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Notice Regarding Revisions of the Earnings Forecasts for the Six Months and Full-Year of the Fiscal Year Ending March 31, 2022

Shin Nippon Biomedical Laboratories, Ltd. (hereinafter, “the Company”) announces the revisions to the forecast of the first six months consolidated results for the fiscal year ending March 31, 2022 (from April 1, 2021 to September 30, 2021) announced on August 4, 2021. The Company also announces the revisions to the full-year forecast for the same fiscal year (from April 1, 2021 to March 31, 2022) as announced on May 10, 2021, in view of the latest earnings trends.

1. Revisions to the forecast of the consolidated results for the fiscal year ending March 31, 2022

(1) Details of the revisions to the forecast of the six months consolidated financial results from April 1, 2021 to June 30, 2021

	Net Sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Profit per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous Forecasts (A)	7,455	1,220	1,550	2,540	61.01
Revised forecasts (B)	7,960	1,946	2,530	3,440	82.62
Changes (B - A)	+505	+726	+980	+900	
Changes (%)	+6.8	+59.5	+63.2	+35.4	
ref.) Results of the six months of the fiscal year ended March 31, 2021	7,003	1,161	1,305	1,139	27.36

(2) Details of the revisions to the forecast of the full-year consolidated financial results from April 1, 2021 to March 31, 2022

	Net Sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Profit per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous Forecasts (A)	15,982	2,550	3,200	3,900	93.67
Revised forecasts (B)	17,400	3,800	4,600	4,900	117.69
Changes (B - A)	+1,418	+1,250	+1,400	+1,000	
Changes (%)	+8.9	+49.0	+43.8	+25.6	
ref.) Results of the fiscal year ended March 31, 2021	15,110	2,529	3,645	3,661	87.95

2. Reasons for the revisions to the consolidate financial results forecasts

During the first six months of the fiscal year ending March 31, 2022, the preclinical CRO business which is a core earnings driver of the Company posted sales of ¥7.25 billion (¥6.29 billion in the same period last year), exceeding the original sales forecast of the business by ¥420 million. This is attributable to the increasing demands for preclinical studies using NHPs (nonhuman primates) against a backdrop of globally escalating development competitions of biopharmaceuticals such as antibody drugs, nucleic acid medicines and gene therapies among pharmaceutical firms and biotech companies. The Company has its own

breeding facilities and established a unique NHP supply chain, which is a strong competitive edge of the Company as it enables clients to initiate preclinical studies promptly. As such, orders received from both existing and new clients has been on the steady increase.

As CRO business as a whole has been maintaining the improved high profit margins in conjunction with high occupancy of the laboratory facilities due to strong orders and a substantial order backlog, the Company's operating profit, ordinary profit and profit attributable to owners of parent are all expected to exceed the original forecast announced in May 2021.

For the same reason stated above, the full-year forecast figures are also revised as presented in the previous section.

In line with the Company's original plan, the operating profit margin in the second half of the fiscal year ending March 31, 2022, is expected to remain lower compared to the margin in the first half of the same fiscal year, as the Company anticipates spending on nonclinical/clinical development for TR business as well as expenses relating to corporate matters such as enhancement of human resources.

Foreign exchange gain of ¥153 million is posted in the first six month of the fiscal year ending March 31, 2022, based on the foreign exchange rate of 111.95 Japanese yen to the US dollar. The newly-revised forecast figures in the full year outlook above are also based on the assumed exchange rate of 111.95 Japanese yen to the US dollar.

(NOTE) Financial forecasts and other statements above are based on information available as of the date of this announcement.

Actual performance may differ substantially due to various factors in the future