

**The Fiscal Year Ended March 31, 2022**

# **Supplementary Material on Financial Results**

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May 6, 2022



SHIN NIPPON BIOMEDICAL LABORATORIES, LTD.

(TSE PRIME: 2395)



# 1. Outline of Consolidated Financial Results

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# Financial Results Highlights: FY2022/3

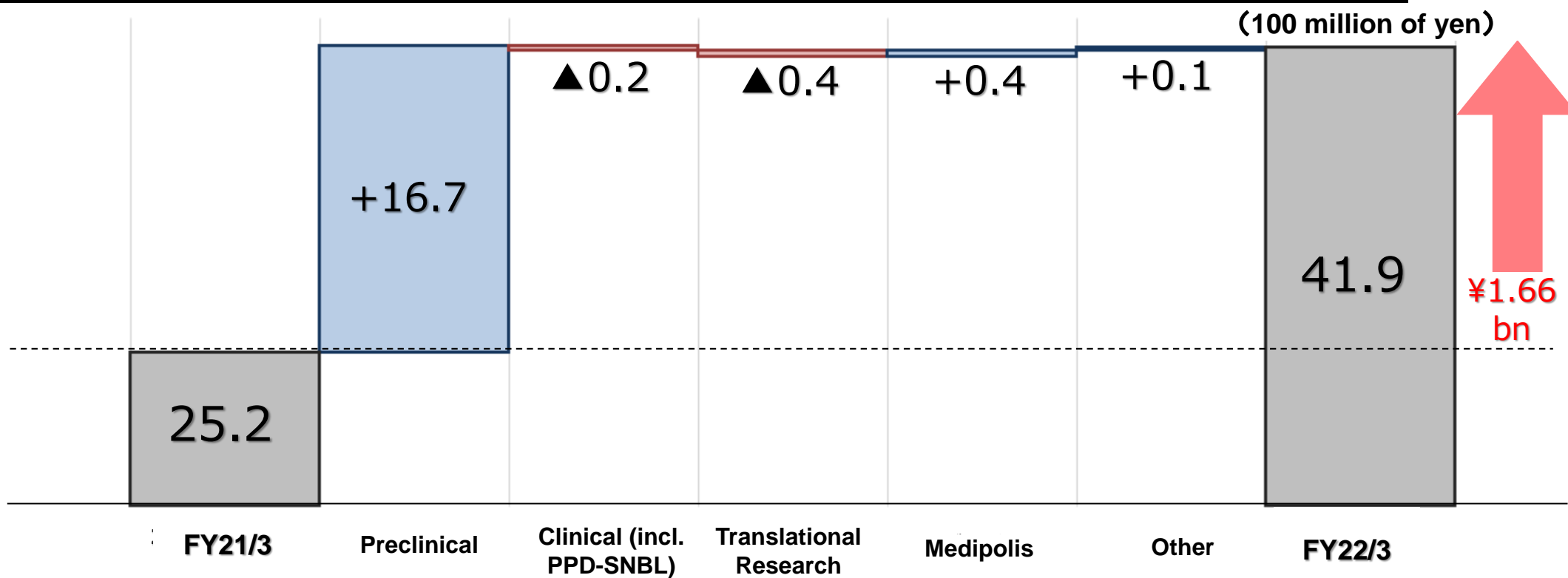
Achieved **record highs** at all levels, for operating profit, ordinary profit and profit attributable to owners of parent

(100 million of yen)

	FY2021/3 Results	FY2022/3				
		Previous forecasts (2/2/2022)	<b>Results</b>	Changes against previous forecasts	Yoy	
Net sales	151.1	179.0	<b>177.4</b>	<b>-1.5</b>	<b>+26.3</b>	<b>17.5%</b>
Operating Profit	25.2	41.0	<b>41.9</b>	<b>+0.9</b>	<b>+16.6</b>	<b>65.9%</b>
Ordinary Profit	36.4	56.3	<b>70.7</b>	<b>+14.4</b>	<b>+34.3</b>	<b>94.2%</b>
Ordinary Profit (excl. FX impact)	34.0	51.3	<b>57.0</b>	<b>+5.6</b>	<b>+23.0</b>	<b>67.6%</b>
Profit Attributable to Owners of Parent	36.6	58.0	<b>71.2</b>	<b>+13.2</b>	<b>+34.6</b>	<b>94.6%</b>

# Yoy Comparison of Consolidated Operating Profit & Loss

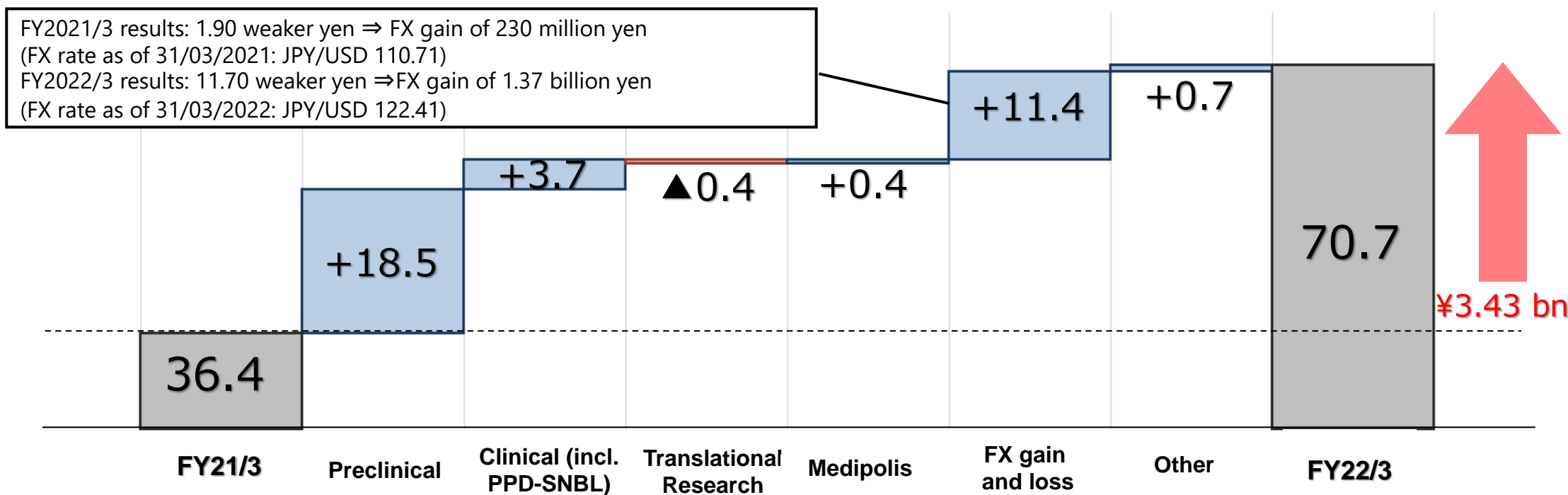
						Operating profit total
	CRO business		Translational Research business	Medipolis business	Other	
	Preclinical	Clinical (incl. PPD-SNBL)				
FY2022/3	51.0	0.7	-7.4	-0.1	-2.3	41.9
FY2021/3	34.3	0.9	-7.0	-0.5	-2.5	25.2
Yoy changes	+16.7	-0.2	-0.4	+0.4	+0.1	+16.6



# Yoy Comparison of Consolidated Ordinary Profit & Loss

							Ordinary profit total
	CRO business		Translational Research business	Medipolis business	Foreign exchange gain and loss	Other	
	Preclinical	Clinical (incl. PPD-SNBL)					
<b>FY2022/3</b>	<b>52.8</b>	<b>13.7</b>	<b>-7.4</b>	<b>-0.1</b>	<b>13.7</b>	<b>-2.0</b>	<b>70.7</b>
FY2021/3	34.3	10.0	-7.0	-0.5	2.3	-2.7	36.4
Yoy changes	+18.5	+3.7	-0.4	+0.4	+11.4	+0.7	+34.3

(100 million of yen)



# Forecasts for FY2023/3

We expect to set **record high** operating profit for four consecutive years

(100 million of yen)

	FY2022/3 Results	FY2023/3		
		Full-year Forecasts	Changes against previous forecasts	
Net sales	177.4	<b>196.0</b>	<b>+18.5</b>	<b>10.4%</b>
Operating Profit	41.9	<b>50.0</b>	<b>+8.0</b>	<b>19.2%</b>
Ordinary Profit	70.7	<b>60.0</b>	<b>△10.7</b>	<b>-15.2%</b>
Ordinary Profit (excl. FX impact)	57.0	<b>60.0</b>	<b>+2.9</b>	<b>5.1%</b>
Profit Attributable to Owners of Parent	71.2	<b>43.0</b>	<b>△28.2</b>	<b>-39.7%</b>

<FY2023/3 forecasts summary>

1. Preclinical CRO business  
Sales and profits expected to increase by ¥1.76 bn and ¥1.29 bn, respectively, yoy.

2. TR business  
Plan to spend on a clinical study for a nasal neurodegenerative disease rescue medication

3. FX gains and losses (non-operating profit/loss)  
On loans to subsidiaries, ¥1.37bn decrease yoy (FY2022/3 +¥1.37bn⇒FY2023/3 ±0)  
FX assumption: JPY/USD122.41

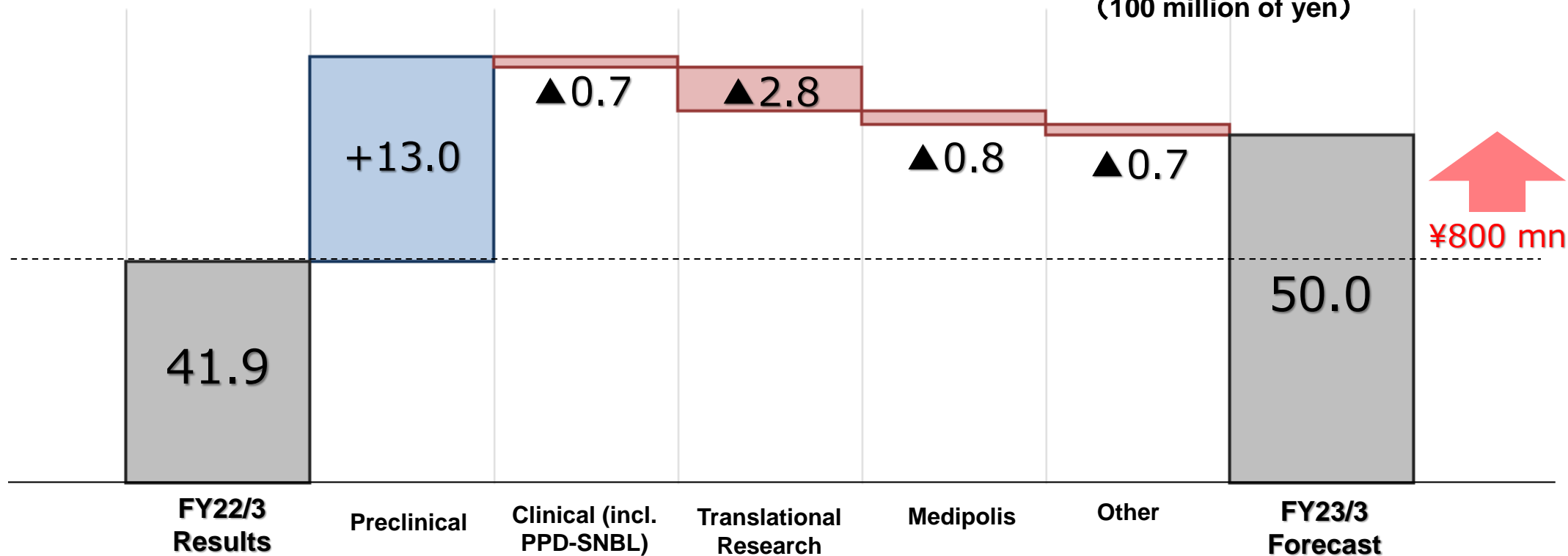
4. Extraordinary profit  
Posted extraordinary profit of ¥1.36bn from change in equity in a subsidiary in China in FY2022/3

5. Corporate tax  
Decrease of retained losses will result in less favorable corporate tax rates

# Comparison of Consolidated Operating Profit & Loss Forecasts for FY2023/3 against Previous Year

	Operating profit components					Operating profit total
	CRO business		Translational Research business	Medipolis business	Other	
	Preclinical	Clinical (incl. PPD-SNBL)				
FY2023/3 forecast	64.0	0.0	-10.2	-0.9	-2.9	50.0
FY2022/3 results	51.0	0.7	-7.4	-0.1	-2.3	41.9
Yoy changes	+13.0	-0.7	-2.8	-0.8	-0.7	+8.0

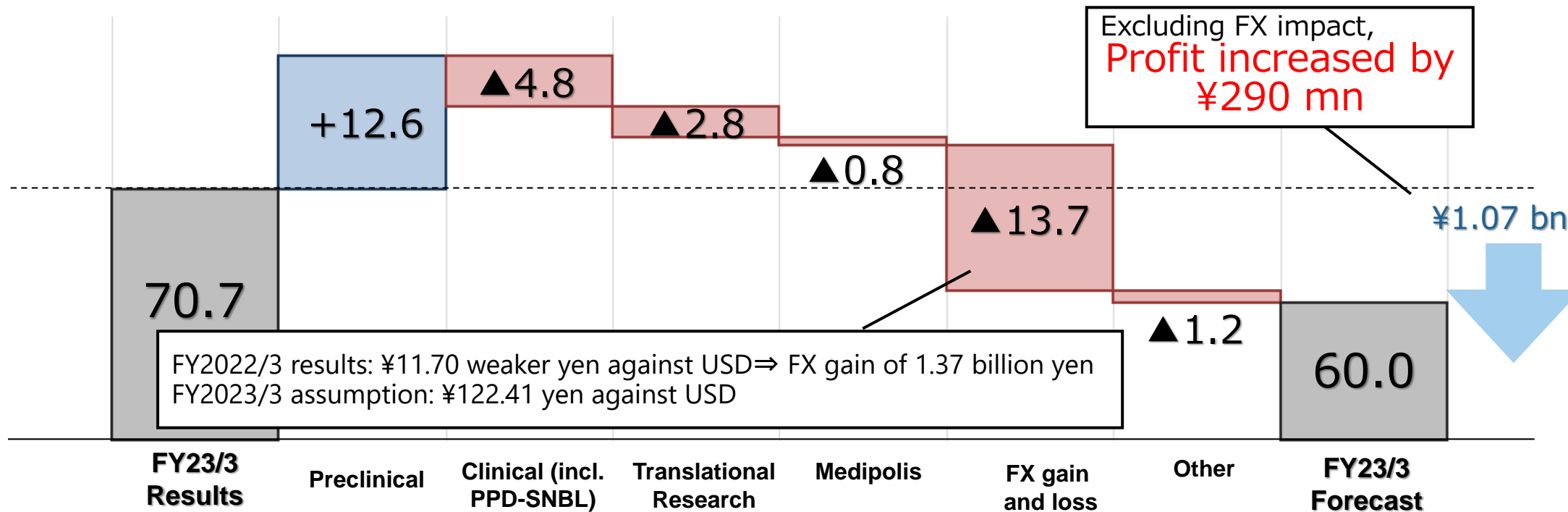
(100 million of yen)



# Comparison of Consolidated Ordinary Profit & Loss Forecasts for FY2023/3 against Previous Year

	CRO business		Translational Research business	Medipolis business	Foreign exchange gain and loss	Other	Ordinary profit total
	Preclinical	Clinical (incl. PPD-SNBL)					
<b>FY2023/3 forecast</b>	<b>65.4</b>	<b>8.9</b>	<b>-10.2</b>	<b>-0.9</b>	<b>0.0</b>	<b>-3.2</b>	<b>60.0</b>
FY2022/3 results	52.8	13.7	-7.4	-0.1	13.7	-2.0	70.7
Yoy changes	+12.6	-4.8	-2.8	-0.8	-13.7	-1.2	-10.7

(100 million of yen)

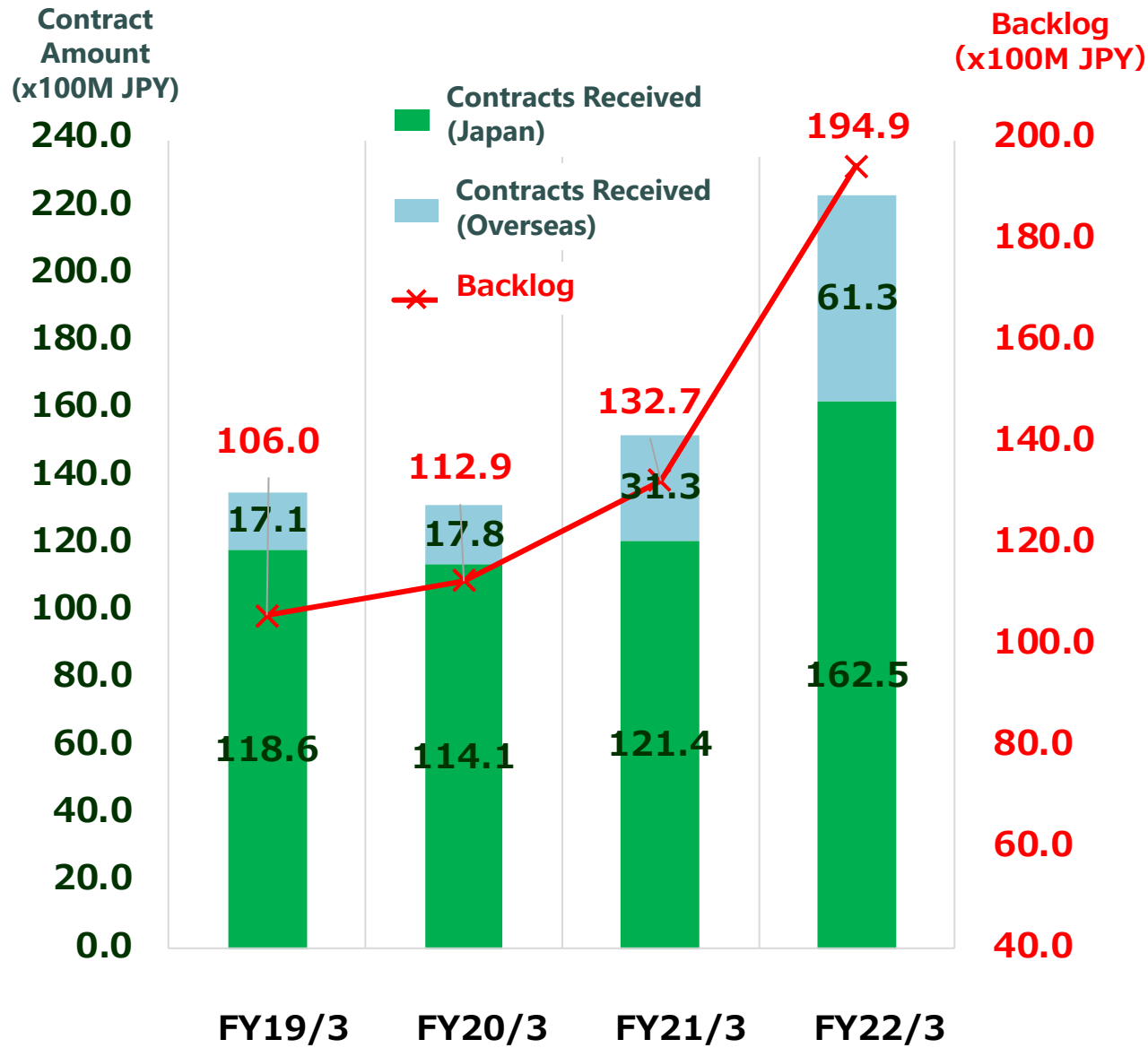




## 2. References

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# CRO Business: Contracts in Preclinical Services in FY2022/3



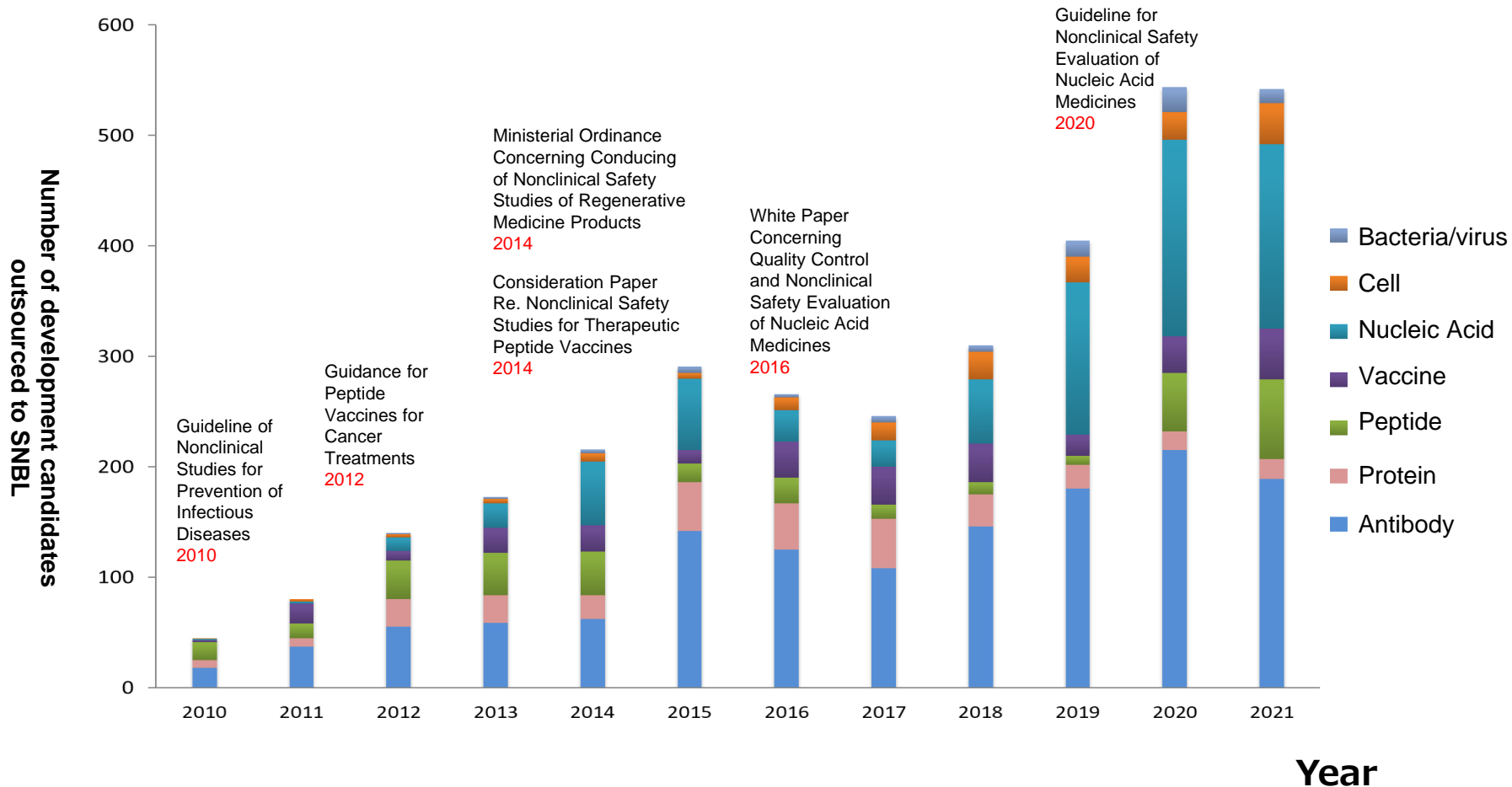
# CRO Business: Trend of Biopharmaceutical Contracts in Preclinical Services

## ■ Number of development candidates for biopharmaceuticals excluding small molecules

Almost an equal number of candidates were recorded in 2021 as the previous year. Vaccines (+39%) and peptide candidates (+36%) on the rise.

## ■ Number of biopharmaceuticals-related studies excluding small molecules

SNBL conducted 719 studies (+42.7% yoy) in 2021, of which 253 were GLP studies (+50.6% yoy). Antibodies (+42%) and nucleic acid medicines (+37%) are on the increase.





## Financial Data

(In millions of yen)	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3 E
Sales	16,600	15,658	14,561	15,110	17,748	19,600
y/y change	-3.7%	-5.7%	-7.0%	3.8%	17.5%	10.4%
Gross profit	5,204	6,177	7,615	7,554	9,687	11,400
Gross profit ratio	31.3%	39.5%	52.3%	50.0%	54.6%	58.2%
Operating profit	-697	829	2,228	2,529	4,195	5,000
y/y change	—	—	168.5%	13.5%	65.9%	19.2%
Equity method investment gains (losses)	637	361	888	846	1,439	
Ordinary profit	-813	1,613	3,121	3,645	7,078	6,000
Profit before income taxes	-1,507	1,650	3,062	4,175	8,183	
Income taxes	2,013	-308	414	497	1,016	
Net Income attributable to owners of parent	-3,555	1,950	2,550	3,661	7,127	4,300
EPS (yen)	-85.41	46.84	61.25	87.95	171.20	103.28
Overseas sales	4,868	4,015	2,317	2,100	3,091	
Overseas sales ratio	29.3%	25.6%	15.9%	13.9%	17.4%	
Shareholders' equity	7,982	9,958	12,386	15,840	22,181	
Net assets	26,215	28,477	16,381	15,838	19,723	
Total assets	57,493	54,329	39,002	36,972	39,312	
Interest-bearing debt	19,139	16,158	15,123	12,864	9,281	
Equity ratio	45.5%	52.3%	41.8%	42.6%	49.8%	
Capex	1,274	1,612	1,514	1,025	1,703	5,700
Depreciation & amortization	1,472	1,361	1,229	1,187	1,177	1,410
R&D expenses	518	339	400	392	425	815
R&D expenses to sales ratio	3.12%	2.17%	2.75%	2.59%	2.39%	4.16%
Year-end number of employees	1,385	935	985	986	994	1,066
ROE	-14.6%	7.1%	11.4%	22.9%	40.4%	
ROA	-1.4%	2.9%	6.7%	9.6%	18.6%	
ROIC	—	—	11.7%	12.3%	18.4%	
Operating income to sales ratio	-4.2%	5.3%	15.3%	16.7%	23.6%	25.5%
Ordinary income to sales ratio	-4.9%	10.3%	21.4%	24.1%	39.9%	30.6%
Dividend per share (yen)	—	3.0	5.0	20.0	40.0	40.0
DPR	—	6.4%	8.2%	22.7%	23.4%	38.7%

# Cautionary Notes

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4. This English presentation was translated from the original Japanese version. In the event of any inconsistency between the statements in the two versions, the statements in the Japanese version shall prevail.

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