

[TRANSLATION]

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Takara Bio Group Sustainability Plan 2026

Jun 2023

TAKARA BIO INC.

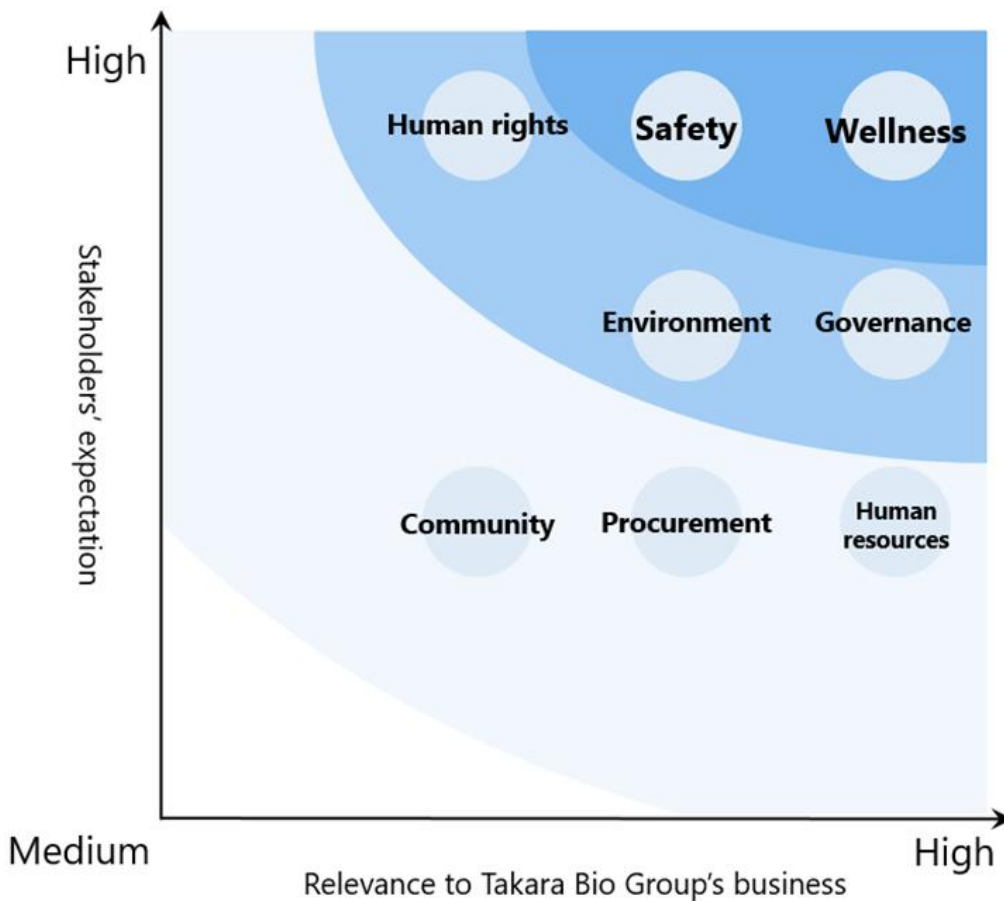
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Basic Policy

Takara Bio Group Sustainability Management Promotion Basic Policy

Based on our corporate philosophy of "contributing to the health of humankind through the development of revolutionary biotechnologies such as gene therapy," Takara Bio Group will tackle various social issues related to sustainability, including health, through its business activities, from the perspective of enhancing corporate value over the medium to long term, with the aim of achieving both "realization of a sustainable society" and "sustainable growth of Takara Bio Group." In our efforts, we identify materiality and promote sustainability management to help resolve social issues through collaboration with stakeholders and collaboration with Takara Group.



Materiality Matrix (revised May 2023)

Wellness

Through our efforts aimed at social implementation of advanced medicine, such as support of life science research and development of gene therapy, we are working to create a society in which people can stay well and enjoy life.

Initiative themes and measures

Theme: Supporting life science research and its development around the world

Measures	Targets for FY2026	Description
Wide-ranging support for life science research and industrial development.	Promote the development of global, multipolar manufacturing facilities (Japan, the U.S., Europe, and China) and support the development of life science research through stable product supply.	Move forward with the transfer of manufacturing from China's core plants to Japan, the U.S., Europe, and India.
Contributing to life science community.	(1) Disseminate information about biotechnology fundamentals and the latest technology by holding seminars and workshops.	<ul style="list-style-type: none"> • Hold about 250 webinars a year for bio-researchers. • Hold corporate sponsored seminars at academic societies (several times a year).
	(2) Commercialize promising academic discoveries through open innovation.	As a commercialization of academic technology seeds, started clinical trials of JAK/STAT techniques (TBI-2001), etc.
	(3) Promote social understanding of biotechnology.	<ul style="list-style-type: none"> • Participation in seminars held by universities and scientific organizations (several times a year). • Holding public relations workshops for university students (once or twice a year).

Theme: Application of gene analysis technologies to testing and diagnosis

Measures	Targets for FY2026	Description
Supply testing and diagnostic kits for viruses, etc.	Expand the scope of application by developing "glocal" products customized to the characteristics and demands of each region in the world, in addition to virus testing products for infectious diseases that are prevalent worldwide.	Expand the range of viruses and microbial species to be tested in line with the "glocal" needs.

Theme: Initiatives to develop gene therapy

Measures	Targets for FY2026	Description
Promote the development of gene therapy-related technologies that meet unmet medical needs.	(1) Proceed with preparation for marketing authorization for TBI-1301 and make it a social implementation.	Promote preparations for marketing authorization for TBI-1301.
	(2) Promote CDMO business to support the development/manufacturing of regenerative medicine/gene and cell therapy.	Provision of services for diverse modalities and mass production.
	(3) Provide ancillary materials compatible with new modalities.	Developing and launching enzymes for the production of mRNA.

Safety

To ensure that our customers can use our products and services safely, we have established a basic policy on quality assurance and work to ensure safety in compliance with that policy.

Takara Bio Quality Assurance Basic Policy (extracted from Takara Bio Group Quality Assurance Policy)

- Takara Bio Group provides high-quality products and services that fulfill the trust and expectations of customers.
- Takara Bio Group delivers safe and reliable products and services.
- Takara Bio Group complies with laws and regulations.
- Takara Bio Group ensures that all executives and employees of the group are fully aware of and implement this basic policy.

Initiative themes and measures

Theme: Ensuring safe quality

Measures	Targets for FY2026	Description
Maintain quality management system certifications (ISO9001, etc.).	Maintain current ISO certifications at plants and work to improve quality and customer satisfaction. Expand scope of ISO certification as necessary.	<ul style="list-style-type: none"> • Continue activities required to maintain ISO certification and business permits. • Database management of close call events.
Achieve and maintain compliance with relevant quality, manufacturing, and safety standards such as GMP/GCTP, and third-party certification.	(1) Maintain business licenses and registrations. Make additional acquisitions as necessary.	<ul style="list-style-type: none"> • Continue activities required to maintain ISO certification and business permits. • Database management of close call events. •

	(2) Establish a quality system and a stable supply of products on market for regenerative medicine/ gene and cell therapy, and continuously improve the systems.	Promoting the establishment of a post-marketing structure for TBI-1301.
Appropriate provision of product information.	Provision of SDS (safety data sheets) in various languages (Japanese, English, and Chinese) for reagents (in-house products) by fiscal 2026 (excluding some in-licensed products).	Provide SDS in various languages (Japanese, English, and Chinese) for all reagents (in-house products).
Fostering a corporate culture that emphasizes quality.	Establish a Task Force to Foster Quality Culture to develop and maintain a system (quality improvement system) that emphasizes quality and has a sense of awareness and responsibility.	<ul style="list-style-type: none"> • Conduct continuous improvement activities through the quality improvement system. • Zero major deviations and zero deviations due to human error.

Governance

In corporate governance, we are building an optimal corporate governance system with the goal of maintaining a state of appropriate corporate governance in order to achieve sustainable growth and increase corporate value over the medium term. In compliance, to realize our corporate philosophy, each and every executive and employee thoroughly implements actions based on the Compliance Action Guidelines and strengthens the compliance promotion system throughout the Group, including overseas.

Initiative themes and measures

Theme: Promoting Corporate Governance

Measures	Targets for FY2026	Description
Establish an optimal corporate governance structure.	Maintain an appropriate level of corporate governance to achieve sustainable growth and increase corporate value over the medium to long term, and promote information disclosure.	Maintain an appropriate governance system through strict operation of rules, such as the Related-party Transaction Management rules.

Theme: Promoting Compliance

Measures	Targets for FY2026	Description
Strengthening of the compliance promotion system.	Hold regular meetings of the Risk Compliance Committee.	Held the Risk Compliance Committee (twice a year)
Implementing Compliance Training.	(1) Thorough implementation of Takara Group Compliance Action Guidelines.	<ul style="list-style-type: none"> Implementation of risk and compliance education in each workplace (annual training for new employees, mid-career recruits, workplace training by compliance leaders, e-learning, etc.). Conducted annual training for all employees to prevent e-mails being sent incorrectly.
	(2) Conduct training according to position to raise awareness of compliance among executives and employees (once a year).	Conduct compliance education (once a year).
	(3) Conduct workplace education on priority compliance themes (four times a year).	Conduct workplace education on priority themes (four times a year).
Appropriate operation of the whistle-blowing system.	Prevent illegal and inappropriate behavior, as well as recurrence of such behavior, by properly operating the whistle-blowing system and responding promptly and appropriately to the content of internal reports.	Disseminate the whistle-blowing system through compliance education (once a year).

Theme: Strengthening the Risk Management System

Measures	Targets for FY2025	Description
Promoting risk management and crisis management.	(1) Work to prevent and mitigate risks in Japan and abroad, and build a system that can respond quickly and appropriately in the event of an emergency such as a disaster.	<ul style="list-style-type: none"> Monthly workplace inspections and inspection activities by the Safety and Health Committee. Prepare risk and compliance checklists for each workplace and update them every year.
	(2) Reduction of occupational accidents.	Implementation of risk assessment and safety measures for manufacturing operations.

	(3) Monitoring the status of risk management at each company and business site (creating risk map) through the Workplace Inspection Report, the Risk Compliance Checklist, and interviews with employees, etc., to prevent risks from materializing and to reduce risks (once a year in principle).	Creation and update of the risk map (once a year).
	(4) Regularly conduct various emergency training (safety confirmation training, fire prevention training, AED use training, etc.) (in principle, once a year).	<ul style="list-style-type: none"> · Safety confirmation training (once a year). · Fire prevention training (once a year). · AED use training (annual) · Implementation of various other emergency trainings.

Environment

In addition to complying with environmental laws and regulations, we actively participate in nature conservation activities and strive to conserve resources and energy. We are striving to reduce the environmental impact generated by all processes, from R & D and raw material procurement to production, logistics, sales, and consumption.

Takara Bio Group Environmental Policy

Takara Bio Group considers the harmonization of global environmental conservation and business activities to be one of the important management issues, and contributes to the creation of a sustainable society by establishing an environmental management system and making continuous improvements.

1. We comply with environment-related laws and other requirements to which the organization agrees.
2. In the business activities of Takara Bio Group, we will focus on the following items.
 - (1) We strive to prevent environmental pollution.
 - (2) We promote energy and resource conservation and strive to use sustainable resources.
 - (3) We strive to reduce greenhouse gas emissions and mitigate climate change.
 - (4) We promote and support activities related to the protection and conservation of biodiversity and ecosystems.
 - (5) We contribute to the realization of a recycling-oriented society by reducing water consumption, controlling waste generation, and promoting recycling.
3. We actively disclose information on our environmental activities and environmental performance, and strive to communicate with society.

4. This Environmental Policy is disseminated to all members of Takara Bio Group through educational activities, and actively support employees' participation in social contribution activities.

Initiative themes and measures

Theme: Addressing Climate Change Issues

Measures	Targets for FY2026	Description
Reduce CO2 emissions per unit of sales by 50% in fiscal 2026 compared to fiscal 2019.	(1) Promote energy conservation activities and use of renewable energy, etc.	Achieve 50% reduction on a unit basis through expansion of the scope of use of renewable energy and energy-saving activities.
	(2) To endorse and participate in local and organizational CO2 reduction activities.	<ul style="list-style-type: none"> Respond to the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD). Support and participate in activities to reduce CO2 in regions (e.g., CO2 Net Zero Movement led by Shiga prefecture).
Promoting Information Disclosure on Initiatives for Climate Change.	Promote disclosures based on TCFD framework.	<ul style="list-style-type: none"> Scope 3 calculation and publication. Respond to CDP survey.
Improve employees' environmental awareness.	Promotion of energy and resource conservation activities that can be tackled on an individual basis and on a work-site basis.	<ul style="list-style-type: none"> Implementation of employee environmental education through e-learning, etc. (once a year). Promotion of energy and resource conservation activities in daily operations. Acquire and maintain environmental ISO certification (ISO14001).

Theme: Environmentally Conscious Product Packages and Packaging

Measures	Targets for FY2026	Description
Development of environmentally conscious products.	(1) Promote the conversion of paper packages to forest-certified paper and the use of vegetable oil ink, aiming for 100% by fiscal 2026.	Achieve targets by fiscal 2026, when gradually switching from the production of new lots.
	(2) Achieve 100% double-sided aluminum-free packaging for one-sided aluminum-free packaging by FY2026.	Achieve targets by fiscal 2026, when gradually switching from the production of new lots.

	(3) Change packaging refrigeration box to polystyrene foam (recycled refrigeration box) using recycled materials, aiming for 100% by fiscal 2026.	Switch to recycled refrigerated boxes (100%).
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Human Rights

We respect the human rights of all stakeholders and are engaged in various human rights-related initiatives including education and training.

Takara Bio Group Human Rights Policy

Takara Bio Group recognizes that its business activities may affect not only the human rights of its employees but also the human rights of its various stakeholders, including business partners, customers, and local communities. Accordingly, the Group respects the human rights stipulated in the United Nations' International Bill of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

This policy applies to all executives and employees of Takara Bio Group. We also request our business partners to support and comply with this policy.

1. We comply with the laws and regulations of each country in which we conduct business.
2. We respect the diversity, personality, and individuality of all stakeholders, and do not permit any irrational discrimination based on birth, nationality, race, ethnicity, creed, religion, sex, age, disability, sexual orientation, gender identity, employment status, hobby, or educational background, etc.
3. We support the right to freedom of association and collective bargaining. Illegal child labor and forced labor are not permitted in domestic and international labor environments.
4. We establish and operate a whistle-blowing hotline within Takara Bio Group and at an external third-party organization for reporting violations of laws, regulations, and internal rules, including this policy. In addition, disadvantageous treatment of a whistleblower by reason of an act such as reporting shall be prohibited.
5. We extensively convey our Human Rights Policy to our employees, and provide continuous education and training.

Initiative themes and measures

Theme: Respect for Human Rights

Measures	Targets for FY2026	Description
Respect diversity (gender, age, race, sexual orientation, gender identity, disability, etc.), personality, and individuality to maintain a workplace environment free from discrimination and harassment.	(1) Implement human rights and multicultural education in new employee training and job position training.	Conduct education on human rights and multinational culture through training for new employees and job position (once a year).
	(2) Promote non-discriminatory hiring activities.	Revision of manuals for recruitment staff and related personnel training (once a year).
	(3) Work to prevent harassment.	Implementation of Harassment Prevention Policy and holding workshops at each workplace (once a year).
	(4) Promote the protection of personal information and privacy.	Operate Personal Information Management Policy and survey the status of personal information management in each department (once a year).

Theme: Initiatives to Identify Human Rights Risks

Measures	Targets for FY2026	Description
Establish a system for identifying and evaluating human rights risks and begin operation.	(1) Understand the situation by creating a human rights risk response map and take measures as necessary.	Create and update the human rights risk response map. Take necessary measures (once a year).
	(2) Disseminate Human Rights Policies to suppliers and ask them to comply.	<ol style="list-style-type: none"> 1) Formulate Human Rights Policy and post them on websites, etc. to disseminate. 2) Activities to raise awareness of Takara Bio (non-consolidated)'s suppliers. 3) Conducted questionnaire. 4) Evaluation of questionnaire results, identification of areas for improvement, and proposals for improvement to business partners. <p>The target for 3) and 4) is at least 90% of primary suppliers.</p>

Human Resources

We aim to build a "vibrant and bright workplace and a corporate culture that nurtures people" from the standpoint of respect for people, and to develop "human resources who are well-balanced among corporate employees, members of society, and individuals" in this context.

Takara Bio Group Human Resources Policy (excerpt)

Takara Bio Group considers human resources to be an important management capital. A company is an organization in which each and every employee gathers together. Based on the belief that the collective strength of human resources is the source of sustainable growth and development of the company, we believe that it is essential to maximize the capabilities of individuals and organizations by investing in human resources in order to achieve further enhancement of corporate value and growth of the Group.

Initiative themes and measures

Theme: Human Resource Development and Organizational Development

Measures	Targets for FY2026	Description
Development of next-generation leaders, young human resources, and executive candidates.	Implementation of training by job position and purpose.	Conducted once a year.
Job rotation according to individual interests, abilities, and aptitudes.	Creation of skill maps, use of self-assessment systems, and identification of appropriate issues through training.	Conducted once a year.

Theme: Promote the active participation of diverse human resources and realize a comfortable work environment and work-life balance

Measures	Targets for FY2026	Description
Support for balancing work and childcare, promotion of women's careers.	(1) Enhancement of childcare support.	<ul style="list-style-type: none"> • Launch of in-house childcare circles. • Expansion of corporate collaboration nursery schools.
	(2) To maintain 100% return to work from childcare leave.	Maintain 100% return to work from childcare leave.
Support for injured and sick person.	Support balance between work and cancer treatment and build a systematic mental health care system.	Establish a system by fiscal 2026.
Improvement of working environment for overseas employees.	Respond to problems specific to overseas assignments (inflation, exchange rate fluctuations, etc.).	Revise regulations governing the handling of overseas employees.
Enhancement of the employment system for older workers.	Continue employment until age 70.	Revise internal regulations.
Employment of persons with disabilities.	Maintain the statutory employment rate.	Adopt to achieve the statutory employment rate.
Reduction of overtime.	Aim for 5% reduction of overtime annually compared to fiscal 2023 results.	Aim for an average of 21.2 hours per person per month (quantitative target).
Developing a working environment that can demonstrate the abilities of diverse human resources	Review of related regulations.	Promote the establishment of a flexible work system that takes into account work-life balance.

Procurement

In addition to ensuring the safety and quality of raw materials and more, we also aim to realize sustainable procurement by giving consideration to the social responsibilities of the entire supply chain, such as the environment, human rights, and compliance with laws and social ethics.

Takara Bio Group Procurement Policy

1. Ensuring of safety and quality
We promote activities aimed at ensuring high level of safety and quality in accordance with the Takara Bio Group Quality Assurance Policy.
2. Consideration for the environment
Based on the Takara Bio Group Environmental Policy, we engage in activities with consideration for the global environment.

3. Consideration for human rights
We engage in activities with consideration for human rights in accordance with the Takara Bio Group Human Rights Policy.
4. Compliance with laws and social ethics
We comply with laws and social ethics in accordance with the Takara Group Compliance Action Guidelines. We do not ask our suppliers for entertainment or gifts, and we do not accept entertainment that exceeds the scope of social common sense.
5. Impartial and fair transactions
We engage in impartial and fair transactions with all suppliers with good sense and integrity. The selection of suppliers is determined by making fair and impartial comparisons and evaluations based on conditions such as quality, price, delivery time, technological capabilities, and supply capacity and so on.
6. Maintaining information security
We appropriately manage confidential information and personal information obtained through procurement activities.
7. Expectations of suppliers
We strive to promote initiatives throughout the entire supply chain with the expectation that the above content give equal consideration to our suppliers as well.

Initiative themes and measures

Theme: Collaboration with suppliers

Measures	Targets for FY2026	Description
Establishment and operation of guidelines for sustainable procurement.	<ul style="list-style-type: none"> • Formulate Procurement Policy and Procurement Guideline, disseminate them to suppliers, and ask them to comply. • Survey the status of suppliers and request improvements as necessary. 	<ol style="list-style-type: none"> 1) Formulate Procurement Policy and Procurement Guideline and post them on websites and other media to promote awareness. 2) Activities to raise awareness of Takara Bio (non-consolidated) among suppliers. 3) Conducted questionnaire. 4) Evaluation of questionnaire results, identification of areas for improvement, and proposals for improvement to business partners. <p>The target for 3) and 4) is at least 90% of primary suppliers.</p>

Community

Through exchanges with local communities, we aim to contribute to the development and revitalization of local communities. We are also promoting activities aimed at advancing the life science industry through education and academic support.

Initiative themes and measures

Theme: Support for the next generation/local communities

Measures	Targets for FY2026	Description
Implementation of on-site classes and lectures at local educational institutions.	(1) Continuously conduct lectures and on-site classes related to life sciences and the design of career plans of next-generation for neighboring educational institutions.	<ul style="list-style-type: none"> Public relations workshop for university students (once a year). On-site classes for elementary school students (once a year).
	(2) Continue to participate in and cooperate with local cleanup activities, such as volunteer participation and sponsorship of local events.	Respond flexibly according to opportunities.

Theme: Support for victims and regions in the event of a large-scale disaster

Measures	Targets for FY2026	Description
Donations, water supply and volunteer activities for the disaster-stricken areas.	Implement support activities such as water supply and volunteer dispatch in the event of a large-scale disaster.	Respond flexibly according to opportunities.