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**Consolidated Financial Statements for the Third Quarter Ended December 31, 2021
FY2022 (April 1, 2021 - March 31, 2022) [UNAUDITED]**

February 10, 2022

Company name: Takara Holdings Inc.
 Stock exchange listings: Tokyo Stock Exchange (1st section)
 Code number: 2531
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 Quarterly statement filing date (as planned): February 14, 2022

- 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 nine months ended December 31, 2021 (April 1, 2021 - December 31, 2021)

(1) Consolidated operating results

Note: Percentages indicated changes from the same period of the previous fiscal year.

	Nine months ended December 31, 2021		Nine months ended December 31, 2020	
	(Millions of yen)	(%)	(Millions of yen)	(%)
Net sales	221,778	-	206,938	(2.5)
Operating income (loss)	33,589	95.4	17,186	33.9
Ordinary income (loss)	34,192	94.6	17,568	32.2
Net income (loss) attributable to owners of the parent	17,143	85.0	9,268	11.7
Net income (loss) per share (Yen)	86.71		46.88	
Fully diluted net income per share (Yen)	-		-	
Note: Comprehensive income (loss)	30,754	177.5	11,083	73.0

Since the "Accounting Standard for Revenue Recognition" (Corporate Accounting Standard No. 29), etc. has been adopted from FY2022, the above results is the amount after applying the accounting standard. Therefore, the rate of increase and decrease concerning sales compared to the previous year is not stated.

(2) Consolidated financial position

	As of December 31, 2021	As of March 31, 2021
	(Millions of yen)	(Millions of yen)
Total assets	355,038	306,918
Net assets	215,493	191,535
Equity ratio (%)	49.0	51.1
(Reference) Equity	173,985	156,884

2. Dividends

	Dividend per share (Yen)		
	Year ended March 31, 2021	Year ending March 31, 2022	Year ending March 31, 2022 (Forecast)
First quarter end	-	-	
Second quarter end	-	-	
Third quarter end	-	-	
Year end	21.00		35.00
Annual	21.00		35.00

Note: Correction of dividend forecast from the most recent dividend forecast: Yes

3. Forecast for the year ending March 31, 2022 (April 1, 2021 - March 31, 2022)

Note: Percentages indicated changes from the same period of the previous fiscal year.

	Year ending March 31, 2022	
	(Millions of yen)	(%)
Net sales	298,000	-
Operating income (loss)	40,400	87.1
Ordinary income (loss)	41,000	87.0
Net income (loss) attributable to owners of the parent	19,600	85.4
Net income per share (Yen)	99.14	

Note: Correction of financial forecast from the most recent financial forecast: Yes

Since the "Accounting Standard for Revenue Recognition" (Corporate Accounting Standard No. 29), etc. has been adopted from FY2022, the above results is the amount after applying the accounting standard. Therefore, the rate of increase and decrease concerning sales compared to the previous year is not stated.

4. Others

(1) Material changes in subsidiaries during this period

(Changes in specified subsidiaries that caused a change in the scope of consolidation): No

(2) Accounting procedures specific to quarterly consolidated financial statements: No

(3) Changes in accounting policies, accounting estimates and retrospective restatement

1) Changes based on revisions of accounting standard: Yes

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 the end of each period (Treasury stocks are included):

As of December 31, 2021 199,699,743 shares

As of March 31, 2021 199,699,743 shares

2) Number of treasury stocks at the end of each period:

As of December 31, 2021 1,995,645 shares

As of March 31, 2021 1,995,468 shares

3) Average number of outstanding shares in each period:

Nine months ended December 31, 2021 197,704,210 shares

Nine months ended December 31, 2020 197,704,523 shares

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○ Supplement for the Consolidated Quarterly Financial Statements

1. Qualitative Information for the Nine Months Ended December 31, 2021

The Accounting Standard for Revenue Recognition, etc. have been adopted from the beginning of the three months ended June 30, 2021. As a result, net sales in the nine months ended December 31, 2021 have been recorded in accordance with the standard which is different from the standard applied to net sales in the nine months ended December 31, 2020. Therefore, concerning explanation on net sales, gross profit, and SG&A expenses on a consolidated basis and of the Takara Shuzo segment, which were significantly impacted by the change in the standard, the rate of increase and decrease compared to the same period of the previous fiscal year is not stated. There was no impact on income items from operating income onwards. The effect of the application of the Accounting Standard for Revenue Recognition, etc. is described in “2. Consolidated Quarterly Financial Statements and Primary Notes (3) Notes to Consolidated Financial Statements (Changes in Accounting Policies).”

(1) Consolidated Financial Results

In the nine months ended December 31, 2021, driven by the favorable performance of the Takara Shuzo International Group and the Takara Bio Group, net sales were ¥221,778 million, gross profit was ¥84,013 million, and SG&A expenses were ¥50,423 million. Operating income grew 95.4% year on year to ¥33,589 million, while ordinary income rose 94.6% year on year to ¥34,192 million, increasing both sales and income, absorbing the impact of the Accounting Standard for Revenue Recognition, etc. In addition, net income attributable to owners of the parent increased 85.0% year on year to ¥17,143 million, although loss on voluntary product recall of ¥1,563 million was posted under extraordinary loss.

Results by business segment were as follows.

[Takara Shuzo]

In the nine months ended December 31, 2021, even in a comparison excluding the effect of application of the Accounting Standard for Revenue Recognition, etc., sales of sake, raw alcohol, etc. decreased. In addition, sales of light-alcohol refreshers decreased due to the voluntary product recall.

As a result, net sales for Takara Shuzo were ¥94,003 million, including the effect of the application of the Accounting Standard for Revenue Recognition, etc. of ¥(21,990) million. Cost of sales was ¥70,195 million, and gross profit was ¥23,807 million. SG&A expenses were ¥18,670 million due to efforts for cost reduction in addition to the effect of the application of the Accounting Standard for Revenue Recognition, etc. of ¥(21,990) million. Operating income was down 16.4% year on year to ¥5,136 million.

[Takara Shuzo International Group]

In the nine months ended December 31, 2021, net sales of the Overseas Alcoholic Beverages Business increased 45.5% year on year to ¥10,365 million, mainly due to continued growth in sales of whiskey in the U.K. and the U.S. as well as an increase in sales of sake which had decreased in the previous fiscal year, affected by the coronavirus crisis. Net sales of the Japanese Food Wholesale Business in overseas markets increased 48.2% year on year to ¥64,148 million, primarily due to the ongoing recovery in the eating and drinking establishment market from the coronavirus crisis.

As a result, net sales for the Takara Shuzo International Group increased 47.4% year on year to ¥73,372 million. Cost of sales increased 43.3% year on year to ¥49,973 million. Consequently, gross profit increased 57.1% year on year to ¥23,399 million. SG&A expenses rose 17.6% year on year to ¥16,761 million, primarily due to an increase in personnel expenses and transportation costs, and operating income increased 941.0% year on year to ¥6,637 million.

[Takara Bio Group]

In the nine months ended December 31, 2021, although sales of Instruments and Gene Therapy decreased year on year, sales of Reagents and CDMO increased year on year. Especially in Reagents, in addition to sales of reagents for general research which are on a recovery trend, PCR test-related products for the new coronavirus increased.

As a result, net sales for the Takara Bio Group increased 54.5% year on year to ¥45,659 million. Cost of sales increased 39.3% year on year to ¥11,559 million in line with the improvement in the cost of sales ratio for CDMO. Consequently, gross profit increased 60.5% year on year to ¥34,100 million. SG&A expenses were up 13.8% year on year to ¥14,174 million, mainly due to an increase in personnel expenses and R&D expenses. Operating income increased 126.7% year on year to ¥19,926 million.

[Other]

In the nine months ended December 31, 2021, net sales of the Other segment increased 4.2% year on year to ¥23,643 million. Cost of sales increased 3.1% year on year to ¥20,362 million. Consequently, gross profit increased 11.4% year on year to ¥3,280 million. SG&A expenses fell 2.6% year on year to ¥1,387 million, primarily due to a decline in personnel expenses, and operating income was up 24.5% year on year to ¥1,893 million.

Breakdown of sales results by product category

Segment	Equivalent Period of Previous Fiscal Year (From April 1, 2020, to December 31, 2020)	Period under Review (from April 1, 2021, to December 31, 2021)	YoY Comparison
Product category	Amount (Millions of yen)	Amount (Millions of yen)	(%)
Takara Shuzo			
Shochu	38,188	30,116	(21.1)
Sake	14,362	10,452	(27.2)
Light-alcohol refreshers	36,356	29,019	(20.2)
Other alcoholic beverages	4,330	4,206	(2.9)
<i>Hon Mirin</i>	10,706	7,320	(31.6)
Other seasonings	8,232	6,685	(18.8)
Raw alcohol, etc.	7,581	6,200	(18.2)
Total	119,757	94,003	(21.5)
Takara Shuzo International Group			
Overseas Alcoholic Beverages Business	7,123	10,365	45.5
Japanese Food Wholesales Business in overseas markets	43,286	64,148	48.2
Other	45	42	(5.1)
Elimination of intra-Group transaction on consolidation	(686)	(1,184)	—
Total	49,768	73,372	47.4
Takara Bio Group			
Reagents	22,615	36,998	63.6
Instruments	1,113	1,040	(6.6)
CDMO	5,575	7,474	34.0
Gene therapy	243	146	(39.7)
Total	29,549	45,659	54.5
Reported segment total	199,075	213,034	7.0
Other	22,689	23,643	4.2
Segment total	221,764	236,678	6.7
Sales not allocated to business segments and intersegment transactions	(14,826)	(14,899)	—
Total	206,938	221,778	7.2

Notes: 1. Amounts include alcohol tax.

2. From the three months ended June 30, 2021, the names of the product categories of Takara Bio Group have been changed from “Research reagents,” “Scientific instruments” and “Contract services” to “Reagents,” “Instruments” and “CDMO.”

(Reference) [Before applying the Accounting Standard for Revenue Recognition]**Breakdown of sales results by product category**

Segment	Equivalent Period of Previous Fiscal Year (From April 1, 2020, to December 31, 2020)	Period under Review (from April 1, 2021, to December 31, 2021)	YoY Comparison
Product category	Amount (Millions of yen)	Amount (Millions of yen)	(%)
Takara Shuzo			
Shochu	38,188	37,430	(2.0)
Sake	14,362	12,942	(9.9)
Light-alcohol refreshers	36,356	35,568	(2.2)
Other alcoholic beverages	4,330	4,703	8.6
<i>Hon Mirin</i>	10,706	10,799	0.9
Other seasonings	8,232	8,340	1.3
Raw alcohol, etc.	7,581	6,209	(18.1)
Total	119,757	115,994	(3.1)
Takara Shuzo International Group			
Overseas Alcoholic Beverages Business	7,123	10,385	45.8
Japanese Food Wholesales Business in overseas markets	43,286	64,148	48.2
Other	45	42	(5.1)
Elimination of intra-Group transaction on consolidation	(686)	(1,184)	—
Total	49,768	73,392	47.5
Takara Bio Group			
Reagents	22,615	36,998	63.6
Instruments	1,113	1,040	(6.6)
CDMO	5,575	7,474	34.0
Gene therapy	243	146	(39.7)
Total	29,549	45,659	54.5
Reported segment total	199,075	235,045	18.1
Other	22,689	23,643	4.2
Segment total	221,764	258,689	16.7
Sales not allocated to business segments and intersegment transactions	(14,826)	(14,899)	—
Total	206,938	243,790	17.8

Note: For convenience of comparison, net sales for the nine months ended December 31, 2021 are the amounts to which the Accounting Standard for Revenue Recognition, etc. are not applied.

(2) Consolidated Financial Position

As of December 31, 2021, current assets were ¥225,807 million, an increase of ¥42,699 million compared with that at the end of the previous fiscal year. This was primarily due to an increase in cash and deposits of ¥19,507 million, an increase in notes and accounts receivable-trade of ¥16,588 million, and an increase in inventories of ¥4,282 million. Noncurrent assets were ¥129,231 million, an increase of ¥5,420 million compared with that at the end of the previous fiscal year. This was primarily due to an increase of ¥4,764 million in property, plant and equipment resulting from interior finishing work of Takara Bio USA, Inc.'s new office building, Takara Bio Inc.'s acquisition of manufacturing facilities, etc.

As a result, total assets were ¥355,038 million, an increase of ¥48,120 million compared with that at the end of the previous fiscal year.

As of December 31, 2021, current liabilities were ¥80,854 million, an increase of ¥24,585 million compared with that at the end of the previous fiscal year. This was primarily due to an increase of ¥9,715 million in other under current liabilities as a result of the recording of refund liabilities of ¥7,236 million following the application of the Accounting Standard of Revenue Recognition, etc., an increase in current portion of bonds of ¥10,000 million, an increase in accrued alcohol tax of ¥4,942

million, and an increase in notes and accounts payable-trade of ¥3,167 million. Noncurrent liabilities were ¥58,691 million, a decrease of ¥422 million compared with that at the end of the previous fiscal year.

As a result, total liabilities were ¥139,545 million, an increase of ¥24,162 million compared with that at the end of the previous fiscal year.

As of December 31, 2021, total net assets were ¥215,493 million, an increase of ¥23,957 million compared with that at the end of the previous fiscal year. This was primarily due to an increase in retained earnings of ¥11,123 million, an increase in noncontrolling interests of ¥6,856 million resulting from strong performance of the Takara Bio Group among others, and an increase in foreign currency translation adjustment of ¥5,090 million reflecting a weak yen.

As a result, the equity ratio totaled 49.0%, compared with 51.1% at the end of the previous fiscal year.

(3) Qualitative Information Regarding Consolidated Forecasts

The Company has revised the full-year consolidated results forecasts and dividend forecast published on November 9, 2021 in consideration of recent performance trends.

For the fiscal year ending March 31, 2022, overall consolidated net sales are expected to exceed the previous forecast (announced on November 9, 2021) and reach a record high, with net sales for Takara Shuzo broadly in line with the forecast, strong performance of the eating and drinking establishment market in the Takara Shuzo International Group, and PCR testing-related products for the new coronavirus and general research reagents exceeding the previous forecast in the Takara Bio Group.

In terms of profit, operating income, ordinary income, and net income attributable to owners of the parent are expected to exceed the previous forecast and are projected to be an all-time high, with higher gross profit due to the increase in net sales and a decrease in the cost of sales ratio.

Also, for the details of forecasts for each business segment, please refer to pages 12/20-15/20 in “Supplement for the Consolidated Financial Statements.”

(Full-Year Consolidated Results Forecasts for the fiscal year ending March 31, 2022)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share
Previous forecast (A) (Published November 9, 2021)	(Millions of yen) 289,000	(Millions of yen) 33,400	(Millions of yen) 33,800	(Millions of yen) 16,100	(Yen) 81.43
Revised forecast (B)	298,000	40,400	41,000	19,600	99.14
Difference (B – A)	9,000	7,000	7,200	3,500	—
Difference (%)	3.1	21.0	21.3	21.7	—
Reference: Business results for previous fiscal year (Ended March 31, 2021)	278,443	21,595	21,929	10,574	53.48

2. Consolidated Quarterly Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Millions of Yen)

	As of Mar. 31, 2021	As of Dec. 31, 2021
Assets		
Current assets		
Cash and deposits	66,238	85,745
Notes and accounts receivable-trade	61,954	78,543
Securities	1,145	1,442
Merchandise and finished goods	41,115	44,175
Work in process	1,924	2,500
Raw materials and supplies	6,084	6,731
Other	5,161	7,126
Allowance for doubtful accounts	(516)	(456)
Total current assets	183,108	225,807
Noncurrent assets		
Property, plant and equipment	74,740	79,505
Intangible assets		
Goodwill	10,142	10,103
Other	5,746	5,417
Total intangible assets	15,889	15,520
Investments and other assets		
Investment securities	27,924	28,866
Other	5,324	5,403
Allowance for doubtful accounts	(69)	(64)
Total investments and other assets	33,180	34,204
Total noncurrent assets	123,810	129,231
Total assets	306,918	355,038

(Millions of Yen)

	As of Mar. 31, 2021	As of Dec. 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable-trade	16,481	19,648
Short-term loans payable	5,166	5,020
Current portion of bonds	—	10,000
Accrued alcohol tax	6,890	11,832
Accrued expenses	6,455	4,828
Income taxes payable	4,021	4,939
Provision	4,914	2,528
Other	12,340	22,055
Total current liabilities	56,269	80,854
Noncurrent liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	15,465	15,250
Lease obligations	3,122	3,036
Net defined benefit liability	9,274	9,232
Long-term deposits received	5,136	5,091
Other	6,114	6,079
Total noncurrent liabilities	59,113	58,691
Total liabilities	115,383	139,545
Net assets		
Shareholders' equity		
Capital stock	13,226	13,226
Capital surplus	2,292	2,348
Retained earnings	135,184	146,307
Treasury stock	(1,682)	(1,682)
Total shareholders' equity	149,020	160,199
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,370	11,999
Deferred gains or losses on hedges	193	273
Foreign currency translation adjustment	(2,840)	2,250
Remeasurements of defined benefit plans	(859)	(736)
Total accumulated other comprehensive income	7,863	13,785
Noncontrolling interests	34,650	41,507
Total net assets	191,535	215,493
Total liabilities and net assets	306,918	355,038

**(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)
(For the Nine Months Ended December 31, 2021 and 2020)**

(Millions of Yen)

	FY2021 (Apr. 1, 2020 – Dec. 31, 2020)	FY2022 (Apr. 1, 2021 – Dec. 31, 2021)
Net sales	206,938	221,778
Cost of sales	120,738	137,765
Gross profit	86,199	84,013
Selling, general and administrative expenses	69,012	50,423
Operating income	17,186	33,589
Nonoperating income		
Dividends income	513	573
Other	497	587
Total nonoperating income	1,011	1,161
Nonoperating expenses		
Interest expenses	263	243
Other	366	315
Total nonoperating expenses	630	558
Ordinary income	17,568	34,192
Extraordinary income		
National subsidiaries	35	3,205
Other	8	182
Total extraordinary income	43	3,388
Extraordinary loss		
Loss on tax purpose reduction entry of non-current assets	35	3,205
Loss on voluntary product recall	—	1,563
Loss on liquidation of business	462	—
Other	301	152
Total extraordinary losses	798	4,921
Income before income taxes	16,813	32,658
Income taxes-current	5,074	9,309
Income taxes-deferred	347	(50)
Total income taxes	5,422	9,258
Net income	11,390	23,400
Net income attributable to the noncontrolling interest	2,122	6,257
Net income attributable to owners of the parent	9,268	17,143

(Consolidated Statements of Comprehensive Income)
(For the Nine Months Ended December 31, 2021 and 2020)

(Millions of Yen)

	FY2021 (Apr. 1, 2020 – Dec. 31, 2020)	FY2022 (Apr. 1, 2021 – Dec. 31, 2021)
Net income	11,390	23,400
Other comprehensive income		
Valuation difference on available-for-sale securities	2,070	628
Deferred gains or losses on hedges	(121)	80
Foreign currency translation adjustment	(2,275)	6,508
Remeasurements of defined benefit plans	18	136
Total other comprehensive income	(307)	7,353
Comprehensive income	11,083	30,754
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	9,495	23,065
Comprehensive income attributable to noncontrolling interest	1,587	7,689

(3) Notes to Consolidated Financial Statements

(Notes on Premise of Going Concern)

No items to report.

(Notes on Material Changes in Shareholders' Equity)

No items to report.

(Changes in Accounting Policies)

(Application of Accounting Standard for Revenue Recognition, etc.)

The Company adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020, hereinafter referred to as the "Accounting Standard for Revenue Recognition"), etc. from the beginning of the three months ended June 30, 2021 and recognized revenue when control of promised goods or services is transferred to customers in an amount that is expected to be received in exchange for those goods or services. As a result, consideration paid to customers, which was previously treated as SG&A expenses, is deducted from net sales. In addition, an amount that is expected to be paid to customers after the balance sheet date, which was previously presented as part of "accrued expenses" and part of "provision" under "current liabilities," is included in "other" under "current liabilities" as refund liabilities.

With regard to the application of the Accounting Standard for Revenue Recognition, etc., in accordance with the transitional treatment stipulated in the provisions of Paragraph 84 of the Accounting Standard for Revenue Recognition, the cumulative effect of retrospectively applying the new accounting policy prior to the beginning of the three months ended June 30, 2021 was added to or deducted from retained earnings at the beginning of the three months ended June 30, 2021, and a new accounting policy was applied from the beginning balance of the three months ended June 30, 2021.

As a result, in the nine months ended December 31, 2021, net sales and SG&A expenses each decreased by ¥22,011 million. There was no impact on operating income, ordinary income, or income before income taxes. In addition, retained earnings at the beginning of the fiscal year ending March 31, 2022 decreased by ¥1,867 million, and refund liabilities included in "other" under current liabilities as of December 31, 2021 were ¥7,236 million.

In accordance with the transitional treatment stipulated in Paragraph 28-15 of the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12, March 31, 2020), information on breakdown of revenue from contracts with customers for the nine months ended December 31, 2020 is not stated.

(Application of Accounting Standard for Fair Value Measurement)

The Company adopted the "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019, hereinafter referred to as the "Accounting Standard for Fair Value Measurement"), etc. from the beginning of the three months ended June 30, 2021, and decided to apply new accounting policies prescribed in the Accounting Standard for Fair Value Measurement in the future, in accordance with the transitional treatment as stipulated in Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the "Accounting Standards for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019). The application of these standards does not affect the consolidated quarterly financial statements for the nine months ended December 31, 2021.

(Segment Information)

I. Equivalent Period of Previous Fiscal Year (From April 1, 2020 to December 31, 2020)

1. Net sales and Income (Loss) by Reported Segment

(Millions of yen)

	Reported Segment				Other (Note: 1)	Total	Adjustment (Note: 2)	Amount recognized in consolidated quarterly statements of income (Note: 3)
	Takara Shuzo	Takara Shuzo International Group	Takara Bio Group	Subtotal				
Net sales								
External customers	119,349	49,589	29,548	198,487	8,450	206,938	0	206,938
Intersegment	408	179	0	587	14,239	14,826	(14,826)	-
Total	119,757	49,768	29,549	199,075	22,689	221,764	(14,826)	206,938
Segment income	6,145	637	8,791	15,574	1,520	17,094	91	17,186

Notes: 1. Other includes business segments that are not part of reported segments, such as the real estate rental business and the transportation business.

2. Details of adjustment amounts are as follows.

(1) Net sales to external customers are income from business contracting recorded at the Company.

(2) The adjustment to segment income of ¥91 million comprises intersegment eliminations of ¥43 million and loss of the Company not allocated to business segments of ¥48 million.

3. Segment income has been adjusted to the operating income of consolidated quarterly statements of income.

2. Information on Impairment Loss on Noncurrent Assets, Goodwill, etc. by Reportable Segment

The Company posted a ¥363 million impairment loss in line with the liquidation of the next-generation sequencing library manufacturing equipment-related business, in the “Takara Bio Group” segment. This impairment loss is posted as “loss on liquidation of business” under extraordinary loss, together with related loss.

II. Period under Review (From April 1, 2021, to December 31, 2021)

1. Net sales and Income (Loss) by Reported Segment

(Millions of yen)

	Reported Segment				Other (Note: 1)	Total	Adjustment (Note: 2)	Amount recognized in consolidated quarterly statements of income (Note: 3)
	Takara Shuzo	Takara Shuzo International Group	Takara Bio Group	Subtotal				
Net sales								
External customers	93,380	73,180	45,659	212,219	9,559	221,778	-	221,778
Intersegment	622	192	0	814	14,084	14,899	(14,899)	-
Total	94,003	73,372	45,659	213,034	23,643	236,678	(14,899)	221,778
Segment income	5,136	6,637	19,926	31,700	1,893	33,593	(3)	33,589

Notes: 1. Other includes business segments that are not part of reported segments, such as the real estate rental business and the transportation business.

2. The adjustment to segment income of ¥(3) million comprises intersegment eliminations of ¥29 million and loss of the Company not allocated to business segments of ¥(33) million.

3. Segment income has been adjusted to the operating income of consolidated quarterly statements of income.

2. Changes in Reported Segment, etc.

As described in “(Changes in Accounting Policies),” the Company adopted the “Accounting Standard for Revenue Recognition,” (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the three months

ended June 30, 2021, and changed the accounting method for revenue recognition. Accordingly, the measurement method of income or loss by business segment has also been changed.

As a result of these changes, compared with the amounts calculated by the conventional accounting method, net sales of Takara Shuzo in the nine months ended December 31, 2021 decreased by ¥21,990 million, while net sales of the Takara Shuzo International Group decreased by ¥20 million.

3. Information on Impairment Loss on Noncurrent Assets, Goodwill, etc. by Reportable Segment

No items to report.

(Revenue Recognition)

Information on breakdown of revenue from contracts with customers

Period under Review (From April 1, 2021 to December 31, 2021)

(Millions of yen)

	Reported Segment				Other (Note)	Total
	Takara Shuzo	Takara Shuzo International Group	Takara Bio Group	Subtotal		
Alcoholic Beverages Business	93,380	9,033	-	102,414	3,659	106,074
Japanese Food Wholesales Business in overseas markets	-	64,146	-	64,146	-	64,146
Bio	-	-	45,659	45,659	-	45,659
Other	-	-	-	-	5,445	5,445
Revenue earned from contracts with customers	93,380	73,180	45,659	212,219	9,104	221,324
Other revenue	-	-	-	-	454	454
Net sales to external customers	93,380	73,180	45,659	212,219	9,559	221,778

Note: "Other" includes business segments that are not part of reported segments, such as the import and sale of wine, the real estate rental business, and the transportation business.