



February 2, 2022

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

In the light of the latest earnings trends, Shin Nippon Biomedical Laboratories, Ltd. (hereinafter, “the Company”) announces the revisions to the full-year forecast of the consolidated financial results for the fiscal year ending March 31, 2022 (from April 1, 2021 to March 30, 2022) announced on October 21, 2021, and to the year-end dividend forecast announced on May 10, 2021.

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

(1) Details of the revisions to the full-year forecast of the consolidated financial results of the fiscal year 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)	15,400	3,800	4,600	4,900	117.69
Revised forecasts (B)	17,900	4,100	5,630	5,800	139.31
Changes (B - A)	+500	+300	+1,030	+900	
Changes (%)	+2.9	+7.9	+22.4	+18.4	
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 full-year consolidated financial results forecasts

The preclinical CRO business which is a core earnings driver of the Company has been demonstrating strong performance to date, exceeding the Company’s projections. This is attributable to the continuously expanding demands for preclinical studies using large laboratory animals against a backdrop of globally escalating development competitions for new modalities such as antibody drugs and nucleic acid medicines among pharmaceutical firms and biotech companies, as well as accelerating outsourcing trends in pharmaceutical industry as a whole amid COVID-19 pandemic. The Company continues to maintain high occupancy of the laboratory facilities due to continuous strong orders and a substantial order backlog, and orders received from both existing and new clients has been on the steady increase. The clinical CRO business in which the Company has been engaged through PPD-SNBL K.K., a joint venture with PPD International Holdings, LLC, an international CRO based in the United States, has also been making solid progress in orders received so far.

As such and taking into consideration the solid business results to the third quarter, although the increase of spending in TR business in relation to preparations for Phase I clinical trials led by the Company’s consolidated subsidiary SNLD, Ltd. and other corporate-related expenses for enhancement of human resources are anticipated in the forth quarter in line with the initial plan, the Company newly revised the full-year forecast as above, expecting its operating profit, ordinary profit and profit attributable to owners of parent to reach a record high.

Foreign exchange gain of ¥490 million is posted in the first nine month of the fiscal year ending March 31, 2022, based on the

foreign exchange rate of 115.01 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 115.01 Japanese yen to the US dollar.

2. Revisions to the forecast of the year-end dividend

(1) Details of the revisions to the forecast of the year-end dividend of the fiscal year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

	Year-end dividend (yen)		
	September 30, 2021	March 31, 2022	Total
Previous forecast (announced on May 10, 2021)		20.00	20.00
Revised forecast		40.00 (of which, special dividend 10.00)	40.00 (of which, special dividend 10.00)
Actual	0.00		
ref.) Results of the fiscal year ended March 31, 2021	0.00	20.00 (of which, special dividend 10.00)	20.00 (of which, special dividend 10.00)

(2) Reasons for the revisions to the year-end dividend forecast

With one of the management priorities set on returning profits with shareholders, the Company has a policy of steadily distributing profits, taking into account the internal reserve required for the enhancement of its business structure as well as for the investment for future business growth. Based on the full year consolidated earnings forecasts for the fiscal year ending March 2022 announced today and after comprehensively considering our financial condition and the return of profits to shareholders, the year-end dividend forecast has been revised upwardly to 40 yen per share (20 yen per share in the previous forecast), of which 10 yen is a special dividend.

(NOTE) Financial and dividend forecasts and other statements above are based on information available as of the date of this announcement and on certain assumptions which the Company deems reasonable. Actual performance may differ substantially due to various factors in the future