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May 13, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

Company name: Takara Bio Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 4974
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 Scheduled date of annual general meeting of shareholders: June 24, 2025
 Scheduled date to commence dividend payments: June 25, 2025
 Scheduled date to file annual securities report: June 20, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2025(from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Mar. 31, 2025	45,039	3.5	2,263	(24.6)	2,592	(23.9)	1,041	(29.6)
Mar. 31, 2024	43,505	(44.3)	3,003	(85.4)	3,405	(83.5)	1,480	(90.8)

Note: Comprehensive income For the fiscal year ended Mar. 31, 2025: ¥6,112 million 39.3%
 For the fiscal year ended Mar. 31, 2024: ¥4,387 million (78.5%)

	Net income per share	Fully Diluted net income per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
Mar. 31, 2025	8.65	-	0.9	2.1	5.0
Mar. 31, 2024	12.30	-	1.3	2.7	6.9

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended Mar. 31, 2025: ¥- million
 For the fiscal year ended Mar. 31, 2024: ¥- million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
Mar. 31, 2025	125,334	115,849	92.2	959.19
Mar. 31, 2024	121,252	111,784	92.0	926.00

Reference: Equity
 As of Mar. 31, 2025: ¥115,500 million
 As of Mar. 31, 2024: ¥111,505 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Mar. 31, 2025	5,844	(10,912)	(2,256)	27,036
Mar. 31, 2024	1,711	(13,043)	(5,233)	33,171

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended Mar. 31, 2024	-	0.00	-	17.00	17.00	2,047	138.2	1.8
Fiscal year ended Mar. 31, 2025	-	0.00	-	17.00	17.00	2,047	196.5	1.8
Fiscal year ending Mar. 31, 2026 (Forecast)	-	0.00	-	17.00	17.00		157.5	

3. Consolidated financial forecasts for the fiscal year ending March 31, 2026 (April. 1, 2025 – March. 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income attributable to owners of the parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Second quarter (cumulative)	21,300	7.8	(1,450)	-	(1,430)	-	(1,320)	-	(10.96)
Full year	52,500	16.6	2,500	10.5	2,500	(3.6)	1,300	24.8	10.08

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - companies (Company name)

Excluded: - companies (Company name)

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of Mar. 31, 2025	120,415,600 shares
As of Mar. 31, 2024	120,415,600 shares

(ii) Number of treasury shares at the end of the period

As of Mar. 31, 2025	113 shares
As of Mar. 31, 2024	- shares

(iii) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2025	120,415,538 shares
Fiscal year ended Mar. 31, 2024	120,415,600 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated results for the year ended March 31, 2025 (April 1, 2024 – March 31, 2025)

(1) Non-consolidated Results of Operations

	Year ended Mar. 31, 2025		Year ended Mar. 31, 2024	
	(Millions of yen)	(%)	(Millions of yen)	(%)
Net sales	25,354	(6.2)	27,043	(52.8)
Operating profit	63	(95.9)	1,546	(89.4)
Ordinary profit	453	(88.2)	3,853	(77.9)
Net income	209	(92.8)	2,899	(79.7)
Net income per share (in yen)	1.74		24.8	
Fully diluted net income per share (in yen)	-		-	

(2) Non-consolidated Financial Position

	As of Mar. 31, 2025	As of Mar 31, 2024
	(Millions of yen)	(Millions of yen)
Total assets	97,864	100,320
Net assets	92,548	94,385
Equity ratio (%)	94.6	94.1
Net assets per share (in yen)	768.57	783.83
(Reference) Equity	92,548	94,385

<Reasons for the difference from the results of the previous fiscal year for the non-consolidated results>

In the fiscal year under review, the impact of a decline in life science research activities affected by the economic downturn overseas and a decline in sales of products related to testing for new Coronavirus infectious diseases resulted in a significant difference in actual figures for sales and each profit item between the previous fiscal year and the current fiscal year.

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

Forward-looking statements contained in this document are determined by the Takara Bio Inc. (the “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 year ended March 31, 2025, (4) Future Outlook on page 3 of the attached document.

The Company will hold a briefing for institutional investors and analysts on Thursday, May 15, 2025. The material handed out at this briefing and a review of questions and answers will be posted on our website after the briefing.

Contents of the attached document

1. Overview of Financial Results for the year ended March 31, 2025.....	2
(1) Overview of Financial Results.....	2
(2) Overview of Financial Position.....	2
(3) Overview of Cash Flows.....	2
(4) Future Outlook.....	3
2. Basic Concept on Selection of Accounting Standards.....	4
3. Consolidated Financial Statements and Primary Notes.....	5
(1) Consolidated Balance Sheets.....	5
(2) Consolidated Statements of Profit or Loss and Consolidated Statements of Comprehensive Income... (Consolidated Statements of Profit or Loss).....	7
(Consolidated Statements of Comprehensive Income).....	8
(3) Consolidated Statements of Change in Net Assets.....	9
(4) Consolidated Statements of Cash Flows.....	10
(5) Notes to Consolidated Financial Statements.....	11
(Notes on Premise of Going Concern).....	11
(Significant Accounting Estimates).....	11
(Segment Information).....	11
(Per-Share Information).....	11
(Significant Subsequent Events).....	12
4. Supplementary Information.....	14
(1) Trends in Key Indicators for Business Management.....	14
(2) Comparative Consolidated Statement of Income.....	15
(3) Comparative Statement of Income Relating to Consolidated Financial Forecasts.....	16

1. Overview of Financial Results for the year ended March 31, 2025

(1) Overview of Financial Results

The outlook for the global economy in the fiscal year under review is uncertain due to factors such as prolonged inflation in the United States and Europe, economic recession in China, and heightened geopolitical risks caused by regional conflicts.

In the life science industry as well, the research budget has been reduced due to the impact of high prices and high interest rates, the activity of research and development in industry and academia has been reduced, and the market recovery has been delayed.

Under these circumstances, in the Long-Term Management Plan 2026 for the six-year period ending March 31, 2026, and the Medium-Term Management Plan 2026 for the three-year period ending March 31, 2026, we have promoted the development of basic biotechnology-based biologics development technologies through Reagents / Instruments business and CDMO business and have promoted initiatives aimed at becoming a global platform provider responsible for the infrastructure of the life science industry.

In the fiscal year under review, net sales increased year on year in all categories of Reagents, Instruments, CDMO and Gene Therapy. As a result, sales increased to ¥45,039 million (up 3.5% year-on-year). Cost of sales increased 14.3% year-on-year to ¥18,972 million due to a decrease in sales of test-related reagents, which have relatively high profit margins, and a change in the sales mix. As a result, gross profit decreased 3.1% to ¥26,067 million. Selling, general and administrative (SG&A) expenses decreased by 0.4% year-on-year to ¥23,804 million due to a decrease in R&D expenses and other expenses, and operating profit decreased by 24.6% to ¥2,263 million.

As a result of the decrease in operating profit, ordinary profit was ¥2,592 million (down 23.9%), income before income taxes and others was ¥1,997 million (down 30.0%), and net income attributable to owners of the parent was ¥1,041 million (down 29.6%).

From the first quarter of the current fiscal year, due to a review of the management classification, sales of products related to the production of mRNA, which had previously been included in "Reagents", are included in "Gene Therapy". As a result, net sales for the previous fiscal year have been reclassified based on the new classification, and ¥555 million, which was included in "Reagents" in the previous fiscal year, has been reclassified as "Gene Therapy."

In addition, because our group is a single segment, the disclosure of information by segment is omitted.

(2) Overview of Financial Position

Total assets at the end of the fiscal year under review were ¥125,334 million, an increase of ¥4,082 million from the end of the previous fiscal year. This was mainly due to decreases of ¥5,866 million in cash and deposits and ¥2,533 million in other current assets, despite increases of ¥7,878 million in property, plant and equipment, ¥3,054 million in accounts receivable, and ¥1,340 million in investments and other assets.

Total liabilities at the end of the fiscal year under review were ¥9,485 million, an increase of ¥17 million from the end of the previous fiscal year. This was mainly due to increases of ¥119 million in lease obligations under non-current liabilities and ¥109 million in notes and accounts payable-trade, despite a decrease of ¥147 million in accrued payable-other.

Total net assets at the end of the fiscal year under review were ¥115,849 million, an increase of ¥4,065 million from the end of the previous fiscal year. This was mainly due to an increase of ¥4,782 million in foreign currency translation adjustment due to the yen's depreciation, despite a decrease of ¥1,005 million in retained earnings.

(3) Overview of Cash Flows

Net cash provided by operating activities amounted to ¥5,844 million, an increase of ¥4,132 million compared with the previous fiscal year. This was mainly due to inflows of ¥3,611 million in depreciation and amortization, ¥1,997 million in income before income taxes and others, ¥1,634 million in increase in consumption taxes payable, ¥690 million in amortization of goodwill, and ¥2,250 million in increase in notes and accounts receivable-trade.

Net cash used in investing activities amounted to ¥10,912 million, a decrease of ¥2,676 million from the previous fiscal year. This was mainly due to proceeds from withdrawal of time deposits of ¥1,511 million, purchase of property, plant and equipment and intangible assets of ¥9,871 million, and purchase of time deposits of ¥1,605 million.

Net cash used in financing activities was ¥2,802 million, mainly due to cash dividends paid of ¥2,048 million, a decrease of ¥2,430 million compared with the previous fiscal year.

As a result of the above, the balance of cash and cash equivalents at the end of the fiscal year under review, including the effect of exchange rate changes on cash and cash equivalents, decreased by ¥6,134 million from the end of the previous fiscal year to ¥27,036 million.

(4) Future Outlook

(Forecast of Net Sales)

In the Reagent business, global activity in the life sciences industry is declining due to economic conditions and other factors, and the impact of tariff policies in the U.S. and China on market conditions is uncertain. Nevertheless, we expect sales of both Research/Catalog products and OEM/Custom products to increase as we further pursue a global, multipolar marketing/manufacturing/sales strategy to minimize the impact of tariff policies in the U.S. and China and develop products tailored to the needs of each region and Curio Bioscience, Inc. product groups acquired in January 2025. Specifically, we will focus on sales of products in the rapidly growing research field, such as reagents for next-generation single-cell analysis and reagents for spatial analysis worldwide. In Japan, we will focus on sales of application testing kits to private laboratories and other organizations, and in the United States, we will focus on sales of OEM/Custom products for LDT (lab-developed testing) such as the field of RHT (reproductive medicine technology). In Europe, we will focus on sales of OEM/Custom products related to genetic engineering. In China, we will develop new products for the Chinese market and respond to pricing.

In the Instruments business, sales are expected to increase due to new products for next-generation single-cell analyzers, mainly in Japan and the United States.

In CDMO business, we expect to increase revenues from contract manufacturing of vectors, mRNA related contracts and contract manufacturing of regenerative medicine products such as quality testing by utilizing the second building of the Center for Gene and Cell Processing, which we have been investing in ahead of schedule, and by expanding the contract Virus Safety Assessment and Testing services of ViSpot Co., Ltd., which we acquired in February 2025. We also expect to increase revenues from contract genetic analysis and testing related contracts through new menu spatial analysis, single-cell analysis, proteome analysis, and other contracts.

In the Gene Therapy field, we anticipate higher sales of mRNA enzymes and other AM products ((ancillary materials for manufacturing). However, given that demand for RetroNectin[®] products has peaked, we expect lower sales as a whole.

Regarding the projected progress in consolidated net sales, we expect the first half to be approximately 41% of the full year and the second half to be approximately 59% of the full year. In particular, there is a large bias in CDMO business, and we expect approximately 30% in the first half of the fiscal year and 70% in the second half of the fiscal year.

(Forecast of Consolidated Financial Results)

Consolidated financial forecasts for the fiscal year ending March 31, 2026 are net sales of ¥52,500 million, operating profit of ¥2,500 million, ordinary profit of ¥2,500 million, and net income attributable to owners of the parent of ¥1,300 million. The forecasts are for net sales, operating profit and profit attributable to owners of the parent to increase both revenue and profit year on year.

For the second quarter of the fiscal year under review, the Group forecasts net sales of ¥21,300 million, an operating loss of ¥1,450 million, an ordinary loss of ¥1,430 million, and a net loss attributable to owners of the parent of ¥1,320 million, with both net sales and each profit item forecast to increase and decrease year on year. As mentioned above, there is a bias in the progress of net sales in the second quarter of the fiscal year under review. Therefore, the forecast for operating profit is based on the projected operating loss for the first, second and third quarters of the fiscal year under review, and the forecast is for operating profit of ¥2,500 million for the full year.

For a comparison between the forecasts for the next consolidated fiscal year and the results for the fiscal year ended March 31, 2025, please refer to "4. Supplementary Information (3) Comparative Statement of Income Relating to Consolidated Financial Forecasts" on page 16 and later.

2. Basic Concept on Selection of Accounting Standards

The Group prepares its consolidated financial statements in accordance with Japanese GAAP, considering the comparability of consolidated financial statements between periods and between companies.

With regard to the application of IFRS, the Company's policy is to respond appropriately, taking into account various domestic and overseas circumstances.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of Mar. 31, 2024	As of Mar. 31, 2025
Assets		
Current assets		
Cash and deposits	35,416	29,549
Notes receivable-trade	33	20
Electronically recorded monetary claims-operating	1,143	839
Accounts receivable-trade	10,181	13,235
Merchandise and finished goods	6,784	6,794
Work in process	970	1,070
Raw materials and supplies	4,096	4,575
Other	4,205	1,672
Allowance for doubtful accounts	(72)	(77)
Total current assets	62,759	57,679
Non-current assets		
Property, plant and equipment		
Buildings and structures	28,521	30,194
Accumulated depreciation	(8,318)	(9,771)
Buildings and structures, net	20,203	20,422
Machinery, equipment and vehicles	8,346	9,075
Accumulated depreciation	(5,309)	(6,051)
Machinery, equipment and vehicles, net	3,037	3,024
Tools, furniture and fixtures	11,673	12,129
Accumulated depreciation	(7,674)	(8,550)
Tools, furniture and fixtures, net	3,998	3,578
Land	8,869	9,250
Leased assets	756	741
Accumulated depreciation	(231)	(266)
Leased assets, net	525	475
Construction in progress	11,712	19,450
Others	1,326	1,461
Accumulated depreciation	(597)	(709)
Others, net	728	751
Total Property, plant and equipment	49,075	56,954
Intangible assets		
Goodwill	6,488	6,516
Technology-based intangible assets	219	112
Other	1,319	1,342
Total intangible assets	8,027	7,971
Investments and other assets		
Deferred tax assets	833	1,003
Retirement benefit assets	102	250
Others	454	1,475
Total investments and other assets	1,389	2,730
Total non-current assets	58,492	67,655
Total assets	121,252	125,334

(Millions of yen)

	As of Mar. 31, 2024	As of Mar. 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,543	1,652
Lease obligations	180	193
Accrued payable-other	1,919	1,771
Accrued income taxes	128	213
Provision	962	1,003
Other	2,433	2,296
Total current liabilities	7,168	7,131
Non-current liabilities		
Lease obligations	788	908
Deferred tax liabilities	0	-
Retirement benefit liabilities	1,102	989
Other	407	455
Total non-current liabilities	2,299	2,353
Total liabilities	9,467	9,485
Net assets		
Shareholders' equity		
Share capital	14,965	14,965
Capital surplus	32,893	32,893
Retained earnings	53,471	52,465
Treasury stock	-	(0)
Total shareholders' equity	101,330	100,324
Accumulated other comprehensive income		
Foreign currency translation adjustment	10,548	15,331
Cumulative remeasurements of retirement benefit	(373)	(155)
Total accumulated other comprehensive income	10,174	15,175
Non-controlling interests	279	348
Total net assets	111,784	115,849
Total liabilities and net assets	121,252	125,334

(2) Consolidated Statements of Profit or Loss and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Profit or Loss)

(Millions of yen)

	Year ended Mar. 31, 2024	Year ended Mar. 31, 2025
Net sales	43,505	45,039
Cost of sales	16,597	18,972
Gross profit	26,908	26,067
SG&A expenses		
Provision for doubtful accounts	(34)	6
Employees' salaries and bonuses	6,192	7,067
Provision for accrued bonuses	454	507
Retirement benefit expenses	305	341
R&D expenses	8,324	6,897
Other	8,663	8,983
Total SG&A expenses	23,905	23,804
Operating profit	3,003	2,263
Non-operating income		
Interest income	186	300
Foreign exchange gains	97	-
Rent income from real estate	165	171
Other	64	147
Total non-operating income	513	619
Non-operating expenses		
Interest expenses	23	20
Foreign exchange loss	-	131
Rent expenses on real estate	74	86
Other	12	50
Total non-operating expenses	111	289
Ordinary profit	3,405	2,592
Extraordinary gains		
Gain on sale of fixed assets	3	2
Others	-	4
Total extraordinary profit	3	6
Extraordinary losses		
Loss on disposal of fixed assets	347	137
Impairment loss	207	377
Loss on money transfer fraud at overseas subsidiaries	-	84
Others	-	1
Total extraordinary losses	554	601
Profit before income taxes and others	2,853	1,997
Income taxes-current	1,292	1,118
Income taxes-deferred	50	(208)
Total income taxes	1,343	910
Net income	1,510	1,087
Net income attributable to non-controlling interest	29	45
Net income attributable to owners of the parent	1,480	1,041

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Year ended March 31, 2024	Year ended March 31, 2025
Net income	1,510	1,087
Other comprehensive income		
Foreign currency translation adjustment	2,882	4,806
Remeasurements of retirement benefit	(5)	218
Total other comprehensive income	2,877	5,024
Comprehensive income	4,387	6,112
Comprehensive income attributable to:		
Owners of the parent	4,343	6,042
Non-controlling interest	44	69

(3) Consolidated Statements of Changes in Net Assets

Previous fiscal year (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				Accumulated other comprehensive income			Non-Controlling Interest	Total net assets
	Share Capital	Capital surplus	Retained earnings	Total shareholders' equity	Foreign currency translation adjustment	Cumulative remeasurements of retirement benefit	Total accumulated other comprehensive income		
Balance at the beginning of current period	14,965	32,893	57,047	104,906	7,680	(367)	7,312	235	112,454
Change of items during the period									
Dividends from surplus			(5,057)	(5,057)					(5,057)
Net income attributable to owners of the parent			1,480	1,480					1,480
Net changes of items other than shareholders' equity					2,867	(5)	2,862	44	2,906
Total changes of items during the period	-	-	(3,576)	(3,576)	2,867	(5)	2,862	44	(669)
Balance at the end of current period	14,965	32,893	53,471	101,330	10,548	(373)	10,174	279	111,784

Current fiscal year (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Share Capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Foreign currency translation adjustment	Cumulative remeasurements of retirement benefit	Total accumulated other comprehensive income		
Balance at the beginning of current period	14,965	32,893	53,471	-	101,330	10,548	(373)	10,174	279	111,784
Changes of items during the period										
Dividends from surplus			(2,047)		(2,047)					(2,047)
Net income attributable to owners of the parent			1,041		1,041					1,041
Share repurchase				(0)	(0)					
Net changes of items other than shareholders' equity						4,782	218	5,000	69	5,070
Total changes of items during the period	-	-	(1,005)	(0)	(1,005)	4,782	218	5,000	69	4,065
Balance at the end of current period	14,965	32,893	52,465	(0)	100,324	15,331	(155)	15,175	348	115,849

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended Mar. 31, 2024	Year ended Mar. 31, 2025
Net cash provided by (used in) operating activities		
Income before income taxes and others	2,853	1,997
Depreciation and amortization	4,279	3,611
Impairment loss	207	377
Loss on money transfer fraud at overseas subsidiaries	-	84
Depreciation and amortization on other	102	180
Amortization of goodwill	640	690
Increase (decrease) in allowance for doubtful accounts	(53)	(2)
Increase (decrease) in reserve for bonuses	(144)	(8)
Increase (decrease) in retirement benefit liabilities	107	(114)
Interest income	(186)	(300)
Interest expenses	23	20
Loss (gain) on sale and retirement of fixed assets	344	134
Decrease (increase) in trade receivables	1,501	(2,250)
Decrease (increase) in inventories	(324)	102
Increase (decrease) in notes and accounts payable-trade	(928)	(42)
Increase (decrease) in consumption taxes payable	(3,439)	1,634
Increase (decrease) in other current liabilities	(508)	(450)
Others	(114)	(88)
Subtotal	4,361	5,576
Interest and dividend income received	166	285
Income expenses paid	(22)	(20)
Income taxes paid or refunded (paid)	(2,359)	86
Payments for loss on remittance fraud at overseas subsidiaries	-	(84)
Subsidies received	(433)	-
Net cash provided by (used in) operating activities	1,711	5,844
Net cash provided by (used in) investing activities		
Payments into time deposits	(2,224)	(1,605)
Proceeds from withdrawal of time deposits	2,937	1,511
Purchase of property, plant and equipment and intangible assets	(12,778)	(9,871)
Proceeds from sales of property, plant and equipment and intangible assets	9	5
Purchase of other depreciable assets	(94)	(407)
Investments in nonconsolidated subsidiaries	-	(546)
Subsidies received	462	-
Subsidy refund	(1,335)	-
Others	(19)	1
Net cash provided by (used in) investing activities	(13,043)	(10,912)
Net cash provided by (used in) financing activities		
Dividends paid	(5,052)	(2,048)
Repayments of lease obligations	(181)	(208)
Others	-	(0)
Net cash provided by (used in) financing activities	(5,233)	(2,256)
Effect of exchange rate change on cash and cash equivalents	678	1,190
Net increase (decrease) in cash and cash equivalents	(15,886)	(6,134)
Cash and cash equivalents at beginning of period	49,058	33,171
Cash and cash equivalents at end of period	33,171	27,036

(5) Notes to Consolidated Financial Statements

(Notes on Premise of Going Concern)

No items to report.

(Significant Accounting Estimates)

(Goodwill)

Our group recorded goodwill at Takara Bio USA, Inc., which was recorded in the past upon the acquisition of all of the shares of Clontech Laboratories, Inc., Rubicon Genomics, Inc. and WaferGen Bio-systems, Inc., respectively.

(1) Amounts recorded in the consolidated financial statements for the current fiscal year

(Millions of yen)

	Previous Fiscal Year	Fiscal Year under Review
Goodwill	6,488	6,516

(2) Information on the content of critical accounting estimates for identified items

The Group determined Takara Bio USA, Inc. as a reporting unit, including goodwill, and took procedures to identify an indication of impairment. The recoverable amount of the reporting unit is based on its fair value. Fair value is determined primarily based on the discounted present value of estimated future cash flows, which utilize assumptions such as future growth rates to estimate such cash flows.

As the recoverable amount sufficiently exceeds the carrying amount at the end of the fiscal year under review, the Company considers that it is unlikely that a material impairment loss will occur even if there is a reasonable range of changes in future growth rates and other factors used in the calculation of the recoverable amount.

(Segment Information)

Since our group is a single segment, this information is omitted.

(Per-Share Information)

	Previous Fiscal Year (From April 1, 2023 to March 31, 2024)	Fiscal Year under Review (From April 1, 2024 to March 31, 2025)
Net assets per share	¥926.00	¥959.19
Net income per share	¥12.30	¥8.65

(NOTE) 1. Diluted net income per share is not presented because there were no dilutive shares.

2. The basis for calculating net income per share is as follows.

	Previous Fiscal Year (From April 1, 2023 to March 31, 2024)	Fiscal Year under Review (From April 1, 2024 to March 31, 2025)
Net income per share		
Profit attributable to owners of parent (Millions of yen)	1,480	1,041
Amounts not attributable to common stock (Millions of yen)	-	-
Profit attributable to owners of parent attributable to common stock (Millions of yen)	1,480	1,041
Average number of shares of common stock outstanding during the period (Thousands of shares)	120,415	120,415

(Significant Subsequent Events)

(Business Combination through Acquisition)

(Acquisition of Curio Bioscience, Inc.)

On January 15, 2025 (U.S. local time), Takara Bio USA Holdings Inc ("TBUSH"), a 100% owned subsidiary of the Company, entered into a purchase agreement with Curio Bioscience, Inc ("Curio") stockholder representatives and acquired the shares of the Company and made it a subsidiary.

(1) The outline of the Business Combination

(i) Name of the acquired company, name of the other company to acquire the shares, and details of business

Name of the acquired company: Curio Bioscience, Inc.

Name of the other company of the share acquisition: Shareholders of the acquired company

Description of business: Development, manufacture, and sale of research reagents for spatial analysis

(ii) Main reasons for the business combination

Our Group provides research Reagents, Instruments, and CDMO to academia and corporate biotechnology researchers. In recent years, the Company has been expanding sales, particularly in the United States, by focusing on product development and sales activities for next-generation sequencing ("NGS") reagents. Technological advances in NGS field are making steady progress, and it is predicted that the growth of NGS market will shift from simple NGS analysis to single-cell analysis and even spatial transcriptome analysis (hereinafter referred to as "spatial analysis"). In 2017, we launched a single-cell analysis system, and in 2023, we launched a contract analysis service for spatial analysis. In these and other ways, we are developing our business in response to trends in NGS marketplace.

Curio is a U.S. venture-based company that develops advanced reagents for spatial analysis. It provides reagents that enable high-density, high-resolution spatial analysis using DNA barcode beads, a proprietary technology. With Curio as a member of our group, we will create strong synergies by combining Curio's basic technology for spatial analysis with the genetic engineering and genetic analysis technologies cultivated by our group. Specifically, we will promote the development of general-purpose reagents that fit various single-cell analyzers, etc., the development of high-quality products by combining Curio's products with our products, and differentiation from competing products, and the expansion of spatial analysis contract services using Curio's products.

(iii) Date of business combination

January 15, 2025 (U.S. local time)

The fiscal year-end of our group's overseas subsidiaries is December 31, and the financial statements of December 31 are used in the preparation of the consolidated financial statements. Therefore, these subsidiaries will be included in the scope of consolidation from the first quarter of the fiscal year ending March 31, 2026.

(iv) Legal Formal Share Acquisition of Business Combination

Acquisition of shares

(v) Name following business combination

Curio Bioscience, Inc.

(vi) Percentage of voting rights acquired

100%

(vii) Main rationale for determining the company to acquire

Acquisition of shares for cash consideration

(2) Acquisition cost of the acquired company and breakdown by type of consideration

Consideration for acquisition	Cash	US\$40.5 million
<hr/>		
Acquisition cost		US\$40.5 million (Note)

(NOTE) In addition to the above acquisition consideration, the Company may pay additional consideration upon the achievement of multiple development and sales milestones up to a total of \$150 million.

(3) Details and amounts of major acquisition-related expenses

Advisory fees and commissions US\$4,309,000

(4) Amount of goodwill arising, cause, amortization method, and amortization period

It has not been determined at this time.

(5) Amounts of assets acquired and liabilities assumed on the date of the business combination and their main breakdown

It has not been determined at this time.

4. Supplementary Information

(1) Trends in Key Indicators for Business Management

1) Cash Flows

(Millions of yen)

	Previous Fiscal Year (Apr. 1, 2023 – Mar. 31, 2024)	Fiscal Year under Review (Apr. 1, 2024 – Mar. 31, 2025)
Cash flow from operating activities	1,711	5,844
Cash flow from investing activities	(13,043)	(10,912)
Cash flow from financing activities	(5,233)	(2,256)

2) Sales Breakdown by Region

(Millions of yen)

	Previous Fiscal Year (Apr. 1, 2023 – Mar. 31, 2024)	Fiscal Year under Review (Apr. 1, 2024 – Mar. 31, 2025)
Japan	15,434	15,062
United States	12,974	12,997
China	7,039	8,522
Asia excluding Japan and China	3,355	2,855
Europe	4,496	5,248
Others	205	353
Total	43,505	45,039

(2) Comparative Consolidated Statement of Income

(Rounded down to one million yen)

	Year ended Mar. 31, 2024	Year ended Mar. 31, 2025	Y/Y Change	Y/Y Ratio
(Net sales)				
Reagents	31,405	31,995	589	1.9%
Instruments	892	1,172	279	31.3%
CDMO	7,997	8,113	115	1.4%
Gene Therapy	3,209	3,757	548	17.1%
Total net sales	43,505	45,039	1,533	3.5%
(Operating profit and Loss)				
Net sales	43,505	45,039	1,533	3.5%
Cost of sales	16,597	18,972	2,374	14.3%
Gross profit	26,908	26,067	(841)	(3.1%)
SG & A expenses	23,905	23,804	(100)	(0.4%)
Transportation expenses	571	569	(2)	(0.5%)
Advertising expenses	72	88	15	21.4%
Promotion expenses	676	756	79	11.8%
R&D expenses	8,324	6,897	(1,426)	(17.1%)
Administrative expense, other	13,955	15,198	1,243	8.9%
Enterprise taxes (external standards taxation)	304	294	(9)	(3.3%)
Operating profit	3,003	2,263	(740)	(24.6%)
(Non-operating income and Expenses)				
Non-operating income	513	619	105	20.5%
Non-operating expenses	111	289	178	159.8%
Ordinary profit	3,405	2,592	(812)	(23.9%)
(Extraordinary gains & Losses)				
Extraordinary gains	3	6	3	107.1%
Extraordinary losses	554	601	46	8.5%
Income before income taxes and others	2,853	1,997	(856)	(30.0%)
Income taxes	1,343	910	(433)	(32.3%)
Net income	1,510	1,087	(422)	(28.0%)
Net income (loss) attributable to non-controlling interests	29	45	16	55.7%
Net income attributable to owners of the parent	1,480	1,041	(439)	(29.6%)
Depreciation and amortization (Property, plant and equipment and intangible assets)	4,279	3,611	(667)	(15.6%)
Amortization of goodwill	640	690	50	7.8%

(3) Comparative Statement of Income Relating to Consolidated Financial Forecasts

(i) Consolidated Financial Results for the Six Months

(Rounded down to one million yen)

	Six months ended Sep. 30, 2024	Six months ending Sep. 30, 2025 Forecast	Y/Y Change	Y/Y Ratio
(Net sales)				
Reagents	15,405	16,018	612	4.0%
Instruments	426	695	268	62.9%
CDMO	2,274	3,023	749	33.0%
Gene Therapy	1,652	1,563	(89)	(5.4%)
Total Net Sales	19,758	21,300	1,541	7.8%
(Operating profit and Loss)				
Net sales	19,758	21,300	1,541	7.8%
Cost of sales	7,313	8,915	1,601	21.9%
Gross profit	12,445	12,384	(60)	(0.5%)
SG & A expenses	12,028	13,834	1,806	15.0%
Transportation expenses	301	264	(37)	(12.5%)
Advertising expenses	40	53	13	33.3%
Promotion expenses	399	418	19	4.9%
R&D expenses	3,481	3,556	74	2.1%
Administrative expenses, other	7,663	9,413	1,750	22.8%
Enterprise taxes (external standards taxation)	141	128	(13)	(9.6%)
Operating profit	417	(1,450)	(1,867)	—
(Non-operating income and Expenses)				
Non-operating income	290	177	(113)	(39.0%)
Non-operating expenses	158	157	(0)	(0.5%)
Ordinary profit	549	(1,430)	(1,979)	—
(Extraordinary gains & Losses)				
Extraordinary gains	2	—	(2)	—
Extraordinary losses	124	4	(120)	(96.4%)
Income before income taxes and others	427	(1,434)	(1,861)	—
Income taxes	(104)	(137)	(32)	—
Net income	531	(1,297)	(1,828)	—
Net income (loss) attributable to non- controlling interests	18	22	4	22.6%
Net income attributable to owners of parent	513	(1,320)	(1,833)	—
Depreciation and amortization (Property, plant and equipment and intangible assets)	1,839	1,852	13	0.7%
Amortization of goodwill	346	1,063	716	206.6%

(ii) Consolidated Financial Results for the Full Year

(Rounded down to one million yen)

	Year ended Mar. 31, 2025	Year ending Mar. 31, 2026 Forecast	Y/Y Change	Y/Y Ratio
(Net sales)				
Reagents	31,995	37,103	5,107	16.0%
Instruments	1,172	1,768	595	50.8%
CDMO	8,113	10,203	2,090	25.8%
Gene Therapy	3,757	3,424	(333)	(8.9%)
Total Net Sales	45,039	52,500	7,460	16.6%
(Operating profit and Loss)				
Net sales	45,039	52,500	7,460	16.6%
Cost of sales	18,972	22,474	3,502	18.5%
Gross profit	26,067	30,025	3,957	15.2%
SG & A expenses	23,804	27,525	3,721	15.6%
Transportation expenses	569	573	4	0.8%
Advertising expenses	88	106	18	20.6%
Promotion expenses	756	841	85	11.3%
R&D expenses	6,897	7,683	785	11.4%
Administrative expenses, other	15,198	18,019	2,820	18.6%
Enterprise taxes (external standards taxation)	294	300	6	2.2%
Operating profit	2,263	2,500	236	10.5%
(Non-operating income and Expenses)				
Non-operating income	619	354	(264)	(42.8%)
Non-operating expenses	289	354	64	22.2%
Ordinary profit	2,592	2,500	(92)	(3.6%)
(Extraordinary gains & Losses)				
Extraordinary gains	6	—	(6)	—
Extraordinary losses	601	100	(501)	(83.4%)
Income before income taxes and others	1,997	2,400	402	20.1%
Income taxes	910	1,052	142	15.6%
Net income	1,087	1,347	260	23.9%
Net income (loss) attributable to non- controlling interests	45	47	2	4.5%
Net income attributable to owners of parent	1,041	1,300	258	24.8%
Depreciation and amortization (Property, plant and equipment and intangible assets)	3,611	3,882	270	7.5%
Amortization of goodwill	690	2,067	1,376	199.3%