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November 8, 2024

## Consolidated Financial Results for the Six Months Ended September 30, 2024 (Under Japanese GAAP)

Company name: Takara Bio Inc.  
 Listing: Tokyo Stock Exchange  
 Securities code: 4974  
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 Scheduled date to file semi-annual securities report: November 11, 2024  
 Scheduled date to commence dividend payments: -  
 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 six months ended Sep. 30, 2024 (from Apr. 1, 2024 to Sep. 30, 2024)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
Sep. 30, 2024	19,758	3.4	417	(70.4)	549	(65.6)	513	(52.7)
Sep. 30, 2023	19,116	(41.3)	1,410	(87.0)	1,598	(85.4)	1,084	(87.3)

Note: Comprehensive income For the six months ended Sep. 30, 2024: ¥6,417 million 35.6%  
 For the six months ended Sep. 30, 2023: ¥4,733 million (68.1%)

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
Sep. 30, 2024	4.26	-
Sep. 30, 2023	9.00	-

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	yen
Sep. 30, 2024	125,280	116,155	92.4	961.84
Mar. 31, 2024	121,252	111,784	92.0	926.00

Reference: Equity  
 As of Sep. 30, 2024: ¥115,820 million  
 As of Mar. 31, 2024: ¥111,505 million

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2024	-	0.00	-	17.00	17.00
Fiscal year ending Mar. 31, 2025	-	0.00			
Fiscal year ending Mar. 31, 2025 (Forecast)			-	17.00	17.00

Note: Revisions to the forecast of cash dividends most recently announced: None

## 3. Consolidated financial forecast for the year ending March 31, 2025 (Apr. 1, 2024 – Mar. 31, 2025)

(Percentages indicate year-on-year changes for the full year and year-on-year changes for the quarter.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full-year	48,900	12.4	5,000	66.5	5,200	52.7	3,400	129.6	28.24

Note: Revisions to the financial forecast since the most recent announced: None

### \* Notes

(1) Significant changes in the scope of consolidation during the period: None

Newly included: None

Excluded: None

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

(3) 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

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of Sep. 30, 2024	120,415,600 shares
As of Mar. 31, 2024	120,415,600 shares

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

As of Sep. 30, 2024	72 shares
As of Mar. 31, 2024	- shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended Sep. 30, 2024	120,415,575 shares
Six months ended Sep. 30, 2023	120,415,600 shares

\* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

\* Comment regarding appropriate use of earnings forecasts and other special notes

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 Six Months ended September 30, 2024 (4) Explanation of Consolidated Financial Forecasts and Other Forward-looking Statements” on page 2 of the attached document.

## Contents of the attached document

1. Overview of Financial Results for the Six Months Ended September 30, 2024.....	2
(1) Overview of Financial Results.....	2
(2) Overview of Financial Position.....	2
(3) Overview of Cash Flows.....	2
(4) Explanation of Consolidated Financial Forecasts and Other Forward-looking Statements.....	2
2. Semi-annual Consolidated Financial Statements and Primary Notes.....	4
(1) Semi-annual Consolidated Balance Sheets.....	4
(2) Semi-annual Consolidated Statements of Profit or Loss and Consolidated Statements of Comprehensive Income.....	6
(Semi-annual Consolidated Statements of Profit or Loss).....	6
(Semi-annual Consolidated Statements of Comprehensive Income).....	7
(3) Semi-annual Consolidated Statements of Cash Flows.....	8
(4) Notes to Semi-annual Consolidated Financial Statements.....	9
(Notes on Premise of Going Concern).....	9
(Notes in case of Changes in Marked Amount of Shareholders' Equity).....	9
3. Supplementary Information.....	9
(1) Trends in Key Indicators for Business Management.....	9
(2) Comparative Consolidated Statement of Income.....	10
(3) Comparative Statement of Income Relating to Consolidated Financial Forecasts.....	11

## 1. Overview of Financial Results for the Six Months ended September 30, 2024

### (1) Overview of Financial Results

The outlook for the global economy during the six months ended September 30, 2024 is uncertain due to the prolonged inflation, a slowdown in the Chinese economy, and Russia's invasion of Ukraine.

In the life sciences industry to which our group belongs, research budgets have been reduced due to the impact of high prices and persistently high interest rates, R&D activities have declined, and the market recovery has been delayed.

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 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.

For the six months ended September 30, 2024, sales of Reagents, Instruments and Gene Therapy increased ¥19,785 million (up 3.4% year-on-year). Cost of sales increased to ¥7,313 million (up 26.7% year-on-year) due to a decrease in sales of test-related product which have relatively high profit margin, and changes in the sales mix, and other reasons. As a result, gross profit decreased to ¥12,445 million (down 6.7% year-on-year). Selling, general and administrative (SG&A) expenses were ¥12,028 million (up 0.8% year-on-year), and operating profit was ¥417 million (down 70.4% year-on-year).

As a result of the decrease in operating profit, ordinary profit was ¥549 million (down 65.6%), semi-annual net income before income taxes and minority interests was 427 million (down 73.1%), and semi-annual net income attributable to owners of the parent was ¥513 million (down 52.7%).

From the first quarter of the current fiscal year, due to a review of management classification, net sales of products related to mRNA manufacturing (for research use), which were previously included in "Reagent," have been added to "Gene Therapy." As a result, net sales for the first quarter of the previous fiscal year has been reclassified as "Gene Therapy."

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 six months ended September 30, 2024 were ¥125,280 million, an increase of ¥4,028 million from the end of the previous semi-annual fiscal year. This was mainly due to increase of ¥4,540 million in cash and deposits, ¥1,554 million in property, plant and equipment, and ¥929 million in investments and other assets, despite a decrease of ¥2,340 million in other current assets.

Total liabilities at the end of the six months ended September 30, 2024 were ¥9,124 million, a decrease of ¥342 million from the end of the previous semi-annual fiscal year. This was mainly due to a decrease of ¥693 million in notes and accounts payable-trade, despite an increase of ¥162 million in accrued income taxes and ¥110 million in other current liabilities.

Total net assets at the end of the six months ended September 30, 2024 were ¥116,155 million, an increase of ¥4,370 million from the end of the previous fiscal year. This was mainly due to an increase of ¥5,814 million in foreign currency translation adjustment due to the yen's depreciation, despite a decrease of ¥1,533 million in retained earnings.

### (3) Overview of Cash Flows

Net cash provided by operating activities amounted to ¥6,099 million, an increase of ¥4,011 million compared with the same period of the previous fiscal year. This was mainly due to cash inflow from a decrease in trade receivable of ¥2,693 million, an amount in depreciation and amortization of ¥1,839 million, and an increase in consumption taxes payable of ¥1,549 million.

Net cash used in investing activities amounted to ¥396 million, a decrease of ¥10,409 million compared with the same period of the previous fiscal year. This was mainly due to payment into time deposits of ¥1,143 million, purchases of property, plant and equipment and intangible assets of ¥881 million, and proceeds from withdrawal of time deposits of ¥1,861 million.

Net cash used in financing activities was ¥2,151 million, mainly due to cash dividends paid of ¥2,046 million, a decrease of ¥2,975 million compared with the same period of the previous fiscal year.

As a result of the above, the balance of cash and cash equivalents at the end of the six months ended September 30, 2024, including the effect of exchange rate change on cash and cash equivalents, increased by ¥5,052 million from the end of the previous fiscal year to ¥38,223 million.

### (4) Explanation of Consolidated Financial Forecasts and Other Forward-looking Statements

Although net sales were lower than the previous financial forecast announced on May 10, 2024, operating income was higher than that. For details, please refer to "3. Supplementary Information (2) Comparative Consolidated Statement of Income" on page 10 and "Notice Concerning Differences between the Financial Results Forecasts and the Actual Results" announced today (November 8, 2024).

In particular, we expect an operating loss in the third quarter due to the fact that the sales of the CDMO business are biased toward

the fourth quarter. However, with regard to the consolidated financial forecast for the full year ending March 31, 2025, we do not change the consolidated financial forecast announced on May 10, 2024, and expect an increase in both sales and profits compared with the previous fiscal year. Please refer to page 11 "3. Supplementary Information (3) Comparative Statement of Income Relating to Consolidated Financial Forecasts."

## 2. Semi-annual Consolidated Financial Statements and Primary Notes

### (1) Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of Mar. 31, 2024	As of Sep. 30, 2024
<b>Assets</b>		
Current asset		
Cash and deposits	35,416	39,957
Notes and accounts receivable-trade	11,358	9,230
Merchandise and finished goods	6,784	7,037
Work in process	970	1,210
Raw materials and supplies	4,096	4,551
Other	4,205	1,865
Allowance for doubtful accounts	(72)	(81)
Total current assets	62,759	63,771
Non-current assets		
Property, plant and equipment		
Buildings and structures	28,521	30,425
Accumulated depreciation	(8,318)	(9,281)
Buildings and structures, net	20,203	21,143
Machinery, equipment and vehicles	8,346	9,112
Accumulated depreciation	(5,309)	(5,874)
Machinery, equipment and vehicles, net	3,037	3,237
Tools, furniture and fixtures	11,673	12,129
Accumulated depreciation	(7,674)	(8,302)
Tools, furniture and fixtures, net	3,998	3,827
Land	8,869	9,323
Construction in progress	11,712	11,795
Others	2,083	2,233
Accumulated depreciation	(828)	(930)
Others, net	1,254	1,303
Total Property, plant and equipment	49,075	50,630
Intangible assets		
Goodwill	6,488	7,005
Other	1,539	1,554
Total intangible assets	8,027	8,559
Investments and other assets		
Investments and other assets	1,389	2,318
Total investments and other assets	1,389	2,318
Total non-current assets	58,492	61,508
Total assets	121,252	125,280

(Millions of yen)

	As of Mar. 31, 2024	As of Sep. 30, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	1,543	850
Accrued income taxes	128	291
Provision for bonuses	962	923
Other	4,533	4,643
Total current liabilities	7,168	6,708
Non-current liabilities		
Retirement benefit liabilities	1,102	1,113
Other	1,196	1,302
Total non-current liabilities	2,299	2,416
Total liabilities	9,467	9,124
<b>Net assets</b>		
Shareholders' equity		
Share capital	14,965	14,965
Capital surplus	32,893	32,893
Retained earnings	53,471	51,937
Treasury shares	-	(0)
Total shareholders' equity	101,330	99,796
Accumulated other comprehensive income		
Foreign currency translation adjustment	10,548	16,362
Cumulative remeasurements of retirement benefit	(373)	(338)
Total accumulated other comprehensive income	10,174	16,023
Non-controlling interests	279	335
Total net assets	111,784	116,155
Total liabilities and net assets	121,252	125,280



**(2) Semi-annual Consolidated Statements of Profit or Loss and Semi-annual Consolidated Statements of Comprehensive Income**

**(Semi-annual Consolidated Statements of Profit or Loss)**

(Millions of yen)

	Six months ended Sep. 30, 2023	Six months ended Sep. 30, 2024
Net sales	19,116	19,758
Cost of sales	5,772	7,313
Gross profit	13,343	12,445
SG&A expenses		
Employees' salaries and bonuses	2,904	3,555
Retirement benefit expenses	161	184
R&D expenses	4,241	3,481
Provision of allowance	365	414
Other	4,260	4,390
Total SG&A expenses	11,933	12,028
Operating profit	1,410	417
Non-operating income		
Interest income	84	149
Foreign exchange gains	74	-
Rent income from real estate	78	81
Other	11	60
Total non-operating income	248	290
Non-operating expense		
Interest expenses	12	10
Foreign exchange losses	-	84
Rent expenses on real estate	35	36
Other	11	26
Total non-operating expenses	59	158
Ordinary profit	1,598	549
Extraordinary gains		
Gain on sale of fixed assets	1	2
Total extraordinary profit	1	2
Extraordinary losses		
Loss on sale and retirement of non-current assets	12	14
Impairment loss	-	108
Others	-	1
Total extraordinary losses	12	124
Semi-annual income before income taxes and others	1,588	427
Income taxes-current	684	467
Income taxes-deferred	(195)	(571)
Total income taxes	489	(104)
Semi-annual net income	1,099	531
Semi-annual net income attributable to non-controlling interest	14	18
Semi-annual net income attributable to owners of the parent	1,084	513

**(Semi-annual Consolidated Statements of Comprehensive Income)**

(Millions of yen)

	Six months ended Sep. 30, 2023	Six months ended Sep. 30, 2024
Semi-annual net income	1,099	531
Other comprehensive income		
Foreign currency translation adjustment	3,601	5,851
Remeasurements of retirement benefit	32	34
Total other comprehensive income	3,634	5,886
Semi-annual comprehensive income	4,733	6,417
Semi-annual comprehensive income attributable to:		
Owners of the parent	4,693	6,362
Non-controlling interest	39	55

**(3) Semi-annual Consolidated Statements of Cash Flows**

(Millions of yen)

	Six months ended Sep. 30, 2023	Six months ended Sep. 30, 2024
Net cash provided by (used in) operating activities		
Profit before income taxes and others	1,588	427
Depreciation and amortization	2,132	1,839
Depreciation and amortization on other	-	108
Amortization of goodwill	50	85
Increase (decrease) in allowance for doubtful accounts	307	346
Increase (decrease) in reserve for bonuses	(34)	(0)
Increase (decrease) in retirement benefit liabilities	(169)	(95)
Interest income	58	8
Interest expenses	(84)	(149)
Insurance claim income	12	10
Loss (gain) on sale and retirement of fixed assets	10	11
Decrease (increase) in trade receivables-trade	3,493	2,693
Decrease (increase) in inventories	(218)	(49)
Increase (decrease) in notes and accounts payable-trade	(463)	(872)
Increase (decrease) in consumption taxes payable	(2,561)	1,549
Increase (decrease) in other current liabilities	(1,368)	(465)
Other	(193)	(384)
Subtotal	2,560	5,063
Interest and dividend income received	89	151
Income expenses paid	(11)	(10)
Income taxes refund (paid)	(550)	895
Net cash provided by (used in) operating activities	2,087	6,099
Net cash provided by (used in) investing activities		
Payments into time deposits	(1,298)	(1,143)
Proceed from withdrawal of time deposits	1,925	1,861
Purchase of property, plant and equipment and intangible assets	(11,407)	(881)
Proceeds from sales of property, plant and equipment and intangible assets	1	4
Purchase of other depreciable assets	(24)	(236)
Other	(2)	0
Net cash provided by (used in) investing activities	(10,805)	(396)
Net cash provided by (used in) financing activities		
Dividends paid	(5,047)	(2,046)
Repayments of lease obligations	(79)	(104)
Other	-	(0)
Net cash provided by (used in) financing activities	(5,126)	(2,151)
Effect of exchange rate change on cash and cash equivalents	851	1,500
Net increase (decrease) in cash and cash equivalents	(12,993)	5,052
Cash and cash equivalents at beginning of period	49,058	33,171
Cash and cash equivalents at end of the semi-annual period	36,065	38,223

**(4) Notes to Semi-annual Consolidated Financial Statements****(Notes on Premise of Going Concern)**

No items to report.

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

No item to report.

**3. Supplemental Information****(1) Trends in Key Indicators for Business Management**

## 1) Cash Flows

(Millions of yen)

	Six months ended Sep. 30, 2023 (Apr. 1, 2023 – Sep. 30, 2023)	Six months ended Sep. 30, 2024 (Apr. 1, 2024 – Sep. 30, 2024)	Year ended Mar. 31, 2024 (Apr. 1, 2023 – Mar. 31, 2024)
Cash flow from operating activities	2,087	6,099	1,711
Cash flow from investing activities	(10,805)	(396)	(13,043)
Cash flow from financing activities	(5,126)	(2,151)	(5,233)

## 2) Sales Breakdown by Region

(Millions of yen)

	Six months ended Sep. 30, 2023 (Apr. 1, 2023 – Sep. 30, 2023)	Six months ended Sep. 30, 2024 (Apr. 1, 2024 – Sep. 30, 2024)	Year ended Mar. 31, 2024 (Apr. 1, 2023 – Mar. 31, 2024)
Japan	6,298	5,051	15,434
United States	5,892	6,631	12,974
China	2,986	3,962	7,039
Asia excluding Japan and China	1,639	1,377	3,355
Europe	2,162	2,559	4,496
Others	137	175	205
Total	19,116	19,758	43,505

## (2) Comparative Consolidated Statement of Income

(Rounded down to one million yen)

	Six months ended Sep.30, 2023 Actual	Six months ended Sep. 30, 2024 Forecast	Six months ended Sep. 30, 2024 Actual	YY Change	YY ratio	Previous forecast Change	Previous forecast Ratio
(Net sales)							
Reagents	14,703	15,503	15,405	701	4.8%	(97)	(0.6%)
Instruments	411	586	426	15	3.7%	(159)	(27.2%)
CDMO	2,702	2,448	2,274	(428)	(15.9%)	(174)	(7.1%)
Gene Therapy	1,298	1,661	1,652	353	27.2%	(9)	(0.6%)
Total net sales	19,116	20,200	19,758	641	3.4%	(441)	(2.2%)
(Operating profit and Loss)							
Net sales	19,116	20,200	19,758	641	3.4%	(441)	(2.2%)
Cost of sales	5,772	7,900	7,313	1,540	26.7%	(587)	(7.4%)
Gross profit	13,343	12,299	12,445	(898)	(6.7%)	145	1.2%
SG & A expenses	11,933	12,149	12,028	94	0.8%	(121)	(1.0%)
Transportation expenses	285	281	301	16	5.9%	20	7.1%
Advertising expenses	32	42	40	7	23.3%	(2)	(4.8%)
Promotion expenses	347	408	399	51	14.8%	(9)	(2.2%)
R&D expenses	4,241	3,567	3,481	(759)	(17.9%)	(85)	(2.4%)
Administrative expense, other	6,872	7,678	7,663	790	11.5%	(15)	(0.2%)
Enterprise taxes (external standards taxation)	154	170	141	(12)	(8.2%)	(28)	(16.9%)
Operating profit	1,410	150	417	(993)	(70.4%)	267	178.0%
(Non-operating income and Expenses)							
Non-operating income	248	176	290	42	17.0%	113	64.4%
Non-operating expenses	59	76	158	98	164.5%	81	106.0%
Ordinary profit	1,598	250	549	(1,049)	(65.6%)	299	119.8%
(Extraordinary income & Losses)							
Extraordinary income	1	-	2	0	42.2%	2	-
Extraordinary losses	12	15	124	112	909.8%	109	692.0%
Income before income taxes and others	1,588	234	427	(1,161)	(73.1%)	192	82.4%
Income taxes	489	111	(104)	(593)	-	(215)	-
Net income	1,099	123	531	(567)	(51.6%)	408	332.2%
Net income (loss) attributable to non- controlling interests	14	23	18	3	25.2%	(4)	(19.0%)
Net income attributable to owners of the parent	1,084	100	513	(570)	(52.7%)	413	413.2%
Depreciation and amortization (Property, plant and equipment and intangible assets)	2,132	1,848	1,839	(293)	(13.8%)	(9)	(0.5%)
Amortization of goodwill	307	318	346	39	12.9%	28	8.8%

\* 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.

### (3) Comparative Statement of Income Relating to Consolidated Financial Forecasts

(Rounded down to one million yen)

	Year ended Mar. 31, 2024	Year ending Mar. 31, 2025 Forecast	YY Change	YY 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)				
<b>Net sales</b>	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 expense, 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 income & Losses)				
Extraordinary income	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 the 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