



To whom it may concern:

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Notice Regarding Forecast Revisions of Financial Results and Dividend (Dividend Increase)

Kusatsu/Shiga, Japan-November 10, 2020 – Takara Bio Inc. (Takara Bio), today announced the revision of the consolidated financial forecast that was disclosed on August 4, 2020 and the dividend forecast for the fiscal year ending March 31, 2021 (April 1, 2020 – March 31, 2021) that was disclosed on May 14, 2020, as follows based on a review of current trends in results of operations.

1. Revision to Financial Forecast

(1) Revision to the Consolidated Forecast for the fiscal year ending March 31, 2021

(April 1, 2020 – March 31, 2021)

	Net sales	Operating profit	Ordinary profit	Net income attributable to owners of parent	Net income per share
Previous forecast (A)	Million yen	Million yen	Million yen	Million yen	Yen
	39,600	6,500	6,600	4,000	33.22
Revised forecast (B)	40,800	8,000	8,100	5,000	41.52
Amount of Change (B-A)	1,200	1,500	1,500	1,000	—
Percentage of change (%)	3.0	23.1	22.7	25.0	—
(Reference) Results for the previous fiscal year ended March 31, 2020	34,565	6,274	6,347	3,819	31.72

(2) Reason of the Revision

As for the consolidated forecasts, the Company has revised the financial forecast disclosed on August 4, 2020, considering results for the six months ended September 30, 2020 and recent progress in our business. Net sales of research reagents and scientific instruments are expected to exceed previous forecasts, mainly due to strong demand for PCR testing-related products due to the new Coronavirus disease pandemic. On the other hand, contract services are expected to be lower than the previous forecast, but this is due to plans to prioritize high-value services in the field of regenerative medicine products.

With regard to profits, gross profit is expected to significantly exceed the previous forecast due to an increase in net sales, mainly of research reagents, and a decrease in the cost of sales ratio due to a change in the sales composition and an improvement in the production utilization rate, etc. Although selling, general and administrative expenses will increase, the impact of the increase in gross profit will be significant, and each profit item is expected to exceed the previous forecast, resulting in an increase in operating profit and ordinary profit for the 12th consecutive fiscal year.

For the reasons stated above, net sales, operating profit, ordinary profit, and net income attributable to owners of the parent are each expected to exceed the previous forecasts, and therefore the forecasts for the full fiscal year have been revised.

2. Revision to Dividend Forecast

(1) Details of Revised Dividend Forecast

Record date	Dividend per share (Yen)		
	End of 2 nd quarter	End of fiscal year	Total
Previous forecast (Disclosed on May 14, 2020)		8.00	8.00
Revised forecast		9.00	9.00
Actual amount for the current fiscal year	0.00		
Actual amount for the previous fiscal year (fiscal year ended March 31, 2020)	0.00	8.00	8.00

(2) Reason of the Revision

Considering the management performance and financial statement comprehensively, Takara Bio recognizes a basic policy aimed for profit contribution, positioning an important business management issue to distribute profits to shareholders as well as enhancing the internal reserves to strengthen the research development activities in Bioindustry and Gene Therapy businesses. Specifically, the dividends of surplus will be paid at around 20% of estimated profit calculated without considering extraordinary income or loss in the consolidated financial statements.

Takara Bio decided to upwardly revise the forecasted year-end dividend for fiscal 2021 by of ¥1.00 per share from ¥8.00 to ¥9.00 under the revision of financial forecast and the shareholder return policy shown above.

As for the year-end dividend for fiscal 2021, it will be resolved at the 19th Annual General Meeting of Shareholders held in June 2021.

Forward-Looking Statements

Statements contained in these materials with respect to the Company's current plans, forecasts, strategies and beliefs that are not historical facts are forward-looking statements about the future performance of the Company and its consolidated subsidiaries. These statements are based on management's assumptions and beliefs in light of information currently available to it, but are based on a number of assumptions and beliefs derived from information that contains significant risks and uncertainties. Actual results may differ materially 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, declines 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.