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To whom it may concern,

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Revision of Consolidated Business Results Forecast for the Fiscal Year Ending March 31, 2021

Kyoto, Japan—Takara Holdings announced revisions to the business results forecast for the fiscal year ending March 31, 2021 (from April 1, 2020, to March 30, 2021) that it released on November 10, 2020, as stated below. These revisions were based on consideration of recent performance trends.

1. Revised figures for the business results forecast for the fiscal year ending March 31, 2021 (from April 1, 2020, to March 31, 2021)

(Millions of yen / %)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share
Previous forecast (A) (November 10, 2020, announcement)	274,000	13,800	14,000	7,100	35.91 yen
Revised forecast (B)	277,000	19,200	19,300	9,700	49.06 yen
Difference (B – A)	3,000	5,400	5,300	2,600	—
Difference (%)	1.1	39.1	37.9	36.6	—
Reference: Previous business results (Fiscal year ended March 31, 2020)	281,191	15,836	16,269	8,980	45.11 yen

2. Reason for revision

For the fiscal year ending March 31, 2021, overall consolidated net sales for the Takara Group are expected to exceed the previous forecast (released on November 10, 2020) by ¥3,000 million (1.1%) as net sales for the Takara Bio Group and the Takara Shuzo International Group are projected to be larger than the forecast, although net sales for Takara Shuzo will be a little lower than the forecast.

In terms of profit, operating income, ordinary income, and net income attributable to owners of the parent are expected to exceed the forecast by ¥5,400 million (39.1%), ¥5,300 million (37.9%), and ¥2,600 million (36.6%) respectively, as a sales increase and a lower cost of sales ratio raised gross profit and SG&A expenses were held down. Operating income and ordinary income are projected to be an all-time high.

The performance by each business segment is as follows.

[Takara Shuzo]

In Japan, net sales are expected to fall a little below the previous forecast due to the prolonged effects of the spread of COVID-19. However, with the aim of achieving the revised forecast, measures will continue to be taken to meet various needs amid the pandemic, including development of products that respond to demand for domestic use and transmission of information using social media and other means. In terms of profit, operating income is projected to be in line with the forecast as raw material costs, promotion and transportation expenses and other expenses will be held down.

[Takara Shuzo International Group]

In overseas markets, while sales for dining out decreased as a result of lockdowns all over the world, proactive initiatives were taken such as meeting takeout demand from restaurants, expansion of sales channels for retailers and establishment of e-commerce sites. As a result, net sales are expected to exceed the previous forecast. In terms of profit, operating income is estimated to exceed the forecast as gross profit is expected to grow as a result of increased net sales while SG&A expenses were reduced.

[Takara Bio Group]

Despite the impact of the new coronavirus disease pandemic, net sales of research reagents and scientific instruments are expected to be steady, exceeding the previous forecast. In addition, demand for new coronavirus testing-related products, such as in vitro diagnostics, is expected to continue to increase. In terms of profit, gross profit is expected to significantly exceed the previous forecast due to an increase in net sales, as well as a further decline in the cost of sales ratio due to changes in the sales composition and an improvement in the production utilization rate, etc. Consequently, operating income is expected to exceed the previous forecast, despite increases in research and development expenses and other expenses.

For further details of forecasts for each business segment, please refer to pages 8/13 to 11/13 in “Supplement for the Consolidated Financial Statements for the Third Quarter Ended December 31, 2020,” announced today.

Further, today consolidated subsidiary Takara Bio Inc. (The First Section of Tokyo Stock Exchange, security code number: 4974) also announced revisions to forecasts and dividend forecasts for the fiscal year ending March 31, 2021.

* The above-mentioned forecasts have been prepared based on the information available as of the date of announcement of this document and could differ from the actual results, etc.

Cautionary Statement on the Use of This Document

Statements in this document, other than those based on historical fact, concerning the current plans, prospects, strategies and expectations of the Company represent forecasts of future results. While such statements are based on the conclusions of management according to information available at the time of writing, they reflect many assumptions and opinions derived from information that includes major risks and uncertainties. Actual results may vary significantly 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 the Company's intellectual property rights, rapid advances in technology and unfavorable verdicts in major litigation.