Acceleration of climate

change and trend toward

decarbonization

Corporate management

that emphasizes investment

in human capital and DX

Emerging risks in

supply chain

Expanding market and

growing competition in

the bio industry

Growing social demand

for sustainable

management

Risks and opportunities

for Takara Bio

Corporate Philosophy

Contributing to the health of humankind through the development of revolutionary biotechnologies such as gene therapy

Input (Fiscal 2024)

External factors that Financial Capital affect business activities

Manufactured Capital

- A "glocal" manufacturing system for
- achieving stable product supplyCenter for Gene and Cell Processing that caters to production using diverse modalities

Manufacturing sites: 5 sites Capital Investments: ¥10.9 billion

- 3 sites (in Japan, U.S., China)
- for biologics development

Human Capital

- Promotion of the success of diverse human resources regardless of gender or nationality

Social and Relationship Capital

- Industry-government-academia
- Securing trust through compliance
- Electricity: 15,692 thousand kWh City gas : 3,226 thousand m³

Business Model

Universities, governmental organizations

Pharmaceutical companies

Clinical laboratories Medical institutions

Global platformer responsible for the infrastructure of the life science industry

Reagents

Instruments

CDMO

Takara Bio's competitive advantages

Ingenious platform technologies for biologics development that enables new modality creation

Largest-class **CDMO** facility

in Japan

Gene therapy

Promoting Sustainability Management

lance as a means of discipline towards continued improvement in corpor

Output

Reagent, instruments and CDMO services that provide extensive support to life science researches and the bio industry

 Consolidated net sales (Fiscal 2024) Reagents: ¥31.9 billion Instruments: ¥0.8 billion CDMO: ¥7.9 billion Gene Therapy: ¥2.6 billion



Environmentally conscious business activities

(Total of actual figures for major sites and offices in fiscal 2024)

Active involvement of diverse human resources

(Actual non-consolidated figures for fiscal 2024)

CO₂ emissions: 14 thousand t-CO₂*

Active involvement of female employees

positions 24.3%

human resources

up till age 70

Promotion of mid-career hiring

regular employees 46.6%

Percentage of women in managerial

Percentage of mid-career hires among

Introduced an employment extension

Promote the hiring of people with disabilities

Maintain the statutory employment rate

system that allows continued employment

Promote the active involvement of senior

• Waste emissions: 315t

*Scope 1, Scope 2



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corporate value

Improvement in shareholder returns

Outcome

Society

Contribution to a healthy and

prosperous life

Customers

Development of life science

research and bio industry

Shareholders and investors

Improvement in

Employees

Correlative and continuous development of the company and the employees







Shareholders' equity ratio: 92.0%

Intellectual Capital

- A global R&D structure
- Highly ingenious platform technologies

R&D expenses: ¥8.3 billion

- Hiring and nurturing personnel who will shoulder future growth
- A wealth of technical training programs

- cooperation to create innovation Relationship of trust with stakeholders

Natural Capital

- Consumption of key energy sources
- Volume of water used:

Risks and Opportunities

Priority area	Risks and opportunities	Relevant materiality
Product liability	Economic loss due to product recall and compensation and loss of trust in case a problem occurs Opportunity Establish superiority based on excellent quality and build brand power	Safety •
Competition	Risk Increased competition driven by new entrants and M&As Opportunity Increase profit by establishing advantages in business	Wellness 🗅
R&D	Risk Delay or failure in R&D projects Opportunity Establish technological competitive advantage	Wellness ➡, Human resources ➡
Intellectual property rights	Loss of competitive advantage due to invalidation or expiration of registered patent rights, infringement of rights of other companies Opportunity Stable business expansion, advantages in business	Wellness ➡, Governance ➡
Climate change	Introduction of greenhouse gas emissions regulations, carbon tax and other new systems and standards (transitional risks) Opportunity Opportunities to develop new business or new products	Environment ➡, Wellness ➡
Human resources	Risk Shortage or loss of talents, difficulty in securing talents with expert knowledge or skills Opportunity Establish superiority in R&D, manufacturing, sales, etc.	Human resources ➡, Human rights ➡
Overseas business	Risk Increased geopolitical risks (procurement, human rights, tax affairs) Opportunity Business expansion through global operation and risk dispersion by having multiple bases	Procurement ➡, Human rights ➡, Governance ➡
Legal regulations	Risk Restraint on business activities due to tightening of legal regulations Opportunity Creation of new business opportunities	Wellness ➡, Governance ➡
Disasters, accidents, and pandemics	Discontinuation of or delay in business activities due to disaster, accidents or pandemic, disruption in supply chain Opportunity Increase in sales of infectious disease testing reagents	Governance ➡, Procurement ➡, Community ➡
Information security	Risk Losses and loss of trust due to system failure or information leakage Opportunity More added value to products and services	Governance -

Process for identifying materialities

STEP1	Analyze external/internal environments	
STEP2	Identify risks and opportunities that are highly likely to affect medium- to long-term management strategies	
STEP3	Rank them according to the degree of impact on the Group and the level of stakeholder expectations	
STEP4	Identify and determine materialities by corporate decision	
STEP 5	Formulate, practice, and monitor the progress of sustainability plan	