The original disclosure in Japanese was released on August 3, 2021 at 15:30 (GMT+9)

To whom it may concern,


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|---|---|
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# Revision of Consolidated Business Results Forecast and Dividend Forecast (Increased Dividend)

Takara Holdings is revising the consolidated business results forecasts and the dividend forecast that it released on May 13, 2021, for the fiscal year ending March 31, 2022 (from April 1, 2021 to March 31, 2022) as stated below. These revisions were based on consideration of recent performance trends.

1. Revision of the business results forecast

(1) Revised figures for the business results forecast for the second quarter ending September 30, 2021 (from April 1, 2021, to September 30, 2021)

(Millions of yen / %)

| | Net sales | Operating income | Ordinary income | Net income attributable to owners of the parent | Net income per share |
|---|---|---|---|---|---|
| Previous forecast (A) (May 13, 2021, announcement) | 127,000 | 10,600 | 10,800 | 5,400 | 27.31yen |
| Revised forecast (B) | 140,000 | 18,100 | 18,200 | 7,800 | 39.45yen |
| Difference (B－A) | 13,000 | 7,500 | 7,400 | 2,400 | - |
| Difference (%) | 10.2 | 70.8 | 68.5 | 44.4 | - |
| Reference: Previous business results (The second quarter ended September 30, 2020) | 127,784 | 5,782 | 5,940 | 2,761 | 13.97yen |

(2) Revised figures for the business results forecast for the fiscal year ending March 31, 2022 (from April 1, 2021, to March 31, 2022)

(Millions of yen / %)

| | Net sales | Operating income | Ordinary income | Net income attributable to owners of the parent | Net income per share |
|---|---|---|---|---|---|
| Previous forecast (A) (May 13, 2021, announcement) | 264,000 | 22,600 | 23,000 | 11,900 | 60.19yen |
| Revised forecast (B) | 275,000 | 28,600 | 29,000 | 13,400 | 67.78yen |
| Difference (B－A) | 11,000 | 6,000 | 6,000 | 1,500 | - |
| Difference (%) | 4.2 | 26.5 | 26.1 | 12.6 | - |
| Reference: Previous business results (The fiscal year ended March 31, 2021) | 278,443 | 21,595 | 21,929 | 10,574 | 53.48yen |

(3) Reason for revision

For the fiscal year ending March 31, 2022, overall consolidated net sales for the Takara Group are expected to exceed the initial forecast as net sales for the Takara Shuzo International Group and the Takara Bio Group are projected to be larger than the forecast, although net sales for Takara Shuzo will be a little lower than the forecast.

In terms of profit, operating income, ordinary income, and net income attributable to owners of the parent are expected to exceed the initial forecast and are projected to be an all-time high, as a sales increase and a lower cost of sales rate raised gross profit and SG&A expenses were held down.

The performance by each business segment is as follows.

**[Takara Shuzo]**

In Japan, amid the prolonged effects of the spread of COVID-19, sake will continue to face a harsh condition as the outlook for the market of products for commercial use remains uncertain, although sales of shochu, etc., which captured an increase in demand for household use are expected to exceed the initial forecast. In addition, with regard to light-alcohol refreshers, sales slowed down due to voluntary product recall in the first quarter ended June 30, 2021, and overall net sales for the fiscal year ending March 31, 2022 are expected to be lower than the initial forecast, although Takara Shuzo is planning to return to the growth track from the third quarter ending December 31, 2021 and later.

Operating income for the fiscal year ending March 31, 2022 is estimated to be lower than the initial forecast, as a greater-than-expected increase in costs of raw materials and fuels such as crude alcohol and heavy fuel oil is expected in the future, despite efforts to generate profits through thorough cost reduction.

**[Takara Shuzo International Group]**

Overseas, the recovery from the effects of COVID-19 proceeded rapidly, and sales for eating and drinking establishments exceeded expectations. In addition, sales channels to retailers and channels of online sales have been expanding, on which we have been working from the previous fiscal year, and net sales for the fiscal year ending March 31, 2022 are expected to exceed the initial forecast as well as the level before the coronavirus crisis.

Operating income is estimated to exceed the initial forecast due to an increase in net sales and an increase in gross profit mainly resulting from improvement of plant operation rate in the Overseas Alcoholic Beverages Business and change in product composition in the Japanese Food Wholesales Business in overseas markets, in addition to the contribution of reduction of SG&A expenses.

**[Takara Bio Group]**
In terms of net sales, in addition to the recovery in the general research reagent market, which had been sluggish due to the impact of COVID-19, PCR testing-related products for COVID-19 are also expected to increase. Moreover, CDMO business, such as outsourcing related to genetic analysis, is expected to increase. As a result, net sales are expected to exceed the initial forecast.

With regard to SG&A expenses, while R&D expenses will increase from the initial plan, the increase in gross profit due to the increase in sales will be larger than the increase of SG&A expenses. As a result, operating income is also expected to exceed the initial forecast.

For further details of forecasts for each business segment, please refer to pages 12/27-19/27 in "Supplement for the Consolidated Financial Statements for the First Quarter Ended June 30, 2021," announced today.

## 2. Revision of the dividend forecast

### (1) Details of revision

| | Annual Dividend (yen) | | |
|---|---|---|---|
| | End of 2nd quarter | Fiscal year-end | Total |
| Previous forecast (Announced May 13, 2021) | | 22.00 | 22.00 |
| Revised forecast | | 24.00 | 24.00 |
| Dividends paid in the fiscal year ending March 31, 2022 | | | |
| Dividends paid in the fiscal year ended March 31, 2021 | | 21.00 | 21.00 |

### (2) Reason for revision

The Company's financial policy is to implement appropriate shareholder returns in light of sustainable earnings growth, based on the maintenance of a sound financial structure, by endeavoring to increase ROE through the improvement of profitability and efficiency in addition to growth investment with an awareness of enhancing investment efficiency. The Company's specific policy on shareholder returns is to continuously pay stable dividends with a payout ratio in the high 30's% range in line with sustainable earnings growth.

Based on the above upward revision of the business forecast and policy on shareholder returns, the Company has revised the year-end dividend forecast for the fiscal year ending March 31, 2022, from the initial forecast of ¥22 to ¥24 per share.

Further, today consolidated subsidiary Takara Bio Inc. (The First Section of Tokyo Stock Exchange, security code number: 4974) also announced revisions to forecasts and dividend forecasts for the fiscal year ending March 31, 2022.

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

**Forward‐Looking Statements**

Statements in this document, other than those based on historical fact, concerning the current plans, prospects, strategies and expectations of the Company and its Group represent forecasts of future results. While such statements are based on the conclusions of management according to information available at the time of writing, they reflect many assumptions and opinions derived from information that includes major risks and uncertainties. Actual results may vary significantly from these forecasts due to various factors. Factors that could influence actual results include, but are not limited to, economic conditions, especially trends in consumer spending, as well as exchange rate fluctuations, changes in laws and government systems, pressure from competitors' prices and product strategies, declines in selling power of the Company's existing and new products, disruptions to production, violations of the Company's intellectual property rights, rapid advances in technology and unfavorable verdicts in major litigation