

# NEWS RELEASE

<<http://www.takara-bio.co.jp>>

## Announcement on revision of financial forecast

Kusatsu/Shiga, Japan- August 4, 2020 – Takara Bio Inc. (Takara Bio), today announced the revision of the financial forecast disclosed on May 14, 2020, considering the recent progress in its business as described below.

### 1. Revision of the financial forecast

#### (1) Second quarter ending September 30, 2020, FY2021

Revision to consolidated financial forecast

(April 1, 2020 – September 30, 2020)

	Net sales	Operating profit	Ordinary profit	Net income attributable to owners of parent	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	14,365	619	693	0	0.00
Revised forecast (B)	16,870	2,500	2,559	1,248	10.37
Amount of Change (B-A)	2,504	1,880	1,865	1,248	—
Percentage of change (%)	17.4	303.9	269.0	—	—
(Reference) Results for the previous second quarter ended September 30, 2019	16,450	3,035	2,961	2,075	17.23

(Note) The rate of change in net income attributable to owners of parent is shown as "-" because it is more than 1,000%.

#### (2) Year ending March 31, 2020, FY2021

Revision to consolidated financial forecast

(April 1, 2020 – March 31, 2021)

	Net sales	Operating profit	Ordinary profit	Net income attributable to owners of parent	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	33,800	4,500	4,600	2,600	21.59
Revised forecast (B)	39,600	6,500	6,600	4,000	33.22
Amount of Change (B-A)	5,800	2,000	2,000	1,400	—
Percentage of change (%)	17.2	44.4	43.5	53.8	—
(Reference) Results for the previous year ended March 31, 2020	34,565	6,274	6,347	3,819	31.72

2. Reason of the revision

The previous forecast disclosed on May 14, 2020, included only downside risks associated with the COVID-19 pandemic. However, the current forecast incorporates upside factors that can be expected to contribute to earnings, such as PCR-related products for the new coronavirus testing and contract manufacturing of DNA vaccines, etc., to the extent anticipated. On the other hand, the forecast incorporates the impact of termination of the exclusive agreement for developing, manufacturing and commercializing oncolytic virus C-REV in China, which was announced today (August 4, 2020).

As a result, net sales, operating profit, ordinary profit, and net income attributable to owners of the parent are expected to exceed the previous forecasts, and therefore the consolidated earnings forecasts of FY2021 for the second quarter and the full year have been revised.

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*This article is translated from press release in Japanese for your convenience.*

**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.