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Notice Concerning Revisions to the Financial Results Forecasts and Dividend Forecasts (Dividend Increase)

Takara Bio Inc. (the “Company”) hereby announces that in the light of the most recent operating trends, to revise the financial results forecasts for the fiscal year ending March 31, 2023 (April 1, 2022 – March 31, 2023), disclosed on May 12, 2022, and the year-end dividend forecasts for the year ending March 31, 2023, as described below.

1. Revisions to financial results forecasts

(1) Revisions to consolidated financial results forecasts for the full year of the current fiscal year (April 1, 2022 through March 31, 2023)

	Net sales	Operating profit	Ordinary profit	Net income attributable to owners of the parent	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previously announced forecasts (A)	55,300	15,000	15,100	10,600	88.03
Revised forecasts (B)	77,800	19,000	19,100	13,800	114.60
Change (B-A)	22,500	4,000	4,000	3,200	-
Change (%)	40.7	26.7	26.5	30.2	-
(Reference) Actual consolidated results for the previous fiscal year (Fiscal year ended March 31, 2022)	67,699	28,902	28,459	19,849	164.84

(2) Reason for revision

Sales are expected to be higher than previously announced forecasts for Reagents, Instruments, and Gene Therapy, although CDMO is expected to be lower than previous announced forecast. In particular, general research reagents and the new Coronavirus testing reagents are expected to exceed the previously announced forecasts. Gross profit is expected to increase due to the increase in sales, so operating profit, ordinary profit, and net income attributable to owners of the parent are also expected to exceed the previously announced forecasts. Therefore, the forecasts of the consolidated financial results for the full year has been revised.

For details of the forecasts announced this time, please refer to page 12 of the “Consolidated Financial Results for the Six Months Ended September 30, 2022 (Under Japanese GAAP)” announced today.

2. Revisions to dividend forecasts

(1) Details of revision

	Annual dividends (Yen)		
	Second quarter-end	Fiscal-year end	Total
Previous forecasts		33.00	33.00
Revised forecasts		40.00	40.00
Actual results for the current fiscal year	0.00		
Actual results for the previous fiscal year (Fiscal year ended March 31, 2022)	0.00	33.00	33.00

(2) Reason for revision

We consider returning profits to shareholders to be an important management issue, while paying attention to enhancing internal reserves in order to actively implement R&D activities in both Bioindustry and Gene Therapy businesses. Our basic policy is to return profits to shareholders based on a comprehensive consideration of our operating results and financial position. Specifically, the Company's policy is to pay dividends from retained earnings of the high 30% range of the estimated net income, which is calculated without taking into account extraordinary gains and losses in the consolidated financial statements.

Based on the above upward revision of the full-year consolidated financial forecast and the above shareholder return policy, the Company has revised the year-end dividend forecasts for the year ending March 2023 from ¥33.00 to ¥40.00 per share.

The year-end dividend for the fiscal year ending March 31, 2023 is scheduled to be discussed at the 21st Ordinary General Meeting of Shareholders to be held in June 2023.

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.