

**Consolidated Financial Statements for the First Quarter Ended June 30, 2018
FY2019 (April 1, 2018 - March 31, 2019) [UNAUDITED]**

July 31, 2018

Company name:	Takara Bio Inc.
Stock exchange listings:	Tokyo Stock Exchange (1st section)
Code number:	4974
URL:	http://www.takara-bio.co.jp
Company representative:	Koichi Nakao, President
Contact:	Shuichiro Matsuzaki, Executive Vice President Tel. (077) 565-6970
Quarterly statement filing date (as planned)	August 10, 2018
Scheduled date of starting delivery of dividends:	-
Supplementary documents of the financial results	Yes
Financial results information meeting:	No

Notes: 1. The accompanying financial statements have been prepared in accordance with accounting principles and practices generally accepted in Japan.
2. Amounts are rounded down to the nearest million yen.

1. Results for the three months ended June 30, 2018 (Apr. 1, 2018 – Jun. 31, 2018)

(1) Operating results

	(Percentages indicate changes from the same period of the previous fiscal year.)			
	Three months ended Jun. 30, 2018		Three months ended Jun. 30, 2017	
	(Millions of yen)	(%)	(Millions of yen)	(%)
Net sales	8,847	39.2	6,355	0.8
Operating income	1,544	487.8	262	(59.2)
Ordinary income	1,559	442.0	287	(56.0)
Net income (loss) attributable to owners of the parent	1,032	-	22	(92.0)
Net income per share (in yen)	8.57		0.19	
Fully diluted net income per share (in yen)	-		-	
Note: Comprehensive income	(495)	-	(751)	-

(2) Financial position

	As of Jun. 30, 2018	As of Mar. 31, 2018
	(Millions of yen)	(Millions of yen)
Total assets	67,643	68,670
Net assets	60,921	61,959
Equity ratio (%)	89.9	90.1
Net assets per share (in yen)	505.09	513.66
(Reference) Equity	60,820	61,852

Partial revision of accounting standard related to tax effect accounting (Article 28 on corporate accounting standard, February 16, 2018) has been applied from the period of the three months ended June 30, 2018. Accordingly, financial position for the year ended March 31, 2018 indicates the numerical value after retroactive adjustment due to this revision.

2. Dividends

	Annual dividends per share in yen		
	Year ended Mar. 31, 2018	Year ending Mar. 31, 2019	Year ending Mar. 31, 2019 (Forecast)
First quarter end	-	-	-
Second quarter end	0.00	-	0.00
Third quarter end	-	-	-
Year end	4.50	-	6.00
Annual	4.50	-	6.00

Note: No revision of dividend payment forecast since the most recently announced payment forecast.

3. Forecast for the year ending March 31, 2019 (Apr. 1, 2018 – Mar. 31, 2019)

(Percentages indicated changes from the same period of the previous fiscal year.)

	Six months ending Sep. 30, 2018		Year ending Mar. 31, 2019	
	(Millions of yen)	(%)	(Millions of yen)	(%)
Net sales	17,755	25.7	36,800	13.9
Operating income	2,500	263.1	5,000	40.6
Ordinary income	2,557	233.8	5,200	34.6
Net income attributable to owners of the parent	1,646	444.1	3,100	32.8
Net income attributable to owners of the parent per share (in yen)	13.68		25.74	

Note: No revision of financial forecast since the most recently announced financial forecast.

4. Others

- (1) Changes in subsidiaries during the three months ended Jun. 30, 2018
(Changes in specified subsidiaries resulting in change of scope) : No
Newly included: - (Name)
Excluded: - (Name)
- (2) Application of special accounting methods to the consolidated quarterly financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and retrospective restatement
 - 1) Changes based on revisions of accounting standard: No
 - 2) Changes other than ones based on revisions of accounting standard: No
 - 3) Changes in accounting estimates: No
 - 4) Restatement: No
- (4) Number of outstanding shares (Common stock)
 - 1) Number of outstanding shares at year end (Treasury stocks are included)

As of June 30, 2018	120,415,600
As of March 31, 2018	120,415,600
 - 2) Number of treasury stocks at year end

As of June 30, 2018	-
As of March 31, 2018	-
 - 3) Average number of outstanding shares (Quarterly total)

As of June 30, 2018	120,415,600
As of June 30, 2017	120,415,600

These quarterly financial statements are not subject to auditing.

Comment regarding appropriate use of earnings forecasts and other special notes

Forward-looking statements contained in this document are determined by the Takara Bio Group based on information currently available to the Group 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. Qualitative Information for the three months ended June 30, 2018 (4) Qualitative Information Regarding Consolidated Forecasts, on page 3 of the attached document.

(Change in calendar indication)

Calendar indication has been changed from Japanese style to western style since Consolidated Financial Statements for the first quarter ended June 30, 2018.

Contents of the attached document

1. Qualitative Information for the three months ended June 30, 2018.....	2
(1) Consolidated Financial Results.....	2
(2) Consolidated Financial Position.....	3
(3) Consolidated Cash Flows.....	3
(4) Qualitative Information Regarding Consolidated Forecasts.....	3
2. Consolidated Quarterly Financial Statements and Primary Notes.....	4
(1) Consolidated Quarterly Balance Sheets.....	4
(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income.....	6
(Consolidated Quarterly Statements of Income)	6
(For the three months ended June 30, 2018)	
(Consolidated Quarterly Statements of Comprehensive Income)	7
(For the three months ended June 30, 2018)	
(3) Consolidated Quarterly Statements of Cash Flows.....	8
(4) Notes to Consolidated Quarterly Financial Statements.....	9
(Notes on Premise of Going Concern)	9
(Notes in case of Changes in Marked Amount of Shareholders' Equity).....	9
(Additional Information).....	9
(Segment Information)	9
(Other Notes)	10
3. Supplementary Information	11
(1) Trends in Key Management Indicators.....	11
(2) Comparative Consolidated Statement of Income	12

1. Qualitative Information for the three months ended June 30, 2018

(1) Consolidated Financial Results

In the three months ended June 30, 2018, although the Japanese economy continued to maintain a moderate recovery as personal consumption and corporate earnings improved, the future of the global economy continues to be unpredictable due to the price hikes of crude oil and raw materials and the U.S. trade friction issue.

Under these circumstances, the three-year Takara Bio's Medium-Term Management Plan FY2020 started in FY2018 aims to strengthen the three business segments: the Bioindustry Business, the Gene Therapy Business, and the AgriBio Business and business bases which support them to enhance standing of the Takara Bio Group (the Group) as a global and industrial company for regenerative medical products and, further, to achieve prodigious growth. Under this overall policy, the Group promoted initiatives to achieve the operating income of ¥6.0 billion as the target for fiscal 2020, final year of the revised Medium-Term Management Plan.

As a result, overall net sales increased 39.2% year on year to ¥8,847 million, on contributions from sales for research reagents exceeding those of the same period of the previous fiscal year and receipt of licensing fees for co-development/exclusive sales related to NY-ESO-1 • siTCR[®] and CD19 • CAR gene therapy products. Cost of sales increased 55.5% year on year to ¥3,491 million due to an increase of cost percentage from change of sales composition by item and others, but gross profit increased 30.3% year on year to ¥5,355 million. Selling, general and administrative (SG&A) expensed decreased 0.9% year on year to ¥3,811 million due to the decrease in R&D expenses, but the Group recorded operating income up 487.8% year on year to ¥1,544 million.

Accompanied with the increase in operating income, ordinary income increased 442.0% to ¥1,559 million, income before income taxes and minority interests increased 456.6% year on year to ¥1,548 million, and net income attributable to owners of the parent increased 4,444.7% year on year to ¥1,032 million.

The statuses of the Group business segments are as follows.

Bioindustry Business

Given the ever-widening activities of biotechnology R&D, the Group has positioned the the Bioindustry Business as its core business, which mainly develops and provides products and services supporting such R&D activities.

In the three months ended June 30, 2018, sales of contracted service was similar at the level of previous fiscal year, but sales of research reagents and scientific instruments increase year on year.

As a result of the above, sales to external customers for this business increased 10.7% year on year to ¥6,516 million, but gross profit decreased 11.9% year on year to ¥3,539 million due to an increase of cost percentage from change of sales composition by item and others. Selling, general and administrative (SG&A) expensed were ¥2,850 million (year on year ratio 100.0%), and the Group recorded operating income down 40.9% year on year to ¥689 million.

Gene Therapy Business

The business focuses on clinical development of gene therapies for diseases such as cancer. These therapies represent the oncolytic virus therapy utilizing Canerpaturev (Abbreviated to C-REV, Former HF10) and the engineered T cell therapy utilizing the original Takara Bio technologies such as the RetroNectin method for a high efficiency gene transduction; the RetroNectin expansion-culture system for a high efficient expansion for lymphocytes; as well as siTCR[®].

In the three months ended June 30, 2018, the licensing fees for domestic co-development and exclusive sales related to NY-ESO-1 • siTCR[®] and CD19 • CAR gene therapy products and sales of the therapeutic products based on the agreement was generated.

As a result, net sales to external customers for this business was ¥1,931 million (No result in the previous fiscal year), and gross profit were ¥1,744 million (No result in the previous fiscal year). SG&A expenses decreased 28.0% year on year to ¥301 million due to decrease R&D expenses. Accordingly, operating income has been highly improved ¥1,442 million, compared with ¥419 million in the same period of previous fiscal year.

AgriBio Business

This business uses its unique leading-edge biotechnology to identify the scientific basis of foodstuffs. Based on this evidence, it develops, manufactures, and sells functional food ingredients. The AgriBio Business focuses on rolling out products related to Gagome kombu (kelp)-derived "Fucoidan," agar-derived agaro-oligosaccharide, Ashitaba (Angelica herb)-derived "Chalcone," the herb (Peucedanum japonicum)-derived "Isosamidin," yam, (Dioscorea esculenta)-derived "Yamsgenin", and mushroom.

In the three months ended June 30, 2018, net sales of mushroom-related products increased year on year, and net sales of functional foods-related products declined year on year.

The original disclosure in Japanese was released on July 31, 2018 at 15:00 (GMT+8)

Consequently, net sales to external customers for this business decreased 14.7% year on year to ¥399 million, and gross profit decreased 23.7% to ¥71 million. SG&A expenses was same level as previous fiscal year, ¥116 million, and the operating loss was badly ¥45 million, compared with ¥24 million in the same period of previous fiscal year.

(2) Overview of Financial Position for the three months ended June 30, 2018

In the three months ended June 30, 2018, total assets were ¥67,643 million, a decrease of ¥1,027 million compared with that at the end of the previous fiscal year. This decrease primarily resulted from a decrease of ¥2,038 million in notes and accounts receivable-trade.

Total liabilities were ¥6,721 million, an increase of ¥9 million compared with that at the end of the previous fiscal year. This increase primarily resulted from a decrease of ¥251 million in notes and accounts receivable-trade and a decrease of ¥248 million in accounts payable-other of current liabilities despite an increase of ¥232 million in accrued income taxes and an increase of ¥222 million in allowance.

Total net assets stood at ¥60,921 million, a decrease of ¥1,037 million compared with that at the end of the previous fiscal year. The main factors were a decrease of ¥1,525 million in foreign currency translation adjustment.

(3) Overview of Cash Flows for the three months ended June 30, 2018

Net cash provided by operating activities was ¥2,954 million, up by ¥3,036 million compared with the previous fiscal year. This was primarily due to an increase of ¥1,270 million in income before taxes and minority interests and a decrease of ¥1,032 million in current liabilities.

Net cash provided by investing activities was ¥2,531 million, a decrease of ¥9,495 million compared with the previous fiscal year. This was primarily due to the elimination of ¥12,396 million from purchase of shares of subsidiaries accompanying changes in the scope of consolidation occurred in the previous fiscal year.

Net cash used in financing activities was ¥508 million, an increase of ¥59 million compared with the previous fiscal year. This was primarily because of a ¥62 million increase in cash dividends paid.

As a result of the above, cash and cash equivalents at the three months ended June 30, 2018, including the effect of exchange rate change on cash and cash equivalents, stood at ¥9,601 million, down ¥450 million from the previous fiscal year-end.

(4) Overview of Qualitative Information Regarding Consolidated Forecasts

Consolidated results from the three months ended June 30, 2018, were recorded virtually as planned against all such as net sales and each earning item (operating income, ordinary income and net income attributable to owners of the parent). Accordingly, the Group is not revising the consolidated forecast released on May 11, 2018 at present.

2. Consolidated Quarterly Financial Statements and Primary Notes

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	As of Mar. 31, 2018	As of Jun. 30, 2018
Assets		
Current assets		
Cash and deposits	17,537	18,689
Notes and accounts receivable-trade	8,031	5,933
Securities	2,000	2,000
Merchandise and finished goods	4,484	4,725
Work in process	334	670
Raw materials and supplies	1,192	1,258
Other	978	1,070
Allowance for doubtful accounts	(42)	(43)
Total current assets	34,516	34,364
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	12,825	12,776
Accumulated depreciation	(5,611)	(5,664)
Buildings and structures, net	7,214	7,112
Machinery, equipment and vehicles	7,561	7,495
Accumulated depreciation	(5,360)	(5,378)
Machinery, equipment and vehicles, net	2,201	2,116
Tools, furniture and fixtures	7,080	7,037
Accumulated depreciation	(4,613)	(4,711)
Tools, furniture and fixtures, net	2,466	2,326
Land	6,588	6,586
Lease assets	16	15
Accumulated depreciation	(16)	(15)
Lease assets, net	—	—
Construction in progress	63	506
Total Property, plant and equipment	18,534	18,649
Intangible assets		
Goodwill	8,259	7,643
Other	5,903	5,387
Total intangible assets	14,163	13,030
Investments and other assets		
Investments and other assets	1,456	1,598
Total investments and other assets	1,456	1,598
Total noncurrent assets	34,154	33,278
Total assets	68,670	67,643

The original disclosure in Japanese was released on July 31, 2018 at 15:00 (GMT+8)

(Millions of yen)

	As of Mar. 31, 2018	As of Jun. 30, 2018
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,875	1,623
Accrued income taxes	431	664
Provision	333	556
Other	3,104	2,899
Total current liabilities	5,745	5,743
Noncurrent liabilities		
Net defined benefit liability	659	669
Other	307	307
Total noncurrent liabilities	966	977
Total liabilities	6,711	6,721
Net assets		
Shareholders' equity		
Common stock	14,965	14,965
Capital surplus	32,893	32,893
Retained earnings	12,285	12,775
Total shareholders' equity	60,144	60,635
Accumulated other comprehensive income		
Foreign currency translation adjustment	2,042	516
Remeasurements of defined benefit plans	(334)	(331)
Total accumulated other comprehensive income	1,707	185
Noncontrolling interests	106	101
Total net assets	61,959	60,921
Total liabilities and net assets	68,670	67,643

(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income
(Consolidated Quarterly Statements of Income)
(For the three months ended June 30, 2018)

(Millions of yen)

	Three months ended Jun. 30, 2017	Three months ended Jun. 30, 2018
Net sales	6,355	8,847
Cost of sales	2,245	3,491
Gross profit	4,109	5,355
Selling, general and administrative expenses		
Employees' salaries and bonuses	898	986
Retirement benefit expenses	43	44
R&D expenses	1,103	1,014
Provision for allowances	136	132
Other	1,664	1,632
Total selling, general and administrative expenses	3,846	3,811
Operating income	262	1,544
Non-operating income		
Interest income	19	18
Foreign exchange gains	4	—
Rent of Real estate	21	23
Other	7	8
Total non-operating income	52	49
Non-operating expenses		
Interest expenses	5	—
Foreign exchange losses	—	23
Dormant fixed asset cost	14	2
Real estate leasing expense	7	5
Other	0	2
Total non-operating expenses	27	34
Ordinary income	287	1,559
Extraordinary income		
Gain on sales of noncurrent assets	0	—
Total extraordinary income	0	—
Extraordinary losses		
Loss on sales and retirement of noncurrent assets	9	10
Total extraordinary losses	9	10
Income before income taxes	278	1,548
Income taxes-current	409	702
Income taxes-deferred	(155)	(188)
Total income taxes	253	514
Net income	24	1,034
Net income (loss) attributable to the noncontrolling interest	1	2
Net income attributable to owners of the parent	22	1,032

The original disclosure in Japanese was released on July 31, 2018 at 15:00 (GMT+8)

(Consolidated Quarterly Statements of Comprehensive Income)

(For the three months ended June 30, 2018)

(Millions of yen)

	Three months ended Jun. 30, 2017	Three months ended Jun. 30, 2018
Net income	24	1,034
Other comprehensive income		
Foreign currency translation adjustment	(789)	(1,533)
Remeasurements of defined benefit plans	13	3
Total other comprehensive income	(775)	(1,530)
Comprehensive income	(751)	(495)
Comprehensive income attributable to:		
Owners of the parent	(753)	(490)
Noncontrolling interest	2	(5)

(3) Consolidated Statements of Cash Flows

(Millions of Yen)

	Three months ended Jun. 30, 2017	Three months ended Jun. 30, 2018
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	278	1,548
Depreciation and amortization	580	669
Depreciation and amortization on other	32	48
Amortization of goodwill	109	123
Increase (decrease) in allowance for doubtful accounts	36	2
Increase (decrease) in other provision	(26)	225
Increase (decrease) in net defined benefit liability	12	11
Interest income	(19)	(18)
Interest expenses	5	—
Loss (gain) on sales and retirement of non-current assets	9	10
Decrease (increase) in notes and accounts receivable-trade	1,663	1,903
Decrease (increase) in inventories	(700)	(818)
Increase (decrease) in notes and accounts payable-trade	(282)	(184)
Increase (decrease) in other current liabilities	(1,054)	(21)
Other, net	(498)	(145)
Subtotal	147	3,353
Interest and dividend income received	11	8
Interest expenses paid	(0)	—
Income taxes paid	(240)	(407)
Net cash provided by (used in) operating activities	(81)	2,954
Net cash provided by (used in) investing activities		
Payments for time deposits	(1,082)	(2,000)
Proceeds from time deposits	1,545	333
Purchase of property, plant and equipment and intangible assets	(403)	(829)
Purchase of other depreciable assets	(18)	(35)
Purchase of shares of subsidiaries accompanying changes in the scope of consolidation	(12,396)	—
Other, net	328	(0)
Net cash provided by (used in) investing activities	(12,027)	(2,531)
Net cash provided by (used in) financing activities		
Cash dividends paid	(445)	(508)
Repayments of lease obligations	(3)	—
Net cash provided by (used in) financing activities	(449)	(508)
Effect of exchange rate change on cash and cash equivalents	(320)	(364)
Net increase (decrease) in cash and cash equivalents	(12,878)	(450)
Cash and cash equivalents at beginning of period	22,200	10,051
Cash and cash equivalents at end of period	9,321	9,601

(4) Notes to Consolidated Quarterly Financial Statements

(Notes on Premise of Going Concern)

No items to report.

(Notes in case of Changes in Marked Amount of Shareholders' Equity)

No items to report.

(Additional Information)

(Application of partial revision of accounting standard related to tax effect accounting)

Partial revision of accounting standard related to tax effect accounting (Article 28 on corporate accounting standard, February 16, 2018) has been applied at the beginning of period for the three months ended June 30, 2018, and category statement to investments and other assets for deferred tax assets and to noncurrent liabilities for deferred tax liability has been made.

(Segment Information)

I. Equivalent period of previous fiscal year (From Apr. 1, 2017 to Jun. 30, 2017)

1. Net sales and income (loss) by reportable segment

(Millions of yen)

	Bioindustry	Gene Therapy	AgriBio	Total	Adjustment (Note: 1)	Amount recognized in consolidated quarterly statement of income (Note: 2)
Net sales						
External customers	5,886	—	468	6,355	—	6,355
Corporate	—	—	—	—	—	—
Total	5,886	—	468	6,355	—	6,355
Segment income (loss)	1,165	(419)	(24)	722	(459)	262

Notes: 1. The adjustment for segment income was a loss of ¥459 million comprising of the Company not allocated to reportable segments. Expenses of the Company primarily consist of general and administrative expenses and R&D expenses not attributed to reportable segments.

2. Segment income (loss) has been adjusted to the operating income of consolidated quarterly financial statements.

2. Noncurrent asset impairment losses and goodwill, and others of each reportable segment

(Significant impairment losses concerning noncurrent asset)

No items to report.

(Significant changes to the amount of goodwill)

In Bioindustry business, the wholly owned subsidiary Takara Bio USA Holdings Inc. acquired shares of WaferGen Bio-systems, Inc. and Rubicon Genomics, Inc., and thereby the Group allocated the goodwill. Based on this, the increased amount of goodwill was ¥7,709 million for the three month ended June 30, 2018. This amount is based on tentative calculation due to incompleteness of distribution of acquisition costs.

II. Three months ended June 30, 2018 (From Apr. 1, 2018 to Jun. 30, 2018)

1. Net sales and income (loss) by reportable segment

(Millions of yen)

	Bioindustry	Gene Therapy	AgriBio	Total	Adjustment (Note: 1)	Amount recognized in consolidated financial statements (Note: 2)
Net sales						
External customers	6,516	1,931	399	8,847	—	8,847
Corporate	—	—	—	—	—	—
Total	6,516	1,931	399	8,847	—	8,847
Segment income (loss)	689	1,442	(45)	2,086	(541)	1,544

Notes: 1. The adjustment for segment income was a loss of ¥541 million comprising of the Company not allocated to reportable segments. Expenses of the Company primarily consist of general and administrative expenses and R&D expenses not attributed to reportable segments.

2. Segment income (loss) has been adjusted to the operating income of consolidated quarterly financial statements.

2. Noncurrent asset impairment losses and goodwill , and others of each reportable segment
 (Significant impairment losses concerning noncurrent asset)
 No items to report.
 (Significant changes in the amount of goodwill)
 No items to report.

(Other notes)

(Consolidated Quarterly Statements of Income)

For the three months ended June 30, 2018 (From Apr. 1, 2018 to Jun. 30, 2018)

Breakdown of R&D expenses

	(Millions of yen)
Total R&D expenses	1,014
Main components of which are as follows	
Employees' salaries and bonuses	312
Retirement benefit expenses	10
Provision for allowances	53

(Consolidated Quarterly Statements of Cash Flows)

For the three months ended June 30, 2018 (From Apr. 1, 2018 to Jun. 30, 2018)

Relationship between balance of cash and cash equivalents at June 30, 2018 and amounts stated on the Consolidated Balance Sheets as of June 30, 2018

	(As of June 30, 2018)
	(Millions of yen)
Cash and deposits	18,689
Time deposits with deposit period exceeding three months	(9,088)
Cash and cash equivalents	9,601

The original disclosure in Japanese was released on July 31, 2018 at 15:00 (GMT+8)

3. Supplementary Information

(1) Trends in Key Management Indicators

1). Cash Flow

(Millions of yen)

Term	16 th Business Year Three months ended Jun. 30, 2017 (Apr. 1, 2017 - Jun. 30, 2017)	17 th Business Year Three months ended Jun. 30, 2018 (Apr. 1, 2018 - Jun. 30, 2018)	17 th Business Year (Apr. 1, 2017 - Mar. 31, 2018)
Net cash provided by (used in) operating activities	(81)	2,954	3,935
Net cash provided by (used in) investing activities	(12,027)	(2,531)	(14,755)
Net cash provided by (used in) financing activities	(449)	(508)	(1,205)

2). Net Sales by Region

(Millions of yen)

	16 th Business Year Three months ended Jun. 30, 2017 (Apr. 1, 2017 - Jun. 30, 2017)	17 th Business Year Three months ended Jun. 30, 2018 (Apr. 1, 2018 - Jun. 30, 2018)	17 th Business Year (Apr. 1, 2017 - Mar. 31, 2018)
Japan	2,414	4,248	14,266
U.S.	1,776	1,995	7,240
China	1,075	1,307	5,524
Asia excluding China	432	410	1,754
Europe	591	811	3,257
Other	64	73	268
Total	6,355	8,847	32,312

3). R&D Expenses by Reportable Segment

(Millions of yen)

	16 th Business Year Three months ended Jun. 30, 2017 (Apr. 1, 2017 - Jun. 30, 2017)	17 th Business Year Three months ended Jun. 30, 2018 (Apr. 1, 2018 - Jun. 30, 2018)	17 th Business Year (Apr. 1, 2017 - Mar. 31, 2018)
Bioindustry	650	670	2,693
Gene therapy	415	298	1,804
AgriBio	1	—	6
Corporate	36	45	148
Total	1,103	1,014	4,653

(2) Comparative consolidated statement of income

(Rounded down to one million yen)

	Three months ended Jun. 30, 2018	Three months ended Jun. 30, 2019	Year on year Change	Year on year Ratio
(Net Sales)				
Research reagents	4,660	5,246	586	112.6%
Scientific instruments	472	517	44	109.5%
Contracted services	633	630	(3)	99.4%
Other	119	122	2	102.0%
Bioindustry Total	5,886	6,516	629	110.7%
Gene therapy	—	1,931	1,931	—
Functional foods	179	103	(75)	57.7%
Mushrooms	288	295	6	102.4%
AgriBio total	468	399	(68)	85.3%
Total Net Sales	6,355	8,847	2,492	139.2%
(Operating Income and Loss)				
Net Sales	6,355	8,847	2,492	139.2%
Cost of sales	2,245	3,491	1,246	155.5%
Gross profits	4,109	5,355	1,245	130.3%
SG&A expenses	3,846	3,811	(35)	99.1%
Transportation expenses	143	158	15	110.5%
Advertising expenses	19	16	(3)	82.8%
Promotion expenses	222	164	(57)	73.9%
R&D expenses	1,103	1,014	(89)	91.9%
Administrative expenses, other	2,304	2,365	61	102.7%
Enterprise taxes (external standards taxation)	53	92	38	171.3%
Operating income	262	1,544	1,281	587.8%
(Non-operating Income and Expenses)				
Non-operating income	52	49	(3)	94.2%
Non-operating expenses	27	34	7	126.0%
Ordinary income	287	1,559	1,271	542.0%
(Extraordinary Income & Losses)				
Extraordinary income	0	—	(0)	—
Extraordinary losses	9	10	1	111.3%
Income before income taxes and minority interests	278	1,548	1,270	556.6%
Income taxes	253	514	260	202.4%
Net Income	24	1,034	1,010	4268.5%
Net income (loss) attributable to noncontrolling interests	1	2	0	143.2%
Net income attributable to owners of the parent	22	1,032	1,009	4544.7%

Depreciation and amortization (Property, plant and equipment and intangible assets)	580	669	88	115.2%
Amortization of goodwill	109	123	14	112.9%

Profit and loss by business segment (Operating income)

	Three months ended Jun. 30, 2018	Three months ended Jun. 30, 2019	Year on year Change	Year on year Ratio
Bioindustry	1,165	689	(476)	59.1%
Gene therapy	(419)	1,442	1,861	—
AgriBio	(24)	(45)	(21)	—
Corporate	(459)	(541)	(82)	—
Total	262	1,544	1,281	587.8%