



THE BIOTECHNOLOGY  
COMPANY™

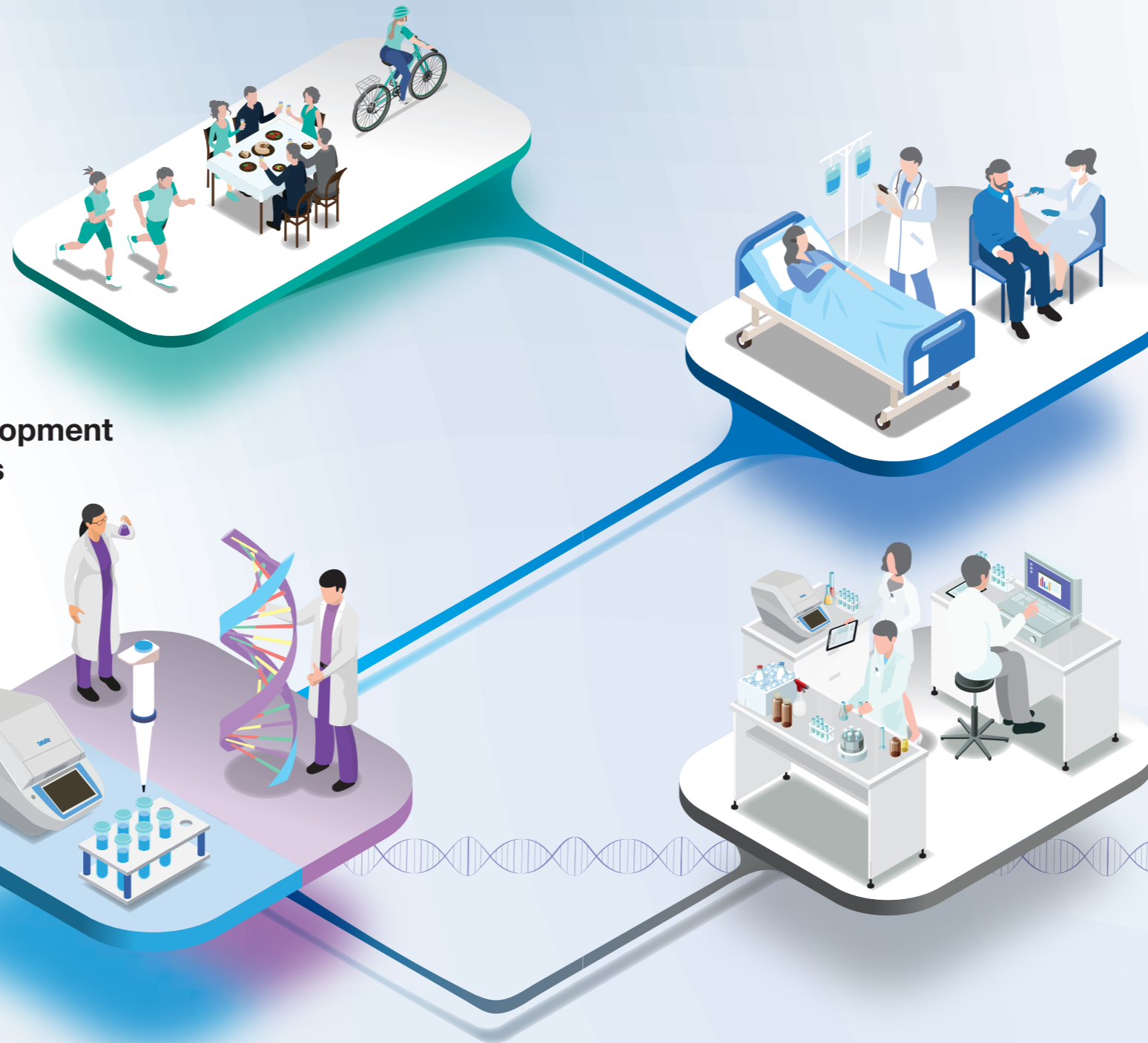
# About Us

## Our Vision

### Corporate Philosophy

## Contributing to the health of humankind through the development of revolutionary biotechnologies such as gene therapy

Through our efforts aimed at life science research support and implementation of advanced medicine such as gene therapy, we are contributing to the creation of a society in which people can stay well and enjoy life.



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## Our History

- 1925** Established Takara Shuzo Co., Ltd. (now Takara Holdings Inc.)
- 1979** Commenced sales of the first domestically produced restriction enzymes as reagents for genetic engineering research
- 1988** Acquired exclusive distribution rights in Japan for a gene amplification system using PCR technology
- 1993** Obtained worldwide, broad-ranging PCR-related patent licenses
- 1995** Developed the RetroNectin® method for highly efficient retroviral transduction in hematopoietic stem cells
- 2000** Launched full-scale gene analysis services
- 2002** Established Takara Bio Inc. Took over Takara Shuzo Co.'s biotechnology business and established Takara Bio Inc. in the city of Otsu, Shiga

- 2004** Listed on the TSE Mothers Index
- 2006** Began next-generation sequence analysis services
- 2008** Started Japan's first sponsor-initiated clinical trial of ex vivo gene therapy
- 2009** Began iPSC cell production services
- 2013** Launched genome editing services
- 2014** Completed construction of the Center for Gene and Cell Processing. Began full-scale CDMO business\*
- 2015** Relocated Headquarters functions to Kusatsu, Shiga
- 2016** Changed listing to the First Section of the TSE
- 2018** Designated NY-ESO-1 siTCR™ as a product under the SAKIGAKE Designation System
- 2020** Launched the Center for Gene and Cell Processing II. Began selling Takara SARS-CoV-2 Direct PCR kit, an in vitro diagnostic. NY-ESO-1 siTCR™ designated as an Orphan Regenerative Medicine
- 2022** Changed listing to the Prime Market of the TSE

●...Bioindustry Business    ●...Gene Therapy Business    ●...Company Development

\*Here, CDMO (Contract Development and Manufacturing Organization) refers to provision of contract services for drug development and manufacturing, in all steps of the process from formulation to final manufacturing, for clients such as pharmaceutical companies. Takara Bio provides CDMO focused on regenerative medicine products such as gene therapy.

# Our Business



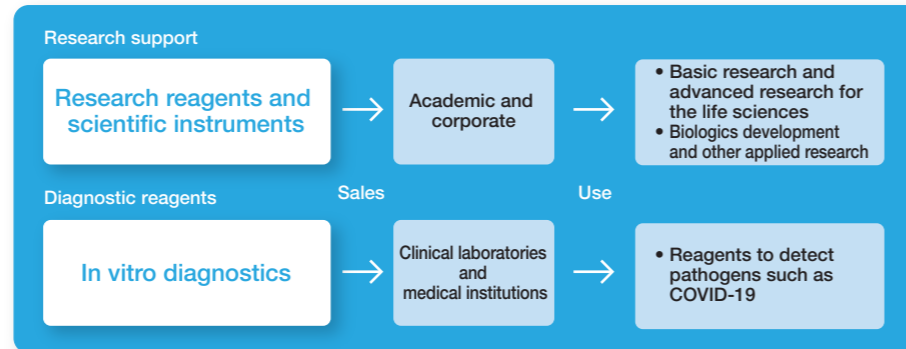
Net sales  
**¥67.6 billion**  
 (FY2022)



## Bioindustry Business

Takara Bio supports academic and corporate life sciences activities by offering reagents, instruments, and CDMO.

### Reagents and Instruments



Takara Bio sells reagents and instruments under three unique brands: TaKaRa®, Clontech®, and Cellartis®. These brands meet a wide range of needs in the life sciences field throughout the world, from basic and cutting-edge research to industrial applications.

#### TaKara

Offers a wide range of products for genetic engineering and all other kinds of biotechnology research applications.

##### Main products

- Genetic research reagents
- Genetic testing kits
- Genome analysis services
- Products related to new coronavirus testing (including in vitro diagnostics)

#### Clontech

Has a lineup of products optimized for advanced research in fields such as molecular and cell biology.

##### Main products

- Analytical reagents for next-generation sequencers
- Single-cell analysis systems
- Gene expression research reagents
- Fluorescent proteins series for gene function analysis
- Genome-editing research reagents

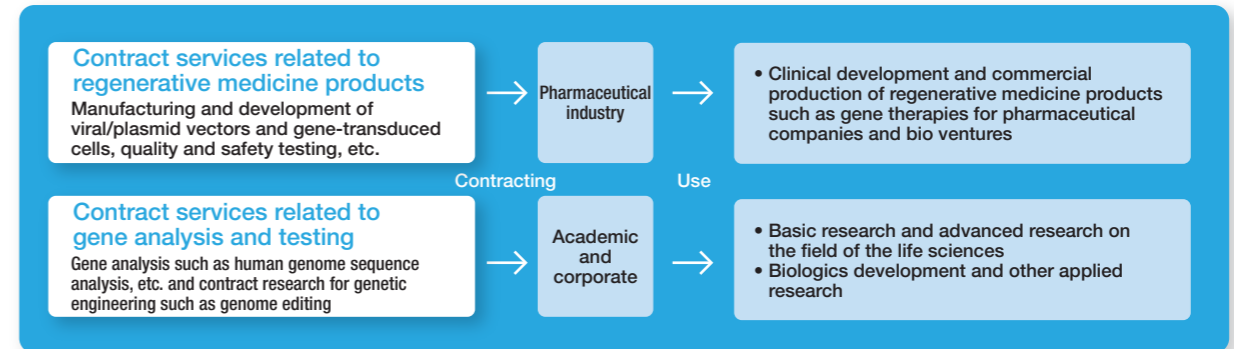
#### cellartis

Offers iPS cell products and other products used in stem cell research, as well as contract services in the field.

##### Main products

- iPS cell research reagents
- Products for stem cell culturing and induction of differentiation

### CDMO



Through our CDMO (Contract Development and Manufacturing Organization) business, Takara Bio provides contract services for biologics development and manufacturing, in all steps from process development to investigational / product manufacturing, for clients such as pharmaceutical companies. Our two top fields of focus are services related to regenerative medicine products such as gene therapy, and services related to gene analysis and testing, such as genome sequencing and gene analysis for regenerative medicine products.

At our Centers for Gene and Cell Processing, which are the hubs for our CDMO business, we are enhancing our capabilities for manufacturing and quality control testing for viral vectors and transduced cells. As we expand our facilities, we are urgently working to meet the growing needs of pharmaceutical companies and for the development of gene therapy and other regenerative medicine products by developing efficient expansion culture methods and technology to scale up viral vector production, as well as by automating manufacturing processes.

#### Contract Services Related to Regenerative Medicine Products

We provide various CDMO services in the area of regenerative medicine products.

##### Main services

- Manufacturing of viral vectors
- Quality and safety testing
- Manufacturing of gene-transduced cells
- Cell banking and storage

#### Contract Services Related to Gene Analysis and Testing

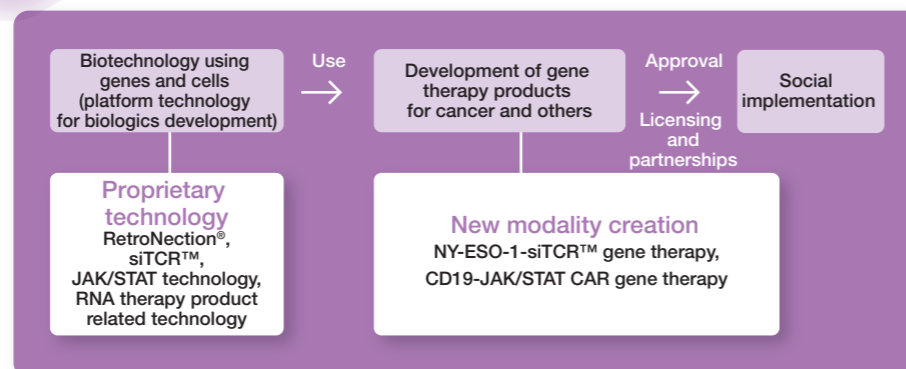
We provide contract services for advanced gene analysis and testing using the latest technology and devices.

##### Main services

- Sequencing (e.g., of the full human genome)
- Intestinal flora analysis
- Comprehensive analysis of cancer-associated genes
- Cell line creation through genome editing

## Gene Therapy Business

Takara Bio aims to maximize the value of its proprietary platform technology for biologics development and pursue practical applications for gene therapy.



Gene Therapy **0.2%**

### New modality creation

We are preparing to apply for marketing authorization of NY-ESO-1 siTCR™ gene therapy utilizing siTCR™ technology in Japan.

We are preparing to begin clinical trials of next-generation CAR gene therapy utilizing JAK/STAT technology in fiscal year ending Mar, 2023.

### Developing platform technology for biologics development

We are putting effort into developing platform technology for biologics development in areas such as gene therapy.

- Establish methods for mass production of viral vectors such as AAVs
- Develop next-generation CAR gene therapy for solid cancers
- Develop viral vectors for new organ-specific in vivo gene therapies
- Develop next-generation TCR/CAR gene therapy with a persistent antitumor effect



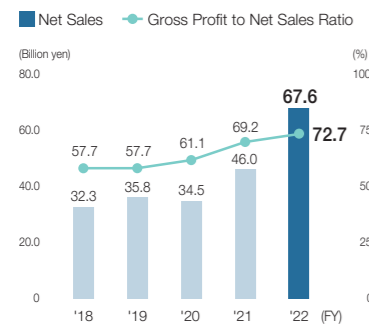


# Financial and Non-Financial Highlights

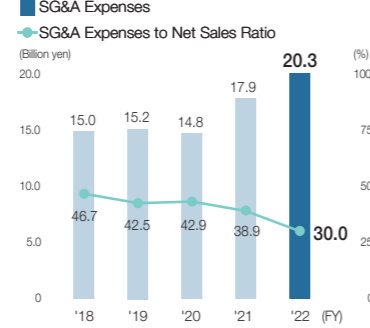
## Financial Highlights

Note: The company's accounting period is from April 1 until March 31 of the following year. This report refers to the period ending in March 2022 as FY2022. Other periods also use this denotation.

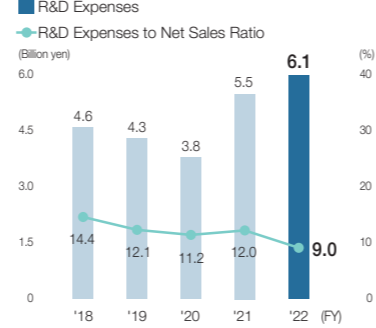
### Net Sales (billion yen) / Gross Profit to Net Sales Ratio (%)



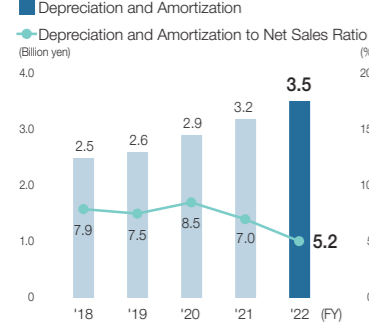
### SG&A Expenses (billion yen) / SG&A Expenses to Net Sales Ratio (%)



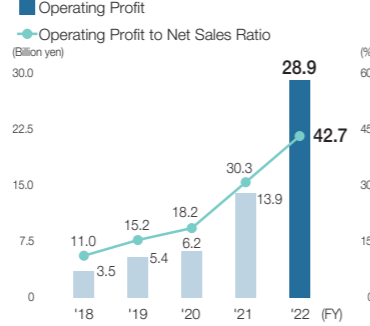
### R&D Expenses (billion yen) / R&D Expenses to Net Sales Ratio (%)



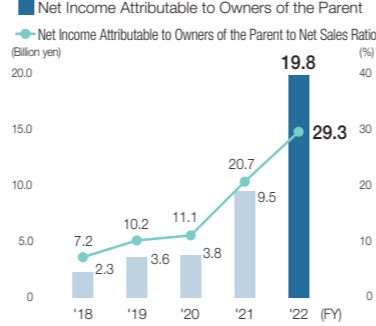
### Depreciation and Amortization (billion yen) / Depreciation and Amortization to Net Sales Ratio (%)



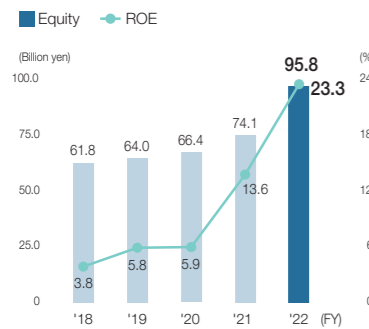
### Operating Profit (billion yen) / Operating Profit to Net Sales Ratio (%)



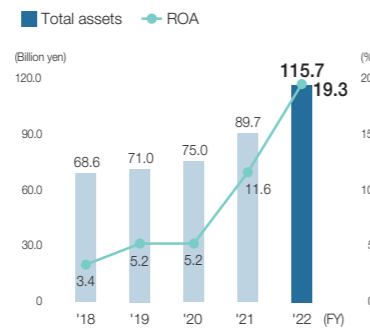
### Net Income Attributable to Owners of the Parent (billion yen) / Net Income Attributable to Owners of the Parent to Net Sales Ratio (%)



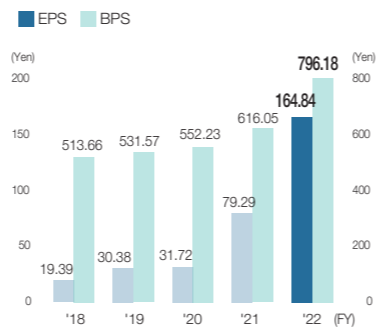
### Equity (billion yen) / ROE (%)



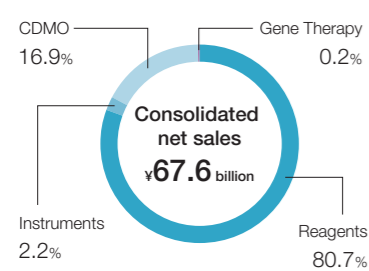
### Total Assets (billion yen) / ROA (%)



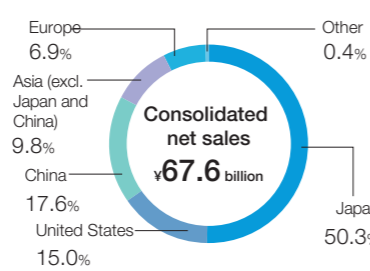
### EPS: net income per share (yen) / BPS: net assets per share (yen)



### FY2022 Net Sales by Business Segment (%)

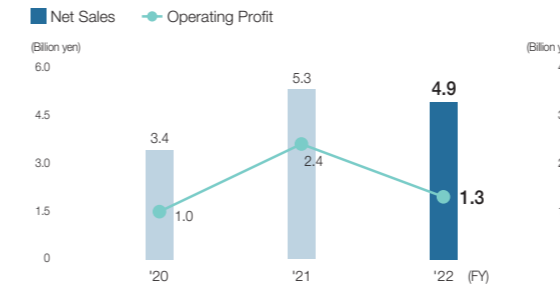


### FY2022 Net Sales by Region (%)

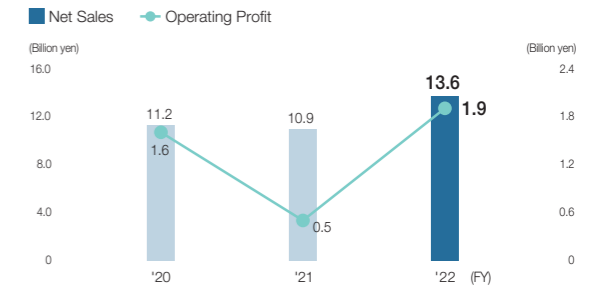


## Financial Data of Major Subsidiaries Net Sales / Operating Profit (billion yen)

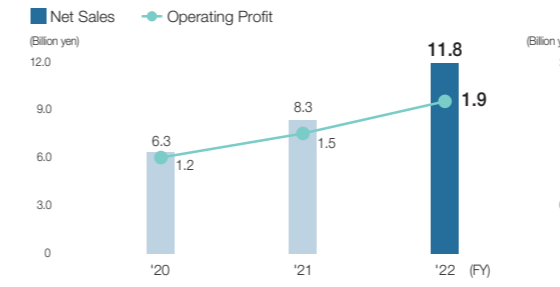
### Takara Biotechnology (Dalian) Co., Ltd.



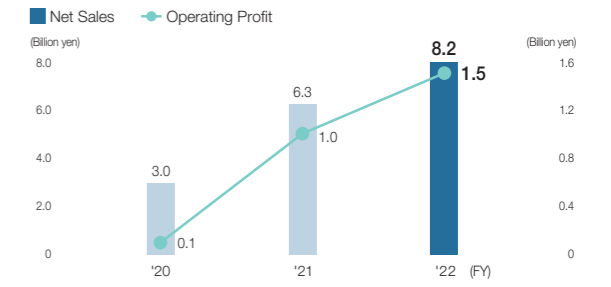
### Takara Bio USA Inc.



### Takara Biomedical Technology (Beijing) Co., Ltd.



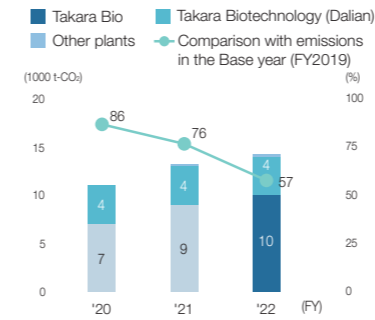
### Takara Bio Europe S.A.S.\*



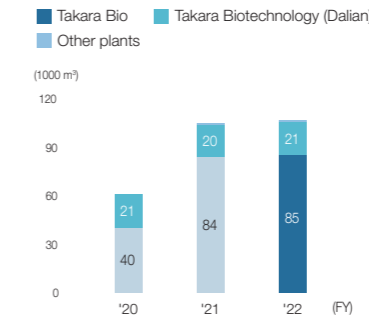
\*Consolidated with Takara Bio Europe AB and Takara Bio UK Ltd.

## Non-Financial Highlights

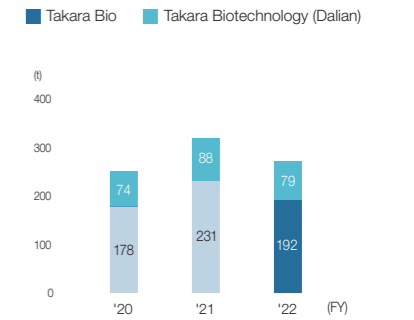
### CO<sub>2</sub> Emissions (1000 t-CO<sub>2</sub>) / Comparison with Emissions in the Base Year (FY2019) (%)



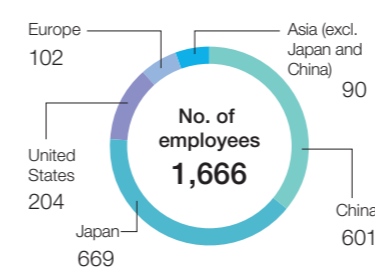
### Volume of Water Used (1000 m<sup>3</sup>)



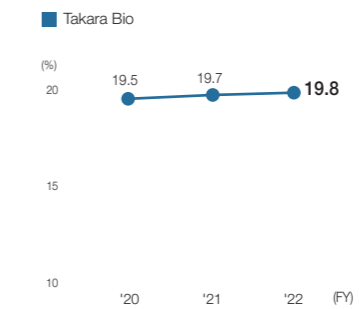
### Waste Emissions (t)



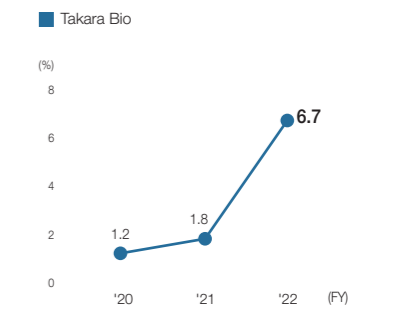
### FY2022 Employees by Region



### Women in Managerial Positions (%)



### Turnover of Newly-Graduated Employees who Leave within Three Years of Service (%)



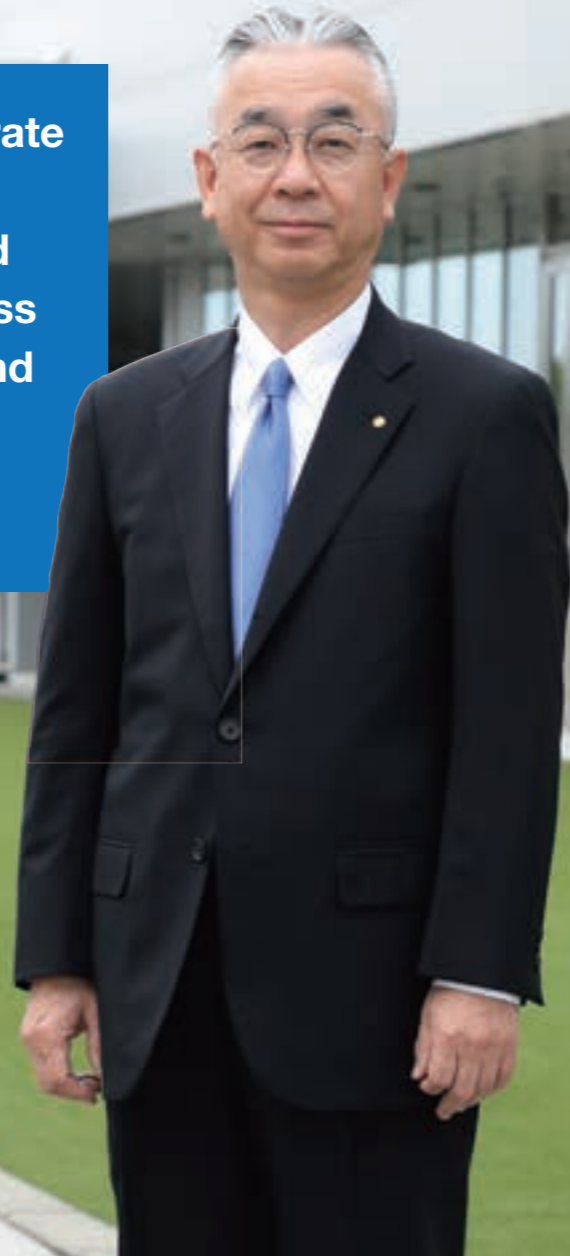
## Message from the President

**Takara Bio aims to accelerate platform technology for biologics development and continually expand business centering on its reagent and CDMO businesses.**

**Koichi Nakao**  
President & CEO

Takara Bio has reached the milestone year of its 20th anniversary since it split off from Takara Shuzo Co., Ltd. (now Takara Holdings Inc.) in 2002. In fiscal 2022, increases in revenue and profit led to record high performance.

We will persist in our aim to be a biologics development company that continually creates new modalities by accelerating development of platform technology for biologics development through our Reagents / Instruments and CDMO businesses.



### ■FY2022 Results

#### Overall Business Overview and Initiatives by Business

In fiscal 2022, in continuation of the previous year, we were once again heavily impacted by the COVID-19 pandemic. However, Takara Bio proactively expanded its business leveraging its technology and knowhow, including in businesses for which the demands of society are high such as PCR-related products and vaccine-related contracting. Further, we started working on rebuilding our supply chain. Aiming to build a stable supply system for products based on regional needs, we sought to optimize our manufacturing hubs based on a

so-called “glocalized” perspective by shifting a portion of the reagent manufacturing capability we had concentrated in China to Japan, the United States, and Europe. At the same time, we put effort into fostering human resources and enhancing our research and development capabilities to provide for future business expansion.

In our mainstay reagent business, demand for products related to COVID-19 PCR testing remained high. In fiscal 2021, sales of general research reagents, affected by COVID-19, were sluggish. In fiscal 2022, however, although there was regional variation, regular research reagent sales returned to their original pace of

growth in locations such as China and Japan, exceeding targets established prior to the pandemic.

Further, net sales for our CDMO business exceeded ¥10 billion for the first time ever. We expect the CDMO market for gene and cell therapy and other regenerative medicine products to expand even further going forward. In 2014, we established the Center for Gene and Cell Processing and launched our CDMO business, and it has grown at a pace faster than we had expected at that time. In accordance with this growth, in 2020, we established the building 2 of the Center for Gene and Cell Processing and we plan to complete the full implementation in fiscal 2023.

Meanwhile, our gene therapy projects are not proceeding entirely as planned. For example, development on some projects we had been conducting with partner companies is being suspended. Accordingly, we believe it is necessary to seek to catch up with the frontrunners in this area.

### ■Progress toward Medium-Term Management Plan 2023 and Prospects for Long-Term Management Plan 2026

Fiscal 2023 marks the final fiscal year of Medium-Term Management Plan 2023. In this plan, we established an operating profit target of ¥6.5 billion for the final fiscal year, but we now predict that we will exceed this goal.

Nevertheless, as we are in the midst of the work of building the growth foundation we set forth in our medium- and long-term plans, we will be leaving quantitative targets and indicators as originally planned and will continue to proactively implement our business strategies.

### Initiatives for the “Glocalization” of our Reagent Business

In our reagent business, we are aiming to improve R&D efficiency. To do this, we are moving forward with its “glocalization.” In addition to restructuring our manufacturing systems, this will promote the optimization of the research themes at each of our R&D hubs in Japan, the United States, and China across the entire Group.

In the United States, we moved our hub to San Jose, California. In addition to the conventional sales and marketing, and research and development capabilities, we added the capability for manufacturing to this hub, establishing a system which makes it possible to respond to the needs of our customers in the United States swiftly and flexibly. Similarly, in China, we are also moving forward with the development of products customized to local needs.

### CDMO Business Expansion and Strategy

Our CDMO business is made up of contract services related to regenerative medicine products, and contract services related to gene analysis and testing.

In the field of contract services related to regenerative medicine products, we are putting effort into establishing technology for the mass production of viral vectors, improving the efficiency of cultivating transduced cells,

reducing costs by boosting the productivity of the above, and strengthening quality control such as GMP/GCTP\* manufacturing systems.

During the pandemic, mRNA was proven to be useful as a new modality. Takara Bio has created a manufacturing system for mRNA as a CDMO and is also moving forward with preparations to build a supply system for raw materials needed in mRNA manufacturing such as modifying enzymes.

Meanwhile, in the field of contract services related to gene analysis and testing, we are concentrating our efforts on the development of technology for clinical specimens utilizing the largest genome analysis capacity in Japan. At the same time, in addition to our proprietary ultralow input gene analysis and single-cell analysis technology, we are also enhancing our bioinformatics system even as we move forward with the development of a new lineup of high value-added services.

### Expansion of Platform Technology for Biologics Development into the Clinical Field

Japan’s bioindustry is regrettably not in a state in which one could say that universities and other components of academia, startups, and pharmaceutical companies have formed an efficient ecosystem to cooperate and leverage their individual strengths. However, making use of open innovation, we are working together with universities and bio startups to proactively incorporate technology seeds into research and development.

The NY-ESO-1 siTCR™ (TBI-1301) gene therapy project was started as joint research with Mie University. Now, it is at the stage where we are preparing to apply for marketing authorization together with a partner company and are setting up a system for after its launch.

In addition, the CD19-JAK/STAT-CAR (TBI-2001) gene therapy project, a result of joint research with Canada’s University of Toronto, is preparing to start early clinical trials.

Further, utilizing proprietary Takara Bio technology, we have developed CereAAV™, a novel, extremely brain-tropic AAV (adeno-associated virus) vector. We are moving forward with applied development and will be aiming to make it practical as a vector for gene therapies for brain diseases.

### Biologics Development Company Outlook

Takara Bio aims to establish a business model as a biologics development company that continually creates new modalities. In contrast to a pharmaceutical company, which possesses all of the capabilities needed for research and development, manufacture, and marketing, we are pursuing a business model in which we gain revenue as a CDMO, in addition to licensing newly-developed modalities.

We are moving forward not just with simple clinical project licensing but also extensive development of platform technology for biologics development. We are also planning on commercializing technologies related to our proprietary gene transduction, and our efficient cell culturing technology, among others.

\*Standards for manufacturing control and quality for pharmaceutical and regenerative medicine products.

## Message from the President

### R&D, Capital Investments, and Fostering Human Resources

Technology using genes and cells is our core competency, and we are proactively developing platform technology for biologics development with the aim of expanding our business domain.

We are also further developing our manufacturing hubs. We added the Center for Gene and Cell Processing II and are planning on augmenting the center's large-scale manufacturing facilities for viral vectors and cell processing facilities in fiscal 2023.

Further, we are investing in the human resources who will shoulder our future. Not only are we increasing the number of manufacturing engineers, we are also establishing a technical training center with the aim of increasing productivity.

We have established R&D investment plans as part of our Medium- and Long-term Management Plans. However, we will be using the recent upturn in our performance to further proactively invest in R&D and cultivate the seeds of future business. In fiscal 2023, we are planning on investing ¥7.8 billion, an amount exceeding that of our Medium-Term Management Plan (¥6.3 billion) and Long-Term Management Plan (¥7.0 billion). Through these investments, we intend to promote the development of platform technology for biologics development, gene and cell analysis technology, and manufacturing technology for regenerative medicine and other products.



Takara Bio Headquarters (Kusatsu, Shiga)  
 (1) Center for Gene and Cell Processing I (launched October 2014)  
 (2) Center for Gene and Cell Processing II (launched January 2020)  
 (3) Main Building and Center for Gene Analysis (launched August 2015)

### Message for Investors and Shareholders

20 years have passed since Takara Bio split off from Takara Shuzo Co., Ltd. in 2002. In the world of life science, a variety of new technologies are emerging daily, and we intend to continue to proactively incorporate these into our business even as we aim for business expansion.

During the COVID-19 pandemic, our results increased due to the increase in demand for the PCR testing-related products. However, now, when pandemic is slowly coming to a close, is the time for us to prove our real worth. Takara Bio is on the verge of a turning point. As we adapt to the rapid changes going on in the external environment, we will continue to enhance our corporate value and strive onward toward becoming a company that meets the expectations placed on it in the medium- and long-term. To our shareholders, investors, and all of our stakeholders, we deeply appreciate your ongoing support.



## Long-Term Management Plan 2026 and Medium-Term Management Plan 2023 (Established May 2020)

### Long-Term Management Plan 2026 (FY2021-FY2026)

#### ■ Vision

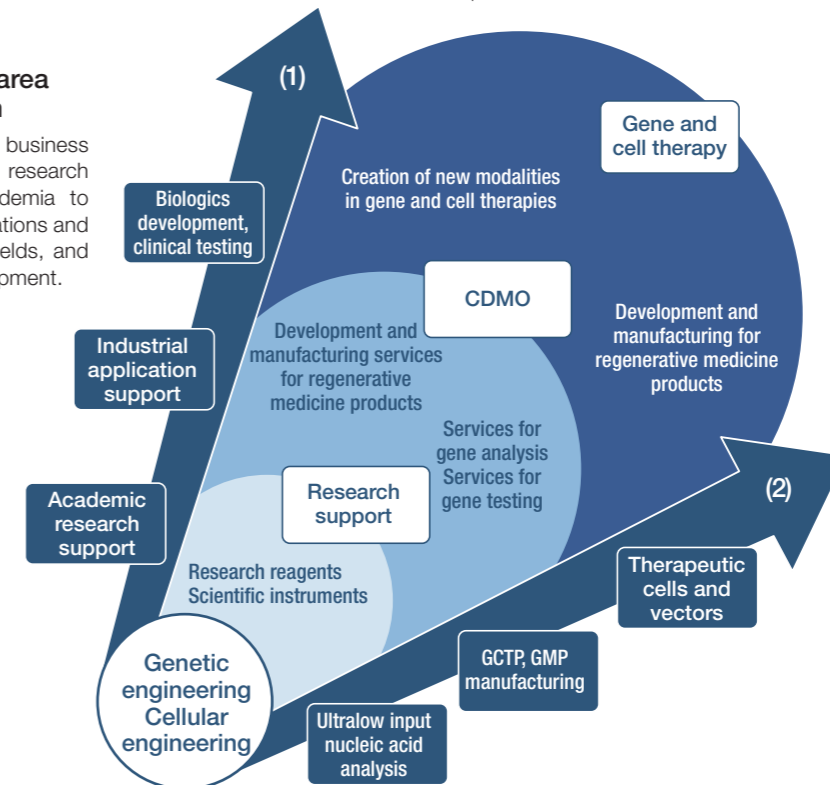
Takara Bio aims to be a biologics development company\*1 that develops platform technology for biologics development and continually creates new modalities through our "Reagents/Instruments" and "CDMO" businesses.

■ Quantitative targets	Operating profit	¥10.0 billion	ROE	8% or more
■ KPIs*2	Net sales	¥50.0 billion	R&D expenses	¥7.0 billion

Note: Quantitative targets and KPIs will be evaluated and appropriately revised as necessary in accordance with future developments.

#### (1) Business area expansion

Expand our business areas from research support in academia to industrial applications and clinical related fields, and biologics development.



#### (2) Platformer responsible for the infrastructure of the life science industry

Develop platform technologies on biologics development via developing new products such as research reagents, and new menus for CDMO business.

### Medium-Term Management Plan 2023 (FY2021-FY2023)

Takara Bio will build a foundation for growth over the next three years by investing in R&D proactively. It will promote business growth strategies and strategies to strengthen its management foundation, with aim of realizing Long-Term Management Plan 2026 (operating profit of ¥10 billion).

■ Quantitative targets	Operating profit	¥6.5 billion	ROE	6% or more
■ KPI	Net sales	¥42.6 billion	R&D expenses	¥6.3 billion

Note: Performance forecasts for Fiscal 2023 are ¥15.0 billion in operating profit, ROE of 10.7%, ¥55.3 billion in net sales, and ¥7.8 billion in R&D expenses.

### Long-Term Management Plan 2026 and Medium-Term Management Plan 2023 Key Strategy Points

#### Point 1

Proactive investment in R&D and capital expenditures. Further expand our Reagents and CDMO businesses, with the aim of sustainable growth.

#### Point 2

Put effort toward building a foundation for increasing business performance in the long term through strategies such as personnel training, and accelerate business development toward becoming the "biologics development company."

#### Point 3

Keep sustainability management in mind and leverage biotechnology to strike a balance between realization of a sustainable society and achieving sustainable growth of Takara Bio Group.

\*1: The Takara Bio Group defines our business model as a company that derives revenues from licensing out newly developed modalities (therapies) and conducting CDMO business rather than a business model for a fully integrated pharmaceutical company that completes all of its pharmaceutical R&D, manufacturing, and sales functions in-house.

\*2: Key performance indicators

## Message from the Officer in charge of Business Administration



**We are preparing  
a business base  
for future growth.**

**Yoh Hamaoka**  
Director, in charge of Business Administration

### FY2022 Business Environment and Performance

In fiscal 2022, our performance improved drastically with regard to COVID-19 testing reagents, general research reagents, and CDMO. Consequently, net sales increased 46.9% year-over-year to ¥67.699 billion. Gross profit increased 54.4% year-over-year to ¥49.211 billion due to increased revenue as well as a reduced cost of sales ratio. SG&A expenses increased because of proactive investment in R&D and personnel spending. However, led by a significant increase in gross profit, operating profit increased 107.1% year-over-year to ¥28.902 billion. We achieved record high performance not only in terms of net sales, but also various other profit-related figures, and our operating profit has increased for 13 consecutive periods.

For years, we have engaged in research on PCR testing reagents, R&D on stably supplying products, and capital investment. We believe these efforts aided us in responding swiftly and appropriately to the COVID-19 pandemic and, by extension, supported our favorable business performance.

### Outlook for FY2023 Business Performance

As it is difficult to predict the spread of COVID-19, detailed performance forecasts are hard to provide. Based on the expectation that demand for COVID-19 testing reagents will be halved, we expect net sales to decrease significantly, from ¥25.6 billion in the previous

year to ¥12 billion. We anticipate overall net sales to decrease by 18.3% year-over-year to ¥55.3 billion. We anticipate that our core business' sales will increase steadily. We expect sales of general research reagents, the base of our business, to continue to rise, and for sales of regenerative medicine product contracting services to also grow.

Turning to expenses, we are planning on these increasing due to our decision to accelerate our investment in R&D and human resources with an eye on future growth. Accordingly, we are expecting operating profit to decrease 48.1% year-over-year to ¥15 billion.

Fiscal 2022 marks the final fiscal year of Medium-Term Management Plan 2023. With a lingering upturn related to COVID-19, we are expecting to achieve our quantitative targets, anticipating operating profit of ¥15 billion in contrast to the target ¥6.5 billion, and an ROE of 10.7% in contrast to the target 6%.

The above performance forecasts assume that the effects of the pandemic will persist for some time into fiscal 2023. If forecasts need to be revised, we will promptly disclose that information in accordance with relevant rules.

### Shareholder Return Policy

With an eye on future sustained growth, Takara Bio is striving to enhance internal reserves necessary for areas such as R&D and capital investment. At the same time, we also position profit distribution to shareholders as an important management issue. Accordingly, Takara Bio's basic policy is to distribute profits taking into

consideration management performance and financial condition overall.

Specifically, our policy is to provide dividends at a payout ratio of around 20% of expected net income calculated without taking into consideration extraordinary gains or losses from consolidated financial statements. In accordance with this policy, for the year ended March 31, 2022, Takara Bio paid year-end dividends of ¥33 per share.

Note that we have revised our dividend policy. From the year ending March 31, 2023, we will be aiming for a payout ratio in the high 30% range. In accordance with this policy, we are expecting that in the year ending March 31, 2023, although revenue and income will decrease, dividends will be ¥33 per share, the same as the previous year.

### Promoting Sustainability Management

One of Takara Bio's social values is to provide society with products and services leveraging biotechnology, contributing to the creation of a society in which people can stay well and enjoy life. With a central focus on this philosophy, in fiscal 2022, we established the Takara Bio Group Basic Policy on Sustainability Management, identifying eight fields as materialities (important issues). We are placing particular importance on activities in the field of "wellness" utilizing biotechnology, and on quality control and assurance to ensure the "safety" of our customers when they use our products.

Building up our personnel and our organizational structure is essential to sustained growth. We are fomenting a corporate climate and have put in place a human resources system and training programs to enable our personnel to best reflect their individual skills and challenging spirit in our management and business practices. We have especially focused on investing in human resources in the past few years. We are investing to enhance the technical capabilities that are a cornerstone of our business activities, such as establishing a technical training center. We are also establishing workplace and labor environments to enable all employees to work in comfort, and are building a system to ensure that all our employees can work enthusiastically while maintaining a balance between their work and their personal lives.

Turning to governance, we are striving for appropriate

cooperation with stakeholders while aiming to establish a strong corporate governance system. We see protecting the rights of minority shareholders as particularly important considering that Takara Bio is a publicly listed subsidiary of Takara Holdings Inc. Regarding our transactions with Takara Holdings and Takara Holdings Group companies, we have established internal regulations and strive to maintain and achieve fairness and transparency. We are also moving forward with systematic measures concerning areas such as Board of Directors member composition and the establishment of discretionary committees (Special Committee).

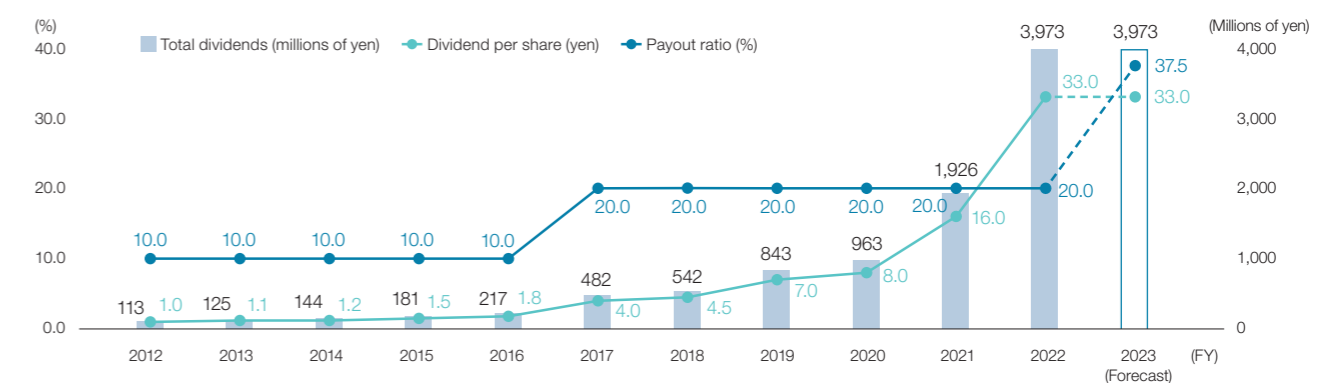
Going forward, Takara Bio will continue to promote sustainability management with the aim of striking a balance between realization of a sustainable society and achieving sustainable growth of Takara Bio Group.

### Strengthening our Business Base to Further Increase Business Performance in the Medium- to Long-term

<b>Financial affairs and revenue</b>	<ul style="list-style-type: none"> <li>Predicting FY2023 ROE of 10.7%, exceeding 6% target</li> <li>FY2022 year-end dividend of ¥33</li> <li>An increase of ¥17 year-over-year; dividends have increased for 10 consecutive periods.</li> <li>Per revised dividend policy, from FY2023, target dividend payout ratio of expected net income* increases from 20% to high 30% range</li> </ul>
<b>Personnel and organizations</b>	<ul style="list-style-type: none"> <li>Focus on human resources cultivation in addition to hiring personnel who will shoulder future growth</li> <li>Promotion of the success of diverse human resources regardless of gender or nationality, etc.</li> <li>Significant enhancement of technical training programs such as for GMP/GTP manufacturing</li> <li>Continued development of employment environment in terms of both facilities enhancement and system operation improvement</li> </ul>
<b>Creation of social value</b>	<ul style="list-style-type: none"> <li>Promotion of sustainability management that strikes a balance between sustained growth through the Takara Bio Group's unique business activities based on its Corporate Philosophy, such as provision of support for the industry through biotechnology and creation of new modalities, and realization of a sustainable society.</li> </ul>

\*Expected net income calculated without taking into consideration extraordinary gains or losses from consolidated financial statements.

### State of dividends



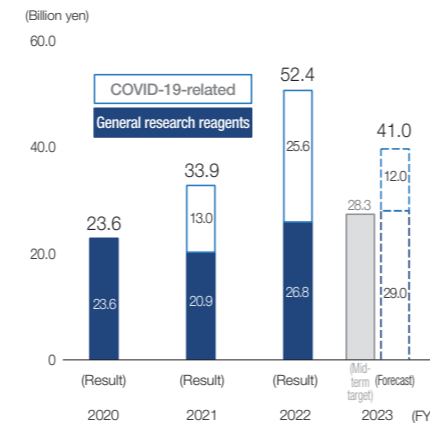
## Aiming for Sustainable Business Expansion and Performance Growth Centering on the Reagent and CDMO Businesses

### Reagent Business

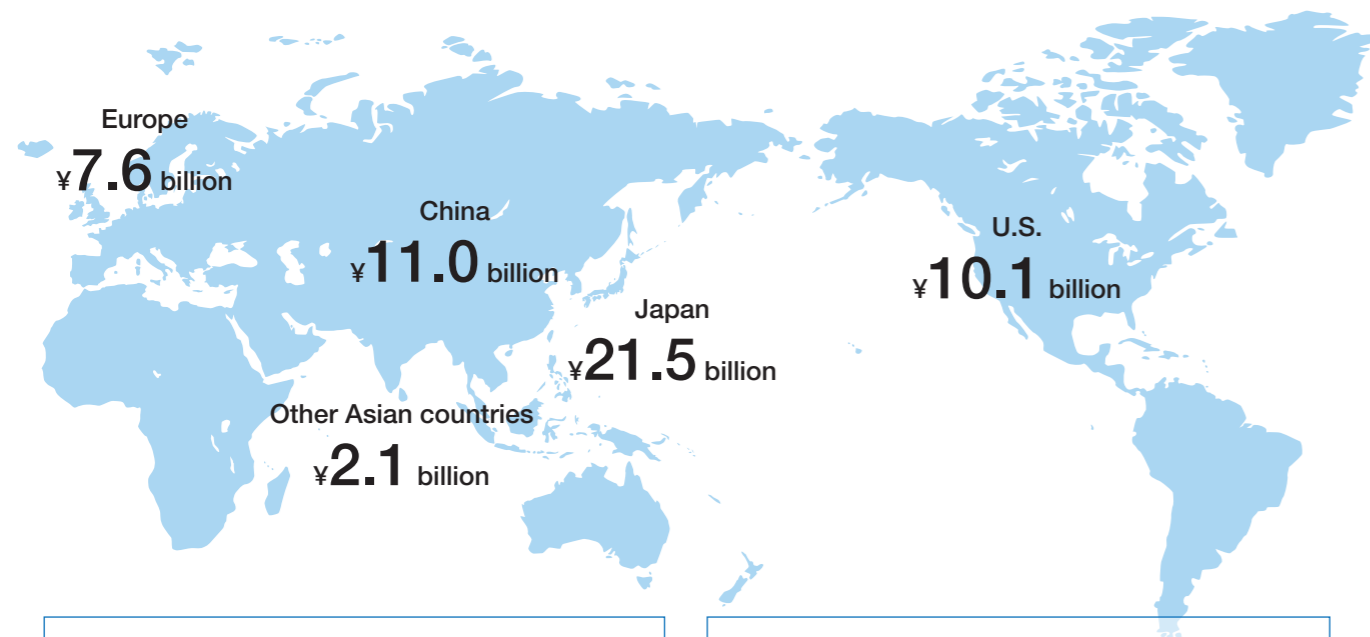
During the COVID-19 pandemic, demand for COVID-19 PCR testing reagents was extremely high, and net sales were much better than expected. Going forward, however, we expect testing demand to shrink rapidly. Meanwhile, due to the pandemic, life science research activities fell worldwide. As a result, sales of general research reagents excluding COVID-19 PCR testing reagents declined temporarily. However, most recently, they have returned to pre-pandemic levels, and, although there is regional variation, overall sales are the highest ever, and business growth has regained its original speed.

In fiscal 2023, we are expecting that the impact of reduced sales of COVID-19 PCR testing reagents will be significant and that revenue will decline year-over-year. However, we will continue to implement the various measures outlined in our Medium-Term Management Plan 2023 and aim for sustainable growth.

Net sales of reagent business



### Reagent sales and measures in main territories (FY2022)



#### Japan

Focus on new product development and sales promotion, such as the highly efficient PCR enzyme Takara Ex Premier DNA Polymerase, and mRNA synthesis-related products.



#### China

Focus on provision of custom PCR products for African swine fever and other testing facilities, and on promoting sales in cutting-edge research fields, such as the expanding market for NGS (next-generation sequencing) analysis.

#### Europe

Focus on sales to U.K. via new sales company (Takara Bio UK Ltd.).

#### U.S.

Provision of OEM for NGS analysis products, and promotion of sales of reproductive health technology (RHT) testing kits.

### CDMO Business

The development of gene therapy and other regenerative medicine products by global pharmaceutical and venture companies in Japan and elsewhere is reaching full speed, with the market continuing to expand. Seeing this as an opportunity, Takara Bio is specializing in the field of regenerative medicine and is proactively developing its CDMO business in such domains as vector manufacturing, cell processing, and quality testing.

Further, in gene analysis and testing fields, there are increasing opportunities with large human genome projects spearheaded by national governments as well as large-scale gene analysis utilizing NGS being conducted by pharmaceutical companies. We are augmenting our facilities in order to respond to this situation and are providing high-quality gene analysis and testing contracting leveraging the largest analysis capacity in Japan.

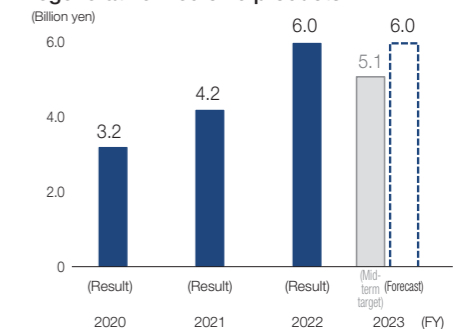
#### Measures for CDMO services related to regenerative medicine products

- Making maximum use of the manufacturing facilities we are expanding and augmenting, we will seize growing demand for regenerative medicine product development/manufacturing/quality testing contracting
- Bringing Center for Gene and Cell Processing fully online earlier than planned in order to enable large-scale manufacturing of viral vectors and transduced cells
- Increasing number of and fostering of manufacturing engineers, further strengthening contracting system for increasingly large-scale and complex projects
- Continually working on the development of large-scale, highly efficient manufacturing technology and process automation for diverse modalities such as mRNA

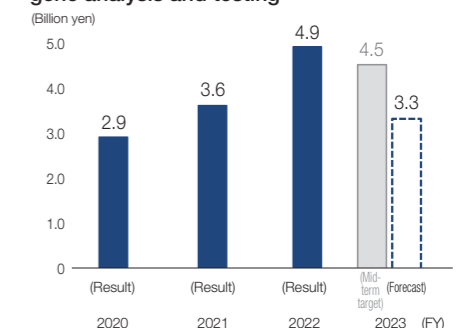
#### Measures for CDMO services related to gene analysis and testing

- Maximally utilizing synergy with ultra-low nucleic acid/single-cell analysis technology, developing a lineup of high value-added contracting services such as clinical applications of NGS analysis in such fields as reproductive health, and services supporting development conducted by pharmaceutical companies

Net sales of CDMO services related to regenerative medicine products



Net sales of CDMO services related to gene analysis and testing



#### Message from the executive in charge

#### We support the creation of new modalities that use genes and cells

##### Junichi Mineno

Director, in charge of CDMO Business

In the field of pharmaceuticals, the development of gene and cell therapy products is growing rapidly led mainly by pharmaceutical and biotech companies. Further, as everyone knows, during the COVID-19 pandemic, mRNA vaccines, making use of genetic information from novel coronavirus' spike protein, were promptly put into practical usage and demonstrated high effectiveness in the clinical setting. Going forward, we can expect new mRNA vaccines and pharmaceuticals leveraging this technology to appear.

Takara Bio has been quick to focus on a CDMO business which supports the development and manufacture of such gene and cell therapy products, mRNA vaccines and nucleic acid-based therapeutics, and enzymes for pharmaceutical manufacturing. Accordingly, we are engaging in capital investment, technology development, and human resources cultivation.

We are planning on bringing our Center for Gene and Cell Processing II, a hub for our CDMO business, fully online in 2023, further increasing our manufacturing capabilities. Going forward, we will continue to forge ahead with GMP manufacturing and the development of platform technology and manufacturing processes to support the creation of new modalities and in turn contribute to society.





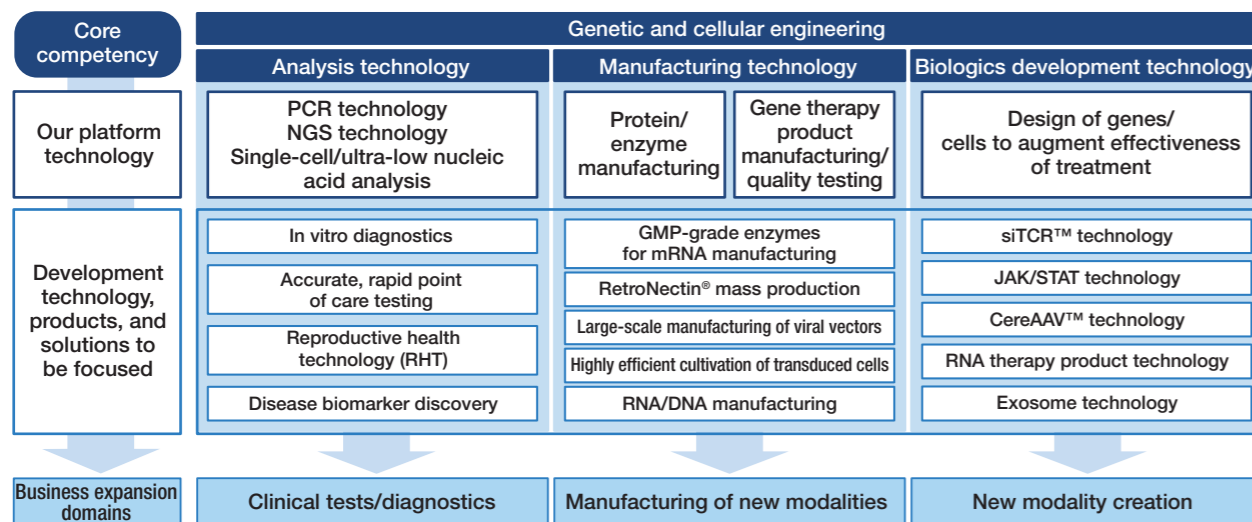
## Effectively Leveraging Better than Expected Revenue, We Will Accelerate Our R&D and Capital Investment

### Research and development

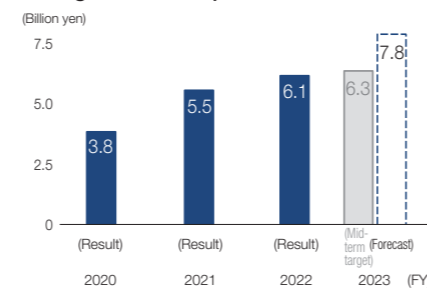
In our Medium-Term Management Plan 2023, we planned on continuing to increase our operating profit while also increasing R&D expenses at the same time in order to build a foundation for growth. As our revenue was better than expected in responding to demand related to COVID-19 testing, we now plan on leveraging this revenue to further increase R&D expenses beyond those originally planned and accelerate growth.

In our research and development, we will be working on the technical fields of analysis, manufacturing, and biologics development, rooted in a foundation of our core competency of genetic engineering and cellular engineering technology.

#### Direction for R&D



Changes in R&D expenses



### Capital Investment

We are proactively engaging in capital investment in order to expand business. Our Center for Gene and Cell Processing II, a key hub for regenerative medicine product contracting and in vitro diagnostics manufacturing, began operating in 2020. Originally, one third of the entire center was reserved for expansion to enable us to respond with agility to the diverse needs of the future. However, in order to develop our supply chain amid COVID-19 pandemic as well as to respond to the expansion of the market for regenerative medicine product contracting, we have moved up our plans and are expecting to have the center almost fully online within fiscal 2023.

Under Takara Bio USA, our subsidiary in the United States, we have built a new hub in San Jose, California. This hub came online and began operations in the fall of 2021. In addition to augmenting existing R&D, business, and marketing capabilities, this new hub adds the capability for manufacturing as well, enabling the manufacture of custom and bulk products for U.S. users, and making it possible to respond flexibly and nimbly to demand in the U.S.

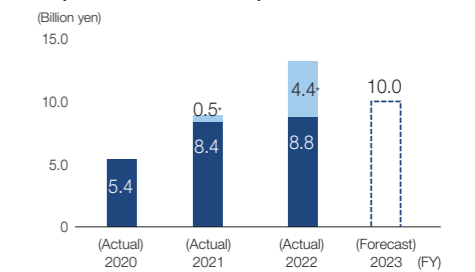


DNA plasmid manufacturing equipment



In vitro diagnostics manufacturing equipment

Capital investment expenses



\*Government subsidies (approx. ¥5 billion total)

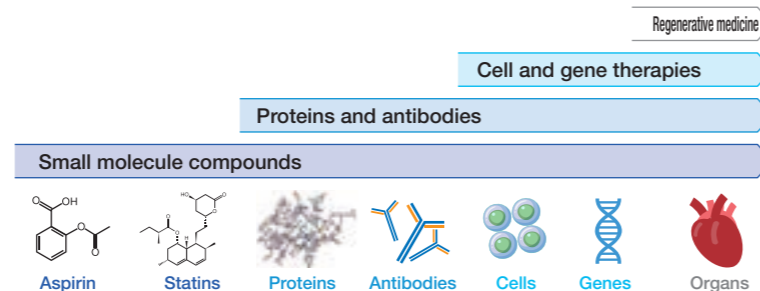
#### Main capital investments

- Expansion of facilities for large-scale viral vector manufacturing
- Expansion of cell processing facilities
- Expansion of DNA plasmid manufacturing facilities
- Utilized Ministry of Health, Labour and Welfare Urgent Improvement Project for Vaccine Manufacturing Systems.
- New facilities for manufacturing reagents such as for in vitro diagnostics
- Utilized Ministry of Economy, Trade and Industry Program for Promoting Investment in Japan to Strengthen Supply Chains.
- Expansion of new Takara Bio USA hub

#### TOPICS Changing modalities

Early pharmaceuticals were created through the chemical synthesis of small molecule compounds, such as aspirin and statins. With the advancement of biotechnology, however, pharmaceuticals began appearing which made use of proteins, antibodies, and other raw biological components. Good examples include protein-based therapeutics such as insulin used to treat diabetes, and monoclonal antibody therapeutics such as interleukin-6 receptor antibody therapy for treating rheumatoid arthritis. Because they are manufactured utilizing biotechnology, they are called "biologics."

Attention is now on next-generation modalities. Recent, new treatments which have appeared include cell therapy, which makes use of immune cells and stem cells; gene therapy, which utilizes genes; and regenerative medicine, which harnesses the power of the body's own systems to heal itself.



#### Message from the executive in charge

We are aiming to rapidly expand our business domains from cutting-edge life science research into clinical and industrial application fields

**Tsuyoshi Miyamura**  
Director, in charge of the Reagents & Instruments Business

Takara Bio has developed and sold research reagents and scientific instruments that have long supported the cutting-edge life science research of universities and other entities around the world. During the COVID-19 pandemic, we contributed to measures to control the virus, mobilizing the entirety of the genetic engineering and genome analysis technology that we have cultivated through our support of advanced research. We prioritized and strove to rapidly develop and stably supply research products for discovering infection mechanisms, and in vitro diagnostics for swift and convenient COVID-19 PCR testing.

These are just one example, and other fields we believe business expansion is possible utilizing our technology include clinical and industrial applications. In turn, we are engaging in appropriate R&D and product development. Going forward, we intend to continue to contribute to the realization of a healthy society through our business activities.



## Aims to Resolve Social Issues through Business Activities

Guided by our corporate philosophy of “Contributing to the health of humankind through the development of revolutionary biotechnologies such as gene therapy,” and from the perspective of increasing our medium- to long-term corporate value, Takara Bio Group is working to solve various social challenges concerning sustainability, in the area of wellness as well as other areas, through our business activities. We aim to strike a balance between realization of a sustainable society and achieving sustainable growth of Takara Bio Group. As part of this effort, we identified materialities (important issues) and are collaborating with stakeholders and partnering with Takara Holdings Group to carry out sustainability management to help solve social issues.

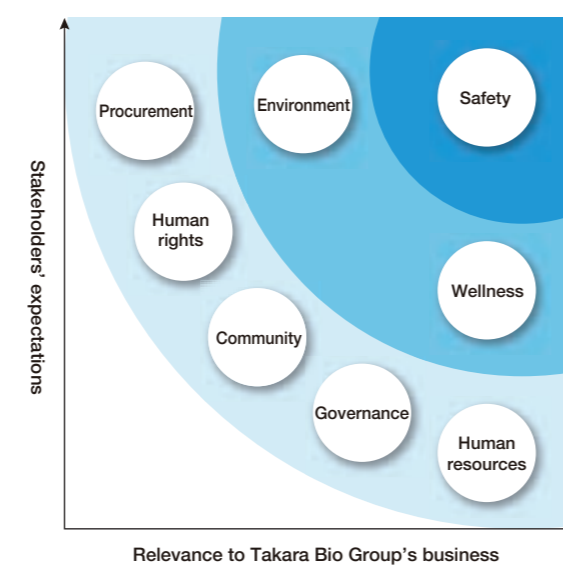
### Identification of materialities

We identified eight materialities that are most relevant to the Group’s business, with additional consideration to stakeholder expectations, that we will look to as we carry out our sustainability activities. As we tackle social issues with our central focus on these eight materialities, we aim to strike a balance between becoming a sustainable company and achieving sustainable growth of Takara Bio Group.

#### Initiative areas for each materiality

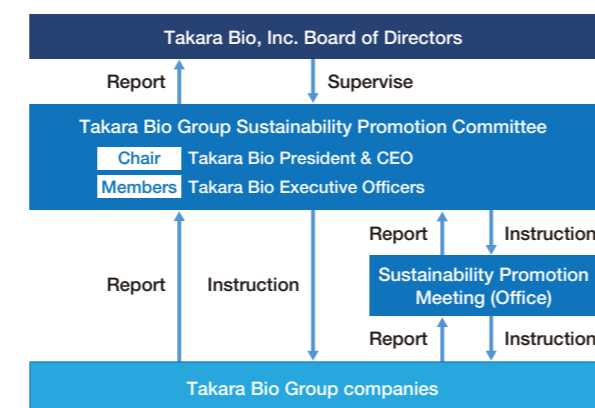
Safety	<ul style="list-style-type: none"> <li>Ensuring reliable quality</li> </ul>
Wellness	<ul style="list-style-type: none"> <li>Support for the development of global life science research</li> <li>Application of gene analysis technology to testing and diagnostics</li> <li>Initiatives for developing gene therapies</li> </ul>
Environment	<ul style="list-style-type: none"> <li>Response to climate change</li> <li>Response to environmentally conscious product packages and packaging</li> </ul>
Human resources	<ul style="list-style-type: none"> <li>Fostering human resources</li> <li>Promoting the active involvement of diverse human resources</li> <li>Achieving a comfortable workplace environment and a work-life balance</li> </ul>
Governance	<ul style="list-style-type: none"> <li>Promotion of corporate governance</li> <li>Promotion of compliance</li> <li>Reinforcement of the risk management structure</li> </ul>
Community	<ul style="list-style-type: none"> <li>Education for children</li> <li>Contribution to the promotion of local communities and culture</li> <li>Disaster assistance for large-scale disasters</li> </ul>
Human rights	<ul style="list-style-type: none"> <li>Respect for human rights</li> <li>Initiatives to identify risks to human rights</li> </ul>
Procurement	<ul style="list-style-type: none"> <li>Collaboration with suppliers</li> </ul>

Materiality matrix



### System for implementation

The Group established a Takara Bio Group Sustainability Promotion Committee chaired by the President of Takara Bio to implement sustainability activities, and is carrying out initiatives related to each materiality.



Information about sustainability activities can also be found on the Takara Bio website. <https://www.takara-bio.co.jp>



To ensure that our customers can use our products and services safely, we have established a basic policy on quality assurance and work to ensure safety in compliance with that policy.

### Quality control efforts

Takara Bio and all its major global subsidiaries have acquired ISO certification, and are striving to improve the quality of products and services. We built a GMP/GCTP\* compliant quality control system at our Center for Gene and Cell Processing, which provides CDMO services, and have become licensed as a manufacturer/distributor of specific processed cells/regenerative medicine products, pharmaceutical products (drugs, etc.), and in vitro diagnostics. Our lab for gene analysis services and genetic testing is also CAP-LAP certified and licensed as a clinical laboratory.

We will strive to maintain these certifications and licenses, as well as expand the scope of certification as needed.

\*Standards for manufacturing control and quality for pharmaceutical and regenerative medicine products.

### Appropriate publication of product information

We actively work to publish documents related to product safety. We publish and provide information as appropriate in multiple languages in accordance with laws and regulations, including user manuals, CoA (Certificate of Analysis), SDS (chemical Safety Data Sheet), poisonous and deleterious substance labeling in accordance with the Poisonous and Deleterious Substances Control Law, and LMO (living modified organism) product labeling in accordance with the Cartagena Protocol.

### ISO certifications and other standards and certifications, etc.

#### [Japan]

Business (region)	Standard, certification, etc.
Takara Bio Inc. (Japan)	JIS Q 9001:2015 (ISO9001:2015)* <sup>1</sup>
	JIS Q 13485:2018 (ISO13485:2016)* <sup>2</sup>
	CAP-LAP
	Clinical Laboratory Registration
	Certification from the Health Science Center for Accreditation of Laboratory Animal Care and Use
	Authorization of manufacturing cell processing products in Japan
	Authorization of manufacturing of regenerative medicine products
	Authorization of manufacturing and distribution of regenerative medicinal products
	Authorization of manufacturing of biologics
	Registration for manufacturing of in-vitro diagnostics
	Authorization of manufacturing and distribution of in-vitro diagnostics
Registration certificate of foreign in-vitro diagnostic manufacturer	
Authorization of distribution of pharmaceutical products (wholesaler)	

As of March 31, 2022

- <sup>1</sup> [Scope of registration]
- Design, development, manufacture, and sale of research reagents, cell culture media, and scientific instruments
  - Design, development, manufacturing, and sales of pharmaceutical raw materials
  - Design, development, and provision of gene engineering/cell engineering research support services and genetic testing support services
  - Design, development, and provision of contract manufacturing, quality testing, inspection, and storage services for products such as regenerative medicine products, investigational products, and cell processing products
  - Design, development, manufacturing, and sales of raw materials for in-vitro diagnostics
  - Design, development, manufacturing, and sales of in-vitro diagnostics
- <sup>2</sup> [Scope of registration]
- Design, development, manufacture, and sale of reagents for molecular biology used as raw materials for in-vitro diagnostics
  - Design, development, manufacturing, and sales of in-vitro diagnostics (virus test kits)

#### [Overseas]

Business (region)	Standard, certification, etc.
Takara Bio USA, Inc. (U.S.)	ISO 13485:2016
Takara Bio Europe S.A.S. (France)	ISO 9001:2015
Takara Biotechnology (Dalian) Co., Ltd. (China)	ISO 9001:2015
	ISO 13485:2016 (EN ISO 13485:2016)
DSS Takara Bio India Private Ltd. (India)	ISO 9001:2015

As of March 31, 2022

#### Message from the executive in charge

**We have established a basic policy on quality assurance and work to ensure safety in compliance with that policy**

**Masanobu Kimura**  
Director in charge of Quality Assurance

Takara Bio supports life science activities through a broad range of businesses, including research reagents, instruments, and regenerative medicine product CDMO services. In order to enable our customers to make use of these products and services with peace of mind, we have established the Takara Bio Group Quality Assurance Policy and are engaging in company-wide initiatives to improve quality and ensure safety. Takara Bio as well as its major subsidiaries around the world have acquired ISO 9001 and 13485 international quality management system certification and continually work to improve the quality of products and services. In addition, we are further strengthening our GMP/GCTP compliant quality control system in order to bring to market gene therapy projects under development.





**Wellness** Through our efforts aimed at bringing socially impactful advanced medicines to market, such as support of life science research and development of gene therapy, we are working to create a society in which people can stay well and enjoy life.

## Support for the development of global life science research

Takara Bio Group offers a wide variety of products and services in the life sciences field, ranging from those for basic research to those with industrial applications. We are supporting the growth of research in the life sciences by providing universities and businesses around the world with a stable supply of these products.

## Application of gene analysis technology to testing and diagnostics

We are putting effort toward using the genetic engineering technology we cultivated through our research reagents business as a platform to develop products that test for viruses

that cause infectious diseases, as well as products tailored to regional characteristics.

At the same time, we are working to ensure a stable supply of these products to contribute to the health of humankind.

## Initiatives for developing gene therapies

We are developing and creating new modalities, such as gene therapies for rare cancers, through the development and practical implementation of platform technology for biologics development leveraging technology using genes and cells. We are also aiming to bring socially impactful regenerative medicine products to market through our CDMO business to address unmet medical needs.



**Environment** We consider the preservation of the global environment and the harmonious conduct of our business activities to be an important topic in the way we manage the company, and to that end we strive to observe the applicable environmental laws, ordinances, and regulations as we proactively take part in natural conservation activities and work to conserve resources and energy. We are working to reduce the environmental burden generated by all of our processes, ranging from R&D and the procurement of raw materials to production, distribution, sales, and consumption.

## Environmental preservation strategies

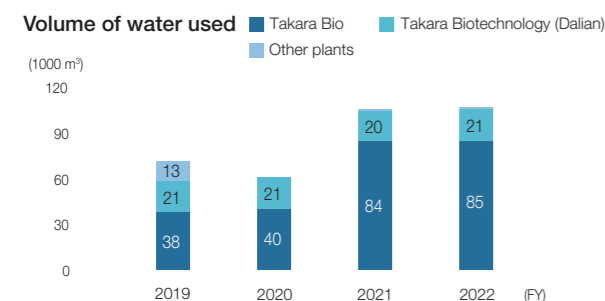
The main facilities at Takara Bio headquarters account for a large percentage of Takara Bio Group's CO<sub>2</sub> emissions and water usage. At these buildings, we are implementing environmental preservation strategies such as use of construction design that incorporates new building techniques with high environmental performance.

### Examples of environmental preservation strategies for Takara Bio headquarters

- Installed cogeneration systems
- Increased heat insulation in exterior walls and windows
- Used high-efficiency transformers
- Enabled visualization of the building's management system to optimize energy performance through the Building Energy Management System
- Designed buildings to prevent biohazard risk

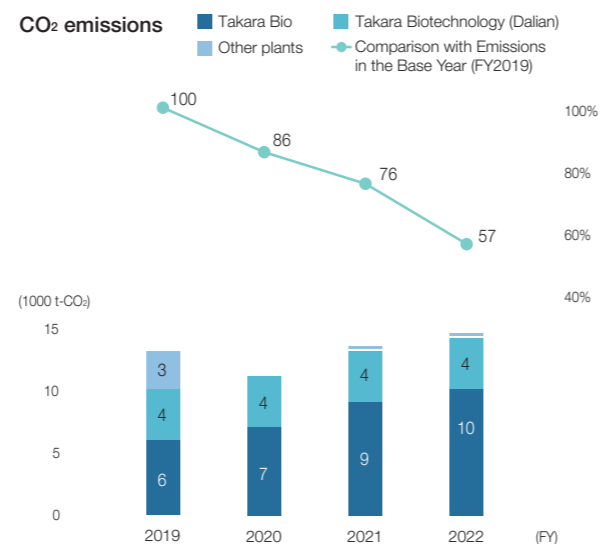
## Volume of water used

Takara Bio Group used 106,000 m<sup>3</sup> of water in fiscal 2022, which was a 2,000-m<sup>3</sup> increase from the previous year. Takara Bio's water usage increased due to bringing the Center for Gene and Cell Processing II to full-scale operation.



## Current CO<sub>2</sub> emissions\* and reduction targets

Takara Bio Group generated 14,000 t of CO<sub>2</sub> in fiscal 2022. The emissions increased due to the full-scale operation of the Center for Gene and Cell Processing II. As Takara Bio Group expands its business, our CO<sub>2</sub> emissions are continuing to increase. However, we aim to consider environmental impact in our business activities, and have set targets for reducing emissions. Our target for fiscal 2023 is to reduce emissions per unit of revenue (emissions intensity) to 50% of that of fiscal 2019. As of fiscal 2022, Takara Bio Group's CO<sub>2</sub> emissions (emissions intensity) are at 57% of those of fiscal 2019.



\*Group's total CO<sub>2</sub> emissions: Scope 1 (direct emissions from fuel use) and Scope 2 (indirect emissions from energy sources such as purchased electricity)

## Disclosure based on TCFD framework

Takara Bio Group strives to proactively disclose information to its stakeholders by accurately assessing the risks and opportunities related to climate change, clarifying the impact on its business operations, and clarifying measures to be taken as we work towards the realization of a sustainable society and the sustainable growth of our Group. All assessments are based on scenario analysis in accordance with the Task Force on Climate-related Financial Disclosure (TCFD). Scenario analysis was carried out using a "2°C or lower scenario," in which the average global temperature

increase is restricted to 2°C or lower than pre-industrial levels, and a "4°C scenario," in which average global temperature is increased by 4°C. This analysis evaluated the degree of impact on our business operations and the likelihood of those scenarios occurring, while also examining countermeasures. We are continuing to review risks and opportunities and implement specific measures and reflect them in our medium- to long-term management strategy to enhance our management strategy against climate change.

Please see the Takara Bio website for detailed information. <https://www.takara-bio.co.jp>



**Human resources** We respect our employees and aim to create a work environment where employees can work cheerfully and enthusiastically, create a nurturing work culture, and promote a balance between corporate, social, and private life within that environment and culture.

## Fostering human resources

We have put in place systems and training programs for our personnel as we strive to achieve a corporate climate that can best reflect the skills possessed by and challenges faced by our employees in our management and business practices.

Our training program includes stratified training by job level and years of service, as well as objective-based training.

### Examples of stratified training programs

Training	Objectives and details
Training for new hires, 3rd-year employees, 6th-year employees, and newly appointed managers	Training on knowledge and skills required for each job level
OJT leader training	Training on the role of OJT leaders (veteran employees assigned to individual new hires) and guidance methods
Compliance leader training	Group training on compliance for employee representatives selected at each workplace

### Examples of objective-based training programs

Intended participants	Objectives and details
All employees	Fire prevention training, AED education and training, safety confirmation
	Compliance education
	Study seminar to improve IT skills
	Information security education
Young tech-oriented employees	Intellectual property training
Marketing Division employees	Sales training
Employees who perform manufacturing and quality control tasks	GMP education and training, ISO education and training

## Promoting the active involvement of diverse human resources

The existence of diverse viewpoints and senses of values that reflect different experiences, technical skills, and attributes regardless of gender, nationality or other traits among employees is the strength that allows a company to continuously grow.

We believe that active involvement of diverse human resources at Takara Bio is essential to achieving continued growth going forward.

### Employee composition at Takara Bio (not the Group)

	FY2020	FY2021	FY2022
Employees with disabilities	2.2%	2.9%	2.8%
Women	All employees	42.0%	42.6%
	New graduates	63.2%	60.0%
	Managerial positions	19.5%	19.7%

## Achieving a comfortable workplace environment and a work-life balance

We are working hard to put workplace and labor environments in place that will allow our employees to work comfortably, and are crafting systems to ensure that all our employees can work enthusiastically while maintaining a balance between their work and their personal lives in keeping with their individual lifestyles.

Crafting workplace and labor environments	Regular health checkups, mental health care, health consultations by occupational physicians, help lines and internal reporting systems (in Japan and at international subsidiaries)
Work-life balance	Flex time, temporary part-time work for parents, parental and caregiving leave, consultations for employees taking parental leave, reformation of long working hours, "no overtime day," work-from-home



### Human Rights

We respect the human rights of all stakeholders and are engaged in various human rights-related initiatives including education and training.

#### Takara Group Human Rights Policy (excerpt)

Recognizing that the Takara Group may potentially affect the human rights of various stakeholders, including business partners, customers, and local communities, in addition to our employees, through our business activities, we respect human rights as set out in the United Nations' International Bill of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. This Policy applies to all officers and employees of the Takara Group. We also request business partners to support and comply with this Policy.

#### Respect for human rights

Through various training programs, we are promoting education to deepen understanding and respect of human rights and cultural diversity. We are also advancing initiatives focused on recruitment activities without discrimination, harassment prevention activities, and the protection of personal information and privacy.

#### Initiatives to identify risks to human rights

We will collect information to identify human rights risks of the Group (human rights due diligence) and investigate human rights risks of the entire value chain in which we are involved. We will then create a structure to identify and evaluate human rights risks of the entire Group.



### Procurement

We aim to realize sustainable procurement by ensuring the safety and quality of raw materials and more, and by also considering the social responsibility of the entire supply chain, including consideration for the environment and human rights as well as compliance with laws and social ethics.

#### Takara Group Procurement Policy

- Ensuring safety and quality  
In accordance with the Takara Group Quality Policy, we will promote activities aimed at ensuring a high level of safety and quality.
- Consideration for the environment  
Based on the Takara Group Environmental Policy, we will engage in activities with consideration for the global environment.
- Consideration for human rights  
In accordance with the Takara Group Human Rights Policy, we will engage in activities with consideration for human rights.
- Compliance with laws and social ethics  
In accordance with the Takara Group Compliance Action Guidelines, we will comply with laws and social ethics. We will not request entertainment or gifts from suppliers, nor will we be the recipient of entertainment that exceeds the boundaries of common sense.
- Equitable and fair transactions  
We will treat all suppliers with common sense and honesty and conduct equitable and fair transactions. When selecting suppliers, we will make our decisions after equitable and fair comparisons and evaluations, based on quality, price, delivery date, technical capabilities, supply capacity and other conditions.
- Maintaining information security  
We will appropriately manage confidential information and personal information obtained during procurement activities.
- Expectations of suppliers  
With regard to the above, we expect the same considerations from our suppliers, and will endeavor to promote initiatives throughout the entire supply chain.

#### Collaboration with suppliers

We are currently drafting guidelines for sustainable procurement in each procurement area. We will make our business partners aware of these guidelines and request their compliance with the guidelines, and collaborate with suppliers to resolve issues.

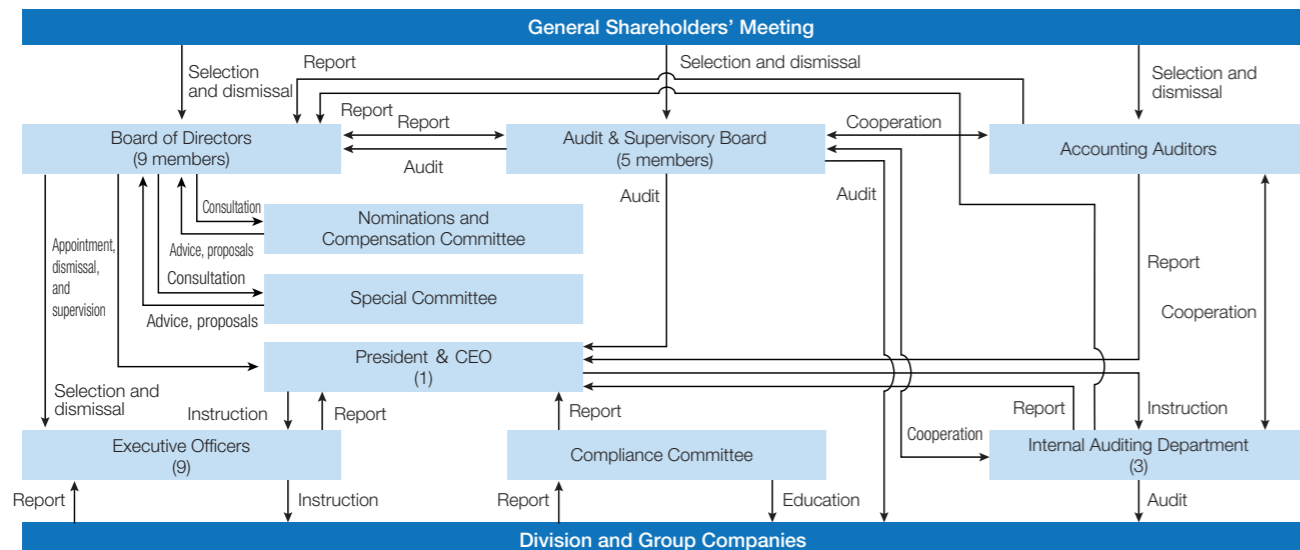


### Governance

We will pursue sustainable growth and enhancement of our corporate value in the medium- to long-term by fulfilling our social responsibility as a corporation, and by meeting the expectations of our various stakeholders, including our shareholders.

Diagram of corporate governance structure

As of June 2022



#### About Our Parent Company (Takara Holdings)

As of March 31, 2022, Takara Holdings Inc. is the parent company of Takara Bio, possessing 60.93% of the voting rights. The following section describes the relationship between the two companies.

##### (1) The position of Takara Bio in Takara Holdings Inc.

Takara Bio was established as a 100% subsidiary of Takara Holdings Inc. spun off during the extraordinary general meeting of stockholders of Takara Shuzo Co., Ltd (the current Takara Holdings Inc.) on February 15, 2002, in order to maximize the value of the businesses it was engaged in: the alcoholic beverages and foods business and the bio business. Since then, via allocation of new stocks to a third party and public stock offering, Takara Holdings now owns 60.93% of Takara Bio's voting shares. The Takara Holdings Group is made up of the holding company Takara Holdings, 59 subsidiaries, and two affiliated companies. Among those, Takara Bio is positioned as a subsidiary specializing in biotechnology, and promotes its bio business along with nine other subsidiaries.

##### (2) About corporate management of the Takara Holdings Inc.

Takara Holdings Group has established and put into operation Group Company Management Rules from the perspective of consolidated business management. These are intended to maintain the individuality and autonomy of each of the Group companies, while maximizing corporate value for the Group as a whole. Takara Bio has also applied the same rules and is reporting the matters resolved at meetings of the Board of Directors, but these resolutions do not need prior approval, and we are operating our business independently. While there are other meeting structures in place in addition to this one, all are intended for business reporting, and none have infringed on Takara Bio's autonomy or independence.

#### Our corporate governance

In order to achieve sustainable growth and enhance corporate value over the medium- to long-term, the Takara Bio Group recognizes that it should endeavor to cooperate with various stakeholders, including shareholders, employees, customers, creditors, and local communities in an appropriate manner. To achieve this, our corporate governance structure must promote honesty and fairness throughout all our corporate activities at all times, which is why Takara Bio is working toward establishing the specific policies.

#### Corporate governance structure

Our system is set up so that directors make decisions in an agile manner with a clear sense of ownership and speed and supervise execution of business, while our external directors, who are highly independent experts experienced in and knowledgeable about the company's business, partner with the Audit & Supervisory Board to audit and supervise execution of business.

#### Director and Board of Directors

The Board of Directors of Takara Bio is composed of nine individuals, of whom three are external directors. In addition, in order to rapidly respond to the management environment and to clarify the management responsibilities of a director, the term of office of a director has been set to one year.

#### Audit & Supervisory Board

The Audit & Supervisory Board of Takara Bio is composed of five individuals, of whom three are external Audit & Supervisory Board members. The Audit & Supervisory Board members and Audit & Supervisory Board of Takara Bio are to make appropriate decisions from an independent and objective standpoint regarding their role and the performance of their duties. In addition, the Audit & Supervisory Board members must attend meetings of the Board of Directors and various important management meetings as well as conduct appropriate financial and operational audits via an exchange of opinions, etc., between management and the internal auditing department, etc., and they must also make a variety of proposals to management when they are determined to be needed.

#### Director and Audit & Supervisory Board members skill matrix

In order to establish an effective corporate governance structure oriented toward sustainable growth, Takara Bio selects directors and Audit & Supervisory Board members who possess extensive business experience and wide-ranging, high-level expertise and knowledge. The experience and expertise of our directors and Audit & Supervisory Board members are as follows.

Name	Position	Corporate management/ management strategy	Business strategy/ marketing	R&D	Manufacturing/ quality assurance	Medicine/ pharmaceuticals/ health	Law/ intellectual property	Accounting/ human resources	Compliance/ risk management	Globalization/ diversity
Koichi Nakao	President & CEO	●	●	●			●	●	●	●
Junichi Mineno	Director	●	●	●	●				●	●
Yoh Hamaoka	Director	●	●	●			●	●	●	●
Tsuyoshi Miyamura	Director		●	●	●				●	●
Masanobu Kimura	Director			●	●	●			●	●
Mutsumi Kimura	Director	●	●				●	●	●	●
Nobuko Kawashima	External Director	●	●						●	●
Kazuko Kimura	External Director			●	●	●			●	●
Noriomi Matsumura	External Director			●		●			●	●
Akihiko Kita	Audit & Supervisory Board Member	●			●				●	●
Masahide Tamaki	Audit & Supervisory Board Member		●						●	●
Kunihiko Kamada	External Audit & Supervisory Board Member	●					●		●	●
Yasuo Himejiwa	External Audit & Supervisory Board Member	●						●	●	●
Masaaki Makikawa	External Audit & Supervisory Board Member			●		●			●	●

Note: The above matrix does not represent the complete set of skills possessed by individual directors and Audit & Supervisory Board Members.

## Nominations and Compensation Committee

The Nominations and Compensation Committee was established as a discretionary committee under the Board of Directors with the aim of strengthening the independence, objectivity and accountability on the functions of the Board of Directors. The committee is composed of three of more members elected by a resolution of the Board of Directors, the majority of whom are external officers, and the chairperson of which is selected after establishment of the Committee among external officers.

## Special Committee

To protect the interests of minority shareholders, we have established a Special Committee under the Board of Directors to provide appropriate advice and recommendations. The committee is composed of three or more independent members, including external officers, and the chairperson is to be selected from among its members, ensuring the independence of the committee. The Committee deliberates and examines matters relating to significant transactions and practices that conflict with the interests of our parent company or its subsidiaries and our minority shareholders, and advises and recommends the results to the Board of Directors.

## Director nomination policy

We pay attention to ensuring diversity from the perspectives of gender, internationality, career and age. In light of the following standards, the Nominations and Compensation Committee deliberates and examines the issue, and the Board of Directors resolves the issue based on the advice and recommendations of the Committee.

- Having the ability to recognize and resolve management issues from the perspective of superior personality and insight and overall management.
- Internal directors shall have sufficient knowledge, experience, and track record in specialized fields and have a high level of organizational management capability.
- External directors shall have extensive experience in their respective fields of origin, and shall have the qualities to give advice and recommendations from an independent standpoint to ensure the appropriateness of decision-making by the Board of Directors.

## Evaluation of the effectiveness of the Board of Directors

### Overview of evaluation results for FY2022

Takara Bio judged that the Board of Directors' overall management was in general appropriate and that its effectiveness had been secured. Of particular note, the enhancement of advance explanations provided to external officers further improved the quality of deliberations by the Board of Directors.

On the other hand, Takara Bio perceives the enhancement of Board of Directors materials as an issue. Going forward, Takara Bio will strive for the sustained improvement of the effectiveness of the Board by continuing to work to develop these materials and use evaluation of the results of these efforts to promote to further advancement.

## Officer compensation

Officer compensation is determined by the President with authorization of the Board of Directors based on performance evaluation methods approved by the Board of Directors, within the range of the amount for each approved by the general shareholders' meeting, and with consideration to a comprehensive array of factors such as job title and contribution to company performance. Compensation for officers consists of a fixed amount of compensation plus performance-linked compensation, while compensation for external directors and external Audit & Supervisory Board members consists solely of a fixed amount of compensation within the range approved at the Annual Meeting of Shareholders.

## Compensation of directors and Audit & Supervisory Board members (FY2022)

Officer category	Total compensation by type (millions of yen)		Total compensation (millions of yen)	Number of officers receiving this compensation
	Fixed compensation	Performance-linked compensation		
Directors (excluding external directors)	161	115	277	7
Audit & Supervisory Board Members (excluding external Audit & Supervisory Board members)	32	—	32	2
External Directors	19	—	19	3
External Audit & Supervisory Board Members	21	—	21	3

Note: Includes one director who resigned at the conclusion of the 19th Annual Meeting of Shareholders held June 24, 2021

## Promotion of compliance

Takara Bio has established its own Compliance Committee, with the President as the Chairperson in order to enhance the system for promoting compliance for the Group as a whole.

In addition, Takara Holdings Group has established its own Guiding Principles for Compliance Conduct. Each of the Group companies suitably abides by the law and social ethics and undertakes risk management, enabling the Takara Group as a whole to fulfill its corporate social responsibility and to improve its corporate value.

## Compliance education

In order to enhance employees' compliance awareness, the Takara Group issues compliance newsletters that deal with compliance-related subjects familiar to its employees and offers an e-learning course every month. As stratified training, we also provide risk compliance seminars for top management led by guest specialists, annual group training for risk compliance leaders who promote workplace compliance education for each job level, as well as training sessions for new managers, and new hire training.

## Appropriate operation of whistleblowing system

We have two Takara Group helplines in place inside and outside (i.e., a third-party organization) of the Company, as contacts for whistleblowers in the event that they have noticed any legal infringements or unfair practices. We operate these helplines in accordance with Japan's Whistleblower Protection Act and the Helpline Rules in order to ensure that whistleblowers do not receive disadvantageous treatment due to the reports they have made. The Company gives full consideration to maintaining confidentiality when investigating reports and takes appropriate action based on confirmed facts.

Our Group companies in overseas locations also have their local whistleblowing hotlines and have established and operate processes that allow their local employees to directly contact the helpline in Japan for reporting and consultation through a third-party organization.

## Risk management

The Group carries out regular workplace inspections in normal times in order to understand and strategize for risks, and the results of those inspections are discussed at the Compliance Committee. We are also proactive in risk management, such as our revision of strategies for business continuity planning (BCP) that takes into account events such as large-scale disasters and systems that allow for executive and employee safety confirmation.

## Messages from External Directors



**Nobuko Kawashima**

Appointed June 2016/  
Board of Directors meeting  
attendance in FY2022:  
12 of 12 (100%)

### Meeting social demands with our Gene therapy business as our driving force

The COVID-19 pandemic, an unprecedented crisis affecting the entirety of global society, is now in its third year. Throughout this time, Takara Bio has made major contributions to COVID-19 measures by providing its superior PCR technology, which is the company's particular strength, to meet Japan's needs. The fact that this role is close to coming to an end has been incorporated into our plan for the following fiscal year. My feelings are complex. Even as I hope for the pandemic's conclusion, there is also disappointment that Takara Bio will be taking a step back in its activities in this area. I feel, however, that here we must return to basics and continue to focus our efforts on our existing Gene therapy business using biotechnology to develop treatments for cancer and other diseases. I believe that the clearer that driving force and our key challenges are, the better we can make strategic moves if we are forced to change course slightly.



**Kazuko Kimura**

Appointed June 2019/  
Board of Directors meeting  
attendance in FY2022:  
12 of 12 (100%)

### The inside as seen from outside

The bioindustry is progressing at bewildering pace. Against this backdrop, Takara Bio, determined and steady, has established a solid presence in Japan even as it expands around the world. It is a business plan I respond to. It is a result due entirely to the accurate judgements of its management team and workplace leaders, and the wholehearted efforts of its employees in doing their work. Takara Bio's financial management is also sound. I am overjoyed to have had the luck to become a part of such a company. The products which Takara Bio works on day after day to develop are imbued with stores of technology unassailable by newcomers. They increase the company's income and enable further technology development and products, increasing Takara Bio's lead over competitors. The products that Takara Bio releases contribute directly and indirectly to promoting the health and welfare of society, and in spite of any rough patches which may occur, I feel Takara Bio is on an upward spiral. It is an ideal business model, in which those involved feel joy, and the company is both counted on and appreciated by society.

Takara Bio has increased its social significance and now what is necessary for it to grow even further is to meet society's current needs and, at the same time, such as it did with restriction enzymes, engage in research and development with an eye on the needs society is expected to have in the future. Society is counting on Takara Bio to offer reagents which will power future biologics development and life science research. Now is also the time for Takara Bio to strike out into the field of gene therapy and make this a pillar of its business. The development of ordinary pharmaceuticals can take more than ten years and cost tens or hundreds of billions of yen (and even failures occur after the investment of extensive amounts of time and money). In spite of this fact, however, their success rate is just 1 in 22,749.\* I hope that Takara Bio's efforts in the field of gene therapy will reach a successful outcome, but even if they do not turn out as expected, my desire is for Takara Bio to continue to move forward unflinchingly and seek new seeds or develop them directly.

In 2021, the European Medicines Agency made GMP principles compulsory for genetic materials of biological origin involved in the manufacture of cutting-edge Advanced Therapy Medical Products. This means an even greater degree of quality is demanded for these materials, but some day these standards may become the global norm. It also represents an opportunity to increase one's competitive edge. I hope that Takara Bio will proactively participate in the process of creating such standards as these, take part in from the time they are implemented, and make them a positive for the company.

I am looking forward to seeing Takara Bio continue to grow and develop.

\*Source: Japan Pharmaceutical Manufacturers Association research cited in Ministry of Health, Labour and Welfare Pharma Industry Vision 2021 reference materials



**Noriomi Matsumura**

Appointed June 2020/  
Board of Directors meeting  
attendance in FY2022:  
12 of 12 (100%)

### Toward being a company which contributes to clinical medicine

From the start, the sale of research reagents has been a focus of Takara Bio's business. Thereafter, the company's contracting and research divisions have grown alongside the development of next-generation sequencing technology. Now, in the last few years, Takara Bio has established an in-house structure to enable it to develop its business in the field of clinical medicine. In fact, under strong societal demand from 2020 onward, the company began full development, manufacture, and sale of PCR kits of COVID-19 diagnosis. Going forward, Takara Bio is aiming for regulatory approval of its genetically-modified T-cell therapy for synovial sarcoma. Test reagents and pharmaceuticals used in clinical practice directly concern patients' lives, and an accordingly high level of quality control is demanded of them. In June 2020, I became an External Director. Since that time, I have presented my views to the Board of Directors from my perspective as an OBGYN\* clinician and as a medical researcher. I will continue to endeavor to enable Takara Bio to contribute to society through the field of clinical medicine.

\*OBGYN: obstetrics and gynecology

# List of Themes, Measures, and Targets for Each Materiality

Materiality	Theme	Measure	Targets	
Safety	Ensure product safety	Maintain quality management system certifications (ISO9001, etc.)	<ul style="list-style-type: none"> <li>Maintain current ISO certifications at plants and work to improve quality and customer satisfaction. Expand scope of ISO certification as necessary.</li> <li>Maintain business licenses and registrations.</li> </ul>	
		Achieve and maintain compliance with relevant quality, manufacturing, and safety standards such as GMP/GCTP, and third-party certification		
		Appropriately disclose product information		
Wellness	Support for the development of global life science research	Provide extensive support for the development of life science research and industry	Continue making improvements to core manufacturing facilities in Japan, China, the U.S., and Europe and other regions with the aim of ensuring a stable product supply, and work toward optimization, to support advancement of the life sciences on a global scale.	
		Contribute to the life science community	<ul style="list-style-type: none"> <li>Disseminate information about biotechnology fundamentals and the latest technology by holding seminars and workshops.</li> <li>Commercialize promising academic discoveries through open innovation.</li> <li>Promote social understanding of biotechnology.</li> </ul>	
	Application of gene analysis technology to testing and diagnostics	Supply testing and diagnostic kits for viruses, etc.	"Glocalize" our product development scope to go beyond virus testing kits for infectious diseases with broad worldwide impact and add products tailored to region-specific characteristics and needs.	
Environment	Response to climate change	Initiatives for developing gene therapies	<ul style="list-style-type: none"> <li>Carry out gene therapy development projects ourselves and through partnerships.</li> <li>Support development and manufacturing of regenerative medicine products (CDMO business).</li> </ul>	
		Response to environmentally conscious product packages and packaging	Reduce CO <sub>2</sub> emissions from production process	Reduce Takara Bio Group's CO <sub>2</sub> emissions intensity (emissions per unit of revenue) to 50% of that of fiscal 2019 in fiscal 2031.
		Develop environmentally conscious products	<ul style="list-style-type: none"> <li>Start switching paper packaging to FSC-certified paper, with the aim of 100% usage by fiscal 2026.</li> <li>Switch 100% of aluminum packaging to single-sided aluminum pouches by fiscal 2026.</li> <li>Switch 100% of ink used for paper packaging to vegetable oil-based ink by fiscal 2026.</li> </ul>	
Human resources	Fostering human resources	Implement measures to foster human resources who will be responsible for the next generation	Foster human resources who can achieve global business growth and bring the Group into the next generation by continually holding stratified trainings for new hires and managers as well as educational sessions to train the next generation of leaders.	
		Foster human resources who will achieve global business growth (global human resources)		
		Foster human resources using Takara Holdings Corporate History Museum, our training facility		
Human resources	Promoting the active involvement of diverse human resources	Promoting the active involvement of female employees	<ul style="list-style-type: none"> <li>Increase the percentage of women in managerial positions.</li> <li>Create opportunities to continue working until age 70.</li> <li>Maintain the percentage of employees with disabilities at 2.3% or higher (percentage mandated by law as of April 2021).</li> <li>Further pursue mid-career hiring to acquire a diverse range of human resources.</li> </ul>	
		Promote the active involvement of senior human resources	<ul style="list-style-type: none"> <li>Realize a fair hiring system that does not discriminate by nationality, race, gender, or disability, and build a working environment where all these groups respect one another.</li> </ul>	
		Promote the hiring of people with disabilities		
Human resources	Achieving a comfortable workplace environment and a work-life balance	Ensure workplace safety and sanitation	<ul style="list-style-type: none"> <li>Reduce total working hours compared with fiscal 2021 figures.</li> <li>Increase percentage (and days) of paid holidays taken compared with fiscal 2021 figures.</li> <li>Maintain percentage of employees returning to work after childcare leave at 100%.</li> <li>Effectively utilize work-from-home systems.</li> <li>Raise awareness and provide information about parental and childcare leave systems by the end of March 2025.</li> <li>Establish a consultation service for employees who are pregnant or are returning to work after parental or childcare leave before the end of March 2025.</li> </ul>	
		Comply with labor-related laws and regulations		
		Prevent long working hours		
Governance	Promotion of corporate governance	Promote diverse working styles	Maintain appropriate corporate governance with the aim of achieving sustainable growth and medium-term growth in corporate value.	
		Establish an optimum corporate governance structure		
		Reinforce the compliance promotion structure		
Governance	Promotion of compliance	Implement compliance education	<ul style="list-style-type: none"> <li>Ensure that each officer and employee acts fully in accordance with the company's Compliance Action Guidelines and promote compliance across the entire Group, including international subsidiaries, to realize our corporate philosophy.</li> <li>Distribute the Takara Group Compliance Action Guidelines, which describe how to behave in accordance with laws and social ethics, and with which every individual employee of the Takara Group should comply, in order to achieve a high level of compliance.</li> <li>Regularly hold Risk Compliance Committee meetings (generally twice a year).</li> <li>Hold training sessions for each job level to increase officer and employee awareness of compliance (generally once a year).</li> <li>Hold workplace compliance education sessions on key compliance-related topics (generally four times a year).</li> <li>Prevent illegal and inappropriate behavior, as well as recurrence of such behavior, by properly employing the internal reporting system and responding quickly and appropriately to internal reports.</li> </ul>	
		Appropriately operate the whistleblowing system		
		Promote risk management (normal risk management)		
Governance	Reinforcement of the risk management structure	Promote crisis management (emergency risk management)	<ul style="list-style-type: none"> <li>Work to prevent risk manifestation and reduce corporate risks in Japan and abroad, and build a system for responding quickly and appropriately in times of disasters and other emergencies.</li> <li>Monitor risk management status at each subsidiary and office through workplace inspection reports, risk compliance checklists, and employee hearings, and use findings to prevent risk manifestation and reduce risk (generally once a year).</li> <li>Regularly hold emergency drills (safety confirmation training, fire prevention training, AED training, etc.) (generally once a year).</li> </ul>	
		Promote risk management (normal risk management)		
		Promote crisis management (emergency risk management)		
Community	Education for children	Make educational visits to local elementary schools	Hold lectures and classes at nearby educational institutions. (Continue to announce seminars on gene therapy and regenerative medicine, as well as hands-on career planning activities.)	
		Contribution to the promotion of local communities and culture		
		Disaster assistance for large-scale disasters		
Human Rights	Respect for human rights	Conduct human rights education at new hire training and stratified training sessions	Aim to maintain a workplace that respects diversity (gender, age, race, sexual orientation, gender identity, disability, etc.), personality, and individuality, without discrimination or harassment.	
		Understanding and respect for multiple cultures (multinational cultures)		
		Recruitment activities without discrimination		
Human Rights	Initiatives to identify risks to human rights	Initiatives to prevent harassment	Create a process to identify and evaluate risks to human rights across the entire Takara Group value chain (human rights due diligence process) by fiscal 2023, and begin efforts to identify and evaluate human rights risks by fiscal 2024.	
		Protect personal information and privacy		
		Establish a structure to identify and evaluate risks to human rights		
Procurement	Collaboration with suppliers	Discuss content of guidelines for sustainable procurement	Create procurement guidelines, spread awareness among business partners, and request compliance by 2025.	

# ESG Indices

## Governance-related information—Number of external directors and external Audit & Supervisory Board members

		FY2020	FY2021	FY2022
Director		9	9	9
	Internal directors	6	6	6
	External Director	3	3	3
Ratio of external directors (%)		33%	33%	33%
Audit & Supervisory Board members		5	5	5
	Internal Audit & Supervisory Board members	2	2	2
	External Audit & Supervisory Board members	3	3	3

## Employee information (Takara Bio Group)

Item	Breakdown	FY2020	FY2021	FY2022	
No. of employees by region	Japan	517	570	669	
	Overseas	U.S.	206	202	204
		China	589	587	601
		Europe	81	88	102
		Other*	92	92	90

\*Asia excluding Japan and China

## Employee Information (Takara Bio)

Items	Breakdown	FY2020	FY2021	FY2022
No. of employees	Male	300	327	377
	Female	217	243	292
No. of new graduate hires	Male	14	6	27
	Female	24	9	24
Diversity	Employees with disabilities (%)	2.2	2.9	2.8
	Women in managerial positions (%)	19.5	19.7	19.8
Status of employees	Average years of service	13 years and one month	12 years and eight months	10 years and 10 months
	Average age	40 years and 10 months	41 years and 0 months	39 years and 10 months
	Average annual remuneration (Tens of thousands of yen)	694	695	705
	No. of women who have taken childcare leave	7	5	21
	No. of men who have taken childcare leave	0	6	5
	Women who returned to work after taking childcare leave (%)	100	100	100
	Monthly average of overtime hours	20.8	25.5	24.3
	Annual paid holidays taken (days)	10.8	9.8	10.9
	Turnover* (%)	1.2	1.8	6.7
	Average years of employment (male)	14.1	13.7	11.9
Average years of employment (female)	11.8	11.4	9.5	
Industrial safety and health	No. of work-related injuries (including minor injuries)	6	2	3
	Frequency	0	0	0
	Severity	0	0	0

\*Turnover of newly-graduated employees who leave within three years of service

## Environment-related Information

Items	Applicable companies	FY2020	FY2021	FY2022
CO <sub>2</sub> emissions (t-CO <sub>2</sub> ) (Scope 1,2)	Takara Bio	6,822	8,585	9,833
	Takara Biotechnology (Dalian)	4,039	4,058	4,126
	Other offices	0	187	294
Waste emissions (t)	Takara Bio	178	231	192
	Takara Biotechnology (Dalian)	74	88	79
Amount of chemical substances handled (under PRTR Law) (kg)	Takara Bio	34	97	186
	Takara Bio	39,784	84,190	84,657
Volume of water used (m <sup>3</sup> )	Takara Biotechnology (Dalian)	21,428	19,963	21,251
	Other offices	0	75	80

# Members of the Board, Audit & Supervisory Board Members, and Executive Officers

As of June 30, 2022

## Board of Directors

 <p><b>Koichi Nakao</b> President &amp; CEO</p> <p>Apr. 1985 Joins Takara Shuzo Co., Ltd. (currently Takara Holdings Inc.) Apr. 2002 Director Jun. 2003 Managing Director &amp; Executive Officer Jun. 2004 Senior Managing Director &amp; Executive Officer Apr. 2006 Senior Managing Director &amp; Executive Officer, COO Jun. 2007 Vice President &amp; Executive Officer, COO Jun. 2008 Vice President, COO May 2009 President (incumbent) Jun. 2009 Director, Takara Bio USA Holdings Inc. (incumbent) Jun. 2015 Director, Takara Holdings Inc. (incumbent) Jun. 2015 President &amp; CEO (incumbent)</p>	 <p><b>Junichi Mineno</b> Director &amp; Vice President, Executive Officer</p> <p>Apr. 1984 Joins Takara Shuzo Co., Ltd. (currently Takara Holdings Inc.) Apr. 2011 Executive Officer Jun. 2012 Senior Executive Officer Jun. 2014 Managing Director Jun. 2015 Managing Director &amp; Senior Executive Officer Jun. 2019 Director (incumbent) &amp; Senior Corporate Officer Apr. 2022 Vice President &amp; Executive Officer (incumbent)</p>
 <p><b>Yoh Hamaoka</b> Director &amp; Senior Corporate Officer</p> <p>Feb. 2000 Joins Takara Shuzo Co., Ltd. (currently Takara Holdings Inc.) Apr. 2004 Executive Officer Jun. 2009 Senior Executive Officer Jun. 2021 Director (incumbent) &amp; Senior Corporate Officer (incumbent)</p>	 <p><b>Tsuyoshi Miyamura</b> Director &amp; Senior Corporate Officer</p> <p>Apr. 1989 Joins Takara Shuzo Co., Ltd. (currently Takara Holdings Inc.) Jun. 2009 Executive Officer Jun. 2014 Senior Executive Officer Jun. 2018 Director (incumbent) Apr. 2022 Senior Corporate Officer (incumbent)</p>
 <p><b>Masanobu Kimura</b> Director &amp; Senior Executive Officer</p> <p>May 2013 Joins the Company Jun. 2016 Executive Officer Jun. 2017 Director (incumbent) &amp; Senior Executive Officer (incumbent)</p>	 <p><b>Mutsumi Kimura</b> Director</p> <p>Apr. 1985 Joins Takara Shuzo Co., Ltd. (currently Takara Holdings Inc.) Apr. 2002 Director Jun. 2004 Managing Director &amp; Executive Officer Jun. 2007 Senior Managing Director &amp; Executive Officer, CFO May 2009 Director &amp; Vice President Jun. 2009 Vice President Jun. 2014 Director, Takara Holdings Inc.; Senior Managing Director, Takara Shuzo Co., Ltd. Jun. 2016 Vice President, Takara Holdings Inc. Jun. 2017 Director, Takara Shuzo Co., Ltd. (incumbent) Jul. 2017 President, Takara Shuzo International Co., Ltd. Jun. 2018 President, Takara Holdings Inc. (incumbent) Apr. 2020 Director, Takara Shuzo International Co., Ltd. (incumbent) Jun. 2022 Director (incumbent)</p>
 <p><b>Nobuko Kawashima</b> Director (External Director)</p> <p>Apr. 1986 Joins The Long-Term Credit Bank of Japan (currently Shinsei Bank, Limited) Sep. 1987 Joins Dentsu Communication Institute Inc. Sep. 1995 Research fellow at the Centre for Cultural Policy Studies of the University of Warwick Apr. 1999 Full-time lecturer with the Faculty of Economics at Doshisha University Apr. 2004 Professor with the Faculty of Economics at Doshisha University (incumbent) Jun. 2016 Director (External Director) (incumbent) Jun. 2021 External director, TOKAI Holdings Corporation (incumbent)</p>	 <p><b>Kazuko Kimura</b> Director (External Director)</p> <p>Apr. 1976 Joins the Safety and Environmental Health Bureau of the Ministry of Health and Welfare (currently Ministry of Health, Labour and Welfare) Apr. 1979 Pharmaceutical Affairs Bureau Jul. 1996 Seconded to the pharmaceutical department of the World Health Organization Jul. 1999 Seconded to the Organization for Pharmaceutical Safety and Research Apr. 2000 Professor of International Medical Research Laboratory, Institute of Medical, Pharmaceutical and Health sciences, Kanazawa University Jun. 2013 Director (External Director), Alfresa Holdings Corporation Sep. 2013 Representative Director, Medicines Security Workshop (incumbent) Apr. 2017 Professor Emeritus at Kanazawa University Oct. 2017 Specially Appointed Professor with the Graduate School of Medical Sciences at Kanazawa University (incumbent) Jun. 2019 Director (External Director) (incumbent) Jun. 2021 External director, Mitsubishi Logistics Corporation (incumbent)</p>
 <p><b>Noriomi Matsumura</b> Director (External Director)</p> <p>May 1998 Doctor with the Department of Obstetrics and Gynecology, Hyogo Prefectural Amagasaki General Medical Center Apr. 2000 Doctor with the Department of Obstetrics and Gynecology, Toyooka Public Hospital Sep. 2002 Doctor with the Department of Obstetrics and Gynecology, Kyoto University Hospital Apr. 2007 Program-Specific Assistant Professor with the Department of Obstetrics and Gynecology, Kyoto University Hospital Apr. 2008 Assistant Professor with the Department of Obstetrics and Gynecology, Kyoto University Hospital Dec. 2012 Lecturer with the Maternal and Perinatal Care Unit, Kyoto University Hospital Aug. 2013 Associate Professor with Gynecology and Obstetrics, Medicine, Graduate School of Medicine at Kyoto University Apr. 2017 Professor with the Department of Obstetrics &amp; Gynecology, Faculty of Medicine at Kindai University (incumbent) Jun. 2017 Vice chairperson of Board Certification Committee at Japan Society of Obstetrics and Gynecology (incumbent) Dec. 2018 Director and IR Committee member of Japanese Gynecologic Oncology Group (incumbent) Jun. 2020 Director (External Director) (incumbent) Jul. 2020 Board Member, Japan Society of Gynecologic Oncology (incumbent)</p>	

## Audit & Supervisory Board Members

<p><b>Akihiko Kita</b> Standing Audit &amp; Supervisory Board Member</p> <p>Apr. 1984 Joins Takara Shuzo Co., Ltd. (currently Takara Holdings Inc.) Apr. 2014 Executive Officer Jun. 2016 Standing Audit &amp; Supervisory Board Member (incumbent)</p>	<p><b>Masahide Tamaki</b> Standing Audit &amp; Supervisory Board Member</p> <p>Apr. 1983 Joins Takara Shuzo Co., Ltd. (currently Takara Holdings Inc.) Apr. 2007 Executive Officer Jun. 2016 Senior Executive Officer Jun. 2019 Standing Audit &amp; Supervisory Board Member (incumbent)</p>	<p><b>Kunihiko Kamada</b> External Audit &amp; Supervisory Board Member</p> <p>Apr. 1992 Registered as an attorney at law (Osaka Bar Association) Mar. 1993 Registered as a patent attorney Apr. 2007 Part-time lecturer at Meijo University Jun. 2011 Daichi Law Office, P.C. (incumbent) Jun. 2016 External Audit &amp; Supervisory Board Member (incumbent)</p>
<p><b>Yasuo Himejiwa</b> External Audit &amp; Supervisory Board Member</p> <p>Aug. 1983 Joins the accounting firm of Peat Marwick Mitchell &amp; Co. (currently KPMG) Aug. 1990 Registered as a Certified Public Accountant of Japan Aug. 1994 European Director at KPMG Project Japan Jan. 1996 Century Audit Corporation (currently Ernst &amp; Young ShinNihon LLC) Feb. 2001 Senior partner at Ernst &amp; Young ShinNihon LLC Sep. 2003 Partner at Azusa &amp; Co. (currently KPMG AZSA LLC) Jul. 2009 Director, Azusa &amp; Co. (currently KPMG AZSA LLC) Osaka G.P. (Global Japanese Practice) May 2015 National Employee Association Chairman, KPMG AZSA LLC</p>	<p><b>Masaaki Makikawa</b> External Audit &amp; Supervisory Board Member</p> <p>Jun. 2016 Head, Himejiwa Certified Public Accountants' Office (incumbent) Jun. 2016 External Audit &amp; Supervisory Board Member (incumbent) Jun. 2017 Outside Director (Member of Audit &amp; Supervisory Committee), Sharp Corporation (incumbent) Jun. 2020 Outside Director (Member of Audit &amp; Supervisory Committee), IDEC Corporation Jun. 2021 Outside Director (Full-time Audit &amp; Supervisory Committee Member), IDEC Corporation (incumbent)</p>	<p><b>Mutsumi Sano</b> Senior Corporate Officer</p> <p>Apr. 1996 Professor with the Department of Robotics, College of Science and Engineering, Ritsumeikan University Apr. 2003 Head of the Liaison Office, Biwako-Kusatsu Campus, Ritsumeikan University Apr. 2005 Director, Research Center for Sport and Health Science, Ritsumeikan University Apr. 2007 Director, Research Organization of Science and Engineering, Ritsumeikan University Apr. 2011 Visiting Professor with the Graduate School of Medicine, Osaka University (incumbent) Apr. 2012 Dean of the Research Division, Ritsumeikan University Apr. 2017 Specially Appointed Professor with the Faculty of Science and Engineering, Ritsumeikan University (incumbent) Jun. 2017 External Audit &amp; Supervisory Board Member (incumbent) Jul. 2017 Special Professor with the College of Science and Engineering, Assistant Director, Ritsumeikan University Apr. 2021 President, Hatsuishi Gakuen (incumbent) Apr. 2022 Assistant to the Trustees, the Ritsumeikan Trust (incumbent) Visiting Professor, Research Organization of Science and Technology, Ritsumeikan University (incumbent)</p>

## Executive Officers

<p><b>Mutsumi Sano</b> Senior Corporate Officer</p> <p>Apr. 1996 Professor with the Department of Robotics, College of Science and Engineering, Ritsumeikan University Apr. 2003 Head of the Liaison Office, Biwako-Kusatsu Campus, Ritsumeikan University Apr. 2005 Director, Research Center for Sport and Health Science, Ritsumeikan University Apr. 2007 Director, Research Organization of Science and Engineering, Ritsumeikan University Apr. 2011 Visiting Professor with the Graduate School of Medicine, Osaka University (incumbent) Apr. 2012 Dean of the Research Division, Ritsumeikan University Apr. 2017 Specially Appointed Professor with the Faculty of Science and Engineering, Ritsumeikan University (incumbent) Jun. 2017 External Audit &amp; Supervisory Board Member (incumbent) Jul. 2017 Special Professor with the College of Science and Engineering, Assistant Director, Ritsumeikan University Apr. 2021 President, Hatsuishi Gakuen (incumbent) Apr. 2022 Assistant to the Trustees, the Ritsumeikan Trust (incumbent) Visiting Professor, Research Organization of Science and Technology, Ritsumeikan University (incumbent)</p>	<p><b>Katsuhiko Kusakabe</b> Senior Executive Officer</p> <p>Apr. 2007 Part-time lecturer at Meijo University Jun. 2011 Daichi Law Office, P.C. (incumbent) Jun. 2016 External Audit &amp; Supervisory Board Member (incumbent)</p>	<p><b>Kyoko Nakajima</b> Senior Executive Officer</p> <p>Apr. 2007 Director, Research Center for Sport and Health Science, Ritsumeikan University Apr. 2007 Director, Research Organization of Science and Engineering, Ritsumeikan University Apr. 2011 Visiting Professor with the Graduate School of Medicine, Osaka University (incumbent) Apr. 2012 Dean of the Research Division, Ritsumeikan University Apr. 2017 Specially Appointed Professor with the Faculty of Science and Engineering, Ritsumeikan University (incumbent) Jun. 2017 External Audit &amp; Supervisory Board Member (incumbent) Jul. 2017 Special Professor with the College of Science and Engineering, Assistant Director, Ritsumeikan University Apr. 2021 President, Hatsuishi Gakuen (incumbent) Apr. 2022 Assistant to the Trustees, the Ritsumeikan Trust (incumbent) Visiting Professor, Research Organization of Science and Technology, Ritsumeikan University (incumbent)</p>
<p><b>Akira Kodera</b> Executive Officer</p> <p>Apr. 2007 Director, Research Center for Sport and Health Science, Ritsumeikan University Apr. 2007 Director, Research Organization of Science and Engineering, Ritsumeikan University Apr. 2011 Visiting Professor with the Graduate School of Medicine, Osaka University (incumbent) Apr. 2012 Dean of the Research Division, Ritsumeikan University Apr. 2017 Specially Appointed Professor with the Faculty of Science and Engineering, Ritsumeikan University (incumbent) Jun. 2017 External Audit &amp; Supervisory Board Member (incumbent) Jul. 2017 Special Professor with the College of Science and Engineering, Assistant Director, Ritsumeikan University Apr. 2021 President, Hatsuishi Gakuen (incumbent) Apr. 2022 Assistant to the Trustees, the Ritsumeikan Trust (incumbent) Visiting Professor, Research Organization of Science and Technology, Ritsumeikan University (incumbent)</p>	<p><b>Noritaka Nishiwaki</b> Executive Officer</p> <p>Apr. 2007 Director, Research Center for Sport and Health Science, Ritsumeikan University Apr. 2007 Director, Research Organization of Science and Engineering, Ritsumeikan University Apr. 2011 Visiting Professor with the Graduate School of Medicine, Osaka University (incumbent) Apr. 2012 Dean of the Research Division, Ritsumeikan University Apr. 2017 Specially Appointed Professor with the Faculty of Science and Engineering, Ritsumeikan University (incumbent) Jun. 2017 External Audit &amp; Supervisory Board Member (incumbent) Jul. 2017 Special Professor with the College of Science and Engineering, Assistant Director, Ritsumeikan University Apr. 2021 President, Hatsuishi Gakuen (incumbent) Apr. 2022 Assistant to the Trustees, the Ritsumeikan Trust (incumbent) Visiting Professor, Research Organization of Science and Technology, Ritsumeikan University (incumbent)</p>	<p><b>Masanari Kitagawa</b> Executive Officer</p> <p>Apr. 2007 Director, Research Center for Sport and Health Science, Ritsumeikan University Apr. 2007 Director, Research Organization of Science and Engineering, Ritsumeikan University Apr. 2011 Visiting Professor with the Graduate School of Medicine, Osaka University (incumbent) Apr. 2012 Dean of the Research Division, Ritsumeikan University Apr. 2017 Specially Appointed Professor with the Faculty of Science and Engineering, Ritsumeikan University (incumbent) Jun. 2017 External Audit &amp; Supervisory Board Member (incumbent) Jul. 2017 Special Professor with the College of Science and Engineering, Assistant Director, Ritsumeikan University Apr. 2021 President, Hatsuishi Gakuen (incumbent) Apr. 2022 Assistant to the Trustees, the Ritsumeikan Trust (incumbent) Visiting Professor, Research Organization of Science and Technology, Ritsumeikan University (incumbent)</p>
<p><b>Nobuto Koyama</b> Executive Officer</p> <p>Apr. 2007 Director, Research Center for Sport and Health Science, Ritsumeikan University Apr. 2007 Director, Research Organization of Science and Engineering, Ritsumeikan University Apr. 2011 Visiting Professor with the Graduate School of Medicine, Osaka University (incumbent) Apr. 2012 Dean of the Research Division, Ritsumeikan University Apr. 2017 Specially Appointed Professor with the Faculty of Science and Engineering, Ritsumeikan University (incumbent) Jun. 2017 External Audit &amp; Supervisory Board Member (incumbent) Jul. 2017 Special Professor with the College of Science and Engineering, Assistant Director, Ritsumeikan University Apr. 2021 President, Hatsuishi Gakuen (incumbent) Apr. 2022 Assistant to the Trustees, the Ritsumeikan Trust (incumbent) Visiting Professor, Research Organization of Science and Technology, Ritsumeikan University (incumbent)</p>	<p><b>Takuya Kakemi</b> Executive Officer</p> <p>Apr. 2007 Director, Research Center for Sport and Health Science, Ritsumeikan University Apr. 2007 Director, Research Organization of Science and Engineering, Ritsumeikan University Apr. 2011 Visiting Professor with the Graduate School of Medicine, Osaka University (incumbent) Apr. 2012 Dean of the Research Division, Ritsumeikan University Apr. 2017 Specially Appointed Professor with the Faculty of Science and Engineering, Ritsumeikan University (incumbent) Jun. 2017 External Audit &amp; Supervisory Board Member (incumbent) Jul. 2017 Special Professor with the College of Science and Engineering, Assistant Director, Ritsumeikan University Apr. 2021 President, Hatsuishi Gakuen (incumbent) Apr. 2022 Assistant to the Trustees, the Ritsumeikan Trust (incumbent) Visiting Professor, Research Organization of Science and Technology, Ritsumeikan University (incumbent)</p>	<p><b>Tatsuji Enoki</b> Executive Officer</p> <p>Apr. 2007 Director, Research Center for Sport and Health Science, Ritsumeikan University Apr. 2007 Director, Research Organization of Science and Engineering, Ritsumeikan University Apr. 2011 Visiting Professor with the Graduate School of Medicine, Osaka University (incumbent) Apr. 2012 Dean of the Research Division, Ritsumeikan University Apr. 2017 Specially Appointed Professor with the Faculty of Science and Engineering, Ritsumeikan University (incumbent) Jun. 2017 External Audit &amp; Supervisory Board Member (incumbent) Jul. 2017 Special Professor with the College of Science and Engineering, Assistant Director, Ritsumeikan University Apr. 2021 President, Hatsuishi Gakuen (incumbent) Apr. 2022 Assistant to the Trustees, the Ritsumeikan Trust (incumbent) Visiting Professor, Research Organization of Science and Technology, Ritsumeikan University (incumbent)</p>

# Investor Information

As of March 31, 2022

## Corporate Data

Trade Name	Takara Bio Inc.	Lines of Business	Production and sales of research reagents, scientific instruments and others, CDMO business, and gene therapy business
Head Office	7-4-38 Nojihigashi, Kusatsu, Shiga 525-0058, Japan	Number of Employees of Takara Bio Group	1,666 (consolidated)
Telephone	+81-77-565-6920 PR and IR Department: +81-77-565-6970	URL	https://www.takara-bio.co.jp
Established	April 1, 2002		
Issued Capital	¥14,965,828,496		

## Main Offices

Headquarters	7-4-38 Nojihigashi, Kusatsu, Shiga 525-0058, Japan	Tokyo Branch	2-15-10 Nihonbashi, Chuo-ku, Tokyo 103-8232, Japan
Kusatsu Office	7-2-62 Nojihigashi, Kusatsu, Shiga 525-0058, Japan		

## Consolidated Subsidiaries

Consolidated Subsidiaries	Location	Issued Capital and Subscription
Takara Biotechnology (Dalian) Co., Ltd.	Dalian, People's Republic of China	¥2,350 million
Takara Korea Biomedical Inc.	Seoul, Korea	₩3,860 million
Takara Biomedical Technology (Beijing) Co., Ltd.	Beijing, People's Republic of China	¥1,330 million
DSS Takara Bio India Private Ltd.	New Delhi, India	₹110 million
Takara Bio USA Holdings Inc.	San Jose, U.S.A.	\$70,857 thousand
Takara Bio USA, Inc.	San Jose, U.S.A.	\$83 thousand
Takara Bio Europe S.A.S.	Saint-Germain-en-Laye, France	€891 thousand
Takara Bio Europe AB	Gothenburg, Sweden	Skr2,222 thousand
Takara Bio UK Ltd.	London, U.K.	£100 thousand

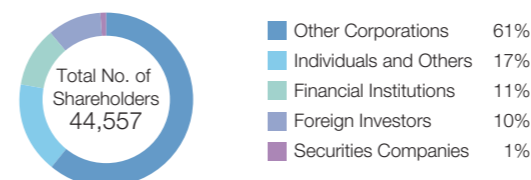
## Investor Information

Common Shares	
Authorized	400,000,000 shares
Issued	120,415,600 shares
Total No. of Shareholders	44,557
Stock Listing	Tokyo Stock Exchange (securities code number: 4974)
Fiscal Year	From April 1 to March 31 of the following year
Annual Meeting of Shareholders	Every June
Record Date	Dividends March 31 Interim dividends September 30 Other record dates will be posted in advance if necessary
Share Unit Number	100 shares

## Major Shareholders

Name	Number of Shares Held	Percentage of Issued Shares
Takara Holdings, Inc.	73,350,000	60.91%
The Master Trust Bank of Japan, Ltd. (trust account)	7,320,600	6.08%
Custody Bank of Japan, Ltd. (trust account)	3,311,500	2.75%
THE BANK OF NEW YORK MELLON SA/NV 10	1,100,000	0.91%
STATE STREET BANK WEST CLIENT-TREATY 505234	661,700	0.55%
JP MORGAN CHASE BANK 385781	602,417	0.50%
J.P. MORGAN BANK LUXEMBOURG S.A. 384513	533,700	0.44%
STATE STREET BANK AND TRUST COMPANY 505001	501,886	0.42%
Bank of Kyoto, Ltd.	500,000	0.42%
The Dai-ichi Life Insurance Company, Limited	482,200	0.40%

## Distribution of Shareholders



# TAKARA BIO INC.

7-4-38 Nojihigashi, Kusatsu, Shiga 525-0058, Japan  
URL: <https://www.takara-bio.com>

## Inquiries

PR & IR Department, Takara Bio Inc.  
e-mail : [bio-ir@takara-bio.co.jp](mailto:bio-ir@takara-bio.co.jp)

