

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



May 11, 2023

Company	Takara Bio Inc. (Securities code: 4974; Prime Market)
Headquarters	Nojihigashi 7-4-38, Kusatsu, Shiga, Japan
Representative	Koichi Nakao, President & CEO
Contact	Takuya Kakemi, Executive Officer, in charge of PR & IR Department
Telephone	(+81)77-565-6970
Website	https://www.takara-bio.co.jp/

Takara Bio Group Formulated “Medium-Term Management Plan 2026”

Kusatsu/Shiga, Japan – May 11, 2023 – Takara Bio Inc. (Takara Bio) has formulated the Medium-Term Management Plan 2026 (the “New Medium-Term Management Plan”) for the three-year period ending in FY2026¹. The New Medium-Term Management Plan sets forth specific action plans for the last three years of the Long-Term Management Plan 2026 formulated in FY2021 (FY2021 to FY2026; visit our website at <https://ir.takara-bio.co.jp/en/management/plan.html>). Our overall policy under the New Medium-Term Management Plan is to achieve the quantitative targets of the Long-Term Management Plan 2026 ahead of schedule and accomplish dramatic growth. Our final-year quantitative targets are operating profit of ¥15,000 million and ROE 8%.

The Medium-Term Management Plan 2023 (FY2021 to FY2023 of the previous Medium-Term Management Plan 2023) had overlapped with the worldwide pandemic of the new Coronavirus. During this period, our group actively developed and manufactured the new Coronavirus testing-related reagents utilizing our proprietary technology and aggressively worked to vaccine-related CDMO business. As a result, the previous Medium-Term Management Plan greatly exceeded our quantitative targets, and our group has been aggressively pursuing R&D investment, capital investment, and human resources investment in a forward-looking manner for further growth.

Under the New Medium-Term Management Plan, in order to overcome “the Corona Cliff”² and achieve dramatic growth, we will reform our business structure, promote the sustainable growth of the Reagents / Instruments business and dramatic growth of CDMO business, and develop platform technology for biologics development. We will develop a new business strategy aimed at becoming a global platform provider responsible for the infrastructure of the life science industry. In addition, we will create new value and contribute to the realization of a sustainable society through the implementation of our corporate philosophy of “contributing to the health of humankind through the development of revolutionary biotechnologies such as gene therapy.”

¹ FY2026 refers to the fiscal year ending March 31, 2026.

² The cliff of the business performance with or without the sales of the new Coronavirus testing-related products.

Overview of the Takara Bio Group “Medium-Term Management Plan 2026” (FY2024 to FY2026)

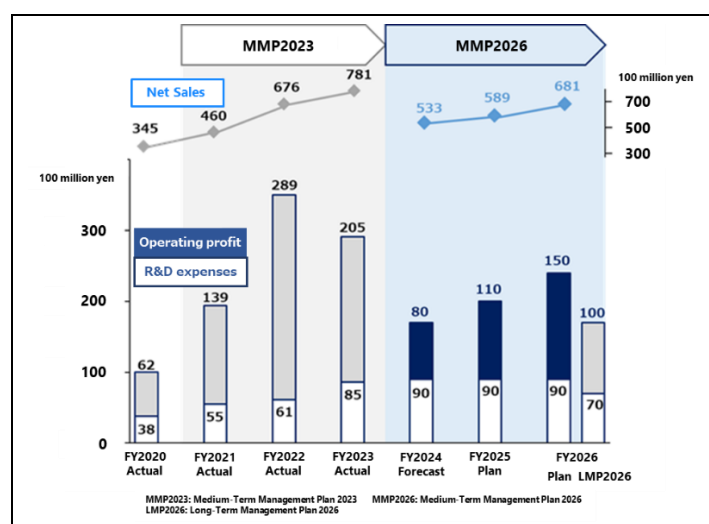
Name	Takara Bio Group “Medium-Term Management Plan 2026”		
Term	FY2024 to FY2026		
General policy	Achieve dramatic growth ahead of the quantitative targets of the “Long-Term Management Plan 2026”		
Quantitative targets FY2026	Operating profit: ¥15,000 million ROE: 8% or more	KPI FY2026	Net sales: ¥68,100 million R&D expenses: ¥9,000 million

Business Strategy

- Establish a position as a global platform provider of infrastructure in the life science industry
- Establishment of a global manufacturing and marketing system
- Strengthening of quality control processes and manufacturing technologies
- Maximize the value of platform technologies for developing biologics
- Accelerate the development speed of new products and services by selecting and focusing on R&D projects

Strategy for Strengthening the Management Base

- Improve ROE by actively investing in growth/strengthening areas and appropriately returning profits to stockholders (financial)
- Deepen ties between the company and its employees and build a solid foundation for growth (human resources and organizations)
- Achieving a sustainable society and sustainable growth for our group (social value)



Performance Trends (Actual and Forecasts)

Forward-Looking Statements

Statements contained in these materials with respect to the Company’s current plans, forecasts, strategies and beliefs that are not historical facts are forward-looking statements about the further performance of the Company and its consolidated subsidiaries. These statements are based on management’s assumptions and beliefs in light of information currently available to it, but are based on a number of assumptions and beliefs derived from information that contains significant risks and uncertainties. Actual results may differ materially 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, declines 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.