



## Consolidated Financial Statements for the Second Quarter Ended September 30, 2021 FY2022 (April 1, 2021 – March 31, 2022) [UNAUDITED]

November 9, 2021

Company name:	Takara Bio Inc.
Stock exchange listings:	Tokyo Stock Exchange (1st section)
Code number:	4974
URL:	<a href="https://www.takara-bio.co.jp">https://www.takara-bio.co.jp</a>
Company representative:	Koichi Nakao, President & CEO
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Scheduled date of quarterly statement filing:	November 12, 2021
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, 2021 (Apr. 1, 2021 – Sep. 30, 2021)

#### (1) Consolidated operating results

	(Percentages indicate changes from the same period of the previous fiscal year.)			
	Six months ended Sep. 30, 2021		Six months ended Sep. 30, 2020	
	(Millions of yen)	(%)	(Millions of yen)	(%)
Net sales	31,551	81.4	17,393	5.7
Operating profit	14,105	277.5	3,736	23.1
Ordinary profit	14,241	272.8	3,820	29.0
Net income (loss) attributable to owners of parent	10,009	340.1	2,274	9.6
Net income per share (in yen)	83.12		18.89	
Fully diluted net income per share (in yen)	-		-	
(Note) Comprehensive income	12,390	670.4	1,608	36.0

#### (2) Consolidated financial position

	As of Sep. 30, 2021		As of Mar 31, 2021	
	(Millions of yen)		(Millions of yen)	
Total assets	104,777		89,750	
Net assets	84,766		74,302	
Equity ratio (%)	80.7		82.7	
Net assets per share (in yen)	702.51		616.05	
(Reference) Equity	84,592		74,181	

### 2. Dividends

	Annual dividends per share in yen		
	Year ended Mar. 31, 2021	Year ended Mar. 31, 2022	Year ending Mar. 31, 2022 (Forecast)
First quarter end	-	-	-
Second quarter end	0.00	0.00	-
Third quarter end	-	-	-
Year end	16.00	-	24.00
Annual	16.00	-	24.00

(Note) Revision of dividend payment forecast since the most recently announced payment forecast: Yes

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### 3. Forecast for the year ending March 31, 2022 (Apr. 1, 2021 – Mar. 31, 2022)

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

	Year ending Mar. 31, 2022	
	(Millions of yen)	(%)
Net sales	59,300	28.7
Operating profit	20,000	43.3
Ordinary profit	20,200	42.7
Net income attributable to owners of the parent	14,100	47.7
Net income per share (in yen)	117.09	

[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, 2021

(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 in accounting policies other than 1): No

3) Changes in accounting estimates: No

4) Restatement: No

NOTE: For details, please refer to "(4) Notes to Consolidated Quarterly Financial Statements (Changes in Accounting Policies)" of "2. Consolidated Quarterly Financial Statements and Primary Notes" on page 9 of the attached material.

(4) Number of outstanding shares (Common stock)

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

As of September 30, 2021 120,415,600

As of March 31, 2021 120,415,600

2) Number of treasury stocks at year end

As of September 30, 2021 -

As of March 31, 2021 -

3) Average number of outstanding shares

As of September 30, 2021 120,415,600

As of September 30, 2020 120,415,600

※ These quarterly 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. Qualitative Information for the six months ended September 30, 2021 (4) Qualitative Information Regarding Consolidated Forecasts", on page 2 of the attached document.

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## 1. Overview of Financial Results for the six months ended September 30, 2021

### (1) Overview of Financial Results

The outlook for the global economy in the second quarter of the current fiscal year is uncertain due to the prolonged trade friction between the U.S. and China and the impact of the new Coronavirus disease (COVID-19).

Against these circumstances, Takara Bio (the Group) is promoting initiatives to advance the development of fundamental biologics development technologies and become a biologics development company that continuously creates new modalities through the Reagents and Instruments and CDMO business under the six-year Long-Term Management Plan FY2026, which ends in fiscal 2026, and the three-year Medium-Term Management Plan FY2023, which ends in fiscal 2023<sup>1</sup>.

In the second quarter of the fiscal year under review, although sales of Gene Therapy decreased year on year, sales of Reagents, Instruments, and CDMO increased year on year. Especially in Reagents, in addition to PCR test-related products for the new Coronavirus, sales of reagents for general research, which are on a recovery trend, increased. Net sales increased to ¥31,551 million (up 81.4% year on year). Cost of sales increased to ¥8,056 million (up 44.7% year on year) due to an improvement in the cost of sales ratio in CDMO, and gross profit increased to ¥23,495 million (up 98.6% year on year). Selling, general and administrative (SG&A) expenses were ¥9,389 million (up 16.1% year on year), mainly due to an increase in personnel expenses and R&D expenses. Operating income was ¥14,105 million (up 277.5% year on year).

As a result of the increase in operating income, ordinary income increased to ¥14,241 million (up 272.8% year on year), income before income taxes and others increased to ¥14,203 million (up 332.8% year on year), and net income attributable to owners of the parent increased to ¥10,009 million (up 340.1% year on year).

Since our group is a single segment, the disclosure by segment is omitted.

### (2) Overview of Financial Position

Total assets at the end of the second quarter under review were ¥104,777 million, an increase of ¥15,027 million from the end of the previous fiscal year. This was mainly due to an increase of ¥6,596 million in cash and deposits and an increase of ¥5,702 million in property, plant and equipment resulting from interior finishing work for a new office building of Takara Bio USA, Inc. and our acquisition of manufacturing facilities.

Total liabilities at the end of the second quarter under review were ¥20,011 million, an increase of ¥4,563 million from the end of the previous fiscal year. This was mainly due to an increase of ¥4,345 million in other current liabilities.

Total net assets at the end of the second quarter under review were ¥84,766 million, an increase of ¥10,464 million from the end of the previous fiscal year. This was mainly due to an increase of ¥8,082 million in retained earnings and an increase of ¥2,304 million in foreign currency translation adjustments due to the yen's depreciation.

### (3) Overview of Cash Flows

Net cash provided by operating activities amounted to ¥9,914 million, an increase of ¥4,360 million from the same period of the previous fiscal year. This was mainly due to attributable to income before income taxes and others of ¥14,203 million, cash inflow from depreciation and amortization of ¥1,670 million, income taxes paid of ¥3,854 million, and cash outflow from an increase in inventories of ¥1,076 million.

Net cash used in investing activities amounted to ¥10,686 million, an increase of ¥8,268 million from the same period of the previous fiscal year. This was mainly due to payments into time deposits of ¥10,340 million, purchase of tangible and intangible fixed assets of ¥5,367 million, and proceeds from subsidies received of ¥3,349 million and withdrawal of time deposits of ¥1,702 million.

Net cash used in financing activities amounted to ¥1,992 million, an increase of ¥962 million from the same period of the previous fiscal year, mainly due to cash dividends paid of ¥1,922 million.

As a result of the above, the balance of cash and cash equivalents at the end of the second quarter of the current fiscal year, including the effect of exchange rate changes on cash and cash equivalents, decreased by ¥2,195 million from the end of the previous fiscal year to ¥21,113 million.

### (4) Qualitative Information Regarding Consolidated Forecasts

The financial forecast and dividend forecast announced in the first quarter financial results report on August 3, 2021 have been

<sup>1</sup> FY2026 and FY2023 refer to the fiscal year ending March 2026 and 2023, respectively.

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revised. For details, please refer to "Notice of Revision of Financial Forecast and Dividend Forecast (Dividend Increase)" announced today (November 9, 2021).

For comparison of the revised consolidated financial forecasts with the previous fiscal year's results and the previous financial forecasts, please refer to the "Comparative Statement of Income Relating to Consolidated Financial Forecasts" on page 13.

## 2. Consolidated Quarterly Financial Statements and Primary Notes

### (1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	As of Mar. 31, 2021	As of Sep. 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	25,993	32,589
Notes and accounts receivable-trade	12,626	13,640
Merchandise and finished goods	4,966	5,520
Work in process	1,316	1,643
Raw materials and supplies	2,901	3,526
Other	1,352	1,225
Allowance for doubtful accounts	(41)	(39)
Total current assets	49,115	58,107
Non-current assets		
Property, plant and equipment		
Buildings and structures	15,670	16,966
Accumulated depreciation	(5,147)	(5,681)
Buildings and structures, net	10,522	11,285
Machinery, equipment and vehicles	7,058	7,991
Accumulated depreciation	(3,760)	(4,223)
Machinery, equipment and vehicles, net	3,297	3,767
Tools, furniture and fixtures	7,673	8,717
Accumulated depreciation	(5,141)	(5,584)
Tools, furniture and fixtures, net	2,531	3,132
Land	8,143	8,310
Construction in progress	3,756	7,482
Others	1,796	1,858
Accumulated depreciation	(282)	(367)
Others, net	1,514	1,491
Total Property, plant and equipment	29,766	35,469
Intangible assets		
Goodwill	6,149	6,319
Other	3,224	3,128
Total intangible assets	9,373	9,447
Investments and other assets		
Investments and other assets	1,495	1,753
Total investments and other assets	1,495	1,753
Total non-current assets	40,635	46,670
Total assets	89,750	104,777

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(Millions of yen)

	As of Mar. 31, 2021	As of Sep. 30, 2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	2,077	1,639
Accrued income taxes	3,146	3,720
Provision	739	834
Other	7,228	11,574
Total current liabilities	13,191	17,768
Non-current liabilities		
Retirement benefit liabilities	800	793
Other	1,456	1,448
Total non-current liabilities	2,256	2,242
Total liabilities	15,448	20,011
<b>Net assets</b>		
Shareholders' equity		
Share capital	14,965	14,965
Capital surplus	32,893	32,893
Retained earnings	27,085	35,168
Total shareholders' equity	74,945	83,027
Accumulated other comprehensive income		
Foreign currency translation adjustment	(529)	1,775
Cumulative remeasurements of retirement benefit	(234)	(210)
Total accumulated other comprehensive income	(763)	1,565
Non-controlling interests	120	173
Total net assets	74,302	84,766
<b>Total liabilities and net assets</b>	<b>89,750</b>	<b>104,777</b>

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**(2) Consolidated Quarterly Statements of Profit or Loss and Consolidated Quarterly Statements of Comprehensive Income**  
**(Consolidated Quarterly Statements of Profit or Loss)**  
**(For the six months ended September 30, 2021)**

(Millions of yen)

	Six months ended Sep. 30, 2020	Six months ended Sep. 30, 2021
Net sales	17,393	31,551
Cost of sales	5,565	8,056
Gross profit	11,827	23,495
SG&A expenses		
Employees' salaries and bonuses	2,082	2,411
Retirement benefit expenses	98	115
R&D expenses	2,403	2,659
Provision for doubtful accounts	291	451
Other	3,214	3,752
Total SG&A expenses	8,090	9,389
Operating profit	3,736	14,105
Non-operating profit		
Interest income	60	65
Foreign exchange gains	2	36
Rent income from real estate	61	65
Other	18	11
Total non-operating profit	143	179
Non-operating expenses		
Interest expenses	12	11
Rent expenses on real estate	24	29
Other	22	1
Total non-operating expenses	59	43
Ordinary profit	3,820	14,241
Extraordinary profit		
Gain on sale of fixed assets	1	0
National subsidies	-	1,188
Total extraordinary profit	1	1,188
Extraordinary losses		
Loss on disposal of fixed assets	25	38
Asset shrinkage losses	-	1,188
Loss on liquidation of business	464	-
Others	49	-
Total extraordinary losses	539	1,227
Income before income taxes and others	3,281	14,203
Income taxes-current	1,203	4,401
Income taxes-deferred	(212)	(253)
Total income taxes	990	4,148
Net income	2,291	10,054
Net income attributable to non-controlling interest	16	45
Net income attributable to owners of the parent	2,274	10,009



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

**(For the six months ended September 30, 2021)**

(Millions of yen)

	Six months ended Sep. 30, 2020	Six months ended Sep. 30, 2021
Net income	2,291	10,054
Other comprehensive income		
Foreign currency translation adjustment	(699)	2,312
Remeasurements of retirement benefit	16	23
Total other comprehensive income	(683)	2,335
Comprehensive income	1,608	12,390
Comprehensive income attributable to:		
Owners of the parent	1,598	12,337
Non-controlling interest	9	53

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

(Millions of yen)

	Six months ended Sep. 30, 2020	Six months ended Sep. 30, 2021
Net cash provided by (used in) operating activities		
Income before income taxes and others	3,281	14,203
Depreciation and amortization	1,631	1,670
Depreciation and amortization on other	42	46
Amortization of goodwill	246	245
Increase (decrease) in allowance for doubtful accounts	1	(3)
Increase (decrease) in other provision	52	72
Increase (decrease) in retirement benefit liabilities	(7)	(7)
Interest income	(60)	(65)
Interest expenses	12	11
Loss (gain) on sale and retirement of fixed assets	24	38
Loss on liquidation of business	464	-
Decrease (increase) in trade receivables-trade	572	(766)
Decrease (increase) in inventories	(1,481)	(1,076)
Increase (decrease) in notes and accounts payable-trade	374	(621)
Increase (decrease) in other current liabilities	1,178	(834)
Others	(14)	119
Subtotal	6,318	13,033
Interest and dividend income received	70	76
Income expenses paid	(12)	(11)
Income taxes paid	(822)	(3,854)
Subsidies received	-	671
Net cash provided by (used in) operating activities	5,553	9,914
Net cash provided by (used in) investing activities		
Payments into time deposits	(1,657)	(10,340)
Proceeds from withdrawal of time deposits	3,122	1,702
Proceeds from sales and redemption of securities	2,000	-
Purchase of property, plant and equipment and intangible assets	(5,750)	(5,367)
Proceeds from sales of property, plant and equipment and intangible assets	14	0
Purchase of other depreciable assets	(141)	(28)
Subsidies received	-	3,349
Others	(4)	(1)
Net cash provided by (used in) investing activities	(2,417)	(10,686)
Net cash provided by (used in) financing activities		
Dividends paid	(961)	(1,922)
Repayments of lease obligations	(68)	(69)
Net cash provided by (used in) financing activities	(1,030)	(1,992)
Effect of exchange rate change on cash and cash equivalents	(209)	568
Net increase (decrease) in cash and cash equivalents	1,897	(2,195)
Cash and cash equivalents at beginning of period	14,462	23,308
Cash and cash equivalents at end of period	16,360	21,113

#### **(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 item to report.

##### **(Changes in Subsidiaries during the six months ended September 30, 2021)**

From the first quarter of the current fiscal year, Takara Bio UK Ltd, newly established as a 100% subsidiary of Takara Bio Europe S.A.S. has been included in the scope of consolidation.

##### **(Changes in Accounting Policies)**

###### **(Application of Accounting Standard for Revenue Recognition)**

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") from the beginning of the first quarter of the current fiscal year 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.

With regard to the application of the Accounting Standard for Revenue Recognition, 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 first quarter of the current fiscal year was added to or deducted from retained earnings at the beginning of the first quarter of the current fiscal year, and a new accounting policy was applied from the beginning balance of the current fiscal year.

As a result, there was no impact on the Company's profit and loss for the second quarter of the current fiscal year. In addition, there is no impact on the balance of retained earnings at the beginning of the fiscal year.

##### **(Additional Information)**

###### **(Accounting Estimates for the Impact of the COVID-19)**

No material changes have been made to the assumptions used in the previous fiscal year, including the future spread and timing of convergence of the COVID-19.

##### **(Segment Information)**

###### **[Segment Information]**

Since our group is a single segment, this information is omitted.

##### **(Significant Subsequent Events)**

[Significant termination of the agreement]

At a meeting of the Board of Directions held on November 9, 2021, the Company resolved to terminate the license agreements below with Otsuka Pharmaceutical Co. Ltd. (Otsuka) and terminated the agreement on the same day by mutual consent with Otsuka; these are, "License agreement for development and commercialization of an Oncolytic Virus, HF10" and "License agreement for co-development and exclusive sales of CD19 CAR gene therapy product.

###### **(1) Reason for the agreement termination**

###### **1) Oncolytic Virus, HF10\***

Based on the results of a Phase I clinical trial for pancreatic cancer, the Company and Otsuka examined the development plan for pancreatic cancer and other types of cancer, and decided to terminate the agreement by considering the time required for future development and other factors.

###### **2) CD19 CAR gene therapy product**

Because of the prolonged Phase I/II trial for adult acute lymphoblastic leukemia and the developing status of other related investigational products, we decided to terminate the agreement.

###### **(2) Name of the counterparty to the agreement**

Otsuka Pharmaceutical Co., Ltd.

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(3) Date of the agreement termination

November 9, 2021

(4) Details of the agreement

1) Oncolytic Virus, HF10\*

The Company and Otsuka co-develop the gene therapy product by using HF10 hereinafter the product in Japan. The Company grant Otsuka exclusive rights to market the product for all indications in Japan, and receive an upfront payment, milestone payments based on the progress of development and lump-sum payment based on the achievement of net sales targets. In addition, the Company retain the rights to manufacture the product for clinical trials and the further commercialization and supply Otsuka on a chargeable basis.

2) CD19 CAR gene therapy

The Company and Otsuka co-develop the CD19 CAR gene therapy product in Japan. The Company grants Otsuka exclusive rights to market the product for all indications in Japan and the first refusal right for nine Asian countries outside Japan. The Company receive an upfront payment, milestone payments based on the progress of development. In addition, the Company retain the rights to manufacture the product for clinical trials and the further commercialization and supply Otsuka on a chargeable basis.

(5) Significant impact of termination of agreement on business activities, etc.

The technical, intellectual property and other rights of the Oncolytic Virus and the CD19 CAR gene therapy product licensed to Otsuka under the agreements are returned to the Company with the termination. The milestone payments, lump-sum payments and the sales revenues on the further commercial supply will not occur.

\* Generic name at the time of agreement, canerpaturev (abbreviation C-REV)

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### 3. Supplementary Information

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

##### 1) Cash Flows

(Millions of yen)

	Six months ended Sep. 30, 2020 (Apr. 1, 2020 – Sep. 30, 2020)	Six months ended Sep 30, 2021 (Apr. 1, 2021 – Sep. 30, 2021)	Year ended Mar. 31, 2021 (Apr. 1, 2020 – Mar. 31, 2021)
Cash flow from operating activities	5,553	9,914	13,943
Cash flow from investing activities	(2,417)	(10,686)	(3,778)
Cash flow from financing activities	(1,030)	(1,992)	(1,103)

##### 2) Sales Breakdown by Region

(Millions of yen)

	Six months ended Sep. 30, 2020 (Apr. 1, 2020 – Sep. 30, 2020)	Six months ended Sep 30, 2021 (Apr. 1, 2021 – Sep. 30, 2021)	Year ended Mar. 31, 2021 (Apr. 1, 2020 – Mar. 31, 2021)
Japan	6,906	15,439	20,475
United States	3,634	4,548	7,862
China	3,449	5,472	8,415
Asia excluding Japan and China	1,394	3,450	4,917
Europe	1,678	2,526	3,743
Others	330	113	671
Total	17,393	31,551	46,086

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(2) Comparative Consolidated Statement of Income

(Rounded down to one million yen)

	Six months ended Sep. 30, 2020	Six months ended Sep. 30, 2021	Y/Y change	Y/Y Ratio
(Net sales)				
Reagents	13,336	25,966	12,629	94.7%
Instruments	466	712	245	52.6%
CDMO	3,373	4,732	1,358	40.3%
Gene therapy	215	140	(75)	(35.0%)
<b>Total net sales</b>	<b>17,393</b>	<b>31,551</b>	<b>14,158</b>	<b>81.4%</b>
(Operating profit and Loss)				
<b>Net sales</b>	<b>17,393</b>	<b>31,551</b>	<b>14,158</b>	<b>81.4%</b>
Cost of sales	5,565	8,056	2,490	44.7%
Gross profit	11,827	23,495	11,667	98.6%
SG & A expenses	8,090	9,389	1,298	16.1%
Transportation expenses	336	406	69	20.8%
Advertising expenses	31	28	(2)	(8.4%)
Promotion expenses	276	305	29	10.8%
R&D expenses	2,403	2,659	255	10.6%
Administrative expense, other	4,883	5,714	831	17.0%
Enterprise taxes (external standards taxation)	160	275	114	71.2%
<b>Operating profit</b>	<b>3,736</b>	<b>14,105</b>	<b>10,368</b>	<b>277.5%</b>
(Non-operating income and Expenses)				
Non-operating income	143	179	36	25.3%
Non-operating expenses	59	43	(16)	(27.7%)
<b>Ordinary profit</b>	<b>3,820</b>	<b>14,241</b>	<b>10,421</b>	<b>272.8%</b>
(Extraordinary income & Losses)				
Extraordinary income	1	1,188	1,187	-
Extraordinary losses	539	1,227	687	127.6%
Profit before income taxes and others	3,281	14,203	10,921	332.8%
Income taxes	990	4,148	3,157	318.8%
Net income	2,291	10,054	7,763	338.8%
Net income (loss) attributable to non-controlling interests	16	45	28	170.1%
<b>Net income attributable to owners of the parent</b>	<b>2,274</b>	<b>10,009</b>	<b>7,734</b>	<b>340.1%</b>
Depreciation and amortization (Property, plant and equipment and intangible assets)	1,631	1,670	38	2.4%
Amortization of goodwill	246	245	(0)	(0.4%)

※ From the first quarter of the current fiscal year, the names of the categories of net sales have been changed from "Research reagents", "Scientific instruments" and "Contract services" to "Reagents", "Instruments" and "CDMO".

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(3) Comparative Statement of Income Relating to Consolidated Financial Forecasts

(Rounded down to one million yen)

	Year ended Mar. 31, 2021 Actual	Year ending Mar. 31, 2021 Previous forecast	Year ending Mar. 31, 2021 Current forecast	Y/Y Change	Y/Y Ratio	Previous forecast Change	Previous forecast Ratio
(Net sales)							
Reagents	35,189	40,594	46,375	11,186	31.8%	5,781	14.2%
Instruments	1,726	1,542	1,388	(337)	(19.6%)	(153)	(9.9%)
CDMO	8,901	11,346	11,388	2,486	27.9%	41	0.4%
Gene therapy	268	716	146	(121)	(45.4%)	(569)	(79.5%)
Total Net Sales	46,086	54,200	59,300	13,213	28.7%	5,100	9.4%
(Operating profit and Loss)							
<b>Net sales</b>	46,086	54,200	59,300	13,213	28.7%	5,100	9.4%
Cost of sales	14,214	16,932	18,797	4,582	32.2%	1,864	11.0%
Gross profit	31,872	37,267	40,502	8,630	27.1%	3,235	8.7%
SG & A expenses	17,919	20,267	20,502	2,583	14.4%	235	1.2%
Transportation expenses	742	831	865	123	16.6%	34	4.1%
Advertising expenses	57	62	63	6	10.5%	0	1.3%
Promotion expenses	676	810	759	82	12.3%	(51)	(6.3%)
R&D expenses	5,545	6,003	5,974	429	7.7%	(28)	(0.5%)
Administrative expenses, other	10,496	12,128	12,346	1,850	17.6%	217	1.8%
Enterprise taxes (external standards taxation)	401	430	493	91	22.9%	63	14.8%
<b>Operating profit</b>	13,952	17,000	20,000	6,047	43.3%	3,000	17.6%
(Non-operating income and Expenses)							
Non-operating income	308	258	317	8	2.9%	58	22.6%
Non-operating expenses	101	158	117	15	15.8%	(41)	(26.2%)
<b>Ordinary profit</b>	14,159	17,100	20,200	6,040	42.7%	3,100	18.1%
(Extraordinary income & Losses)							
Extraordinary income	518	4,780	4,934	4,415	851.6%	154	3.2%
Extraordinary losses	1,125	4,849	4,999	3,873	344.2%	149	3.1%
Income before income taxes and others	13,552	17,030	20,135	6,582	48.6%	3,104	18.2%
Income taxes	3,971	5,082	5,979	2,008	50.6%	897	17.7%
Net income	9,581	11,948	14,155	4,573	47.7%	2,206	18.5%
Net income (loss) attributable to non-controlling interests	34	48	55	20	61.0%	6	13.8%
<b>Net income attributable to owners of parent</b>	9,547	11,900	14,100	4,552	47.7%	2,200	18.5%
Depreciation and amortization (Property, plant and equipment and intangible assets)	3,220	3,687	3,623	403	12.5%	(64)	(1.7%)
Amortization of goodwill	486	473	496	10	2.2%	23	4.9%

※1 From the first quarter of the current fiscal year, the names of the categories of net sales have been changed from "Research reagents", "Scientific instruments" and "Contract services" to "Reagents", "Instruments" and "CDMO".