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May 10, 2024

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 4974
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 Scheduled date of annual general meeting of shareholders: June 21, 2024
 Scheduled date to commence dividend payments: June 24, 2024
 Scheduled date to file annual securities report: June 27, 2024
 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, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Mar. 31, 2024	43,505	(44.3)	3,003	(85.4)	3,405	(83.5)	1,480	(90.8)
Mar. 31, 2023	78,142	15.4	20,541	(28.9)	20,682	(27.3)	16,012	(19.3)

Note: Comprehensive income For the fiscal year ended Mar. 31, 2024: ¥4,387 million (78.5%)
 For the fiscal year ended Mar. 31, 2023: ¥20,363 million (14.0%)

Fiscal year ended	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
	Yen	Yen	%	%	%
Mar. 31, 2024	12.30	-	1.3	2.7	6.9
Mar. 31, 2023	132.97	-	15.4	16.9	26.3

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended Mar. 31, 2024: ¥- million
 For the fiscal year ended Mar. 31, 2023: ¥- million

(2) Consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Mar. 31, 2024	121,252	111,784	92.0	926.00
Mar. 31, 2023	129,202	112,454	86.9	931.93

Reference: Equity
 As of Mar. 31, 2024: ¥111,505 million
 As of Mar. 31, 2023: ¥112,219 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, 2024	1,711	(13,043)	(5,233)	33,171
Mar. 31, 2023	36,897	(6,693)	(4,119)	49,058

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, 2023	-	0.00	-	42.00	42.00	5,057	31.6	4.9
Fiscal year ended Mar. 31, 2024	-	0.00	-	17.00	17.00	2,047	138.2	1.8
Fiscal year ending Mar. 31, 2025 (Forecast)	-	0.00	-	17.00	17.00		60.2	

3. Consolidated financial forecasts for the fiscal year ending March 31, 2025 (April 1, 2024 – March 31, 2025)

(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)	20,200	5.7	150	(89.4)	250	(84.4)	100	(90.8)	0.83
Full year	48,900	12.4	5,000	66.5	5,200	52.7	3,400	129.6	28.24

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): 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, 2024	120,415,600 shares
As of Mar. 31, 2023	120,415,600 shares

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

As of Mar. 31, 2024	- shares
As of Mar. 31, 2023	- shares

(iii) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2024	120,415,600 shares
Fiscal year ended Mar. 31, 2023	120,415,600 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated results for the year ended March 31, 2024 (April 1, 2023 – March 31, 2024)

(1) Non-consolidated Results of Operations

	Year ended Mar. 31, 2024		Year ended Mar. 31, 2023	
	(Millions of yen)	(%)	(Millions of yen)	(%)
Net sales	27,043	(52.8)	57,280	13.7
Operating profit	1,546	(89.4)	14,553	(33.6)
Ordinary profit	3,853	(77.9)	17,444	(30.4)
Net income	2,899	(79.7)	14,313	(22.6)
Net income per share (in yen)	24.8		118.87	
Fully diluted net income per share (in yen)	-		-	

(2) Non-consolidated Financial Position

	As of Mar. 31, 2024		As of Mar 31, 2023	
	(Millions of yen)		(Millions of yen)	
Total assets	100,320		108,607	
Net assets	94,385		96,544	
Equity ratio (%)	94.1		88.9	
Net assets per share (in yen)	783.83		801.76	
(Reference) Equity	94,385		96,544	

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

In the fiscal year under review, we experienced a decrease in net sales due to a decrease in sales of testing-related products for the new Coronavirus and a slump in the life science research market affected by the economic downturn overseas. As a result, there was a difference between the actual value for the previous fiscal year and the actual value for 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, 2024, (4) Future Outlook on page 3 of the attached document.

The Company will hold a briefing for institutional investors and analysts on Tuesday, May 14, 2024. The material handed out at this briefing and a review of questions and answers will be posted on our website after the briefing.

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1. Overview of Financial Results for the year ended March 31, 2024

(1) Overview of Financial Results

The outlook for the global economy in the fiscal year under review is uncertain due to prolonged inflation, a slowdown in the Chinese economy, and Russia's invasion of Ukraine.

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 decreased to ¥43,505 million (down 44.3% year-on-year) due to a decrease of sales of test-related products resulting from a change in the legal positioning of new Coronavirus infectious disease, and a slump in the life science research market affected by the economic sluggishness overseas. Cost of sales decreased to ¥16,597 million (down 50.3% year-on-year) due mainly to a decrease in sales. As a result, gross profit decreased to ¥26,908 million (down 39.9% year-on-year). Selling, general and administrative (SG&A) expenses were ¥23,905 million (down 1.3% year-on-year) due to an increase in research and development (R&D) expenses and other expenses, and operating profit was ¥3,003 million (down 85.4% year-on-year).

As a result of the decrease in operating profit, ordinary profit decreased by ¥3,405 million (down 83.5% year-on-year), profit before income taxes and others was ¥2,853 million (down 86.6% year-on-year), and net income attributable to owners of the parent was ¥1,480 million (down 90.8% year-on-year).

Since our group is a single segment, the disclosure by segment is omitted

(2) Overview of Financial Position

Total assets at the end of the fiscal year under review were ¥121,252 million, a decrease of ¥7,949 million from the end of the previous fiscal year. This was mainly due to decreases of ¥16,430 million in cash and deposits and ¥1,156 million in accounts receivable-trade, despite increases of ¥8,119 million in property, plant and equipment and ¥2,020 million in other current assets.

Total liabilities at the end of the fiscal year under review were ¥9,467 million, a decrease of ¥7,280 million from the end of the previous fiscal year. This was mainly due to decrease of ¥3,323 million in other current liabilities, ¥2,486 in accrued payable-other, and ¥779 million in notes and accounts payable-trade.

Total net assets at the end of the fiscal year under review were ¥111,784 million, a decrease of ¥669 million from the end of the previous fiscal year. This was mainly due to a decrease of ¥3,576 million in retained earnings, despite an increase of ¥2,867 million in foreign currency translation adjustment due to the yen's depreciation.

(3) Overview of Cash Flows

Net cash provided by operating activities amounted to ¥1,711 million, a decrease of ¥35,185 million from the previous fiscal year. This was mainly due to depreciation and amortization of ¥4,279 million, income before income taxes and others of ¥2,853 million, cash inflow from decrease in trade receivables of ¥1,501 million, a decrease in consumption taxes payable of ¥3,439 million, income taxes paid of ¥2,359 million, and a decrease in notes and accounts payable-trade of ¥928 million.

Net cash used in investing activities amounted to ¥13,043 million, an increase of ¥6,349 million from the previous fiscal year. This was mainly due to proceeds from withdrawal of time deposits of ¥2,937 million, purchase of property, plant and equipment and intangible assets of ¥12,778 million, and payments into time deposits of ¥2,224 million.

Net cash used in financing activities totaled ¥5,233 million, mainly due to cash dividends paid of ¥5,052 million, an increase of ¥1,113 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 ¥15,886 million from the end of the previous fiscal year to ¥33,171 million.

(4) Future Outlook

(Forecast of Net Sales)

In Reagent business, the life sciences industry's activities are declining worldwide due to economic conditions and other factors. However, we expect sales of both Research/Catalog products and OEM/Custom-made products to increase as we pursue a global, multipolar marketing/manufacturing/sales strategy. Specifically, in Japan, we will focus on application testing kits for private laboratories and other facilities, in the U.S. for OEM/custom-made products for LDT (laboratory developed test) such as the field of RHT (reproductive health technology), and in Europe for OEM/Custom-made products related to genetic engineering. In China, we will develop new products for the Chinese market and respond to pricing. In Instruments business, we expect sales to increase due to new products for next-generation single-cell analyzers, mainly in Japan and the United States.

In CDMO business, we expect an increase in revenues from contracted production of vector and mRNA, contracted quality tests as contract services related to regenerative medicine products, using the second building of the Center for Gene and Cell Processing, which we have been investing in ahead of time. We also expect an increase in revenues from contract services related to gene analysis/testing, as well as an increase in revenues from new menus of proteome analysis, single-cell analysis, and spatial analysis.

In Gene Therapy business, we anticipate an increase in sales of AM products (ancillary materials for manufacturing) such as mRNA related enzymes. Consequently, we anticipate an increase in sales in all categories. 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 59% of the full year.

In particular, there is a large bias in CDMO business, and we expect approximately 25% in the first half of the fiscal year and approximately 75% in the second half of the fiscal year.

(Forecast of Consolidated Financial Results)

For the full year ending March 31, 2025, we forecast a year-on-year increase in both sales and profits, with net sales of ¥48,900 million, operating profit of ¥5,000 million, ordinary profit of ¥5,200 million, and net income attributable to owners of the parent of ¥3,400 million.

For the cumulative second quarter, we forecast a year-on-year increase in sales but a decrease in profits, with net sales of ¥20,200 million, operating profit of ¥150 million, ordinary profit of ¥250 million, and net income attributable to owners of the parent of ¥100 million. As mentioned above, due to a bias in the progress of net sales, we expect the progress of our operating profit forecast to be approximately 3% for the full year in the first half of the fiscal year (we expect an operating loss in the first quarter) and 97% for the second half of the fiscal year.

For a comparison between the forecasts for the following fiscal year and the results for the fiscal year ended March 31, 2024, please refer "4. Supplementary Information (3) Comparative Statement of Profit and Loss Statements Relating to Forecasts" on page 14 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, 2023	As of Mar. 31, 2024
Assets		
Current assets		
Cash and deposits	51,847	35,416
Notes receivable-trade	244	33
Electronically recorded monetary claims-operating	984	1,143
Accounts receivable-trade	11,338	10,181
Merchandise and finished goods	6,248	6,784
Work in process	1,125	970
Raw materials and supplies	3,714	4,096
Other	2,184	4,205
Allowance for doubtful accounts	(118)	(72)
Total current assets	77,569	62,759
Non-current assets		
Property, plant and equipment		
Buildings and structures	28,098	28,521
Accumulated depreciation	(7,064)	(8,318)
Buildings and structures, net	21,034	20,203
Machinery, equipment and vehicles	8,384	8,346
Accumulated depreciation	(4,883)	(5,309)
Machinery, equipment and vehicles, net	3,500	3,037
Tools, furniture and fixtures	10,569	11,673
Accumulated depreciation	(6,229)	(7,674)
Tools, furniture and fixtures, net	4,340	3,998
Land	8,654	8,869
Leased assets	756	756
Accumulated depreciation	(178)	(231)
Leased assets, net	578	525
Construction in progress	2,102	11,712
Others	992	1,326
Accumulated depreciation	(246)	(597)
Others, net	745	728
Total Property, plant and equipment	40,956	49,075
Intangible assets		
Goodwill	6,674	6,488
Technology-based intangible assets	1,011	219
Other	1,360	1,319
Total intangible assets	9,047	8,027
Investments and other assets		
Deferred tax assets	1,067	833
Retirement benefit assets	93	102
Others	466	454
Total investments and other assets	1,627	1,389
Total non-current assets	51,632	58,492
Total assets	129,202	121,252

(Millions of yen)

	As of Mar. 31, 2023	As of Mar. 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable-trade	2,323	1,543
Lease obligations	151	180
Accrued payable-other	4,405	1,919
Accrued income taxes	672	128
Provision	1,065	962
Other	5,756	2,433
Total current liabilities	14,375	7,168
Non-current liabilities		
Lease obligations	821	788
Deferred tax liabilities	179	0
Retirement benefit liabilities	992	1,102
Other	378	407
Total non-current liabilities	2,372	2,299
Total liabilities	16,747	9,467
Net assets		
Shareholders' equity		
Share capital	14,965	14,965
Capital surplus	32,893	32,893
Retained earnings	57,047	53,471
Total shareholders' equity	104,906	101,330
Accumulated other comprehensive income		
Foreign currency translation adjustment	7,680	10,548
Cumulative remeasurements of retirement benefit	(367)	(373)
Total accumulated other comprehensive income	7,312	10,174
Non-controlling interests	235	279
Total net assets	112,454	111,784
Total liabilities and net assets	129,202	121,252

(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, 2023	Year ended Mar. 31, 2024
Net sales	78,142	43,505
Cost of sales	33,377	16,597
Gross profit	44,765	26,908
SG&A expenses		
Provision for doubtful accounts	79	(34)
Employees' salaries and bonuses	5,877	6,192
Provision for accrued bonuses	574	454
Retirement benefit expenses	249	305
R&D expenses	8,575	8,324
Other	8,865	8,663
Total SG&A expenses	24,224	23,905
Operating profit	20,541	3,003
Non-operating income		
Interest income	142	186
Foreign exchange gains	-	97
Rent income from real estate	158	165
Other	62	64
Total non-operating income	363	513
Non-operating expenses		
Interest expenses	24	23
Foreign exchange loss	120	-
Rent expenses on real estate	70	74
Other	6	12
Total non-operating expenses	221	111
Ordinary profit	20,682	3,405
Extraordinary gains		
Gain on sale of fixed assets	251	3
Insurance received	678	-
Total extraordinary profit	930	3
Extraordinary losses		
Loss on disposal of fixed assets	348	347
Impairment loss	-	207
Others	39	-
Total extraordinary losses	388	554
Profit before income taxes and others	21,224	2,853
Income taxes-current	4,679	1,292
Income taxes-deferred	496	50
Total income taxes	5,176	1,343
Net income	16,047	1,510
Net income attributable to non-controlling interest	35	29
Net income attributable to owners of the parent	16,012	1,480

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Year ended March 31, 2023	Year ended March 31, 2024
Net income	16,047	1,510
Other comprehensive income		
Foreign currency translation adjustment	4,478	2,882
Remeasurements of retirement benefit	(163)	(5)
Total other comprehensive income	4,315	2,877
Comprehensive income	20,363	4,387
Comprehensive income attributable to:		
Owners of the parent	20,319	4,343
Non-controlling interest	43	44

(3) Consolidated Statements of Changes in Net Assets

Previous fiscal year (from April 1, 2022 to March 31, 2023)

(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	45,009	92,868	3,208	(204)	3,004	191	96,064
Change of items during the period									
Dividends from surplus			(3,973)	(3,973)					(3,973)
Net income attributable to owners of the parent			16,012	16,012					16,012
Net changes of items other than shareholders' equity					4,471	(163)	4,307	43	4,351
Total changes of items during the period	-	-	12,038	12,038	4,471	(163)	4,307	43	16,389
Balance at the end of current period	14,965	32,893	57,047	104,906	7,680	(367)	7,312	235	112,454

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

(Millions of yen)

	Shareholders' equity				Accumulated other comprehensive income			Non-controlling interests	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
Changes 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

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended Mar. 31, 2023	Year ended Mar. 31, 2024
Net cash provided by (used in) operating activities		
Income before income taxes and others	21,224	2,853
Depreciation and amortization	4,050	4,279
Impairment loss	-	207
Depreciation and amortization on other	86	102
Amortization of goodwill	599	640
Increase (decrease) in allowance for doubtful accounts	56	(53)
Increase (decrease) in reserve for bonuses	78	(144)
Increase (decrease) in retirement benefit liabilities	202	107
Interest income	(142)	(186)
Interest expenses	24	23
Insurance claim income	(678)	-
Loss (gain) on sale and retirement of fixed assets	97	344
Decrease (increase) in trade receivables	5,718	1,501
Decrease (increase) in inventories	13,510	(324)
Increase (decrease) in notes and accounts payable-trade	139	(928)
Increase (decrease) in consumption taxes payable	2,271	(3,439)
Increase (decrease) in other current liabilities	(1,371)	(508)
Others	162	(114)
Subtotal	46,028	4,361
Interest and dividend income received	116	166
Income expenses paid	(24)	(22)
Income taxes paid	(9,902)	(2,359)
Proceeds from insurance income	678	-
Subsidies received	-	(433)
Net cash provided by (used in) operating activities	36,897	1,711
Net cash provided by (used in) investing activities		
Payments into time deposits	(17,769)	(2,224)
Proceeds from withdrawal of time deposits	16,554	2,937
Purchase of property, plant and equipment and intangible assets	(5,747)	(12,778)
Proceeds from sales of property, plant and equipment and intangible assets	396	9
Purchase of other depreciable assets	(135)	(94)
Subsidies received	-	462
Subsidy refund	-	(1,335)
Others	7	(19)
Net cash provided by (used in) investing activities	(6,693)	(13,043)
Net cash provided by (used in) financing activities		
Dividends paid	(3,968)	(5,052)
Repayments of lease obligations	(151)	(181)
Net cash provided by (used in) financing activities	(4,119)	(5,233)
Effect of exchange rate change on cash and cash equivalents	813	678
Net increase (decrease) in cash and cash equivalents	26,897	(15,886)
Cash and cash equivalents at beginning of period	22,160	49,058
Cash and cash equivalents at end of period	49,058	33,171

(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	6,674	6,488

(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.

(Changes in Presentation Method)

(Consolidated Statements of Cash Flows)

"Increase (decrease) in consumption taxes payable," which was included in "Increase (decrease) in other current liabilities" in cash flows from operating activities in the previous fiscal year, has been presented separately from the current fiscal year due to an increase in its monetary materiality. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

Consequently, ¥899 million, which was presented as "Increase (decrease) in other current liabilities" in cash flows from operating activities in the Consolidated Statements of Cash Flows for the previous fiscal year, has been reclassified as "Increase (decrease) in consumption taxes payable" of ¥2,271 million and "Increase (decrease) in other current liabilities" of minus ¥1,371 million.

(Segment Information)

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

(Per-Share Information)

	Previous Fiscal Year (From April 1, 2022 to March 31, 2023)	Fiscal Year under Review (From April 1, 2023 to March 31, 2024)
Net assets per share	¥931.93	¥926.00
Net income per share	¥132.97	¥12.30

- (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, 2022 to March 31, 2023)	Fiscal Year under Review (From April 1, 2023 to March 31, 2024)
Net income per share		
Profit attributable to owners of parent (Millions of yen)	16,012	1,480
Amounts not attributable to common stock (Millions of yen)	-	-
Profit attributable to owners of parent attributable to common stock (Millions of yen)	16,012	1,480
Average number of shares of common stock outstanding during the period (Thousands of shares)	120,415	120,415

(Significant Subsequent Events)

Not applicable.

4. Supplementary Information

(1) Trends in Key Indicators for Business Management

1) Cash Flows

(Millions of yen)

	Previous Fiscal Year (Apr. 1, 2022 – Mar. 31, 2023)	Fiscal Year under Review (Apr. 1, 2023 – Mar. 31, 2024)
Cash flow from operating activities	36,897	1,711
Cash flow from investing activities	(6,693)	(13,043)
Cash flow from financing activities	(4,119)	(5,233)

2) Sales Breakdown by Region

(Millions of yen)

	Previous Fiscal Year (Apr. 1, 2022 – Mar. 31, 2023)	Fiscal Year under Review (Apr. 1, 2023 – Mar. 31, 2024)
Japan	45,667	15,434
United States	12,886	12,974
China	10,799	7,039
Asia excluding Japan and China	3,546	3,355
Europe	4,949	4,496
Others	293	205
Total	78,142	43,505

(2) Comparative Consolidated Statement of Income

(Rounded down to one million yen)

	Year ended Mar. 31, 2023	Year ended Mar. 31, 2024	Y/Y Change	Y/Y Ratio
(Net sales)				
Reagents	65,925	31,961	(33,963)	(51.5%)
Instruments	1,375	892	(482)	(35.1%)
CDMO	8,200	7,997	(202)	(2.5%)
Gene Therapy	2,640	2,653	12	0.5%
Total net sales	78,142	43,505	(34,636)	(44.3%)
(Operating profit and Loss)				
Net sales	78,142	43,505	(34,636)	(44.3%)
Cost of sales	33,377	16,597	(16,779)	(50.3%)
Gross profit	44,765	26,908	(17,856)	(39.9%)
SG & A expenses	24,224	23,905	(318)	(1.3%)
Transportation expenses	653	571	(81)	(12.4%)
Advertising expenses	48	72	24	49.9%
Promotion expenses	699	676	(23)	(3.3%)
R&D expenses	8,575	8,324	(251)	(2.9%)
Administrative expense, other	13,790	13,955	164	1.2%
Enterprise taxes (external standards taxation)	456	304	(152)	(33.4%)
Operating profit	20,541	3,003	(17,537)	(85.4%)
(Non-operating income and Expenses)				
Non-operating income	363	513	150	41.5%
Non-operating expenses	221	111	(110)	(49.7%)
Ordinary profit	20,682	3,405	(17,277)	(83.5%)
(Extraordinary gains & Losses)				
Extraordinary gains	930	3	(927)	(99.6%)
Extraordinary losses	388	554	165	42.7%
Income before income taxes and others	21,224	2,853	(18,370)	(86.6%)
Income taxes	5,176	1,343	(3,832)	(74.0%)
Net income	16,047	1,510	(14,537)	(90.6%)
Net income (loss) attributable to non-controlling interests	35	29	(6)	(18.1%)
Net income attributable to owners of the parent	16,012	1,480	(14,531)	(90.8%)
Depreciation and amortization (Property, plant and equipment and intangible assets)	4,050	4,279	229	5.7%
Amortization of goodwill	599	640	41	6.9%

(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, 2023	Six months ending Sep. 30, 2024 Forecast	Y/Y Change	Y/Y Ratio
(Net sales)				
Reagents	14,703	15,503	799	5.4%
Instruments	411	586	174	42.4%
CDMO	2,702	2,448	(254)	(9.4%)
Gene Therapy	1,298	1,661	363	28.0%
Total Net Sales	19,116	20,200	1,083	5.7%
(Operating profit and Loss)				
Net sales	19,116	20,200	1,083	5.7%
Cost of sales	5,772	7,900	2,127	36.9%
Gross profit	13,343	12,299	(1,044)	(7.8%)
SG & A expenses	11,933	12,149	215	1.8%
Transportation expenses	285	281	(3)	(1.1%)
Advertising expenses	32	42	9	29.6%
Promotion expenses	347	408	60	17.5%
R&D expenses	4,241	3,567	(673)	(15.9%)
Administrative expenses, other	6,872	7,678	805	11.7%
Enterprise taxes (external standards taxation)	154	170	16	10.5%
Operating profit	1,410	150	(1,260)	(89.4%)
(Non-operating income and Expenses)				
Non-operating income	248	176	(71)	(28.8%)
Non-operating expenses	59	76	16	28.4%
Ordinary profit	1,598	250	(1,348)	(84.4%)
(Extraordinary gains & Losses)				
Extraordinary gains	1	-	(1)	-
Extraordinary losses	12	15	3	27.5%
Income before income taxes and others	1,588	234	(1,354)	(85.3%)
Income taxes	489	111	(378)	(77.3%)
Net income	1,099	123	(976)	(88.8%)
Net income (loss) attributable to non- controlling interests	14	23	8	54.5%
Net income attributable to owners of parent	1,084	100	(984)	(90.8%)
Depreciation and amortization (Property, plant and equipment and intangible assets)	2,132	1,848	(283)	(13.3%)
Amortization of goodwill	307	318	11	3.7%

* From the fiscal year ended March 31, 2025, we began adding sales of mRNA manufacturing related products for research use, which had been included in "Reagents" until the fiscal year ended March 31, 2024, to "Gene Therapy." The results for the year ended March 31, 2024 in this table have been reclassified to reflect this change.

(ii) Consolidated Financial Results for the Full Year

(Rounded down to one million yen)

	Year ended Mar. 31, 2024	Year ending Mar. 31, 2025 Forecast	Y/Y Change	Y/Y Ratio
(Net sales)				
Reagents	31,405	33,969	2,563	8.2%
Instruments	892	1,520	627	70.3%
CDMO	7,997	10,000	2,002	25.0%
Gene Therapy	3,209	3,410	201	6.3%
Total Net Sales	43,505	48,900	5,394	12.4%
(Operating profit and Loss)				
Net sales	43,505	48,900	5,394	12.4%
Cost of sales	16,597	19,301	2,704	16.3%
Gross profit	26,908	29,598	2,690	10.0%
SG & A expenses	23,905	24,598	693	2.9%
Transportation expenses	571	621	49	8.6%
Advertising expenses	72	85	12	17.0%
Promotion expenses	676	878	202	29.9%
R&D expenses	8,324	7,200	(1,124)	(13.5%)
Administrative expenses, other	13,955	15,467	1,512	10.8%
Enterprise taxes (external standards taxation)	304	345	41	13.7%
Operating profit	3,003	5,000	1,996	66.5%
(Non-operating income and Expenses)				
Non-operating income	513	355	(157)	(30.7%)
Non-operating expenses	111	155	44	39.8%
Ordinary profit	3,405	5,200	1,794	52.7%
(Extraordinary gains & Losses)				
Extraordinary gains	3	-	(3)	-
Extraordinary losses	554	51	(503)	(90.7%)
Income before income taxes and others	2,853	5,148	2,294	80.4%
Income taxes	1,343	1,707	363	27.1%
Net income	1,510	3,440	1,930	127.8%
Net income (loss) attributable to non- controlling interests	29	40	11	39.3%
Net income attributable to owners of parent	1,480	3,400	1,919	129.6%
Depreciation and amortization (Property, plant and equipment and intangible assets)	4,279	3,710	(569)	(13.3%)
Amortization of goodwill	640	637	(3)	(0.5%)

* From the fiscal year ended March 31, 2025, we began adding sales of mRNA manufacturing related products for research use, which had been included in "Reagents" until the fiscal year ended March 31, 2024, to "Gene Therapy." The results for the year ended March 31, 2024 in this table have been reclassified to reflect this change.