

Financial Results for the Third Quarter Ended December 31, 2023

TAKARA BIO INC.

February 14, 2024

This is an English translation from Japanese presentation material.

Consolidated Financial Results for FY2024 for the 3rd Quarter Ended Dec. 31, 2023: Net Sales (1)

	Net sales	Y/Y
(¥m)		
Reagents	22,989	▲29,480 ▲56.2%
General research	22,061	+479 +2.2%
COVID	928	▲29,960 ▲97.0%

Reagents for general research

Growth in the life sciences market has slowed due to the impact of the global economic recession, but sales slightly increased Y/Y.

COVID

Revenue fell due to a sharp decline in demand for the test-related reagents as a result of changes in the legal positioning of COVID.

Entire reagent business

Overall sales decreased due to the significant impact of lower sales of COVID reagents.

Consolidated Financial Results for FY2024 for the 3rd Quarter Ended Dec. 31, 2023: Sales for Reagents by Region

(¥m)	Net sales	Y/Y				
			FY2023	215	308	524
Japan	5,306	▲25,630 ▲82.8%	Japan	▲256		
U.S.	9,310	▲365 ▲3.8%	U.S.	▲3		
China	4,264	▲2,993 ▲41.2%	China	▲29		
Europe	2,662	▲178 ▲6.3%	Europe	▲1		
Korea	964	+72 +8.2%	Korea	+0		
India	480	▲386 ▲44.6%	India	▲3		
Total	22,989	▲29,480 ▲56.2%	FY2024	220	229	9

0 200 400 (100 ¥m)



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Consolidated Financial Results for FY2024 for the 3rd Quarter Ended Dec. 2023: Net Sales (2)

(¥m)	Net sales	Y/Y	
Instruments	638	▲442 ▲40.9%	Instruments Both PCR and single-cell analysis instruments sales decreased due to a decline in COVID related demand and other factors.
CDMO	4,369	▲300 ▲6.4%	CDMO Sales in CDMO business decreased due to a decline in contracts for COVID related quality testing and a decline in contracts for nucleic acid synthesis in the Chinese market.
Regenerative Medicine	2,690	▲120 ▲4.3%	
Gene Analysis / Testing & others	1,679	▲181 ▲9.7%	
Gene Therapy	1,737	▲247 ▲12.5%	Gene Therapy Sales of ancillary materials (AM) for the manufacturing gene therapy products, RetroNectin [®] decreased

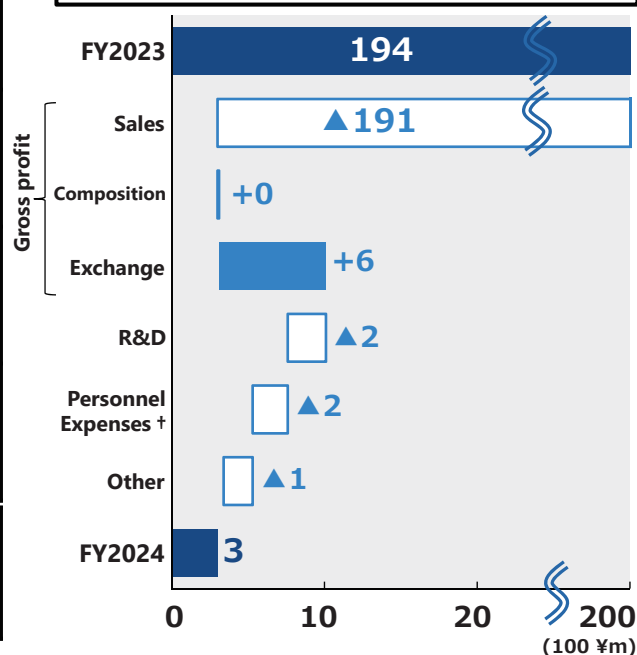


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Consolidated Financial Results for FY2024 for the 3rd Quarter Ended Dec. 31, 2023: Operating Profit

	FY2024	Y/Y
(¥m)		
Net sales	29,734	▲30,471 ▲50.6%
Gross profit	18,041	▲18,392 ▲50.5%
Operating profit	336	▲19,066 ▲98.3%
R&D expenses	6,119	+251 +4.3%

Operating profit (Y/Y)



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† Excluding R&D personnel expenses



Consolidated Financial Forecast for FY2024 for the Year Ending March 31, 2024 (Unchanged)

	Full-year* forecast	Y/Y
(¥m)		
Net sales	45,500	▲32,642 ▲41.8%
Operating profit	3,000	▲17,541 ▲85.4%
Ordinary profit	3,200	▲17,482 ▲84.5%
Net income attributable to owners of parent	2,000	▲14,012 ▲87.5%

Full-year results are expected to be basically in line with previous forecasts, announced on November 9 remains unchanged.

The life sciences market is expected to remain challenging, but we will implement measures in each business and steadily achieve its targets through flexible responses.

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* Announced on November 9, 2023



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.

For more Information : Public & Investor Relations Department
E-mail: bio-ir@takara-bio.co.jp

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[Reference]

Reference Information

- **Consolidated Financial Results (3Q)**
- **Consolidated Financial Forecast (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 (First Half, Full-year Forecast)**
- **Exchange Rate (Actual, Forecast)**

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[Reference]

Consolidated Financial Results (3Q)

(¥m)

	FY2024 3 rd Quarter	Y/Y	
		Change	Ratio
Net sales	29,734	▲ 30,471	▲ 50.6%
Cost of sales	11,692	▲ 12,079	▲ 50.8%
Gross profit	18,041	▲ 18,392	▲ 50.5%
SG&A expenses	17,704	+673	+4.0%
Operating profit	336	▲ 19,066	▲ 98.3%
Ordinary profit	586	▲ 18,893	▲ 97.0%
Net income attributable to owners of parent	154	▲ 14,440	▲ 98.9%

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¥m: millions of yen



[Reference]

Consolidated Financial Forecast (Full-year)

(¥m)

	FY2024 full-year forecast*	Y/Y	
		Change	Ratio
Net sales	45,500	▲ 32,642	▲ 41.8%
Cost of sales	17,399	▲ 15,977	▲ 47.9%
Gross profit	28,100	▲ 16,664	▲ 37.2%
SG&A expenses	25,100	+876	+3.6%
Operating profit	3,000	▲ 17,541	▲ 85.4%
Ordinary profit	3,200	▲ 17,482	▲ 84.5%
Net income attributable to owners of parent	2,000	▲ 14,012	▲ 87.5%

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* Announced on November 9, 2023.



[Reference]

Net Sales by Category (3Q)

(¥m)

	FY2024 3 rd quarter	Y/Y	
		Change	Ratio
Reagents	22,989	▲29,480	▲56.2%
Instruments	638	▲442	▲40.9%
CDMO	4,369	▲300	▲6.4%
Gene Therapy	1,737	▲247	▲12.5%
Total net sales	29,734	▲30,471	▲50.6%

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[Reference]

Net Sales by Category (Full-year)

(¥m)

	FY2024 full-year forecast*	Y/Y	
		Change	Ratio
Reagents	32,792	▲33,133	▲50.3%
Instruments	1,314	▲61	▲4.5%
CDMO	8,652	+451	+5.5%
Gene Therapy	2,740	+100	+3.8%
Total net sales	45,500	▲32,642	▲41.8%

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* Announced on November 9, 2023.



[Reference]

Reagents Sales by Region (3Q)

(¥m)

	FY2024 3 rd Quarter	Y/Y		Y/Y (Exchange excluded)	
		Change	Ratio	Change	Ratio
Japan	5,306	▲25,630	▲82.8%	▲25,630	▲82.8%
U.S.	9,310	▲365	▲3.8%	▲1,034	▲10.7%
China	4,264	▲2,993	▲41.2%	▲3,045	▲42.0%
Europe	2,662	▲178	▲6.3%	▲419	▲14.8%
Korea	964	+72	+8.2%	+24	+2.8%
India	480	▲386	▲44.6%	▲392	▲45.3%
Total	22,989	▲29,480	▲56.2%	▲30,497	▲58.1%

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[Reference]

Reagents Sales by Region (Full-year)

(¥m)

	FY2024 full-year forecast*	Y/Y		Y/Y (Exchange excluded)	
		Change	Ratio	Change	Ratio
Japan	8,329	▲28,771	▲77.5%	▲28,771	▲77.5%
U.S.	12,343	▲273	▲2.2%	▲977	▲7.7%
China	6,315	▲3,612	▲36.4%	▲3,676	▲37.0%
Europe	3,794	▲257	▲6.3%	▲576	▲14.2%
Korea	1,341	+114	+9.3%	+48	+4.0%
India	668	▲332	▲33.2%	▲344	▲34.4%
Total	32,792	▲33,133	▲50.3%	▲34,297	▲52.0%

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* Announced on November 9, 2023.



Performance by Subsidiaries

(¥m)

	3Q results		Full-year forecast*	
	Net sales	Operating profit	Net sales	Operating profit
Takara Bio (Non-consolidated)	18,598	790	29,310	1,334
Takara Bio Europe (Consolidated)	3,358	▲281	4,841	▲204
Takara Biotechnology (Dalian)	2,882	205	3,964	301
Takara Biomedical Technology (Beijing)	4,734	385	6,954	603
Takara Korea Biomedical	1,093	177	1,519	261
DSS Takara India	493	44	691	64
Takara Bio USA	11,891	526	16,835	1,312

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* Announced on November 9, 2023.



Exchange Rate (Actual, Forecast)

(Unit: Yen)	FY2023 3 rd quarter	FY2024 3 rd quarter	FY2023 Full-year	FY2024 Full-year
	Actual	Actual	Actual	Forecast
US dollar	128.30	138.24	131.64	139.60
Euro	136.05	149.76	138.15	151.00
Yuan	19.38	19.62	19.50	19.70
100 Won	10.09	10.62	10.18	10.70
Rupee	1.66	1.68	1.67	1.70
Sweden Krona	12.92	13.04	12.99	13.10
Pound	160.67	172.17	162.02	173.90

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