

Financial Results for the First Quarter Ended June 30, 2024

TAKARA BIO INC.

August 8, 2024

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Consolidated Financial Results for the 1st Quarter: Net Sales

(¥m)	Net sales	Y/Y
Reagents	6,606	▲203 ▲3.0%
Instruments	221	+0 +0.3%
CDMO	1,018	▲348 ▲25.5%
Regenerative Medicine	464	▲558 ▲54.6%
Gene Analysis / testing & Others	553	+209 +60.8%
Gene Therapy	647	▲131 ▲16.9%
Total	8,493	▲682 ▲7.4%

- **Reagents:** Decrease in COVID reagents
- **Instruments:** Sales remained almost unchanged from the previous fiscal year
- **Regenerative Medicine:** Production of mRNA vectors increased, but GMP cell manufacturing and quality tests decreased
- **Gene Analysis / testing & Others:** Increased NGS high-speed sequencing analysis
- **Gene Therapy:** Decrease in sales of RetroNectin® for the manufacturing gene therapy products

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¥m: millions of yen

Consolidated Financial Results for the 1st Quarter: Sales for Reagents by Region

(¥m)	Net sales	Y/Y
Japan	1,189	▲686 ▲36.6%
U.S.	3,067	+218 7.7%
China	1,085	+249 +29.8%
Europe	768	▲7 ▲0.9%
Korea	291	+3 +1.2%
India	205	+19 +10.4%
Total	6,606	▲203 ▲3.0%

Japan: Down 7.2% compared to the same period last year, due to sluggish sales to academia customers even excluding the impact of COVID reagents in the previous fiscal year,

U.S.: Sales of research/catalog products are recovering, but those of OEM/ customized products for large customers are delayed, resulting in down 4.1% compared to the same period last year on a local-currency basis.

China: Market conditions are not favorable due to a reduction in government research budgets for academia, but sales increased due to a strategy to differentiate ourselves from competitors. On a local currency basis, it was up 21.7% compared to the same period last year.

Europe: Market recovery delayed due to negative impact of economic environment and geopolitical risks. On a local currency basis, it was down 12.9% compared to the same period last year.

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Consolidated Financial Results for the 1st Quarter: Operating Profit

(¥m)	FY2025	Y/Y
Net sales	8,493	▲682 ▲7.4%
Gross profit	4,353	▲2,139 ▲32.9%
SG&A expenses	5,988	▲81 ▲1.3%
Operating profit	▲1,634	▲2,057 -
R&D expenses	1,706	▲534 ▲23.8%

Factors behind changes in Operating profit (¥100m)

Lower unit sales volume	▲9
Difference in sales composition	▲6
COVID reagents decreased	▲5
Elimination of inventories and unrealized profit	▲6
Effects of foreign exchange rate fluctuations	+5

Decrease in Gross profit ▲21

Research and development costs	+5
Personnel expenses	▲2
Effects of foreign exchange rate fluctuations	▲3

Decrease in SG&A expenses +1

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FY2025: from Apr. 1, 2024 to Mar. 31, 2025

¥100m: 100 millions of yen



Consolidated Financial Forecasts: No changes from the previous forecast

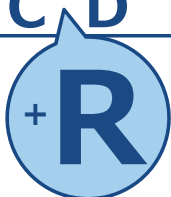
(¥m)	FY2025 First half	Y/Y		FY2025 Full-year	Y/Y	
		Change	Ratio		Change	Ratio
Net sales	20,200	+1,083	+5.7%	48,900	+5,394	+12.4%
Cost of sales	7,900	+2,127	+36.9%	19,301	+2,704	+16.3%
Gross profit	12,299	▲1,044	▲7.8%	29,598	+2,690	+10.0%
SG&A expenses	12,149	+215	+1.8%	24,598	+693	+2.9%
Operating profit	150	▲1,260	▲89.4%	5,000	+1,996	+66.5%
Ordinary profit	250	▲1,348	▲84.4%	5,200	+1,794	+52.7%
Net income attributable to owners of patent	100	▲984	▲90.8%	3,400	+1,919	+129.6%

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CDMO business: Utilizes proprietary fundamental biologics development technologies to differentiate itself from competitors

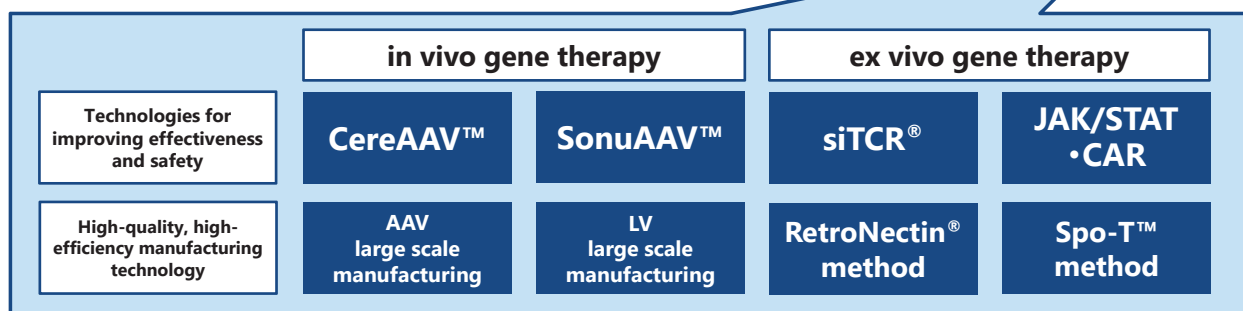
C D M O



- Our strengths are that we can provide our clients with experience in proprietary platform technology and clinical development projects to their development seeds
- Providing comprehensive support services for clients from the initial development stage in anticipation of future development (D) and manufacturing (M)

Client's
Target
Antigen/
Therapeutic
Genes

Our basic
technologies



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CDMO: Contract Development and Manufacturing Organization



Forward-looking Statements

Statements in this news release, other than those based on historical fact, concerning the current plans, prospects, strategies and expectations of the Company and its Group represent forecasts of future results. While such statements are based on the conclusions of management according to information available at the time of writing, they reflect many assumptions and opinions derived from information that includes major risks and uncertainties. Actual results may vary significantly from these forecasts due to various factors. Factors that could influence actual results include, but are not limited to, economic conditions, especially trends in consumer spending, as well as exchange rate fluctuations, changes in laws and government systems, pressure from competitors' prices and product strategies, decline in selling power of the Company's existing and new products, disruptions to production, violations of our intellectual property rights, rapid advances in technology and unfavorable verdicts in major litigation.

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[Reference]

Reference Information

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- Performance by Subsidiaries (1Q)
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[Reference]

Consolidated Financial Results (1Q)

	FY2025 1 st quarter	Y/Y	
		Change	Ratio
(¥m)			
Net sales	8,493	▲682	▲7.4%
Cost of sales	4,139	+1,456	+54.3%
Gross profit	4,353	▲2,139	▲32.9%
SG&A expenses	5,988	▲81	▲1.3%
Operating profit	▲1,634	▲2,057	-
Ordinary profit	▲1,498	▲2,008	-
Net income attributable to owners of patent	▲1,047	▲1,367	-

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FY2025: from Apr. 1, 2024 to Mar. 31, 2025



[Reference]

Net Sales by Category (1Q)

	FY2025 1 st quarter	Y/Y	
		Change	Ratio
(¥m)			
Reagents	6,606	▲203	▲3.0%
Instruments	221	+0	+0.3%
CDMO	1,018	▲348	▲25.5%
Regenerative medicine	464	▲558	▲54.6%
Gene analysis/testing	425	+223	+110.8%
Others	128	▲14	▲9.9%
Gene Therapy	647	▲131	▲16.9%
Total net sales	8,493	▲682	▲7.4%

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* 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." This table has been reclassified to reflect this change.



Reagents Sales by Region (1Q)

	FY2025 1 st quarter (¥m)	Y/Y		
		Change	For exchange	Ratio (Exchange excluded)
U.S.	3,067	+218	+334	▲4.1%
Japan	1,189	▲686	0	▲36.6%
China	1,085	+249	+67	+21.7%
Europe	768	▲7	+92	▲12.9%
Korea	291	+3	+20	▲5.9%
India	205	+19	+20	▲0.7%
Total	6,606	▲203	+536	▲10.9%

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* 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." This table has been reclassified to reflect this change.



Performance by Subsidiaries (1Q)

(¥m)	Net sales	Operating profit
Takara Bio (Non-consolidated)	4,192	▲1,164
Takara Bio Europe (Consolidated)	876	▲204
Takara Biotechnology (Dalian)	807	46
Takara Biomedical (Beijing)	1,357	124
Takara Korea Biomedical	344	42
DSS Takara India	217	34
Takara Bio USA	3,872	27

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[Reference]

Consolidated Financial Forecast (First Half Forecast) [No change from the previous forecast]

(¥m)	FY2025 First half	Y/Y	
		Change	Ratio
Net sales	20,200	+1,083	+5.7%
Cost of sales	7,900	+2,127	+36.9%
Gross profit	12,299	▲1,044	▲7.8%
SG&A expenses	12,149	+215	+1.8%
Operating profit	150	▲1,260	▲89.4%
Ordinary profit	250	▲1,348	▲84.4%
Net income attributable to owners of parent	100	▲984	▲90.8%

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[Reference]

Net Sale by Category (First Half Forecast) [No change from the previous forecast]

(¥m)	FY2025 First half	Y/Y	
		Change	Ratio
Reagents	15,503	+799	+5.4%
Instruments	586	+174	+42.4%
CDMO	2,448	▲254	▲9.4%
Regenerative medicine	1,210	▲629	▲34.2%
Gene analysis/testing	1,031	+398	+62.8%
Others	207	▲22	▲9.6%
Gene Therapy	1,661	+363	+28.0%
Total net sales	20,200	+1,083	+5.7%

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* 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." This table has been reclassified to reflect this change.



[Reference]

Reagents Sales by Region (First Half Forecast)

[No change from the previous forecast]

	FY2025 First half (¥m)	Y/Y		
		Change	For exchange	Ratio (Exchange excluded)
U.S.	6,429	+544	+230	+5.3%
China	3,375	+968	+25	+39.0%
Japan	2,827	▲732	0	▲20.5%
Europe	1,761	▲135	+83	▲11.5%
Korea	709	+67	+4	+9.8%
India	400	+88	+14	+23.7%
Total	15,503	+799	+358	+2.9%

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* 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." This table has been reclassified to reflect this change.



[Reference]

Consolidated Financial Forecast (Full-year Forecast)

[No change from the previous forecast]

	FY2025 Full-year (¥m)	Y/Y	
		Change	Ratio
Net sales	48,900	+5,394	+12.4%
Cost of sales	19,301	+2,704	+16.3%
Gross profit	29,598	+2,690	+10.0%
SG&A expenses	24,598	+693	+2.9%
Operating profit	5,000	+1,996	+66.5%
Ordinary profit	5,200	+1,794	+52.7%
Net income attributable to owners of parent	3,400	+1,919	+129.6%

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[Reference]

Net Sales by Category (Full-year Forecast) [No change from the previous forecast]

	FY2025 Full-year (¥m)	Y/Y	
		Change	Ratio
Reagents	33,969	+2,563	+8.2%
Instruments	1,520	+627	+70.3%
CDMO	10,000	+2,002	+25.0%
Regenerative medicine	5,614	+1,388	+32.8%
Gene analysis/testing	3,980	+660	+19.9%
Others	406	▲46	▲10.1%
Gene Therapy	3,410	+201	+6.3%
Total net sales	48,900	+5,394	+12.4%

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* 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." This table has been reclassified to reflect this change.



[Reference]

Reagents Sales by Region (Full-year Forecast) [No change from the previous forecast]

	FY2025 Full-year (¥m)	Y/Y		
		Change	For exchange	Ratio (Exchange excluded)
U.S.	13,556	+911	▲63	+7.7%
China	7,303	+1,518	▲81	+27.7%
Japan	6,989	▲355	0	▲4.8%
Europe	3,877	+195	+25	+4.6%
Korea	1,425	+103	▲36	+10.6%
India	815	+190	0	+30.4%
Total	33,969	+2,563	▲157	+8.7%

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* 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." This table has been reclassified to reflect this change.



Performance by Subsidiaries (First Half Forecast, Full-year Forecast) [No change from the previous forecast]

	First half forecast		Full-year forecast	
	Net sales	Operating profit	Net sales	Operating profit
(¥m)				
Takara Bio (Non-consolidated)	10,270	▲ 1,299	28,103	752
Takara Bio Europe (Consolidated)	2,376	23	4,901	130
Takara Biotechnology (Dalian)	1,837	227	4,157	586
Takara Biomedical (Beijing)	3,976	458	8,483	808
Takara Korea Biomedical	807	130	1,627	282
DSS Takara India	427	48	867	86
Takara Bio USA	8,215	536	18,617	2,350

Exchange Rate (1Q)

(Unit: Yen)	FY2024	FY2025
	Actual	Actual
US dollar	132.40	148.62
Euro	142.13	161.32
Yuan	19.34	20.63
100 Won	10.39	11.17
Rupee	1.61	1.79
Pound	160.93	188.50

Exchange Rate (Full-year)

(Unit: Yen)	FY2024	FY2025
	Actual	Forecast
US dollar	140.66	140.00
Euro	152.10	153.00
Yuan	19.82	19.60
100 Won	10.77	10.50
Rupee	1.70	1.70
Pound	175.03	177.00