



**Consolidated Financial Statements for the Second Quarter Ended September 30, 2019  
FY2020 (April 1, 2019 - March 31, 2020) [UNAUDITED]**

November 12, 2019

Company name: Takara Bio Inc.  
 Stock exchange listings: Tokyo Stock Exchange (1st section)  
 Code number: 4974  
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 Company representative: Koichi Nakao, President  
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 Scheduled date of quarterly statement filing: November 13, 2019  
 Scheduled date of starting delivery of dividends: —  
 Supplementary documents of the financial results: Yes  
 Financial results information meeting: Yes  
 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 six months ended September 30, 2019 (Apr. 1, 2019 – Sep. 30, 2019)**

**(1) Consolidated operating results**

(Percentages indicate changes from the same period of the previous fiscal year.)

	Six months ended Sep. 30, 2019		Six months ended Sep. 30, 2018	
	(Millions of yen)	(%)	(Millions of yen)	(%)
Net sales	16,450	(5.3)	17,370	23.0
Operating income	3,035	15.7	2,623	280.9
Ordinary income	2,961	10.9	2,669	248.5
Net income (loss) attributable to owners of the parent	2,075	20.6	1,720	468.5
Net income per share (in yen)	17.23		14.29	
Fully diluted net income per share (in yen)	—		—	
Note: Comprehensive income	1,182	39.2%	849	—%

**(2) Consolidated financial position**

	As of Sep. 30, 2019	As of Mar. 31, 2019
	(Millions of yen)	(Millions of yen)
Total assets	70,837	71,040
Net assets	64,558	64,095
Equity ratio (%)	91.0	90.1
Net assets per share (in yen)	535.39	531.57
(Reference) Equity	64,468	64,009

**2. Dividends**

	Annual dividends per share in yen		
	Year ended Mar. 31, 2019	Year ending Mar. 31, 2020	Year ending Mar. 31, 2020 (Forecast)
First quarter end	—	—	—
Second quarter end	0.00	0.00	—
Third quarter end	—	—	—
Year end	7.00	—	8.00
Annual	7.00	—	8.00

Note: No revision of dividend payment forecast since the most recently announced payment forecast.

The original disclosure in Japanese was released on November 12, 2019 at 15:00 (GMT+8)

### 3. Forecast for the year ending March 31, 2020 (Apr. 1, 2019 – Mar. 31, 2020)

(Percentages indicated changes from the same period of the previous fiscal year.)

	Year ending Mar. 31, 2020	
	(Millions of yen)	(%)
Net sales	33,900	(5.4)
Operating income	6,200	13.5
Ordinary income	6,350	12.1
Net income attributable to owners of the parent	4,250	16.2
Net income per share (in yen)	35.29	

Note: Revision of financial forecast since the most recently announced payment forecast: Yes.

#### ※ Others

(1) Changes in subsidiaries during the six months ended September 30, 2019

(Changes in specified subsidiaries resulting in change of scope) : No

Newly included: – (Name)

Excluded: – (Name)

(2) Application of special accounting methods to the consolidated quarterly financial statements : No

(3) Changes in accounting policies, changes in 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

For details, please refer to “2. Consolidated Quarterly Financial Statements and Primary Notes (4) Notes to

Consolidated Quarterly Financial Statements (Changes in Accounting Policies) on page 9 of the attached document”.

(4) Number of outstanding shares (Common stock)

1) Number of outstanding shares at year end (Treasury stocks are included)

As of September 30, 2019 120,415,600

As of March 31, 2019 120,415,600

2) Number of treasury stocks at year end

As of September 30, 2019 —

As of March 31, 2019 —

3) Average number of outstanding shares

As of September 30, 2019 120,415,600

As of September 30, 2018 120,415,600

※ These financial statements are not subject to auditing.

※ Comment regarding appropriate use of earnings forecasts and other special notes

Forward-looking statements contained in this document are determined by the Takara Bio Company based on information currently available to the Company and include a number of uncertainties. Actual results could differ from these forecasts due to changes in conditions that occur in the future. For information regarding the above, please refer to 1. Overview of Financial Results for the six months ended September 30, 2019 (4) Qualitative Information Regarding Consolidated Forecasts, on page 3 of the attached document.

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## 1. Overview of Financial Results for the six months ended September 30, 2019

### (1) Overview of Financial Results

In the six months ended September 30, 2019, the Japanese economy continues to be unpredictable due to the protracted trade friction issue in the U.S. and China, upsurge of geopolitical risks and others, in addition to weakening export and production and standstill economy growth.

Under these circumstances, facing the last year of the three-year Takara Bio's Medium-Term Management Plan FY2020 started in FY2018, the Takara Bio Company (the Company) made the efforts toward the overall policy to enhance our presence as a global enterprise and regenerative medical product company, and achieve prodigious growth.

As a result, overall net sales in the six months ended September 30, 2019 decreased 5.3% year on year to ¥16,450 million, due to a decrease in sales of scientific instruments and influence of business transfers related to functional food and mushroom in the AgriBio Business Unit in the previous fiscal year despite contributions from sales for research reagents and contracted services exceeding those of the same period of the previous fiscal year. Cost of sales decreased 13.2% year on year to ¥6,121 million due to a decrease of cost percentage from change of sales composition by item and others, and gross profit increased 0.1% year on year to ¥10,329 million. Selling, general and administrative (SG&A) expenses decreased 5.2% year on year to ¥7,293 million due to the decrease in R&D expenses, and the Company recorded operating income up 15.7% year on year to ¥3,035 million.

Accompanied with the increase in operating income, ordinary income increased 10.9% to ¥2,961 million, income before income taxes and others increased 21.1% year on year to ¥2,950 million, and net income attributable to owners of the parent increased 20.6% year on year to ¥2,075 million.

The statuses of the Company business segments are as follows.

#### Bioindustry Business

Given the ever-widening activities of biotechnology R&D, the Company has positioned the Bioindustry Business as its core business, which mainly develops and provides products and services supporting such R&D activities.

In the six months ended September 30, 2019, sales of scientific instruments decreased year on year, but sales of research reagents and contracted service increased year on year.

As a result of the above, sales to external customers for this business increased 0.6% year on year to ¥14,406 million, and gross profit increased 3.6% year on year to ¥8,613 million due to a decrease of cost percentage from change of sales composition by item and others. SG&A expenses increased 0.3% year on year to ¥5,741 million due to the increase in personnel expenses, but the Company recorded operating income up 11.0% year on year to ¥2,872 million.

#### Gene Therapy Business

The business focuses on clinical development of gene therapies for diseases such as cancer. These therapies represent the oncolytic virus therapy utilizing C-REV and the engineered T cell therapy utilizing the Company's original technologies such as the RetroNectin method for a high efficiency gene transduction; the RetroNectin expansion-culture system for a high efficient expansion for lymphocytes; as well as siTCR™ technology.

In the six months ended September 30, 2019, the licensing fees for domestic co-development and exclusive sales related to NY-ESO-1 · siTCR™ and CD19 · CAR gene therapy products and sales of the investigational products based on the agreement were generated, but the total sales decreased year on year.

As a result, net sales to external customers for this business decreased 4.7% year on year to ¥2,044 million, and gross profit decreased 7.9% year on year ¥1,715 million. However, SG&A expenses decreased 35.6% year on year to ¥427 million due to decrease in R&D expenses. Accordingly, operating income increased 7.5% year on year to ¥1,287 million.

### (2) Overview of Financial Position

In the six months ended September 30, 2019, total assets were ¥70,837 million, a decrease of ¥203 million compared with that at the end of the previous fiscal year. This primarily resulted from increases in buildings and structures of ¥5,014 million and cash and deposits of ¥1,097 million despite decreases in construction in progress of ¥3,233 million and notes and accounts receivable-trade of ¥3,000 million.

Total liabilities were ¥6,278 million, a decrease of ¥666 million compared with that at the end of the previous fiscal year. This primarily resulted from a decrease of ¥691 million in current liabilities and others.

Total net assets stood at ¥64,558 million, an increase of ¥462 million compared with that at the end of the previous fiscal year. The main factor was an increase of ¥1,355 million in retained earnings despite a decrease of ¥908 million in foreign currency translation adjustment.

**(3) Overview of Cash Flows**

Net cash provided by operating activities was ¥4,709 million, up by ¥996 million compared with the previous fiscal year. This was primarily due to increases of ¥1,754 million in revenue from a decrease in notes and accounts receivable-trade and ¥513 million in income before income taxes and others despite an increase of ¥1,073 million in expenditures from a decrease in other current liabilities.

Net cash provided by investing activities was ¥2,283 million, an increase of ¥479 million. This was primarily due to a decrease of ¥1,342 million in proceeds from time deposits and increase of ¥1,123 million in purchase of property, plant and equipment and intangible assets, in addition to the elimination of ¥1,888 million in payments for time deposits.

Net cash used in financing activities was ¥884 million, an increase of ¥344 million compared with the previous fiscal year. This was primarily because of an increase of ¥300 million in cash dividends paid.

As a result of the above, cash and cash equivalents at the period ended September 30, 2019, including the effect of exchange rate change on cash and cash equivalents, stood at ¥10,676 million, up by ¥1,212 million from the previous fiscal year-end.

**(4) Qualitative Information Regarding Consolidated Forecasts**

As for consolidated financial forecast for FY2020, the Company has revised the financial forecast disclosed on May 14, 2019, considering results for the six months ended September 30, 2019 and recent progress in our business.

Net sales in Bioindustry business and Gene Therapy business remains unachieved as a possibility. Accordingly, the Company downwardly revised the forecast on the whole.

As for profit, gross profit would be dropped due to the unachieved net sales, but operating income would be left unchanged as a result of a prospect absorbing the downward factor in reducing over the entire SG&A expenses. The Company has downwardly revised ordinary income due to occurrence of foreign exchange losses, but extraordinary loss and income tax would be dropped, and thereby net income attributable to owners of the parent would be left unchanged as a result of a prospect.

For a comparison between revised forecasts for consolidated results, previous period results, and previous forecasts, please refer to “Comparative Statement of Income Relating to Consolidated Earnings Forecasts” on page 13.

## 2. Consolidated Quarterly Financial Statements and Primary Notes

### (1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	As of Mar. 31, 2019	As of Sep. 30, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	17,033	18,131
Notes and accounts receivable-trade	8,604	5,604
Securities	2,000	2,000
Merchandise and finished goods	4,523	4,369
Work in process	706	1,081
Raw materials and supplies	1,506	1,682
Other	941	1,279
Allowance for doubtful accounts	(41)	(40)
Total current assets	35,275	34,108
Non-current assets		
Property, plant and equipment		
Buildings and structures	11,775	16,638
Accumulated depreciation	(5,435)	(5,282)
Buildings and structures, net	6,340	11,355
Machinery, equipment and vehicles	5,510	5,000
Accumulated depreciation	(3,745)	(3,150)
Machinery, equipment and vehicles, net	1,764	1,850
Tools, furniture and fixtures	6,890	7,115
Accumulated depreciation	(4,588)	(4,906)
Tools, furniture and fixtures, net	2,302	2,209
Land	6,213	6,111
Construction in progress	4,784	1,550
Others	15	1,000
Accumulated depreciation	(15)	(65)
Others, net	—	934
Total Property, plant and equipment	21,404	24,011
Intangible assets		
Goodwill	7,598	7,136
Other	5,029	4,607
Total intangible assets	12,628	11,744
Investments and other assets		
Investments and other assets	1,732	972
Total investments and other assets	1,732	972
Total non-current assets	35,765	36,728
<b>Total assets</b>	<b>71,040</b>	<b>70,837</b>

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(Millions of yen)

	As of Mar. 31, 2019	As of Sep. 30, 2019
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	1,536	984
Accrued income taxes	391	475
Provision	593	545
Other	3,495	2,804
Total current liabilities	6,017	4,810
Non-current liabilities		
Net defined benefit liability	667	693
Other	260	774
Total non-current liabilities	927	1,468
Total liabilities	6,945	6,278
<b>Net assets</b>		
Shareholders' equity		
Share capital	14,965	14,965
Capital surplus	32,893	32,893
Retained earnings	15,401	16,756
Total shareholders equity	63,260	64,615
Accumulated other comprehensive income		
Foreign currency translation adjustment	964	56
Remeasurements of defined benefit plans	(215)	(202)
Total accumulated other comprehensive income	749	(146)
Non-controlling interests	85	89
Total net assets	64,095	64,558
<b>Total liabilities and net assets</b>	<b>71,040</b>	<b>70,837</b>

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**(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income**  
**(Consolidated Quarterly Statements of Income)**  
**(For the six months ended September 30, 2019)**

(Millions of yen)

	Six months ended Sep. 30, 2018	Six months ended Sep. 30, 2019
Net sales	17,370	16,450
Cost of sales	7,049	6,121
Gross profit	10,321	10,329
Selling, general and administrative expenses		
Employees salaries and bonuses	1,947	1,957
Retirement benefit expenses	88	89
R&D expenses	2,104	1,858
Provision for allowances	277	267
Other	3,280	3,121
Total selling, general and administrative expenses	7,697	7,293
Operating income	2,623	3,035
Non-operating income		
Interest income	43	59
Rent of Real estate	45	53
Other	9	17
Total non-operating income	98	130
Non-operating expenses		
Foreign exchange losses	24	176
Real estate leasing expense	20	17
Other	7	9
Total non-operating expenses	52	203
Ordinary income	2,669	2,961
Extraordinary income		
Gain on sales of non-current assets	0	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on sales and retirement of non-current assets	63	9
Loss due to disaster	128	—
Impairment loss	41	—
Loss on sale of investment securities	—	2
Total extraordinary losses	233	12
Income before income taxes and others	2,436	2,950
Income taxes-current	862	665
Income taxes-deferred	(144)	205
Total income taxes	718	870
Net income	1,717	2,080
Net income attributable to non-controlling interest	(2)	4
Net income attributable to owners of the parent	1,720	2,075



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**(Consolidated Quarterly Statements of Comprehensive Income)**

**(For the six months ended September 30, 2019)**

(Millions of yen)

	Six months ended Sep. 30, 2018	Six months ended Sep. 30, 2019
Net income	1,717	2,080
Other comprehensive income		
Foreign currency translation adjustment	(882)	(909)
Remeasurements of defined benefit plans	14	12
Total other comprehensive income	(867)	(897)
Comprehensive income	849	1,182
Comprehensive income attributable to:		
Owners of the parent	861	1,179
Non-controlling interest	(11)	3

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**(3) Consolidated Quarterly Statements of Cash Flows**

(Millions of yen)

	Six months ended Sep. 30, 2018	Six months ended Sep. 30, 2019
<b>Net cash provided by (used in) operating activities</b>		
Income before income taxes and others	2,436	2,950
Depreciation and amortization	1,336	1,352
Impairment loss	41	—
Depreciation and amortization on other	82	65
Amortization of goodwill	247	250
Increase (decrease) in allowance for doubtful accounts	4	0
Increase (decrease) in other provision	224	(39)
Increase (decrease) in net defined benefit liability	10	27
Interest income	(43)	(59)
Loss (gain) on sales and retirement of non-current assets	62	9
Disaster loss	128	—
Decrease (increase) in notes and accounts receivable-trade	1,148	2,903
Decrease (increase) in inventories	(958)	(546)
Increase (decrease) in notes and accounts payable-trade	(253)	(500)
Increase (decrease) in other current liabilities	(165)	(1,239)
Other	(95)	88
Subtotal	4,208	5,261
Interest and dividend income received	43	63
Income taxes paid	(538)	(615)
Net cash provided by (used in) operating activities	3,713	4,709
<b>Net cash provided by (used in) investing activities</b>		
Payments for time deposits	(3,938)	(2,049)
Proceeds from time deposits	3,442	2,100
Purchase of marketable securities	(2,000)	(2,000)
Proceeds from sales and redemption of securities	2,000	2,000
Purchase of property, plant and equipment and intangible assets	(1,264)	(2,387)
Proceeds from sales of property, plant and equipment and intangible assets	1	100
Purchase of other depreciable assets	(46)	(47)
Other	1	0
Net cash provided by (used in) investing activities	(1,803)	(2,283)
<b>Net cash provided by (used in) financing activities</b>		
Cash dividends paid	(540)	(841)
Repayments of lease obligations	—	(43)
Net cash provided by (used in) financing activities	(540)	(884)
Effect of exchange rate change on cash and cash equivalents	(202)	(329)
Net increase (decrease) in cash and cash equivalents	1,166	1,212
Cash and cash equivalents at beginning of period	10,051	9,464
Cash and cash equivalents at end of period	11,218	10,676

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**(4) Notes to Consolidated Quarterly Financial Statements**

**(Notes on Premise of Going Concern)**

No items to report.

**(Notes in case of Changes in Marked Amount of Shareholders' Equity)**

No items to report.

**(Change in Accounting Policies)**

**(Adoption of ASU2014-09 "Revenue from Contracts with Customers")**

The overseas subsidiaries which adopt U.S. GAAP adopted ASU2014-09 "Revenue from Contracts with Customers" (ASU2014-09) from the beginning of the year ending March 31, 2020. The Company adopts a method to recognize the cumulative effect of ASU2014-09 adoption, which is recognized as a transitional measure, on the initial date of adoption.

Due to the adoption of ASU-2019-09, the revenue is recognized at the time the promised goods or services are transferred to customers, in an amount that reflects the consideration expected to be received in the exchange for those goods or services.

The impact on consolidated quarterly financial statement for the six months ended September 30, 2019 is immaterial.

**(Adoption of IFRS16 "Leases")**

The overseas subsidiaries which adopt the International Financial reporting Standards ("IFRS") adopted IFRS16 "Leases" (IFRS16) from the beginning of the year ending March 31, 2020. The Company adopts a method to recognize the cumulative effect of IFRS16 "Leases" adoption, which is recognized as a transitional measure, on the initial date of adoption.

Due to the adoption of IFRS16, the Company principally recognizes assets and liabilities for all leases as a lessee. Also, the land-use rights stated formerly in "Investments and other assets" has been classified as right-of-use assets.

Accordingly, increases by ¥608 million in "Other, net" for Property, plant and equipment, by ¥61 million in "Other" for current liabilities, and by ¥78 million in "Other" for Non-current liabilities, and decrease by ¥468 million in "Investments and other assets" have been allocated.

The impact on profit and loss for the six months ended September 30, 2019 is immaterial.

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**(Segment Information)**

I. Equivalent period of previous fiscal year (From Apr. 1, 2018, to Sep. 30, 2018)

1. Net sales and income (loss) by reportable segment

(Millions of yen)

	Reportable segment			Total	Adjustment (Note: 1)	Amount recognized in consolidated quarterly financial statements (Note: 2)
	Bioindustry	Gene Therapy	AgriBio			
Net sales						
External customers	14,316	2,144	909	17,370	—	17,370
Corporate	—	—	—	—	—	—
Total	14,316	2,144	909	17,370	—	17,370
Segment income (loss)	2,588	1,198	(85)	3,701	(1,078)	2,623

Notes: 1. The adjustment for segment income (loss) was a loss of ¥1,078 million comprising of the Company not allocated to reportable segments. Expenses of the Company primarily consist of general and administrative expenses and R&D expenses not attributed to reportable segments.

2. Segment income (loss) has been adjusted to the operating income of consolidated quarterly financial statements.

2. Information about impairment loss for non-current assets and goodwill by reportable segment

(Significant impairment loss concerning non-current assets)

In AgriBio Business segment, the impairment loss for business assets such as prospectively unused building and others has been appropriated as extraordinary losses.

The amount of impairment loss was ¥41 million for the six months ended September 30, 2019.

(Significant changes to the amount of goodwill)

No items to report.

II. Six months ended September 30, 2019 (From Apr. 1, 2019, to Sep. 30, 2019)

1. Net sales and income (loss) by reportable segment

(Millions of yen)

	Reportable segment		Total	Adjustment (Note: 1)	Amount recognized in consolidated quarterly financial statements (Note: 2)
	Bioindustry	Gene Therapy			
Net sales					
External customers	14,406	2,044	16,450	—	16,450
Corporate	—	—	—	—	—
Total	14,406	2,044	16,450	—	16,450
Segment income	2,872	1,287	4,160	(1,124)	3,035

Notes: 1. The adjustment for segment income was a loss of ¥1,124 million comprising of the Company not allocated to reportable segments. Expenses of the Company primarily consist of general and administrative expenses and R&D expenses not attributed to reportable segments.

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

2. Information about impairment loss for non-current assets and goodwill by reportable segment

(Significant impairment loss concerning non-current assets)

No items to report.

(Significant changes to the amount of goodwill)

No items to report.

3. Matters related to changes and others by reportable segment

The reportable segment “AgriBio Business” has been eliminated from the three months ended June 30, 2019 due to the business transfers related to functional food and mushroom in AgriBio Business Unit for the previous fiscal year.

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### 3. Supplementary Information

#### (1) Trends in Key Management Indicators

##### 1). Cash Flow

(Millions of yen)

Term	Six months ended Sep. 30, 2018 (Apr. 1, 2018 - Sep. 30, 2018)	Six months ended Sep. 30, 2019 (Apr. 1, 2019 - Sep. 30, 2019)	Year ended Mar. 31, 2019 (Apr. 1, 2018 - Mar. 31, 2019)
Net cash provided by (used in) operating activities	3,713	4,709	5,783
Net cash provided by (used in) investing activities	(1,803)	(2,283)	(5,576)
Net cash provided by (used in) financing activities	(540)	(884)	(541)

##### 2). Net Sales by Region

(Millions of yen)

	Six months ended Sep. 30, 2018 (Apr. 1, 2018 - Sep. 30, 2018)	Six months ended Sep. 30, 2019 (Apr. 1, 2019 - Sep. 30, 2019)	Year ended Mar. 31, 2019 (Apr. 1, 2018 - Mar. 31, 2019)
Japan	7,652	6,816	16,101
U.S.	4,040	3,954	7,945
China	3,001	3,023	6,227
Asia excluding Japan and China	991	918	1,994
Europe	1,557	1,596	3,328
Other	127	141	244
Total	17,370	16,450	35,841

##### 3). R&D Expenses by Reportable Segment

(Millions of yen)

	Six months ended Sep. 30, 2018 (Apr. 1, 2018 - Sep. 30, 2018)	Six months ended Sep. 30, 2019 (Apr. 1, 2019 - Sep. 30, 2019)	Year ended Mar. 31, 2019 (Apr. 1, 2018 - Mar. 31, 2019)
Bioindustry	1,353	1,382	2,723
Gene therapy	655	392	1,391
Corporate	95	83	222
Total	2,104	1,858	4,337

(2) Comparative Consolidated Statement of Income

(Rounded down to one million yen)

	Six months ended Sep. 30, 2018 Actual	Six months ended Sep. 30, 2019 Actual	Year on year Change	Year on year Ratio
(Net Sales)				
Research reagents	11,149	11,613	464	104.2%
Scientific instruments	1,390	620	(770)	44.6%
Contracted services	1,555	1,961	406	126.1%
Other	220	210	(10)	95.4%
Bioindustry Total	14,316	14,406	90	100.6%
Gene therapy	2,144	2,044	(100)	95.3%
Other (Former AgriBio)	909	—	(909)	—
<b>Total net sales</b>	<b>17,370</b>	<b>16,450</b>	<b>(919)</b>	<b>94.7%</b>
(Operating Income and Loss)				
<b>Net sales</b>	<b>17,370</b>	<b>16,450</b>	<b>(919)</b>	<b>94.7%</b>
Cost of sales	7,049	6,121	(927)	86.8%
Gross profits	10,321	10,329	7	100.1%
SG&A expenses	7,697	7,293	(404)	94.8%
Transportation expenses	339	186	(153)	54.8%
Advertising expenses	30	33	3	110.0%
Promotion expenses	344	299	(44)	87.0%
R&D expenses	2,104	1,858	(245)	88.3%
Administrative expenses, other	4,719	4,766	47	101.0%
Enterprise taxes (external standards taxation)	159	149	(10)	93.5%
<b>Operating income</b>	<b>2,623</b>	<b>3,035</b>	<b>411</b>	<b>115.7%</b>
(Non-operating Income and Expenses)				
Non-operating income	98	130	31	131.9%
Non-operating expenses	52	203	151	387.2%
<b>Ordinary income</b>	<b>2,669</b>	<b>2,961</b>	<b>292</b>	<b>110.9%</b>
(Extraordinary Income & Losses)				
Extraordinary income	0	0	(0)	95.7%
Extraordinary losses	233	12	(221)	5.2%
Income before income taxes and others	2,436	2,950	513	121.1%
Income taxes	718	870	151	121.1%
Net Income	1,717	2,080	362	121.1%
Net income (loss) attributable to non-controlling interests	(2)	4	7	—
<b>Net income attributable to owners of the parent</b>	<b>1,720</b>	<b>2,075</b>	<b>354</b>	<b>120.6%</b>

Depreciation and amortization (Property, plant and equipment and intangible assets)	1,336	1,352	15	101.2%
Amortization of goodwill	247	250	3	101.3%

Profit and loss by business segment (Operating income)

	Six months ended Sep. 30, 2018 Actual	Six months ended Sep. 30, 2019 Actual	Year on year Change	Year on year Ratio
Bioindustry	2,588	2,872	283	111.0%
Gene therapy	1,198	1,287	89	107.5%
Other (Former AgriBio)	(85)	—	85	—
Corporate	(1,078)	(1,124)	(46)	—
Total	2,623	3,035	411	115.7%

**(3) Comparative statement of income relating to consolidated earnings forecasts**

(Rounded down to one million yen)

	Year ended Mar. 31, 2019 Actual	Year ending Mar. 31, 2020 Previous forecast	Year ending Mar. 31, 2020 Current forecast	Year on year Change	Year on year Ratio	Previous forecast Change	Previous forecast Ratio
(Net Sales)							
Research reagents	23,601	24,990	24,147	546	102.3%	(843)	96.6%
Scientific instruments	2,570	2,108	1,255	(1,315)	48.8%	(853)	59.5%
Contracted services	4,954	5,800	5,748	794	116.0%	(52)	99.1%
Other	449	403	380	(69)	84.6%	(23)	94.2%
Bioindustry Total	31,575	33,302	31,531	(44)	99.9%	(1,771)	94.7%
Gene therapy	2,443	2,697	2,368	(74)	96.9%	(328)	87.8%
Other (Former AgriBio)	1,822	—	—	(1,822)	—	—	—
<b>Total Net Sales</b>	<b>35,841</b>	<b>36,000</b>	<b>33,900</b>	<b>(1,941)</b>	<b>94.6%</b>	<b>(2,100)</b>	<b>94.2%</b>
(Operating Income and Loss)							
<b>Net Sales</b>	<b>35,841</b>	<b>36,000</b>	<b>33,900</b>	<b>(1,941)</b>	<b>94.6%</b>	<b>(2,100)</b>	<b>94.2%</b>
Cost of sales	15,155	14,053	13,050	(2,104)	86.1%	(1,002)	92.9%
Gross profits	20,685	21,946	20,849	163	100.8%	(1,097)	95.0%
SG&A expenses	15,221	15,746	14,649	(572)	96.2%	(1,097)	93.0%
Transportation expenses	492	500	481	(10)	97.9%	(18)	96.2%
Advertising expenses	56	86	68	12	121.5%	(17)	79.6%
Promotion expenses	703	674	612	(90)	87.1%	(61)	90.8%
R&D expenses	4,337	4,292	3,914	(422)	90.2%	(377)	91.2%
Administrative expenses, other	9,361	9,896	9,272	(89)	99.0%	(624)	93.7%
Enterprise taxes (external standards taxation)	270	296	299	29	110.9%	3	101.2%
<b>Operating income</b>	<b>5,463</b>	<b>6,200</b>	<b>6,200</b>	<b>736</b>	<b>113.5%</b>	<b>—</b>	<b>100.0%</b>
(Non-operating Income and Expenses)							
Non-operating income	307	320	348	41	113.4%	27	108.7%
Non-operating expenses	105	70	198	92	187.3%	127	281.5%
<b>Ordinary income</b>	<b>5,665</b>	<b>6,450</b>	<b>6,350</b>	<b>684</b>	<b>112.1%</b>	<b>(100)</b>	<b>98.4%</b>
(Extraordinary Income & Losses)							
Extraordinary income	146	0	0	(146)	0.3%	0	197.7%
Extraordinary losses	988	299	252	(735)	25.5%	(47)	84.2%
Income before income taxes and minority interests	4,823	6,150	6,098	1,274	126.4%	(52)	99.1%
Income taxes	1,149	1,887	1,837	687	159.8%	(50)	97.3%
Net Income	3,673	4,262	4,260	586	116.0%	(2)	99.9%
Net income (loss) attributable to non-controlling interests	15	12	10	(5)	64.7%	(2)	82.1%
<b>Net income attributable to owners of the parent</b>	<b>3,657</b>	<b>4,250</b>	<b>4,250</b>	<b>592</b>	<b>116.2%</b>	<b>—</b>	<b>100.0%</b>
Depreciation and amortization (Property, plant and equipment and intangible assets)	2,691	2,957	2,891	200	107.5%	(65)	97.8%
Amortization of goodwill	502	491	493	(9)	98.1%	1	100.3%

Profit and loss by business segment (Operating income)

	Year ended Mar. 31, 2019 Actual	Year ending Mar. 31, 2020 Previous forecast	Year ending Mar. 31, 2020 Current forecast	Year on year Change	Year on year Ratio	Previous forecast Change	Previous forecast Ratio
Bioindustry	7,100	7,750	7,490	389	105.5%	(260)	96.6%
Gene therapy	506	996	964	458	190.5%	(31)	96.9%
Other (Former AgriBio)	(29)	—	—	29	—	—	—
Corporate	(2,114)	(2,546)	(2,255)	(141)	—	291	—
Total	5,463	6,200	6,200	736	113.5%	—	100.0%