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February 13, 2026

Consolidated Financial Results for the Nine Months Ended December 31, 2025 (Under Japanese GAAP)

Company name: Takara Bio Inc.
Listing: Tokyo Stock Exchange
Securities code: 4974
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Scheduled date to commence dividend payments:

-

Preparation of supplementary material on financial results:

Yes

Holding of financial results briefing:

No

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

1. Consolidated financial results for the Nine months ended Dec. 31, 2025 (from Apr. 1, 2025 to Dec. 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended Dec. 31, 2025	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Dec. 31, 2025	28,392	(3.0)	(4,855)	-	(5,092)	-	(9,619)	-
Dec. 31, 2024	29,282	(1.5)	(1,473)	-	(1,255)	-	(1,378)	-

Note: Comprehensive income For the nine months ended Dec. 31, 2025: ¥(12,405) million - %
For the nine months ended Dec. 31, 2024: ¥(733) million - %

	Basic earnings per share	Diluted earnings per share
Nine months ended Dec. 31, 2025	Yen (79.89)	Yen -
Dec. 31, 2024	(11.45)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of Dec. 31, 2025	Millions of yen 130,478	Millions of yen 101,327	% 77.4	yen 839.16
Mar. 31, 2025	125,334	115,849	92.2	959.19

Reference: Equity
As of Dec. 31, 2025: ¥101,047 million
As of Mar. 31, 2025: ¥115,500 million

2. Cash dividends

	Annual dividends per share					Total
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end		
Fiscal year ended Mar. 31, 2025	Yen -	Yen 0.00	Yen -	Yen 17.00		Yen 17.00
Fiscal year ending Mar. 31, 2026	-	0.00	-			
Fiscal year ending Mar. 31, 2026 (Forecast)				0.00		0.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated financial forecast for the year ending March 31, 2026 (Apr. 1, 2025 – Mar. 31, 2026)

(Percentages indicate year-on-year changes for the full year and year-on-year changes for the quarter.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full-year	42,100	(6.5)	(4,000)	-	(4,400)	-	(9,000)	-	(74.74)

Note: Revisions to the financial forecast since the most recent announced: None

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: Curio Biosciences, Inc.

Excluded: None

(Note) For details, please refer to “(4) Notes to Quarterly Consolidated Financial Statements (Changes in the Scope of Consolidation or Scope of Equity Method Application)” of “2. Quarterly Consolidated Financial Statements and Primary Notes” on page 9 of the attached document.

(2) Adoption of accounting treatment specific to the preparation of consolidated financial statements: None

(3) 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

(4) Number of issued shares (common shares)

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

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

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

As of Dec. 31, 2025	133 shares
As of Mar. 31, 2025	113 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended Dec. 31, 2025	120,415,486 shares
Nine months ended Dec. 31, 2024	120,415,554 shares

* Review of the Japanese-language originals of the attached consolidated financial statements by certified public accountants or an audit firm: Yes (voluntary)

- * Comment regarding appropriate use of earnings forecasts and other special notes

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 Nine Months ended December 31, 2025 (4) Explanation of Consolidated Financial Forecasts and Other Forward-looking Statements” on page 3 of the attached document.

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1. Overview of Financial Results for the Nine Months ended December 31, 2025

(1) Overview of Financial Results

The outlook for the global economy during the Nine months ended December 31, 2025 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 and other factors, and the ongoing blocking of the global economy.

In the life science industry as well, the research budget has been reduced due to the impact of high prices and high interest rates. In the United States, the government policy has substantially reduced research grants, and the activity of research and development in the industry and academia is declining. In China, competition with rival companies is intensifying. Consequently, uncertainty about the future outlook is increasing.

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 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.

For the Nine months ended December 31, 2025, net sales decreased to ¥28,392 million (down 3.0% year-on-year) as sales of reagents, instruments, and gene therapy declined, despite an increase in CDMO sales. Cost of sales increased to ¥14,252 million (up 10.4% year-on-year) due to changes in the sales mix, and other reasons. As a result, gross profit decreased to ¥14,140 million (down 13.6% year-on-year). Selling, general and administrative (SG&A) expenses were ¥18,995 million (up 6.5% year-on-year) due to the acquisition of Curio Bioscience, Inc. ("Curio") and the recording of goodwill amortization, and operating loss was ¥4,855 million (compared with an operating loss of ¥1,473 million in the same period of the previous fiscal year).

Due to the recording of the operating loss, the ordinary loss amounted to ¥5,092 million (compared with an ordinary loss of ¥1,255 million in the same period of the previous year).

The net loss before income taxes was ¥8,977 million (compared with a loss before income taxes of ¥1,384 million in the same period of the previous year), primarily due to the recording of an impairment loss of ¥3,870 million on unused manufacturing facilities for contract services. The income taxes-deferred amounted to ¥401 million due to the reversal of deferred tax assets, among other factors. Consequently, the net loss attributable to owners of the parent was ¥9,619 million (compared with net loss attributable to owners of parent of ¥1,378 million in the same period of the previous fiscal year).

(2) Overview of Financial Position

Total assets at the end of the nine months ended December 31, 2025 were ¥130,478 million, an increase of ¥5,143 million from the end of the previous fiscal year. This was mainly due to increase of ¥10,569 million in technology-based intangible assets and ¥7,604 million in construction in progress, despite decrease of ¥9,717 million in cash and deposits, ¥5,881 million in notes and accounts receivable-trade. The increase in technology-based intangible assets resulted from the acquisition of Curio, while the increase in construction in progress was due to payments for manufacturing facility construction work.

Total liabilities at the end of the nine months ended December 31, 2025 were ¥29,150 million, an increase of ¥19,665 million from the end of the previous fiscal year. This was mainly due to an increase of ¥10,000 million in long-term borrowings and ¥8,973 million in other non-current liabilities. The increase in other non-current liabilities was mainly due to the recognition of contingent consideration from the acquisition of Curio.

Total net assets at the end of the nine months ended December 31, 2025 were ¥101,327 million, a decrease of ¥14,522 million from the end of the previous fiscal year. This was mainly due to a decrease of ¥2,757 million in foreign currency translation adjustment by the appreciation of the yen, and ¥11,666 million in retained earnings.

(3) Overview of Cash Flows

Net cash provided by operating activities amounted to ¥3,265 million, a decrease of ¥1,617 million compared with the same period of the previous fiscal year. This was mainly due to cash inflow from ¥5,747 million in decrease of notes and accounts receivable-trade, ¥3,870 million in impairment loss and depreciation and amortization of ¥3,096 million, and cash outflow of ¥8,977 million in a loss before income taxes.

Net cash used in investing activities amounted to ¥18,708 million, an increase of ¥9,030 million compared with the same period of the previous fiscal year. This was mainly due to payment into purchases of property, plant and equipment and intangible assets of ¥12,332 million, and the purchase of shares of subsidiaries resulting in a change in the scope of consolidation of ¥ 6,416 million.

Cash flows from financing activities resulted in a net inflow of ¥6,192 million (compared with a net outflow of ¥2,207 million in the same period of the previous year), mainly due to proceeds from long-term borrowings of ¥9,951 million, dividend payments of ¥2,049 million and payments of ¥1,480 million for the settlement of contingent consideration.

As a result of the above, the balance of cash and cash equivalents at the end of the nine months ended December 31, 2025, including the effect of exchange rate change on cash and cash equivalents, decreased by ¥9,609 million from the end of the previous fiscal year to ¥17,427 million.

(4) Explanation of Consolidated Financial Forecasts and Other Forward-looking Statements

There are no changes to the consolidated financial forecasts for the full fiscal year from those announced on November 11, 2025. Actual results may differ from these forecasts due to various future factors. Should any revisions to the financial forecasts become necessary, such information will be disclosed promptly.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of Mar. 31, 2025	As of Dec. 31, 2025
Assets		
Current asset		
Cash and deposits	29,549	19,832
Notes and accounts receivable-trade	14,095	8,213
Merchandise and finished goods	6,794	7,503
Work in process	1,070	1,467
Raw materials and supplies	4,575	3,897
Other	1,672	1,933
Allowance for doubtful accounts	(77)	(88)
Total current assets	57,679	42,760
Non-current assets		
Property, plant and equipment		
Buildings and structures	30,194	29,948
Accumulated depreciation	(9,771)	(10,456)
Buildings and structures, net	20,422	19,492
Machinery, equipment and vehicles	9,075	8,946
Accumulated depreciation	(6,051)	(6,162)
Machinery, equipment and vehicles, net	3,024	2,784
Tools, furniture and fixtures	12,129	11,978
Accumulated depreciation	(8,550)	(8,933)
Tools, furniture and fixtures, net	3,578	3,045
Land	9,250	9,033
Construction in progress	19,450	27,054
Other	2,203	2,214
Accumulated depreciation	(975)	(1,082)
Others, net	1,227	1,132
Total Property, plant and equipment	56,954	62,541
Intangible assets		
Goodwill	6,516	12,056
Technology-based intangible assets	112	10,682
Other	1,342	1,265
Total intangible assets	7,971	24,004
Investments and other assets		
Investments and other assets	2,730	1,171
Total investments and other assets	2,730	1,171
Total non-current assets	67,655	87,718
Total assets	125,334	130,478

(Millions of yen)

	As of Mar. 31, 2025	As of Dec. 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,652	1,730
Accrued income taxes	213	106
Provision for bonuses	1,003	485
Other	4,261	5,489
Total current liabilities	7,131	7,811
Non-current liabilities		
Long-term borrowings	-	10,000
Retirement benefit liabilities	989	1,002
Other	1,363	10,336
Total non-current liabilities	2,353	21,339
Total liabilities	9,485	29,150
Net assets		
Shareholders' equity		
Share capital	14,965	14,965
Capital surplus	32,893	32,893
Retained earnings	52,465	40,799
Treasury shares	(0)	(0)
Total shareholders' equity	100,324	88,658
Accumulated other comprehensive income		
Foreign currency translation adjustment	15,331	12,573
Cumulative remeasurements of retirement benefit	(155)	(184)
Total accumulated other comprehensive income	15,175	12,389
Non-controlling interests	348	279
Total net assets	115,849	101,327
Total liabilities and net assets	125,334	130,478

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

(Quarterly Consolidated Statements of Profit or Loss)

(Millions of yen)

	Nine months ended Dec. 31, 2024	Nine months ended Dec. 31, 2025
Net sales	29,282	28,392
Cost of sales	12,912	14,252
Gross profit	16,369	14,140
SG&A expenses		
Employees' salaries and bonuses	5,435	5,644
Retirement benefit expenses	268	252
R&D expenses	5,118	5,090
Provision of allowance	400	245
Other	6,619	7,763
Total SG&A expenses	17,843	18,995
Operating profit (loss)	(1,473)	(4,855)
Non-operating income		
Interest income	220	133
Foreign exchange gains	-	27
Rent income from real estate	123	118
Other	76	30
Total non-operating income	420	310
Non-operating expense		
Interest expenses	15	420
Foreign exchange losses	84	-
Rent expenses on real estate	60	70
Other	41	56
Total non-operating expenses	202	547
Ordinary profit (loss)	(1,255)	(5,092)
Extraordinary gains		
Gain on sale of fixed assets	2	30
Gain on reversal of asset retirement obligations	-	53
Other	-	0
Total extraordinary profit	2	83
Extraordinary losses		
Loss on sale and retirement of non-current assets	21	72
Impairment loss	108	3,870
Other	1	25
Total extraordinary losses	131	3,968
Income (loss) before income taxes	(1,384)	(8,977)
Income taxes-current	763	206
Income taxes-deferred	(800)	401
Total income taxes	(37)	608
Net income (loss)	(1,347)	(9,586)
Net income attributable to non-controlling interest	31	32
Net income (loss) attributable to owners of the parent	(1,378)	(9,619)

(Quarterly Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Nine months ended Dec. 31, 2024	Nine months ended Dec. 31, 2025
Net income (loss)	(1,347)	(9,586)
Other comprehensive income		
Foreign currency translation adjustment	561	(2,790)
Remeasurements of retirement benefit	51	(28)
Total other comprehensive income	613	(2,819)
Comprehensive income	<u>(733)</u>	<u>(12,405)</u>
Comprehensive income attributable to:		
Owners of the parent	(763)	(12,405)
Non-controlling interest	29	(0)

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended Dec. 31, 2024	Nine months ended Dec. 31, 2025
Net cash provided by (used in) operating activities		
Profit (loss) before income taxes	(1,384)	(8,977)
Depreciation and amortization	2,732	3,096
Impairment loss	108	3,870
Depreciation and amortization on other	128	127
Amortization of goodwill	517	784
Increase (decrease) in allowance for doubtful accounts	0	14
Increase (decrease) in reserve for bonuses	(146)	(495)
Increase (decrease) in retirement benefit liabilities	30	11
Loss (gain) on remeasurement of contingent consideration	-	76
Interest income	(220)	(133)
Interest expenses	15	420
Loss (gain) on sale and retirement of fixed assets	18	41
Gain on reversal of asset retirement obligations	-	(53)
Decrease (increase) in trade receivables-trade	3,366	5,747
Decrease (increase) in inventories	(2,552)	(616)
Increase (decrease) in notes and accounts payable-trade	1,463	66
Increase (decrease) in consumption taxes payable	1,110	(75)
Increase (decrease) in other current liabilities	(589)	(368)
Other	(413)	(156)
Subtotal	4,186	3,381
Interest and dividend income received	224	152
Income expenses paid	(15)	(14)
Income taxes refund (paid)	487	(253)
Net cash provided by (used in) operating activities	4,883	3,265
Net cash provided by (used in) investing activities		
Payments into time deposits	(1,563)	(2,173)
Proceed from withdrawal of time deposits	1,486	2,153
Purchase of property, plant and equipment and intangible assets	(9,367)	(12,332)
Proceeds from sales of property, plant and equipment and intangible assets	4	30
Purchase of other depreciable assets	(238)	(12)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(6,416)
Other	(0)	43
Net cash provided by (used in) investing activities	(9,678)	(18,708)
Net cash provided by (used in) financing activities		
Proceeds from long-term borrowings	-	9,951
Dividends paid	(2,047)	(2,049)
Dividends paid to non-controlling interests	-	(69)
Repayments of lease obligations	(159)	(158)
Payment for the settlement of contingent consideration	-	(1,480)
Other	(0)	(0)
Net cash provided by (used in) financing activities	(2,207)	6,192
Effect of exchange rate change on cash and cash equivalents	195	(408)
Net increase (decrease) in cash and cash equivalents	(6,806)	(9,659)
Cash and cash equivalents at beginning of period	33,171	27,036
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	-	49
Cash and cash equivalents at end of the period	26,364	17,427

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on Financial Reporting Framework)

The quarterly consolidated financial statements have been prepared in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements, etc. of the Tokyo Stock Exchange, Inc. and accounting standards generally accepted in Japan for quarterly financial statements (however, that the omissions set forth in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements, etc. have been applied).

(Notes on Premise of Going Concern)

No items to report.

(Notes in Case of Changes in Marked Amount of Shareholders' Equity)

No item to report.

(Changes in the Scope of Consolidation or Scope of Equity Method Application)

Significant changes in the scope of consolidation during the period :

The scope of consolidation was changed due to the acquisition of Curio Bioscience, Inc. which became a consolidated subsidiary from the first quarter.

(Notes on Segment Information)

Since the Group operates in a single business segment, segment information is omitted.

3. Supplemental Information

(1) Trends in Key Indicators for Business Management

1) Cash Flows

	Nine months ended Dec. 31, 2024 (Apr. 1, 2024 – Dec. 31, 2024)	Nine months ended Dec. 31, 2025 (Apr. 1, 2025 – Dec. 31, 2025)	Year ended Mar. 31, 2025 (Apr. 1, 2024 – Mar. 31, 2025)
Cash flow from operating activities	4,883	3,265	5,844
Cash flow from investing activities	(9,678)	(18,708)	(10,912)
Cash flow from financing activities	(2,207)	6,192	(2,256)

2) Sales Breakdown by Region

	Nine months ended Dec. 31, 2024 (Apr. 1, 2024 – Dec. 31, 2024)	Nine months ended Dec. 31, 2025 (Apr. 1, 2025 – Dec. 31, 2025)	Year ended Mar. 31, 2025 (Apr. 1, 2024 – Mar. 31, 2025)
Japan	8,107	8,493	15,062
United States	9,879	9,210	12,997
China	5,099	4,221	8,522
Asia excluding Japan and China	2,034	2,017	2,855
Europe	3,895	4,187	5,248
Others	266	263	353
Total	29,282	28,392	45,039

(2) Comparative Consolidated Statement of Income

(Rounded down to one million yen)

	Nine months ended Dec.31, 2024 Actual	Nine months ended Dec. 31, 2025 Actual	Y/Y Change	Y/Y Ratio
(Net sales)				
Reagents	22,424	21,640	(784)	(3.5%)
Instruments	644	589	(55)	(8.6%)
CDMO	3,496	3,792	296	8.5%
Gene Therapy	2,716	2,370	(345)	(12.7%)
Total net sales	29,282	28,392	(889)	(3.0%)
(Operating profit and Loss)				
Net sales	29,282	28,392	(889)	(3.0%)
Cost of sales	12,912	14,252	1,340	10.4%
Gross profit	16,369	14,140	(2,229)	(13.6%)
SG & A expenses	17,843	18,995	1,152	6.5%
Transportation expenses	424	404	(19)	(4.6%)
Advertising expenses	59	68	9	15.3%
Promotion expenses	572	633	60	10.6%
R&D expenses	5,118	5,090	(28)	(0.6%)
Administrative expense, other	11,466	12,613	1,147	10.0%
Enterprise taxes (external standards taxation)	201	185	(16)	(8.1%)
Operating profit	(1,473)	(4,855)	(3,381)	—
(Non-operating income and Expenses)				
Non-operating income	420	310	(110)	(26.2%)
Non-operating expenses	202	547	345	170.7%
Ordinary profit	(1,255)	(5,092)	(3,837)	—
(Extraordinary income & Losses)				
Extraordinary income	2	83	80	—
Extraordinary losses	131	3,968	3,836	—
Income before income taxes	(1,384)	(8,977)	(7,592)	—
Income taxes	(37)	608	646	—
Net income	(1,347)	(9,586)	(8,239)	—
Net income (loss) attributable to non-controlling interests	31	32	1	5.2%
Net income attributable to owners of the parent	(1,378)	(9,619)	(8,240)	—
Depreciation and amortization (Property, plant and equipment and intangible assets)	2,732	3,096	364	13.3%
Amortization of goodwill	517	784	267	51.7%