company recorded operating income up 7.9% year on year to ¥4,465 million.

#### Gene Therapy Business

The business focuses on clinical development of gene therapies for diseases such as cancer. These therapies represent the oncolytic virus therapy utilizing C-REV and the engineered T cell therapy utilizing the Company's original technologies such as the RetroNectin method for a high efficiency gene transduction; the RetroNectin expansion-culture system for a high efficient expansion for lymphocytes; as well as siTCR™ technology.

In the nine months ended December 31, 2019, the licensing fees for domestic co-development and exclusive sales related to NY-ESO-1 · siTCR™ and CD19 · CAR gene therapy products and sales of the investigational products based on the agreement were generated, but the total sales decreased year on year.

As a result, net sales to external customers for this business decreased 5.8% year on year to ¥2,170 million, and gross profit decreased 10.7% year on year to ¥1,684 million. However, SG&A expenses decreased 39.3% year on year to ¥607 million due to decrease in R&D expenses. Accordingly, operating income increased 21.6% year on year to ¥1,077 million.

### (2) Overview of Financial Position

In the nine months ended December 31, 2019, total assets were ¥71,835 million, an increase of ¥794 million compared with that at the end of the previous fiscal year. This primarily resulted from increases in property, plant and equipment of ¥2,859 million despite decreases in notes and accounts receivable-trade of ¥1,865 million.

Total liabilities were ¥6,947 million, an increase of ¥1 million compared with that at the end of the previous fiscal year.

Total net assets stood at ¥64,888 million, an increase of ¥793 million compared with that at the end of the previous fiscal year. The main factor was an increase of ¥1,988 million in retained earnings despite a decrease of ¥1,220 million in foreign currency translation adjustment.

The original disclosure in Japanese was released on February 13, 2020 at 15:00 (GMT+8)

### **(3) Overview of Cash Flows**

Net cash provided by operating activities was ¥4,688 million, up by ¥540 million compared with the previous fiscal year. This was primarily due to an increase of ¥1,179 million in income before income taxes and others and a decrease of ¥1,125 million in expenditures from increase in inventories despite an increase of ¥942 million in expenditures from a decrease in other current liabilities and a decrease of ¥696 million in impairment loss.

Net cash provided by investing activities was ¥2,581 million, with expenses decreasing by ¥964 million compared with the previous year. This was primarily due to a decrease of ¥1,966 million in payments for time deposits despite the elimination of ¥820 million in proceeds from time deposits.

Net cash used in financing activities was ¥929 million, with expenses increasing by ¥388 million compared with the previous fiscal year. This was primarily because of an increase of ¥300 million in cash dividends paid.

As a result of the above, cash and cash equivalents at the period ended December 31, 2019, including the effect of exchange rate change on cash and cash equivalents, stood at ¥10,241 million, up by ¥777 million from the previous fiscal year-end.

### **(4) Qualitative Information Regarding Consolidated Forecasts**

As for consolidated financial forecast for FY2020, the Company has revised the financial forecast disclosed on November 12, 2019, considering results for the nine months ended December 31, 2019 and recent progress in our business.

Net sales in scientific instruments and Gene Therapy Business would be lower than anticipated, but main research reagents and contract service is recording the solid sales. Accordingly, the Company upwardly revised the previous forecast on the whole.

As for profit, SG&A expenses would be higher than expected due to increase in personnel expenses despite an exceeding the plan for gross profit due to the increasing net sales, and thereby operating income would be left unchanged as announced previously.

Also, the Company has downwardly revised ordinary income due to decrease in non-operating income and increase in non-current assets-related loss in net income attributable to owners of the parent and others.

For a comparison between revised forecasts for consolidated results, previous period results, and previous forecasts, please refer to “Comparative Statement of Income Relating to Consolidated Earnings Forecasts” on page 14.

## 2. Consolidated Quarterly Financial Statements and Primary Notes

### (1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	As of Mar. 31, 2019	As of Dec. 31, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	17,033	17,283
Notes and accounts receivable-trade	8,604	6,739
Securities	2,000	2,000
Merchandise and finished goods	4,523	4,789
Work in process	706	1,126
Raw materials and supplies	1,506	1,793
Other	941	1,449
Allowance for doubtful accounts	(41)	(43)
Total current assets	35,275	35,137
Non-current assets		
Property, plant and equipment		
Buildings and structures	11,775	16,573
Accumulated depreciation	(5,435)	(5,386)
Buildings and structures, net	6,340	11,187
Machinery, equipment and vehicles	5,510	6,603
Accumulated depreciation	(3,745)	(3,165)
Machinery, equipment and vehicles, net	1,764	3,438
Tools, furniture and fixtures	6,890	7,597
Accumulated depreciation	(4,588)	(5,053)
Tools, furniture and fixtures, net	2,302	2,543
Land	6,213	6,109
Construction in progress	4,784	87
Others	15	991
Accumulated depreciation	(15)	(94)
Others, net	—	897
Total Property, plant and equipment	21,404	24,263
Intangible assets		
Goodwill	7,598	7,027
Other	5,029	4,471
Total intangible assets	12,628	11,498
Investments and other assets		
Investments and other assets	1,732	934
Total investments and other assets	1,732	934
Total non-current assets	35,765	36,697
Total assets	71,040	71,835

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(Millions of yen)

	As of Mar. 31, 2019	As of Dec. 31, 2019
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	1,536	1,066
Accrued income taxes	391	378
Provision	593	446
Other	3,495	3,613
Total current liabilities	6,017	5,504
Non-current liabilities		
Net defined benefit liability	667	696
Other	260	745
Total non-current liabilities	927	1,442
Total liabilities	6,945	6,947
<b>Net assets</b>		
Shareholders' equity		
Share capital	14,965	14,965
Capital surplus	32,893	32,893
Retained earnings	15,401	17,390
Total shareholders' equity	63,260	65,249
Accumulated other comprehensive income		
Foreign currency translation adjustment	964	(255)
Remeasurements of defined benefit plans	(215)	(196)
Total accumulated other comprehensive income	749	(452)
Non-controlling interests	85	91
Total net assets	64,095	64,888
<b>Total liabilities and net assets</b>	<b>71,040</b>	<b>71,835</b>

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**(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income**  
**(Consolidated Quarterly Statements of Income)**  
**(For the nine months ended December 31, 2019)**

(Millions of yen)

	Nine months ended Dec. 31, 2018	Nine months ended Dec. 31, 2019
Net sales	25,888	24,558
Cost of sales	10,947	9,767
Gross profit	14,940	14,791
Selling, general and administrative expenses		
Employees' salaries and bonuses	3,062	3,045
Retirement benefit expenses	130	128
R&D expenses	3,164	2,812
Provision for allowances	250	224
Other	4,899	4,701
Total selling, general and administrative expenses	11,507	10,911
Operating income	3,432	3,879
Non-operating income		
Interest income	63	98
Rent of Real estate	67	82
Other	70	32
Total non-operating income	201	212
Non-operating expenses		
Interest expenses	—	2
Foreign exchange losses	45	153
Real estate leasing expense	28	26
Other	11	13
Total non-operating expenses	84	195
Ordinary income	3,549	3,896
Extraordinary income		
Gain on sales of non-current assets	0	0
Insurance proceeds due to disaster	54	—
Total extraordinary income	55	0
Extraordinary losses		
Loss on sales and retirement of non-current assets	72	11
Impairment loss	696	—
Loss due to disaster	131	—
Loss on sale of investment securities	—	2
Total extraordinary losses	900	13
Income before income taxes and others	2,703	3,883
Income taxes-current	1,107	935
Income taxes-deferred	(494)	229
Total income taxes	612	1,165
Net income	2,091	2,717
Net income attributable to non-controlling interest	3	8
Net income attributable to owners of the parent	2,088	2,708



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**(Consolidated Quarterly Statements of Comprehensive Income)**

**(For the nine months ended December 31, 2019)**

(Millions of yen)

	Nine months ended Dec. 31, 2018	Nine months ended Dec. 31, 2019
Net income	2,091	2,717
Other comprehensive income		
Foreign currency translation adjustment	(335)	(1,222)
Remeasurements of defined benefit plans	19	18
Total other comprehensive income	(315)	(1,204)
Comprehensive income	1,776	1,512
Comprehensive income attributable to:		
Owners of the parent	1,784	1,506
Non-controlling interest	(7)	5

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**(3) Consolidated Quarterly Statements of Cash Flows**

(Millions of yen)

	Nine months ended Dec. 31, 2018	Nine months ended Dec. 31, 2019
<b>Net cash provided by (used in) operating activities</b>		
Income before income taxes and others	2,703	3,883
Depreciation and amortization	2,014	2,102
Impairment loss	696	—
Depreciation and amortization on other	118	89
Amortization of goodwill	374	372
Increase (decrease) in allowance for doubtful accounts	4	3
Increase (decrease) in other provision	168	(133)
Increase (decrease) in net defined benefit liability	10	30
Interest income	(63)	(98)
Interest expense	—	2
Loss (gain) on sales and retirement of non-current assets	71	11
Disaster loss	131	—
Decrease (increase) in notes and accounts receivable-trade	926	1,686
Decrease (increase) in inventories	(2,326)	(1,201)
Increase (decrease) in notes and accounts payable-trade	308	(382)
Increase (decrease) in other current liabilities	(97)	(1,039)
Other	(63)	233
<b>Subtotal</b>	<b>4,978</b>	<b>5,560</b>
Interest and dividend income received	63	98
Income expenses paid	—	(2)
Income taxes paid	(894)	(968)
<b>Net cash provided by (used in) operating activities</b>	<b>4,147</b>	<b>4,688</b>
<b>Net cash provided by (used in) investing activities</b>		
Payments for time deposits	(6,930)	(4,964)
Proceeds from time deposits	6,173	5,352
Purchase of marketable securities	(2,000)	(2,000)
Proceeds from sales and redemption of securities	2,000	2,000
Purchase of property, plant and equipment and intangible assets	(3,242)	(3,011)
Proceeds from sales of property, plant and equipment and intangible assets	6	99
Purchase of other depreciable assets	(84)	(57)
Proceeds from business transfer	525	—
Other	7	(0)
<b>Net cash provided by (used in) investing activities</b>	<b>(3,546)</b>	<b>(2,581)</b>
<b>Net cash provided by (used in) financing activities</b>		
Cash dividends paid	(541)	(841)
Repayments of lease obligations	—	(88)
<b>Net cash provided by (used in) financing activities</b>	<b>(541)</b>	<b>(929)</b>
Effect of exchange rate change on cash and cash equivalents	(33)	(399)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>26</b>	<b>777</b>
Cash and cash equivalents at beginning of period	10,051	9,464
<b>Cash and cash equivalents at end of period</b>	<b>10,077</b>	<b>10,241</b>

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**(4) Notes to Consolidated Quarterly Financial Statements**

**(Notes on Premise of Going Concern)**

No items to report.

**(Notes in case of Changes in Marked Amount of Shareholders' Equity)**

No items to report.

**(Change in Accounting Policies)**

**(Adoption of ASU2014-09 "Revenue from Contracts with Customers")**

The overseas subsidiaries which adopt U.S. GAAP adopted ASU2014-09 "Revenue from Contracts with Customers" (ASU2014-09) from the beginning of this fiscal year. The Company adopts a method to recognize the cumulative effect of ASU2014-09 adoption, which is recognized as a transitional measure, on the initial date of adoption.

Due to the adoption of ASU-2019-09, the revenue is recognized at the time the promised goods or services are transferred to customers, in an amount that reflects the consideration expected to be received in the exchange for those goods or services.

The impact on consolidated quarterly financial statement for the nine months of this fiscal year is immaterial.

**(Adoption of IFRS16 "Leases")**

The overseas subsidiaries which adopt the International Financial reporting Standards ("IFRS") adopted IFRS16 "Leases" (IFRS16) from the beginning of this fiscal year. The Company adopts a method to recognize the cumulative effect of IFRS16 "Leases" adoption, which is recognized as a transitional measure, on the initial date of adoption.

Due to the adoption of IFRS16, the Company principally recognizes assets and liabilities for all leases as a lessee. Also, the land-use rights stated formerly in "Investments and other assets" has been classified as right-of-use assets.

Accordingly, increases by ¥577 million in "Other, net" for Property, plant and equipment, by ¥75 million in "Other" for current liabilities, and by ¥50 million in "Other" for Non-current liabilities, and decreases by ¥3 million in "Other" for current assets and by ¥448 million in "Investments and other assets" have been allocated.

The impact on profit and loss for the nine months of this fiscal year is immaterial.

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**(Segment Information)**

I Equivalent period of previous fiscal year (From Apr. 1, 2018 to Dec. 31, 2018)

1. Net sales and income (loss) by reportable segment

(Millions of yen)

	Reportable segment			Total	Adjustment (Note: 1)	Amount recognized in consolidated quarterly financial statements (Note: 2)
	Bioindustry	Gene Therapy	AgriBio			
Net sales						
External customers	21,984	2,304	1,599	25,888	—	25,888
Corporate	—	—	—	—	—	—
Total	21,984	2,304	1,599	25,888	—	25,888
Segment income (loss)	4,138	885	(3)	5,020	(1,587)	3,432

Notes: 1. The adjustment for segment income (loss) was a loss of ¥1,587 million comprising of the Company not allocated to reportable segments. Expenses of the Company primarily consist of general and administrative expenses and R&D expenses not attributed to reportable segments.

2. Segment income (loss) has been adjusted to the operating income of consolidated quarterly financial statements.

2. Information about impairment loss for non-current assets and goodwill by reportable segment

(Significant impairment loss concerning non-current assets)

In AgriBio Business segment, the impairment loss for business assets such as prospectively unused building and assets planned for business transfer has been appropriated as extraordinary losses.

The amount of impairment loss was ¥696 million for the nine months ended December 31, 2019.

(Significant changes to the amount of goodwill)

No items to report.

II Nine months ended December 31, 2019 (From Apr. 1, 2019 to Dec. 31, 2019)

1. Net sales and income (loss) by reportable segment

(Millions of yen)

	Reportable segment		Total	Adjustment (Note: 1)	Amount recognized in consolidated quarterly financial statements (Note: 2)
	Bioindustry	Gene Therapy			
Net sales					
External customers	22,388	2,170	24,558	—	24,558
Corporate	—	—	—	—	—
Total	22,388	2,170	24,558	—	24,558
Segment income	4,465	1,077	5,543	(1,663)	3,879

Notes: 1. The adjustment for segment income was a loss of ¥1,663 million comprising of the Company not allocated to reportable segments. Expenses of the Company primarily consist of general and administrative expenses and R&D expenses not attributed to reportable segments.

2. Segment income has been adjusted to the operating income of consolidated quarterly financial statements.

2. Information about impairment loss for non-current assets and goodwill by reportable segment

(Significant impairment loss concerning non-current assets)

No items to report.

(Significant changes to the amount of goodwill)

No items to report.

3. Matters related to changes and others by reportable segment

The reportable segment “AgriBio Business” has been eliminated from the three months ended June 30, 2019 due to the business transfers related to functional food and mushroom in AgriBio Business Unit for the previous fiscal year.

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**(Significant Subsequent Events)**

(Significant Facility investment)

The Company has resolved a facility investment in Takara Bio USA, Inc. (TBUSA), a consolidated subsidiary company at the board of directors' meeting held on January 23, 2020.

1. Reason for facility investment

The reason is that TBUSA utilizes as a new facility. Also, TBUSA plans for relocation at the time of terminating the agreement of the current lease set in August 2021.

2. Outline of facility investment

- (1) Location Bay area, California, USA
- (2) Purpose Land, building and interior construction located newly
- (3) Investment amount About 76 million U.S. dollars

3. Installation time of equipment

- 2020 Land and building obtained
- 2021 Planned for completion of interior construction
- 2021 Planned for relocation

4. Significant impact on marketing and productivity

No impact on the current consolidated fiscal year.

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### 3. Supplementary Information

#### (1) Trends in Key Management Indicators

##### 1) Cash Flow

(Millions of yen)

Term	Nine months ended Dec. 31, 2018 (Apr. 1, 2018 - Dec. 31, 2018)	Nine months ended Dec. 31, 2019 (Apr. 1, 2019 - Dec. 31, 2019)	Year ended Mar. 31, 2019 (Apr. 1, 2018 - Mar. 31, 2019)
Net cash provided by (used in) operating activities	4,147	4,688	5,783
Net cash provided by (used in) investing activities	(3,546)	(2,581)	(5,576)
Net cash provided by (used in) financing activities	(541)	(929)	(541)

##### 2) Net Sales by Region

(Millions of yen)

	Nine months ended Dec. 31, 2018 (Apr. 1, 2018 - Dec. 31, 2018)	Nine months ended Dec. 31, 2019 (Apr. 1, 2019 - Dec. 31, 2019)	Year ended Mar. 31, 2019 (Apr. 1, 2018 - Mar. 31, 2019)
Japan	11,303	9,892	16,101
U.S.	6,033	6,129	7,945
China	4,547	4,642	6,227
Asia excluding Japan and China	1,469	1,393	1,994
Europe	2,351	2,311	3,328
Other	181	189	244
Total	25,888	24,558	35,841

##### 3) R&D Expenses by Reportable Segment

(Millions of yen)

	Nine months ended Dec. 31, 2018 (Apr. 1, 2018 - Dec. 31, 2018)	Nine months ended Dec. 31, 2019 (Apr. 1, 2019 - Dec. 31, 2019)	Year ended Mar. 31, 2019 (Apr. 1, 2018 - Mar. 31, 2019)
Bioindustry	2,021	2,126	2,723
Gene therapy	988	557	1,391
Corporate	155	128	222
Total	3,164	2,812	4,337

The original disclosure in Japanese was released on February 13, 2020 at 15:00 (GMT+8)

**(2) Comparative Consolidated Statement of Income**

(Rounded down to one million yen)

	Nine months ended Dec. 31, 2018 Actual	Nine months ended Dec. 31, 2019 Actual	Year on year Change	Year on year Ratio
(Net Sales)				
Research reagents	17,093	17,750	657	103.8%
Scientific instruments	1,907	952	(955)	49.9%
Contract services	2,647	3,392	745	128.2%
Other	335	291	(44)	86.8%
<b>Bioindustry Total</b>	<b>21,984</b>	<b>22,388</b>	<b>403</b>	<b>101.8%</b>
Gene therapy	2,304	2,170	(134)	94.2%
Other (Former AgriBio)	1,599	—	(1,599)	—
<b>Total net sales</b>	<b>25,888</b>	<b>24,558</b>	<b>(1,329)</b>	<b>94.9%</b>
(Operating Income and Loss)				
<b>Net sales</b>	<b>25,888</b>	<b>24,558</b>	<b>(1,329)</b>	<b>94.9%</b>
Cost of sales	10,947	9,767	(1,180)	89.2%
Gross profits	14,940	14,791	(149)	99.0%
SG&A expenses	11,507	10,911	(595)	94.8%
Transportation expenses	514	332	(182)	64.6%
Advertising expenses	38	52	14	136.3%
Promotion expenses	544	434	(109)	79.8%
R&D expenses	3,164	2,812	(352)	88.9%
Administrative expenses, other	7,019	7,060	41	100.6%
Enterprise taxes (external standards taxation)	225	218	(7)	96.9%
<b>Operating income</b>	<b>3,432</b>	<b>3,879</b>	<b>446</b>	<b>113.0%</b>
(Non-operating Income and Expenses)				
Non-operating income	201	212	11	105.6%
Non-operating expenses	84	195	111	231.4%
<b>Ordinary income</b>	<b>3,549</b>	<b>3,896</b>	<b>346</b>	<b>109.8%</b>
(Extraordinary Income & Losses)				
Extraordinary income	55	0	(54)	0.9%
Extraordinary losses	900	13	(886)	1.5%
Income before income taxes and others	2,703	3,883	1,179	143.6%
Income taxes	612	1,165	553	190.4%
Net Income	2,091	2,717	625	129.9%
Net income (loss) attributable to non-controlling interests	3	8	5	291.2%
<b>Net income attributable to owners of the parent</b>	<b>2,088</b>	<b>2,708</b>	<b>619</b>	<b>129.7%</b>
Depreciation and amortization (Property, plant and equipment and intangible assets)	2,014	2,102	88	104.4%
Amortization of goodwill	374	372	(1)	99.6%

Profit and loss by business segment (Operating income)

	Nine months ended Dec. 31, 2018 Actual	Nine months ended Dec. 31, 2019 Actual	Year on year Change	Year on year Ratio
Bioindustry	4,138	4,465	327	107.9%
Gene therapy	885	1,077	191	121.6%
Other (Former AgriBio)	(3)	—	3	—
Corporate	(1,587)	(1,663)	(76)	—
<b>Total</b>	<b>3,432</b>	<b>3,879</b>	<b>446</b>	<b>113.0%</b>

The original disclosure in Japanese was released on February 13, 2020 at 15:00 (GMT+8)

**(3) Comparative Statement of Income Relating to Consolidated Earnings Forecasts**

(Rounded down to one million yen)

	Year ended Mar. 31, 2019 Actual	Year ending Mar. 31, 2020 Previous forecast	Year ending Mar. 31, 2020 Current forecast	Year on year Change	Year on year Ratio	Previous forecast Change	Previous forecast Ratio
(Net Sales)							
Research reagents	23,601	24,147	24,358	757	103.2%	210	100.9%
Scientific instruments	2,570	1,255	1,165	(1,405)	45.3%	(89)	92.9%
Contracted services	4,954	5,748	6,082	1,128	122.8%	334	105.8%
Other	449	380	411	(38)	91.5%	31	108.2%
Bioindustry Total	31,575	31,531	32,018	442	101.4%	487	101.5%
Gene therapy	2,443	2,368	2,281	(161)	93.4%	(87)	96.3%
Other (Former AgriBio)	1,822	—	—	(1,822)	—	—	—
<b>Total Net Sales</b>	<b>35,841</b>	<b>33,900</b>	<b>34,300</b>	<b>(1,541)</b>	<b>95.7%</b>	<b>400</b>	<b>101.2%</b>
(Operating Income and Loss)							
<b>Net Sales</b>	<b>35,841</b>	<b>33,900</b>	<b>34,300</b>	<b>(1,541)</b>	<b>95.7%</b>	<b>400</b>	<b>101.2%</b>
Cost of sales	15,155	13,050	13,169	(1,986)	86.9%	118	100.9%
Gross profits	20,685	20,849	21,130	445	102.2%	281	101.4%
SG&A expenses	15,221	14,649	14,930	(290)	98.1%	281	101.9%
Transportation expenses	492	481	488	(3)	99.2%	6	101.4%
Advertising expenses	56	68	73	16	129.3%	4	106.4%
Promotion expenses	703	612	584	(118)	83.2%	(27)	95.5%
R&D expenses	4,337	3,914	3,934	(402)	90.7%	20	100.5%
Administrative expenses, other	9,361	9,272	9,550	188	102.0%	278	103.0%
Enterprise taxes (external standards taxation)	270	299	299	29	110.8%	0	100.0%
<b>Operating income</b>	<b>5,463</b>	<b>6,200</b>	<b>6,200</b>	<b>736</b>	<b>113.5%</b>	<b>—</b>	<b>100.0%</b>
(Non-operating Income and Expenses)							
Non-operating income	307	348	313	6	102.2%	(34)	90.1%
Non-operating expenses	105	198	213	107	201.9%	15	107.8%
<b>Ordinary income</b>	<b>5,665</b>	<b>6,350</b>	<b>6,300</b>	<b>634</b>	<b>111.2%</b>	<b>(50)</b>	<b>99.2%</b>
(Extraordinary Income & Losses)							
Extraordinary income	146	0	0	(145)	0.5%	0	169.2%
Extraordinary losses	988	252	735	(252)	74.5%	483	291.6%
Income before income taxes and minority interests	4,823	6,098	5,564	741	115.4%	(533)	91.3%
Income taxes	1,149	1,837	1,852	702	161.1%	14	100.8%
Net Income	3,673	4,260	3,712	38	101.1%	(547)	87.1%
Net income (loss) attributable to noncontrolling interests	15	10	12	(3)	77.9%	2	120.5%
<b>Net income attributable to   owners of the parent</b>	<b>3,657</b>	<b>4,250</b>	<b>3,700</b>	<b>42</b>	<b>101.2%</b>	<b>(550)</b>	<b>87.1%</b>
Depreciation and amortization (Property, plant and equipment and intangible assets)	2,691	2,891	2,905	214	108.0%	13	100.5%
Amortization of goodwill	502	493	496	(6)	98.7%	3	100.7%

Profit and loss by business segment (Operating income)

	Year ended Mar. 31, 2019 Actual	Year ending Mar. 31, 2020 Previous forecast	Year ending Mar. 31, 2020 Current forecast	Year on year Change	Year on year Ratio	Previous forecast Change	Previous forecast Ratio
Bioindustry	7,100	7,490	7,592	491	106.9%	102	101.4%
Gene therapy	506	964	914	408	180.5%	(50)	94.8%
Other (Former AgriBio)	(29)	—	—	29	—	—	—
Corporate	(2,114)	(2,255)	(2,307)	(193)	—	(51)	—
<b>Total</b>	<b>5,463</b>	<b>6,200</b>	<b>6,200</b>	<b>736</b>	<b>113.5%</b>	<b>—</b>	<b>100.0%</b>