



January 31, 2023

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## Notice Regarding Revisions of Consolidated Earnings and Dividend Forecasts for the Full-Year of the Fiscal Year Ending March 31, 2023 and Extraordinary Losses

In the light of the latest earnings trends, Shin Nippon Biomedical Laboratories, Ltd. (hereinafter, “the Company”) board of directors today resolved to revise the full-year forecast of the consolidated financial results for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023) announced on October 31, 2022, and the year-end dividend forecast announced on May 6, 2022. The Company also expects to record losses on valuation of investment securities as extraordinary losses in the third quarter of the current fiscal year ending March 31, 2023.

### 1. Revisions to the forecast of the consolidated financial results for the fiscal year ending March 31, 2023

(1) Details of the revisions to the full-year forecast of the consolidated financial results of the fiscal year from April 1, 2022 to March 31, 2023

	Revenue	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)	24,000	5,260	9,800	7,000	168.13
Revised forecasts (B)	25,000	5,460	8,430	5,310	127.54
Changes (B - A)	+1,000	+200	(1,370)	(1,690)	
Changes (%)	+4.2	+3.8	(14.0)	(24.1)	
ref.) Results of the fiscal year ended March 31, 2022	17,748	4,195	7,078	7,127	171.20

(2) Reasons for the revisions

Company’s revenue is expected to exceed the previous plan mainly because a newly-introduced service in nonclinical CRO business which offers clients an option to procure laboratory non-human primates (NHPs) at market price prior to start of relevant studies, has been performing better than the Company expected, resulting in an addition of about ¥500 million to the previous revenue projection.

Operating profit will also exceed the previous plan as a part of R&D expenses related to Company’s consolidated subsidiary SNLD, Ltd. initially planned in this fiscal year will be recorded in the following fiscal year.

The forecast for ordinary profit is lowered as the foreign exchange assumption has been reviewed and reset to 128.00 Japanese yen to the US dollar from the previous 144.81 Japanese yen to the US dollar, considering the current trend of yen appreciation.

The forecast for profit attributable to owners of parent is also lowered following the posting of losses on valuation of investment securities of ¥1,272 million in the third quarter of the current fiscal year, as described in “ 3. Extraordinary losses” below.

### 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, 2023 (from April 1, 2022 to March 31, 2023)

	Year-end dividend (yen)		
	September 30, 2022	March 31, 2023	Total
Previous forecast (announced on May 6, 2022)		20.00	40.00
Revised forecast		30.00	50.00
Actual	20.00		
ref.) Results of the fiscal year ended March 31, 2022	0.00	40.00 (of which, special dividend 10.00)	40.00 (of which, special dividend 10.00)

(2) Reasons for the revisions

The Company's basic policy of profit distributions to shareholders, which is positioned as one of top management priorities, is to achieve the target of 30 to 40% in payout ratio on a consolidated basis, comprehensively considering Company's earning capacity and cash flow position.

In view of the current financial position and shareholder return overall, it has been decided by the Board of Directors to revise the year-end dividend forecast upwardly to 30 yen per share (20 yen per share in the previous forecast) for the fiscal year ending March 31, 2023.

(NOTE) Dividend forecasts above are based on information available to the Company as of the date of this announcement, as well as certain assumptions judged by the Company to be reasonable. Actual dividend may differ substantially due to various factors in the future.

### 3. Extraordinary losses

(1) Details of extraordinary losses (losses on valuation of investment securities)

The Company expects to record losses on valuation of investment securities of ¥1,272 million, caused by the significant decline in market value of the following stocks:

Satsuma Pharmaceuticals, Inc.	¥1,198 million
HEALIOS K.K.	¥73 million

As the Company applies the quarterly reversal method in impairment accounting for investment securities, the losses above may be fully or partially reversed, depending on the market value of the relevant securities on the last day of the fiscal year ending March 31, 2023.

(2) Future outlook

The full-year consolidated financial forecasts for the fiscal year ending March 31, 2023, including the impacts of the extraordinary losses are as stated above in "1. Revisions to the forecast of the consolidated financial results for the fiscal year ending March 31, 2023".