



January 24, 2022

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## Notice Concerning Recording of Extraordinary Gains and Losses Related to Subsidization

Takara Bio Inc. (the “Company”) hereby announces the recording of extraordinary gains and losses related to subsidy grants during the nine months of the fiscal year ending March 31, 2022 (April 1, 2021 – December 31, 2021).

### 1. Details of Extraordinary Gains and Losses

The Company is participating in the Ministry of Health, Labour and Welfare’s “Project for Emergency Development of Vaccines Production Systems in Fiscal 2020” and promoting the development of manufacturing facilities through subsidies.\*

In the cumulative period of the third quarter of the fiscal year under review, an extraordinary gain of 3,205 million yen associated with the subsidies will be recorded. Along with that, an extraordinary loss of the same amount (loss on reduction of non-current assets) will be recorded by reducing the value of the subject assets.

\* News Release (August 7, 2020) [Japanese text only]

[https://ir.takara-bio.co.jp/ja/news\\_all/news\\_Release/newsr\\_2014365k238m7014115\\_200807.html](https://ir.takara-bio.co.jp/ja/news_all/news_Release/newsr_2014365k238m7014115_200807.html)

### 2. Impact on the Consolidated Financial Results

The impact of the extraordinary gains and losses has already been reflected in the forecast for the fiscal year ending March 31, 2022 (released on November 9, 2021) so there is no revision of the forecast. The Company will promptly disclose any impact on the business performance due to the progress made in the future and other factors.

(Reference) Consolidated financial results forecasts for the current fiscal year (released on November 9, 2021) and actual consolidated results for the previous fiscal year

(Millions of yen)

	Net sales	Operating profit	Ordinary profit	Net income attributable to owners of the parent
Consolidated financial results forecasts for the current fiscal year (Fiscal year ending March 31, 2022)	59,300	20,000	20,200	14,100
Actual consolidated results for the previous fiscal year (Fiscal year ended March 31, 2021)	46,086	13,952	14,159	9,547

**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 further 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.