



**Financial Results
for the First Quarter
Ended June 30, 2023**

TAKARA BIO INC.

August 8, 2023

This is an English translation from Japanese presentation material.

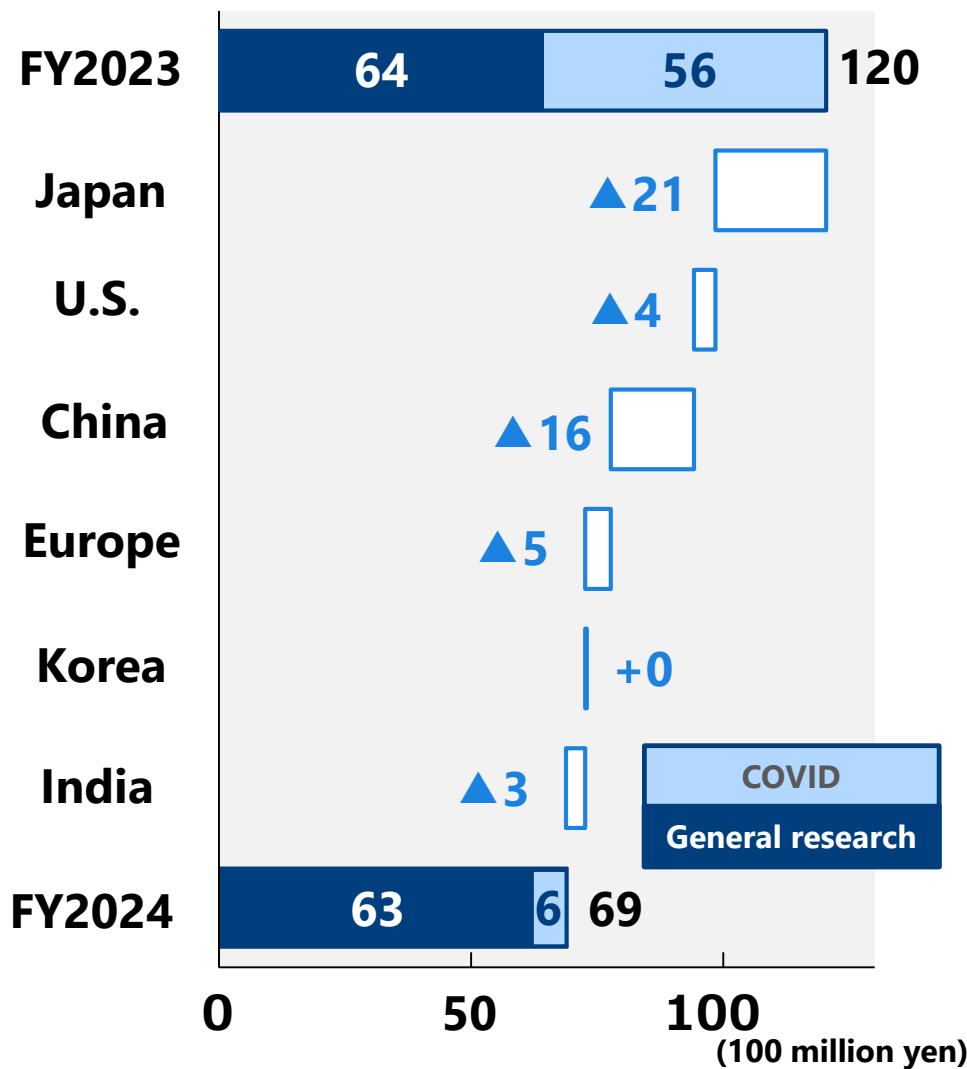
Consolidated Quarterly Financial Results for FY2024 (for the 1st Quarter Ended June 30, 2023): Net Sales

(¥m)	Net sales	Y/Y
Reagents	6,909	▲5,133 ▲42.6%
Instruments	220	▲46 ▲17.5%
CDMO	1,366	+75 +5.8%
Regenerative Medicine	1,023	+291 +39.8%
Gene Analysis/ Tasting & others	344	▲216 ▲38.6%
Gene Therapy	679	+180 +36.1%
Total	9,176	▲4,925 ▲34.9%

- Reagents: Significant decrease in sales due to decline of COVID reagents.
- Instruments: Sales of cell analysis-related equipment increased, but sales of PCR related equipment decreased.
- CDMO: Sales of Gene Analysis/Testing decreased, but sales of Regenerative Medicine increased.
- Gene Therapy: Sales of ancillary materials (AM) for the manufacturing gene therapy products, RetroNectin[®], increased.

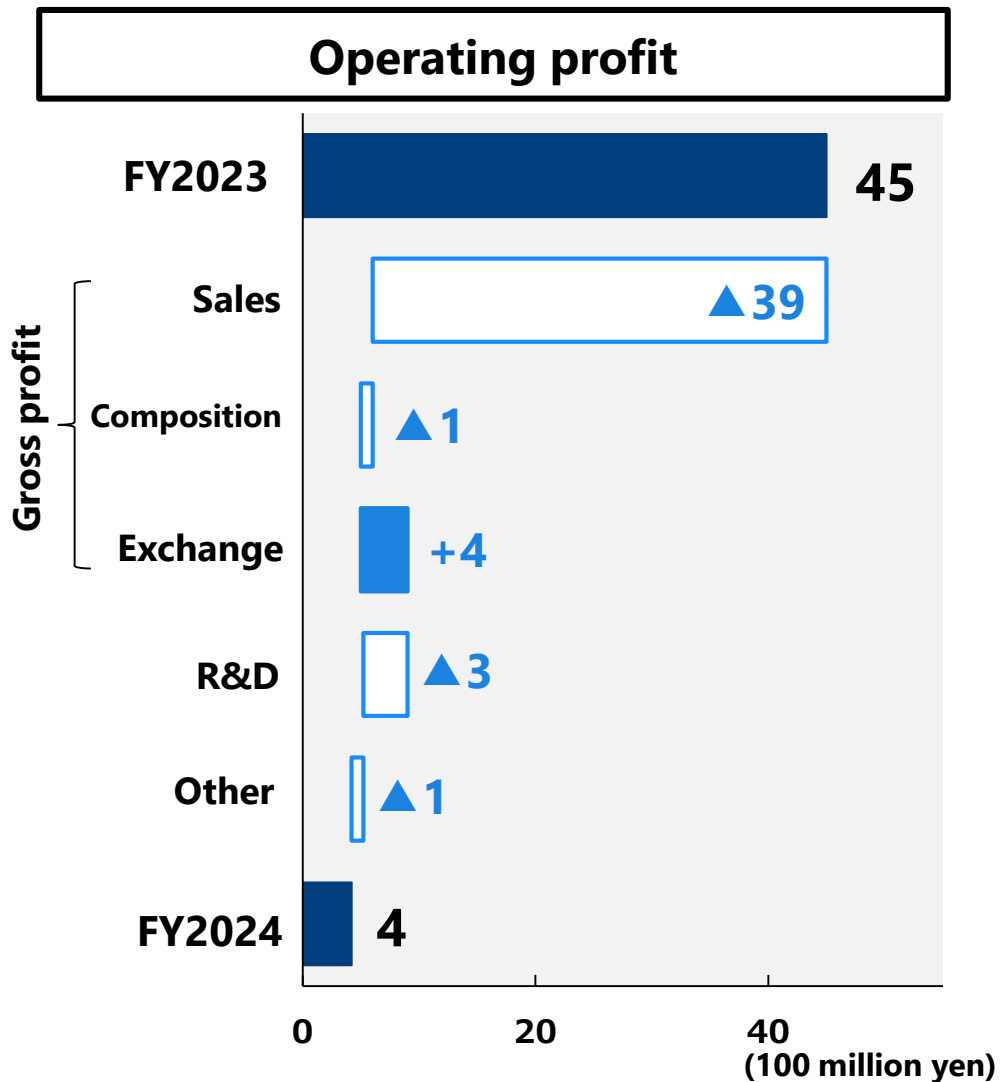
The 1st Quarter: Sales for Reagents by Region

(¥m)	Net sales	Y/Y
Japan	1,876	▲2,198 ▲54.0%
U.S.	2,848	▲422 ▲12.9%
China	935	▲1,655 ▲63.9%
Europe	775	▲506 ▲39.5%
Korea	287	+30 +12.0%
India	186	▲382 ▲67.3%
Total	6,909	▲5,133 ▲42.6%



The 1st Quarter: Operating Profit

(¥m)	FY2024	Y/Y
Net sales	9,176	▲4,925 ▲34.9%
Gross profit	6,493	▲3,631 ▲35.9%
Operating Profit	423	▲4,114 ▲90.7%
R&D expenses	2,240	+381 +20.5%



Revised the First Half Forecast: Net Sales

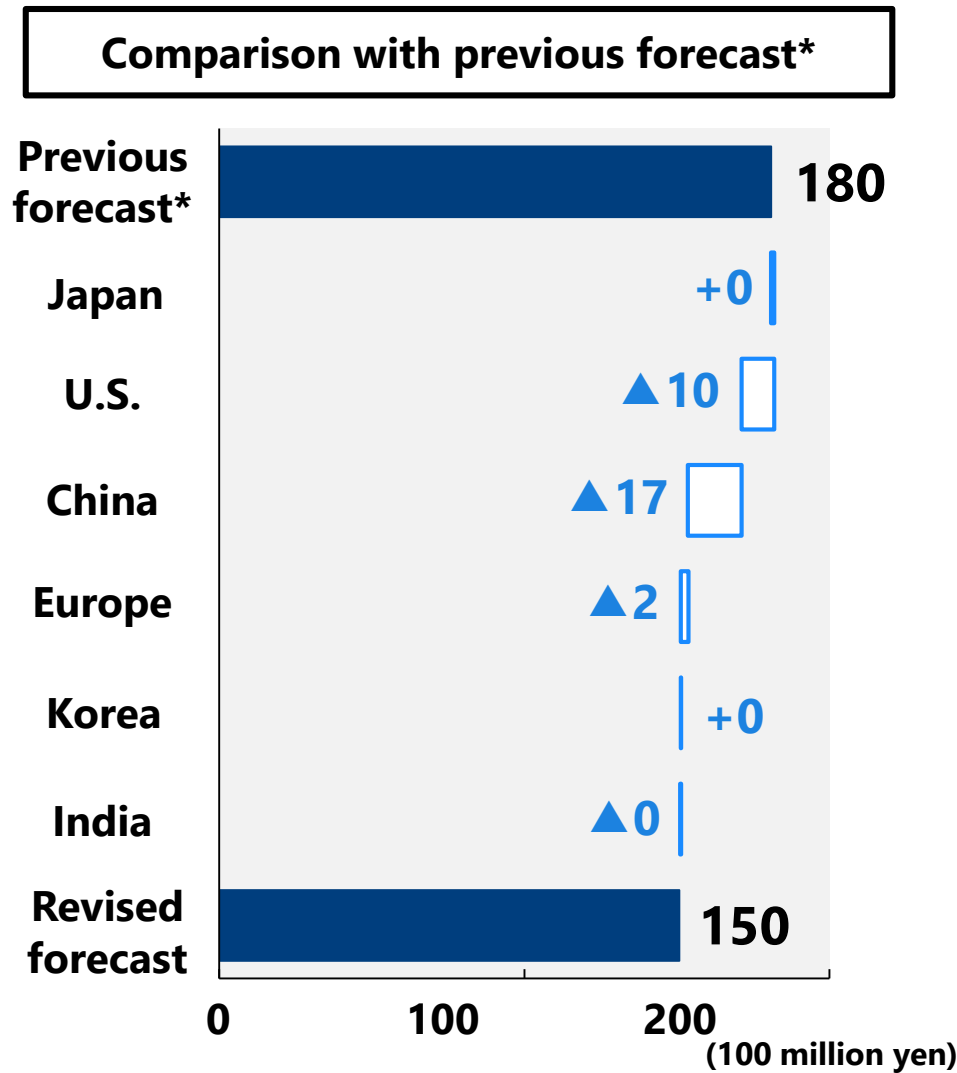
	(¥m)	Net sales	Y/Y	Comparison with previous forecast*
Reagents		15,083	▲12,481 ▲45.3%	▲2,997 ▲16.6%
Instruments		492	▲201 ▲29.1%	▲412 ▲45.6%
CDMO		2,749	▲434 ▲13.6%	▲12 ▲0.4%
Regenerative Medicine		1,872	▲143 ▲7.1%	+335 +21.8%
Gene Analysis/ Tasting & others		877	▲291 ▲24.9%	▲348 ▲28.4%
Gene Therapy		1,074	▲69 ▲6.1%	+22 +2.1%
Total		19,400	▲13,187 ▲40.5%	▲3,400 ▲14.9%

Comparison with previous forecast*

- Reagents: Expected to be lower than the previous forecast due to sluggish sales of reagents for general research overseas
- Instruments: Expected to be lower than the previous forecast for cell-analysis related equipment and PCR related equipment
- CDMO: Sales of Gene Analysis/Testing is expected to be lower than expected, and that of cell processing business for Regenerative Medicine is expected to be higher than the previous forecast.
- Gene Therapy: RetroNectin® is expected to exceed expectations

Revised the First Half Forecast: Reagents Sales by Region

(¥m)	Net sales	Comparison with previous forecast*
Japan	3,725	+99 +2.8%
U.S.	5,865	▲1,070 ▲15.4%
China	2,653	▲1,761 ▲39.9%
Europe	1,887	▲247 ▲11.6%
Korea	641	+5 +0.8%
India	311	▲22 ▲6.9%
Total	15,083	▲2,997 ▲16.6%



Revised the First Half Forecast

(¥m)	Revised forecast	Y/Y	Comparison with previous forecast*
Net sales	19,400	▲13,187 ▲40.5%	▲3,400 ▲14.9%
Gross Profit	13,471	▲8,553 ▲38.8%	▲1,643 ▲10.9%
SG&A expenses	12,371	+1,217 +10.9%	▲643 ▲4.9%
Operating Profit	1,100	▲9,770 ▲89.9%	▲1,000 ▲47.6%
R&D expenses	4,498	+645 +16.7%	+27 +0.6%

Comparison with previous forecast*

- Net sales: Expected to fall below the previous forecast due to significant impact of decline in Reagents/ Instruments business.
- Gross profit: Expected to be lower than the previous forecast due to the decline in sales.
- Operating profit: Despite efforts to reduce SG&A expenses, operating profit is expected to be lower than the previous forecast.
- R&D expenses: Expected to be roughly in line with plan.

No Change in Full Year Forecast (for the Year Ending March 31, 2024)

(¥m)	FY2024	Y/Y	Comparison with previous forecast*
Net sales	53,300	▲24,842 ▲31.8%	No change
Gross Profit	33,984	▲10,780 ▲24.1%	
SG&A expenses	25,984	+1,760 +7.3%	
Operating Profit	8,000	▲12,541 ▲61.1%	
R&D expenses	9,000	+424 +4.9%	No change

- As before the corona crisis, the full-year forecast has a high composition ratio in the second half, and it is possible to recover the delayed progress depending on the second half results, so there are no revisions to the full-year forecast at this time.
- While continuing aggressive R&D activities, the company will further advance its global strategy in the Reagents and Instruments business, and will also work to improve productivity in the Gene Therapy business and CDMO business, with the aim of achieving the initial financial forecasts.

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
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Reference Information

- **Consolidated Financial Results (1Q)**
- **Consolidated Financial Forecast (1st Half [Revised])**
- **Net Sales by Category (1Q)**
- **Net Sales by Category (1st Half [Revised])**
- **Reagents Sales by Region (1Q)**
- **Reagents Sales by Region (1st Half [Revised]) – 1**
- **Reagents Sales by Region (1st Half [Revised]) – 2**
- **Performance by Subsidiaries (1Q, 1st Half [Revised])**
- **Exchange Rate (Result and Forecast)**

Consolidated Financial Results (1Q)

(millions of yen)

	FY2024 1 st quarter	Y / Y	
		Change	Ratio
Net sales	9,176	▲4,925	▲34.9%
Cost of sales	2,683	▲1,294	▲32.5%
Gross profit	6,493	▲3,631	▲35.9%
SG&A expenses	6,069	+483	+8.6%
Operating profit	423	▲4,114	▲90.7%
Ordinary profit	509	▲4,083	▲88.9%
Net income attributable to owners of parent	319	▲3,588	▲91.8%

Consolidated Financial Forecast (1st Half [Revised])

(millions of yen)

	FY2024 1 st half forecast (Revised)	Y / Y		Comparison with previous forecast*	
		Change	Ratio	Change	Ratio
Net sales	19,400	▲13,187	▲40.5%	▲3,400	▲14.9%
Cost of sales	5,928	▲4,633	▲43.9%	▲1,756	▲22.9%
Gross profit	13,471	▲8,553	▲38.8%	▲1,643	▲10.9%
SG&A expenses	12,371	+1,217	+10.9%	▲643	▲4.9%
Operating profit	1,100	▲9,770	▲89.9%	▲1,000	▲47.6%
Ordinary profit	1,170	▲9,785	▲89.3%	▲930	▲44.3%
Net income attributable to owners of parent	650	▲7,888	▲92.4%	▲550	▲45.8%

Net Sales by Category (1Q)

(millions of yen)

	FY2024 1 st quarter	Y / Y	
		Change	Ratio
Reagents	6,909	▲5,133	▲42.6%
Instruments	220	▲46	▲17.5%
CDMO	1,366	+75	+5.8%
Gene Therapy	679	+180	+36.1%
Total net sales	9,176	▲4,925	▲34.9%

Net Sales by Category (1st Half [Revised])

(millions of yen)

	FY2024 1 st half forecast (Revised)	Y / Y		Comparison with previous forecast*	
		Change	Ratio	Change	Ratio
Reagents	15,083	▲12,481	▲45.3%	▲2,997	▲16.6%
Instruments	492	▲201	▲29.1%	▲412	▲45.6%
CDMO	2,749	▲434	▲13.6%	▲12	▲0.4%
Gene Therapy	1,074	▲69	▲6.1%	+22	+2.1%
Total net sales	19,400	▲13,187	▲40.5%	▲3,400	▲14.9%

Reagents Sales by Region (1Q)

(millions of yen)

	FY2024 1 st quarter	Y / Y		Y / Y (Exchange excluded)	
		Change	Ratio	Change	Ratio
Japan	1,876	▲2,198	▲54.0%	▲2,198	▲54.0%
U.S.	2,848	▲422	▲12.9%	▲768	▲23.5%
China	935	▲1,655	▲63.9%	▲1,704	▲65.8%
Europe	775	▲506	▲39.5%	▲569	▲44.4%
Korea	287	+30	+12.0%	+10	+3.9%
India	186	▲382	▲67.3%	▲389	▲68.5%
Total	6,909	▲5,133	▲42.6%	▲5,619	▲46.7%

Reagents Sales by Region (1st Half [Revised]) – 1

(millions of yen)

	FY2024 1 st half forecast (Revised)	Y / Y		Y / Y (Exchange excluded)	
		Change	Ratio	Change	Ratio
Japan	3,725	▲9,194	▲71.2%	▲9,194	▲71.2%
U.S.	5,865	▲407	▲6.5%	▲922	▲14.7%
China	2,653	▲2,326	▲46.7%	▲2,391	▲48.0%
Europe	1,887	▲205	▲9.8%	▲353	▲16.9%
Korea	641	+61	+10.6	+33	+5.8%
India	311	▲408	▲56.8%	▲412	▲57.3%
Total	15,083	▲12,481	▲45.3%	▲13,240	▲48.0%

Reagents Sales by Region (1st Half [Revised]) – 2

(millions of yen)

	FY2024 1 st half forecast (Revised)	Comparison with previous forecast*		Comparison with previous forecast* (Exchange excluded)	
		Change	Ratio	Change	Ratio
Japan	3,725	+99	+2.8%	+99	+2.8%
U.S.	5,865	▲ 1,070	▲ 15.4%	▲ 852	▲ 12.3%
China	2,653	▲ 1,761	▲ 39.9%	▲ 1,754	▲ 39.7%
Europe	1,887	▲ 247	▲ 11.6%	▲ 311	▲ 14.6%
Korea	641	+5	+0.8%	▲ 15	▲ 2.4%
India	311	▲ 22	▲ 6.9%	▲ 11	▲ 3.5%
Total	15,083	▲ 2,997	▲ 16.6%	▲ 2,845	▲ 15.7%

Performance by Subsidiaries

(millions of yen)

	1 st quarter results		1 st half forecast[Revised]	
	Net sales	Operating profit	Net sales	Operating profit
Takara Bio (Non-consolidated)	5,884	8	13,418	540
Takara Bio Europe (Consolidated)	1,033	▲122	2,278	▲170
Takara Biotechnology (Dalian)	835	113	1,554	61
Takara Biomedical Technology (Beijing)	1,108	58	2,981	199
Takara Korea Biomedical	342	46	732	119
DSS Takara India	189	33	319	31
Takara Bio USA	3,857	221	7,620	248

Exchange Rate

(Unit: Yen)	FY2023 1 st Quarter	FY2024 1 st Quarter	FY2023 1 st Half	FY2024 1 st Half
	Actual	Actual	Actual	Forecast
US dollar	116.34	132.40	123.15	134.99
Euro	130.40	142.13	134.39	145.92
Yuan	18.31	19.34	18.97	19.45
100 Won	9.64	10.39	9.97	10.43
Rupee	1.55	1.61	1.62	1.64
Sweden Krona	12.44	12.68	12.82	12.87
Pound	155.96	160.93	159.58	166.61