

# Value Creation Process

Corporate Philosophy

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

Input (Fiscal 2025)

Business Model

Output

Outcome

External factors that affect business activities

Acceleration of climate change and trend toward decarbonization

Emphasis on 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  
▶ P.28

## Financial Capital

Shareholders' equity ratio: 92.2%  
ROE: 0.9%  
Rating: A+ (JCR)  
JCR: Japan Credit Rating Agency, Ltd.

## Manufactured Capital

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

Manufacturing sites: 5 sites (in Japan, U.S., China, Europe, India)  
Capital Investments: ¥10.1 billion  
\* Including government subsidies

## Intellectual Capital

- A global R&D structure 3 sites (in Japan, U.S., China)
- Highly ingenious platform technologies for biologics development

R&D expenses: ¥6.8 billion

## Human Capital

- Hiring and nurturing personnel who will shoulder future growth
- Promotion of the success of diverse human resources regardless of gender or nationality
- A wealth of technical training programs

Number of employees on consolidated basis: 1,779  
Proportion of overseas employees: 57.2%

## Social and Relationship Capital

- Industry-government-academia cooperation to create innovation
- Relationship of trust with stakeholders
- Securing trust through compliance

## Natural Capital

- Consumption of key energy sources  
Electricity: 17,091 thousand kWh  
City gas: 3,218 thousand m<sup>3</sup>
- Volume of water used:  
138 thousand m<sup>3</sup>

Universities, governmental organizations

Pharmaceutical companies

Clinical laboratories  
Medical institutions

Global platformer responsible for the infrastructure of the life science industry

Reagents

Instruments

CDMO

Gene therapy

Takara Bio's competitive advantages

Genetic and cellular engineering technologies

Ingenious platform technologies for biologics development that enables new modality creation

Abundant experience in the field of gene therapy

A "glocal" manufacturing and marketing system

Largest-class CDMO facility in Japan

Human resource development and quality assurance through technical training

Promoting Sustainability Management ▶ P.29

Governance as a means of discipline towards continued improvement in corporate value

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

- Consolidated net sales (Fiscal 2025)  
Reagents: ¥31.9 billion  
Instruments: ¥1.1 billion  
CDMO: ¥8.1 billion  
Gene Therapy: ¥3.7 billion



Environmentally conscious business activities

(Total of actual figures for major sites and offices in fiscal 2025)

- CO<sub>2</sub> emissions: 14 thousand t-CO<sub>2</sub>\*
- Waste emissions: 324t

\* Scope 1, Scope 2



Active involvement of diverse human resources

(Actual non-consolidated figures for fiscal 2025)

- Active involvement of female employees  
Percentage of women in managerial positions 23.8%
- Promotion of mid-career hiring  
Percentage of mid-career hires among regular employees 45.5%
- Promote the active involvement of senior human resources  
Introduced an employment extension system that allows continued employment up till age 70
- Promote the hiring of people with disabilities  
Maintain the statutory employment rate [2.3%]



Society

Contribution to a healthy and prosperous life

Customers

Development of life science research and bio industry

Shareholders and investors

Improvement in corporate value

Improvement in shareholder value

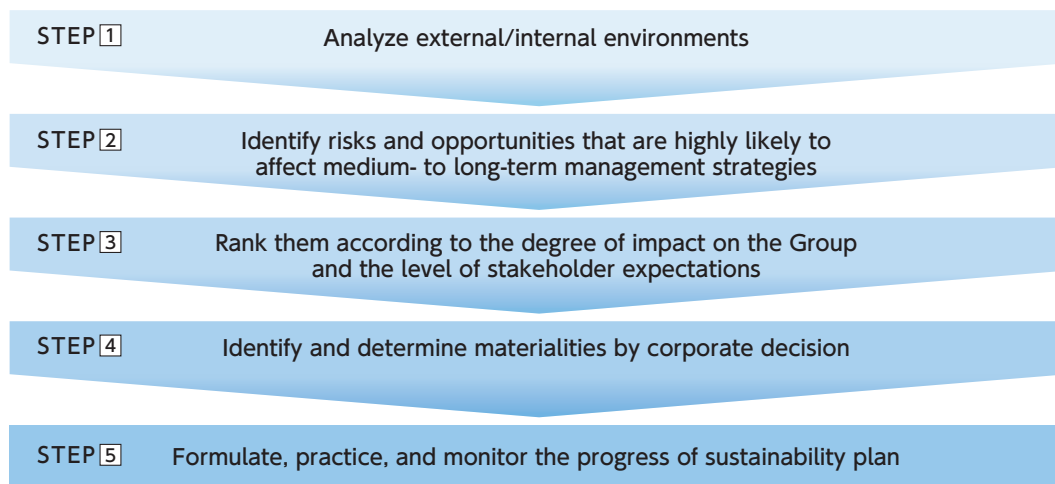
Employees

Correlative and continuous development of the company and the employees

## Risks and Opportunities, Materiality

Takara Bio analyses risks and opportunities to its business in the medium- to long-term and identifies important issues to be addressed with priority as its materialities.

### Process for identifying materialities



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