

**The Fiscal Year Ended March 31, 2023**  
**Consolidated Financial Results Briefing**

Presentation Material

**May 9, 2023**



SHIN NIPPON BIOMEDICAL LABORATORIES, LTD.



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# 1. FY2023/3 Overview & Future Outlook

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Ryoichi Nagata, MD, PhD, FFPM  
Representative Chairman and President

## 1. FY2023/3 Financial Results

- Record high revenue achieved for the 1st time in 15 financial years, with operating profit also renewing record high for the 4th consecutive year, and ordinary profit renewing record high for the 5th consecutive year.
- Overseas ratio of contracts received in nonclinical business increased by 5.8%, marking the highest ever number of 34.4%.
- Expansion of study facility and diversification of a client base achieved through consolidation of Ina Research.
- Record high equity method profit of ¥1.96B (up 56.4% YoY) from PPD-SNBL posted.
- Plan to distribute the highest-ever full-year dividend of ¥50/share is on track

## 2. FY2024/3 Forecast & Future Direction

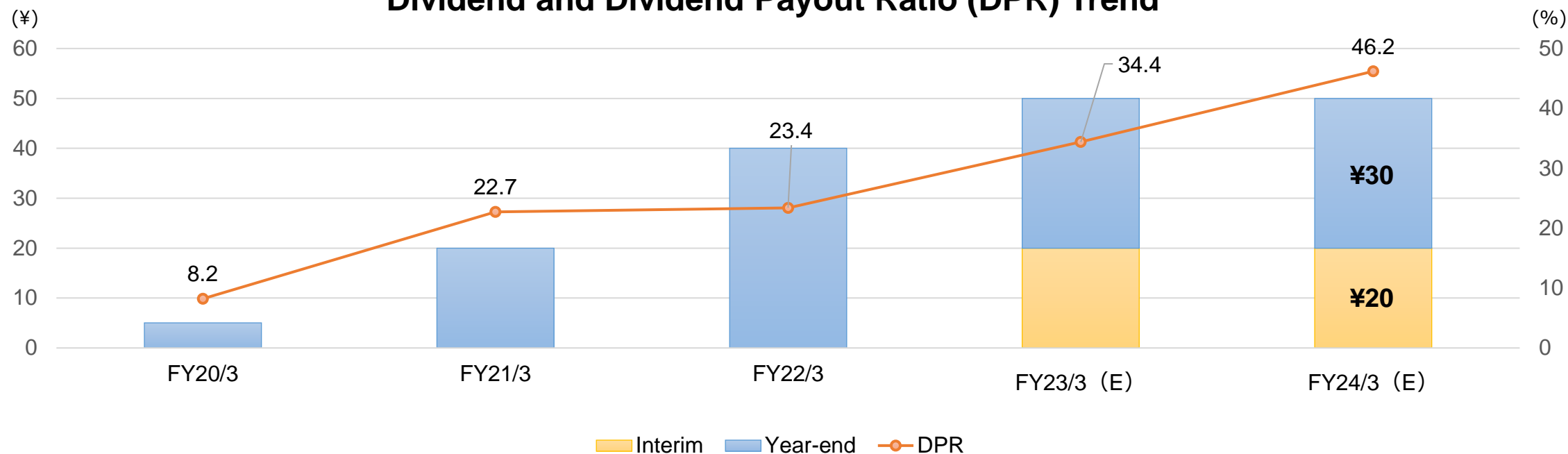
- 3 focus areas for investment to underpin SNBL's sustainable growth: human resources, facilities and laboratory NHPs.
- Acquisition of Satsuma Pharmaceuticals which has submitted an NDA (New Drug Application) to the US FDA for STS101, a drug candidate developed based on application of SNBL's proprietary intranasal drug delivery technologies, resolved by the Board.
- Contingent expenses of ¥1.47B for Satsuma acquisition expected to be the main cause of profit decline in FY2024/3.

## 3. Human Capital Management Initiative to Enhance Corporate Value

- Integrated Report with “2028Vision” published.
- Continued investments in human capital: performance/skill-based compensation and promotion system put in place.

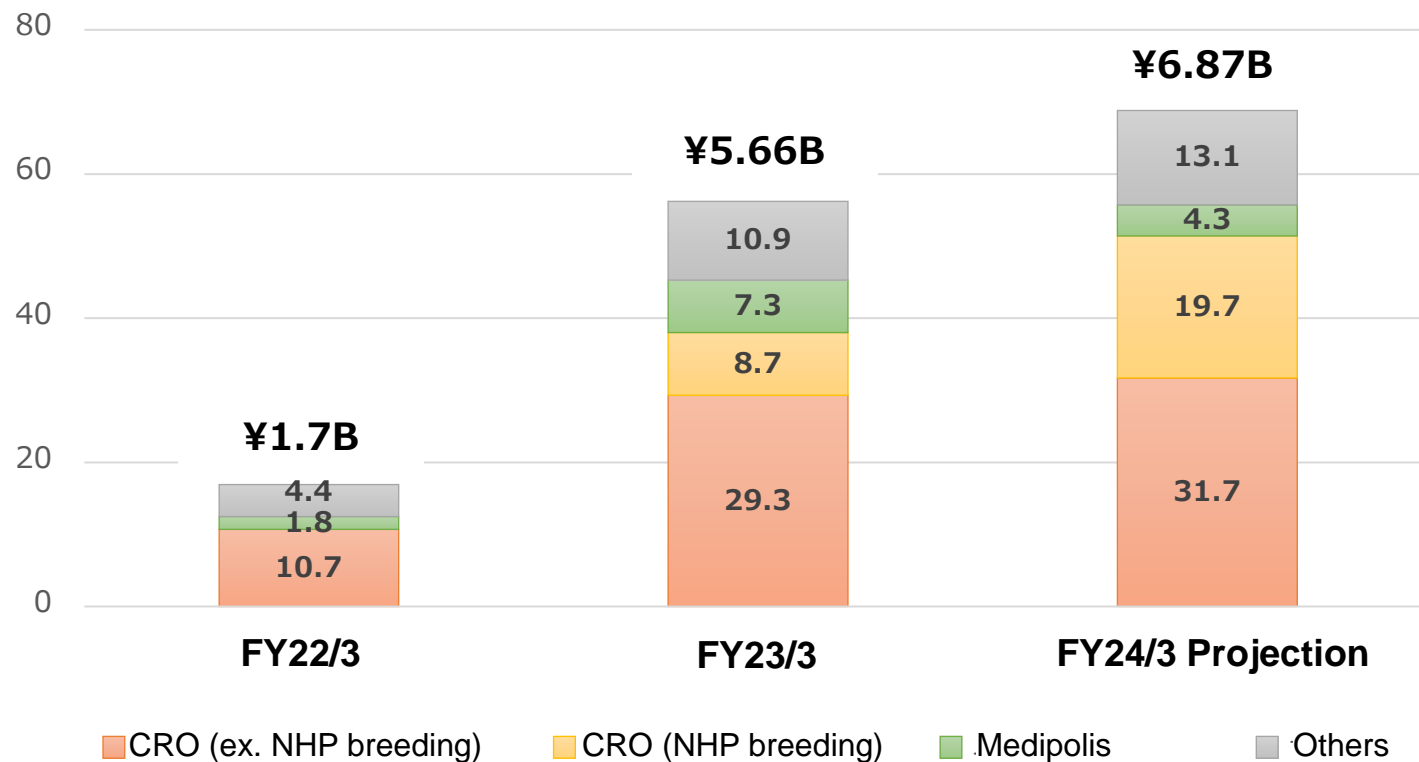


## Dividend and Dividend Payout Ratio (DPR) Trend



	FY2020/3	FY2021/3	FY2022/3	FY2023/3 (E)	FY2024/3 (E)
Dividend per share	¥5/share	¥20/share	¥40/share	¥50/share	<b>¥50/share</b>
Total amount of dividends paid (in millions of yen)	208	832	1,665	2,081	2,081
<b>Dividend payout ratio</b>	8.2%	22.7%	23.4%	<b>34.3%</b>	<b>46.2%</b>
<b>Dividend payout ratio (excl. FX, extraordinary income/loss and Satsuma impact)</b>	7.3%	28.8%	34.3%	<b>39.0%</b>	<b>34.8%</b>

# CAPEX



Perspective drawing of Kagoshima New HQ and Research Buildings

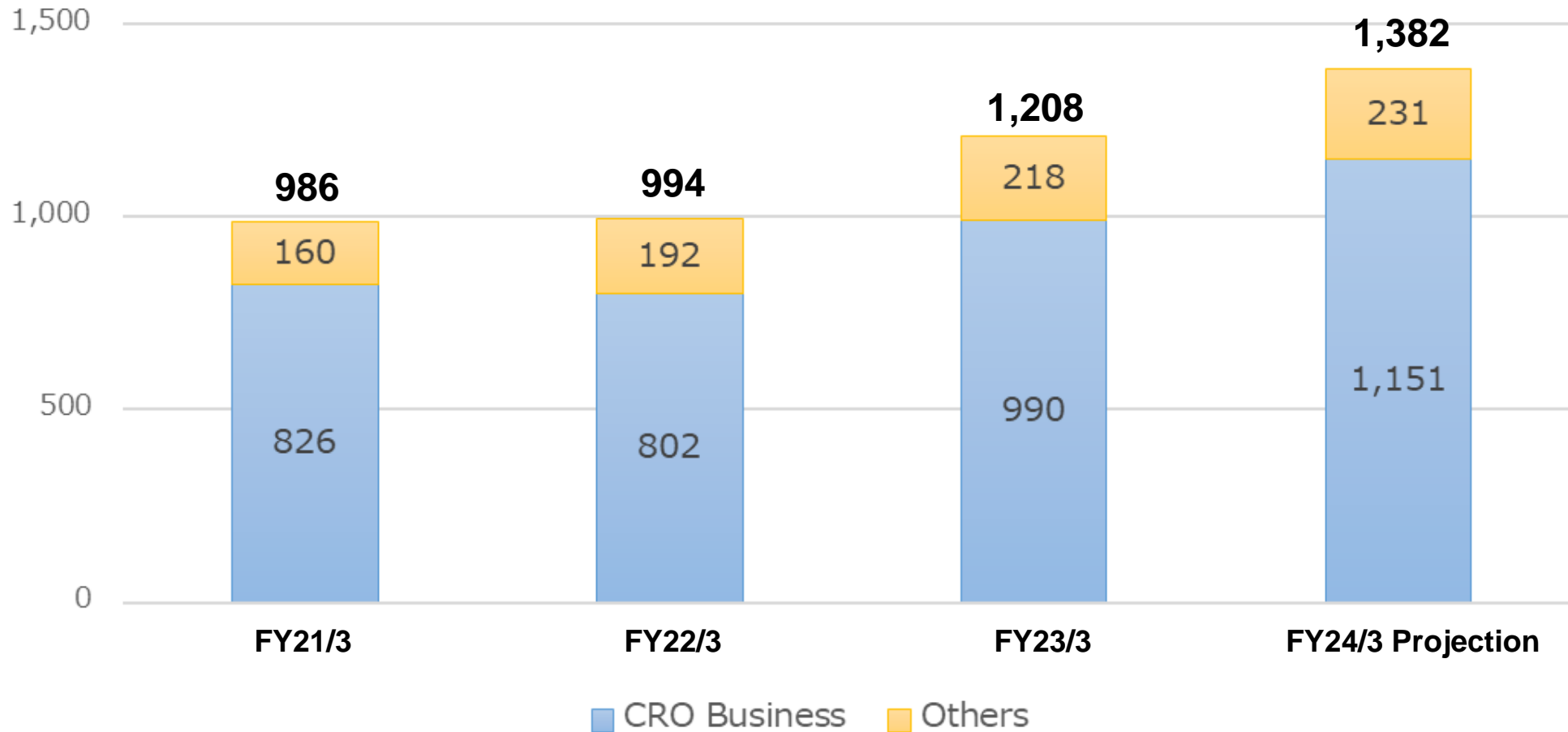
(¥100M)

	FY2022/3	FY2023/3	FY2024/3	
			Forecast	YoY
CAPEX	17.0	56.6	68.7	+12.1
Depreciation	11.7	15.4	18.0	+2.5

# Number of Employees



## Number of Employees

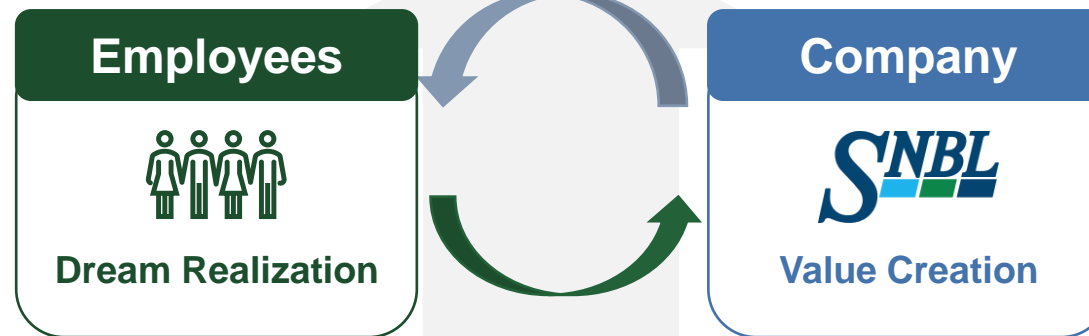


Number of employees does not include part-time and temporary employees.

# Human Capital Management: The 2028 Vision

**【Human Capital Strategy toward FY2028】**  
**The organization where employees and the company  
grow together and promote people's happiness**

Improve employees' motivation and job satisfaction



Improve employee engagement and productivity

## Human Capital Management Initiatives

Creating Good Working Environment: Diversity

Evaluation system that balances performance

Instilling Corporate Philosophy: Engagement

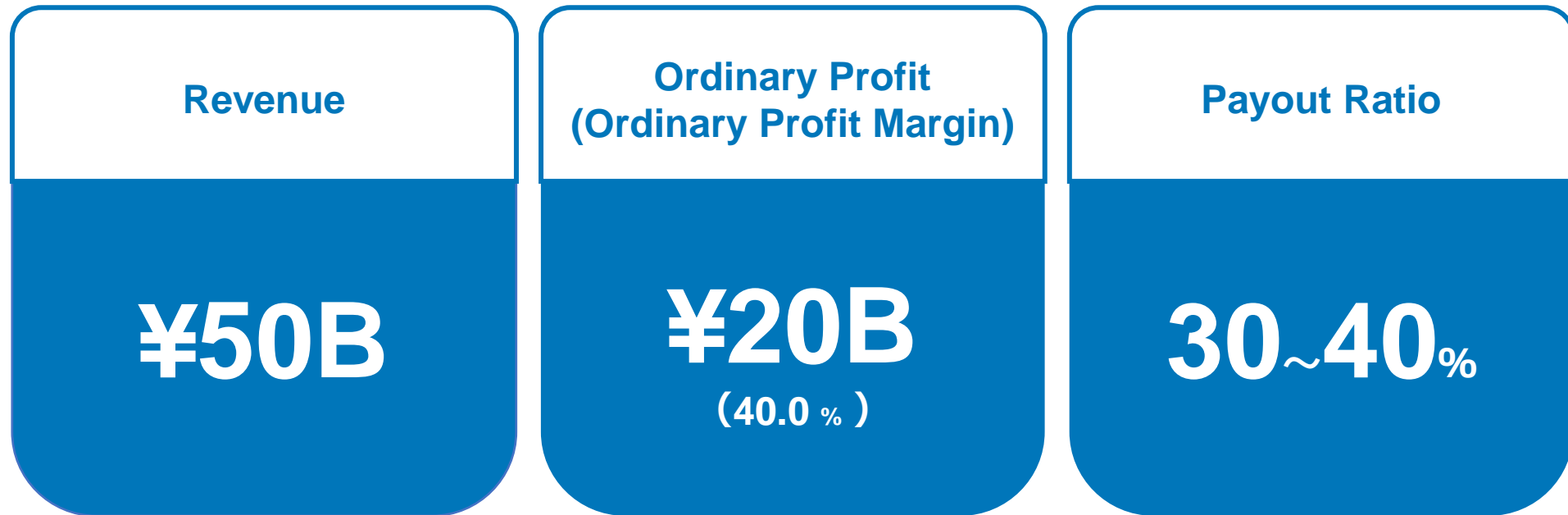
Unique Human Resource Development: Training

Promoting Health and Productivity Management

**Slogan: I am happy, you are happy, and everyone is happy**



## FY2028 Vision Financial KPI



## 2. Outline of Full-Year Consolidated Financial Results

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Shinji Nitanda  
Managing Director of the Board

# FY2023/3 Consolidated Financial Results Highlights



(¥100M)

	FY2022/3	FY2023/3					
		Forecast (Jan 31, 2023)	Results	Changes against forecast		YoY changes	
Revenue	177.4	250.0	<b>250.9</b>	<b>+0.9</b>	<b>0.4%</b>	<b>+73.4</b>	<b>41.4%</b>
Operating Profit	41.9	54.6	<b>52.4</b>	<b>-2.1</b>	<b>-3.9%</b>	<b>+10.4</b>	<b>25.0%</b>
Ordinary Profit	70.7	84.3	<b>91.9</b>	<b>+7.6</b>	<b>9.1%</b>	<b>+21.1</b>	<b>29.9%</b>
Ordinary Profit (excl. FX impact)	57.0	78.2	<b>76.8</b>	<b>-1.3</b>	<b>-1.8%</b>	<b>+19.7</b>	<b>34.6%</b>
Profit Attributable to Owners of Parent	71.2	53.1	<b>60.6</b>	<b>+7.5</b>	<b>14.1%</b>	<b>-10.6</b>	<b>-15.0%</b>

## Extraordinary income

Income from share transfer and third-party allocation of new shares of SNBL's Chinese subsidiary which engages in laboratory animal breeding and raising business in China: +¥1.36B.

## Extraordinary loss

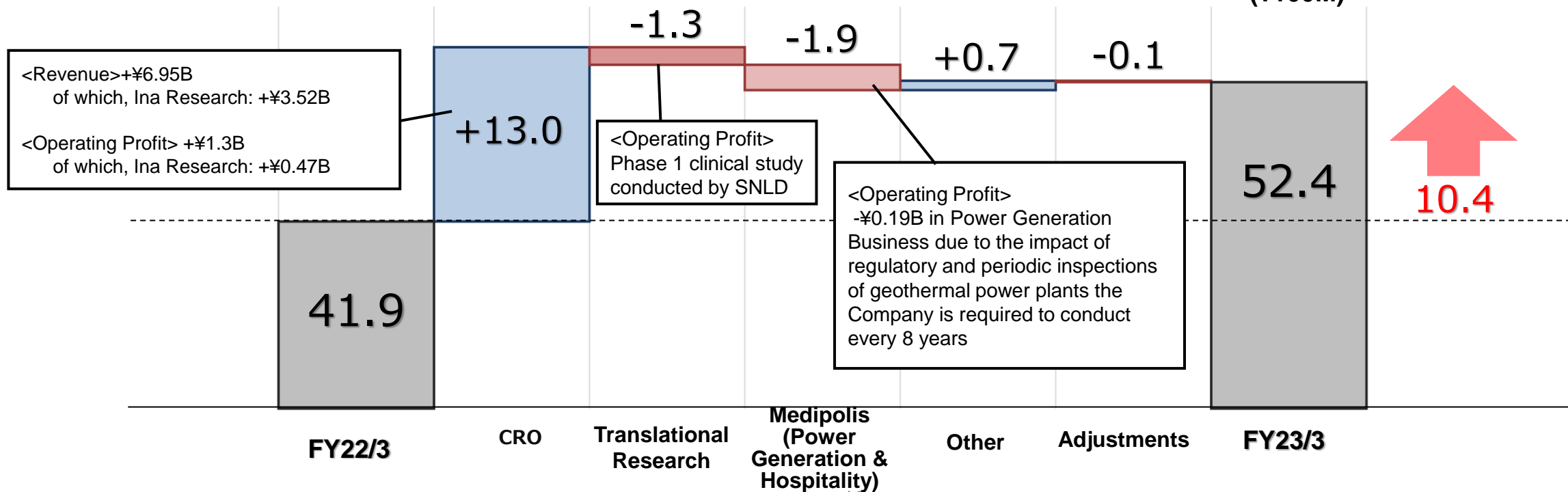
Loss on valuation of investment securities (Satsuma): -¥1.27B

# YoY Comparison of Consolidated Operating P/L



	CRO Business	Translational Research Business	Medipolis Business (Power Generation & Hospitality)	Other	Adjustments	Operating Profit Total
<b>FY2023/3 Results</b>	<b>63.3</b>	<b>-8.7</b>	<b>-2.0</b>	<b>1.1</b>	<b>-1.3</b>	<b>52.4</b>
FY2022/3 Results	50.3	-7.4	-0.1	0.4	-1.3	41.9
YoY changes	+13.0	-1.3	-1.9	+0.7	-0.1	+10.4

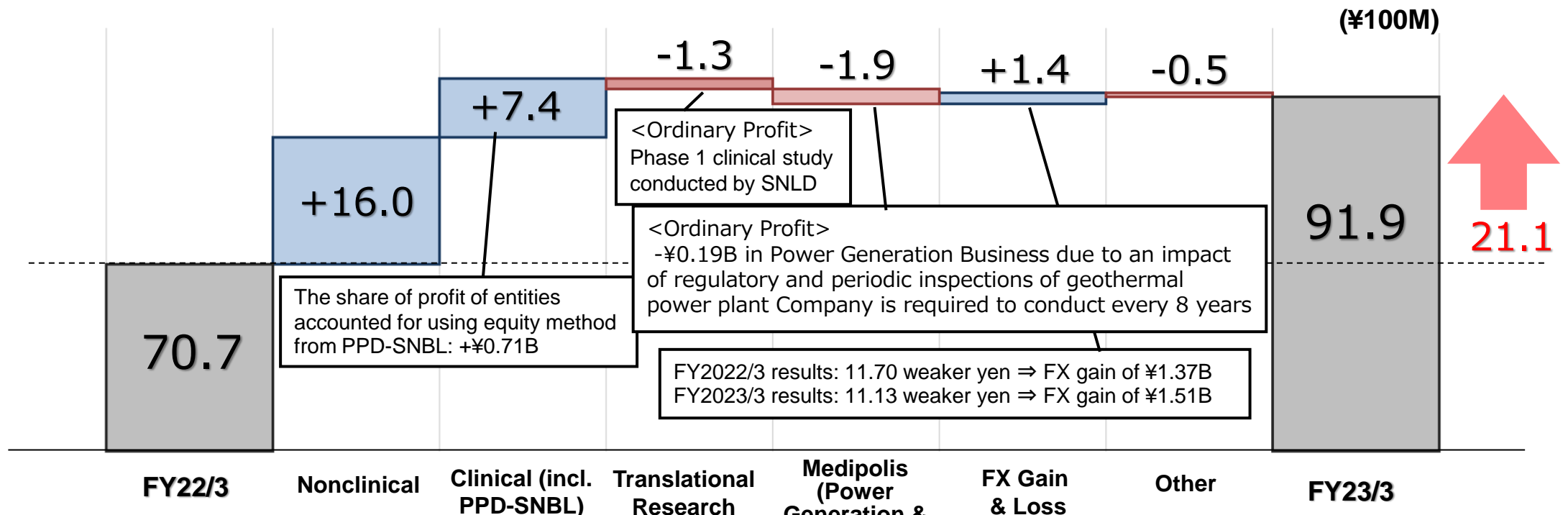
(¥100M)



# YoY Comparison of Consolidated Ordinary P/L



	CRO Business		Translational Research Business	Medipolis Business (Power Generation & Hospitality)	Foreign Exchange Gain & Loss	Other	Ordinary Profit Total
	Nonclinical	Clinical (incl. PPD-SNBL)					
<b>FY2023/3 Results</b>	<b>68.8</b>	<b>21.1</b>	<b>-8.7</b>	<b>-2.0</b>	<b>15.1</b>	<b>-2.4</b>	<b>91.9</b>
FY2022/3 Results	52.8	13.7	-7.4	-0.1	13.7	-2.0	70.7
YoY Changes	+16.0	+7.4	-1.3	-1.9	+1.4	-0.5	+21.1



# Financial Forecast for FY2024/3



(¥100M)

	FY2023/3	FY2024/3		
		Forecast	YoY Changes	
Revenue	250.9	<b>301.0</b>	+50.0	20.0%
Operating Profit	52.4	<b>48.5</b>	-3.9	-7.5%
Ordinary Profit	91.9	<b>69.4</b>	-22.5	-24.5%
Profit Attributable to Owners of Parent	60.6	<b>45.1</b>	-15.5	-25.6%

Excluding impacts of Satsuma, foreign exchange fluctuation and extraordinary loss (income)

FY2023/3	FY2024/3		
	Forecast	YoY Changes	
250.9	<b>301.0</b>	+50.0	20.0%
52.4	<b>63.1</b>	+10.7	20.5%
76.8	<b>84.0</b>	+7.2	9.4%
53.4	<b>59.7</b>	+6.3	11.9%

## Estimated impacts of foreign exchange

### ◆ Foreign exchange gains and losses (non-operating income and expenses)

FY2023/3 results: forex gain of +¥1.51B (¥11.13 weaker against US\$)

FY2024/3 forecast: ±0 (no forex gain/loss)

### ◆ Foreign exchange rate assumption for FY2024/3: ¥133.54/US \$

### <Assumed Foreign Exchange Sensitivity>

Estimated impacts of ¥1 weaker against US\$ for FY2024/3 are as below:

Revenue: ¥80M

Operating profit: ¥37M

Non-operating profit: ¥42M

(Because loans to an US subsidiary have been converted to shares, the impacts of foreign exchange fluctuations will be reduced YoY).

# 3. Business Topics:

## I. CRO (Nonclinical) Business

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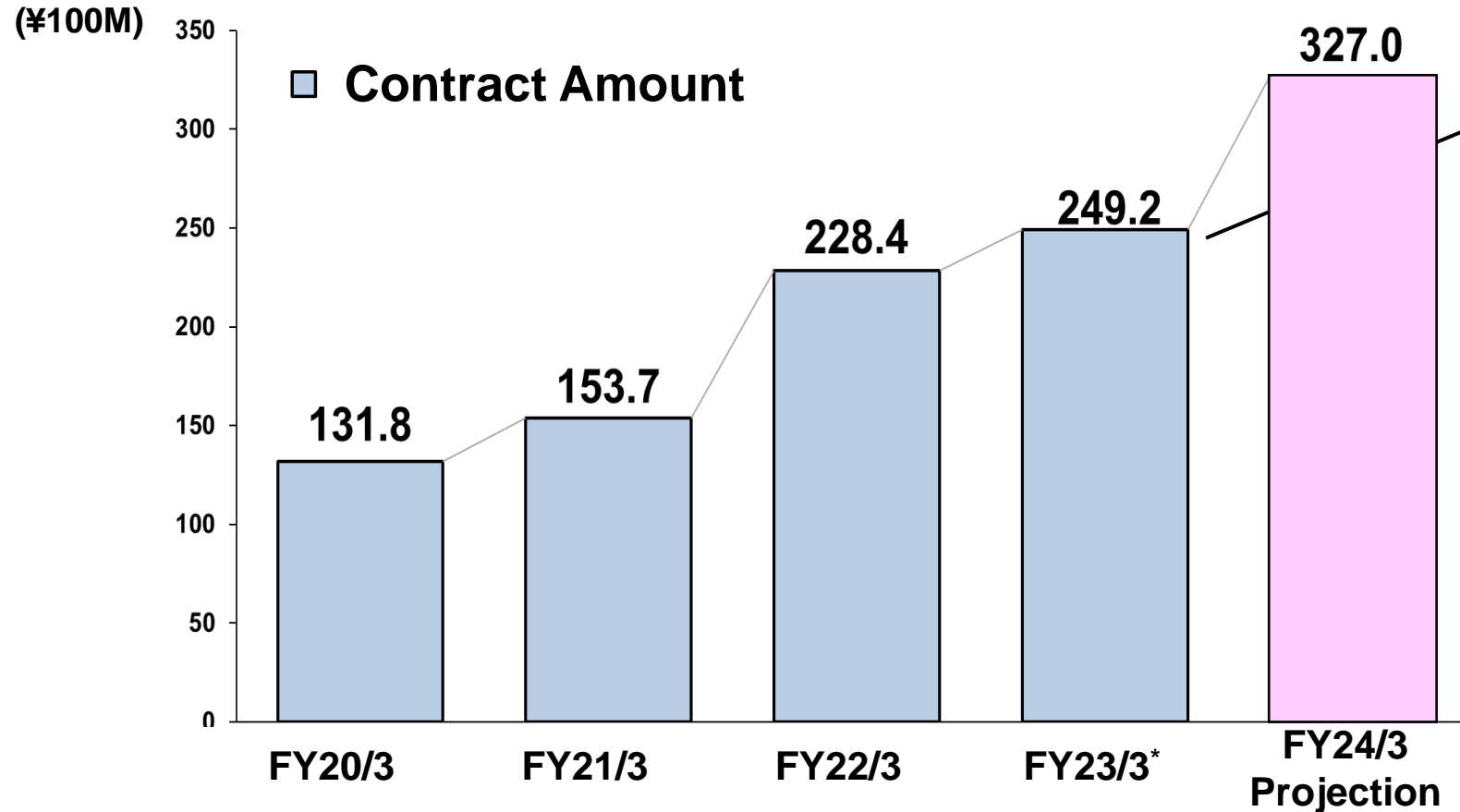
Hideshi Tsusaki, DVM, PhD

Managing Director of the Board,

President of Nonclinical Business and Global BD



# Contracts Received in Nonclinical Business (in JPY)



**Full year YoY: +¥2.08B**  
 SNBL: -¥0.73B  
 Domestic: -¥1.77B  
 Overseas: +¥1.04B

INA: +¥2.81B  
 Domestic: +¥1.90B  
 Overseas: +¥0.91B

Exchange rate  
 (average for the period)  
 ¥136.00/\$

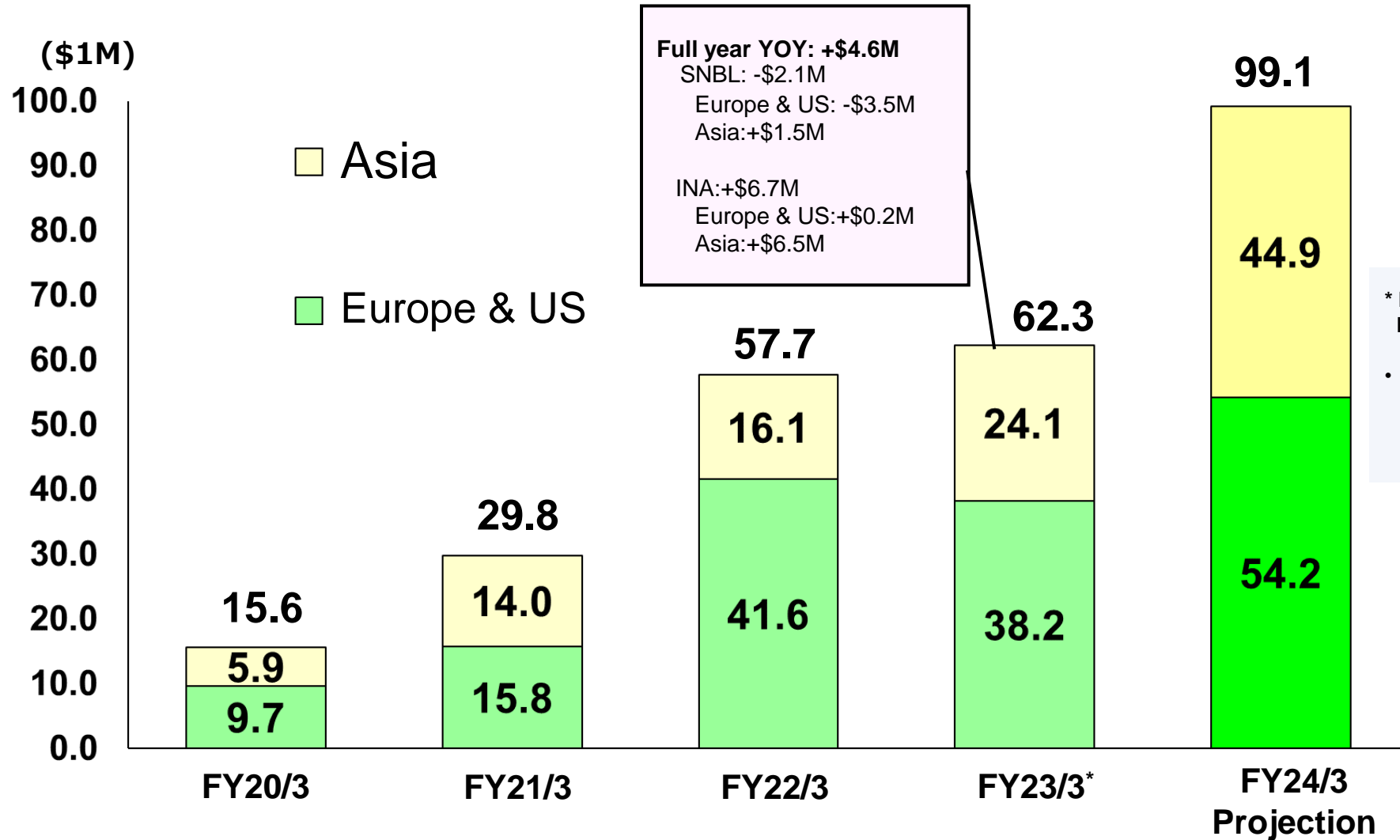
- \* Includes Ina Research from Q2 FY23/3
- Overseas contracts are converted to yen using the average exchange rate of each financial period.
- Overseas backlogs are converted to yen using the exchange rate as of the end of each fiscal year.
- Cancelled contracted projects are recorded as a negative figure at the time of cancellation

Backlogs at FY end  
 Overseas contracts as a %  
 of total contracts

	FY20/3	FY21/3	FY22/3	FY23/3*	FY24/3 Projection
Backlogs at FY end	¥11.47B	¥13.66B	¥20.97B	¥29.25B	—
Overseas contracts as a % of total contracts	12.9%	20.6%	28.6%	34.4%	40.5%

**End of the previous term**  
 YOY +¥8.28B  
 SNBL: +¥3.02B  
 INA: +¥5.26B

# Contracts Received (Overseas) in Nonclinical Business (in US\$)



**Full year YOY: +\$4.6M**  
 SNBL: -\$2.1M  
 Europe & US: -\$3.5M  
 Asia: +\$1.5M  
  
 INA: +\$6.7M  
 Europe & US: +\$0.2M  
 Asia: +\$6.5M

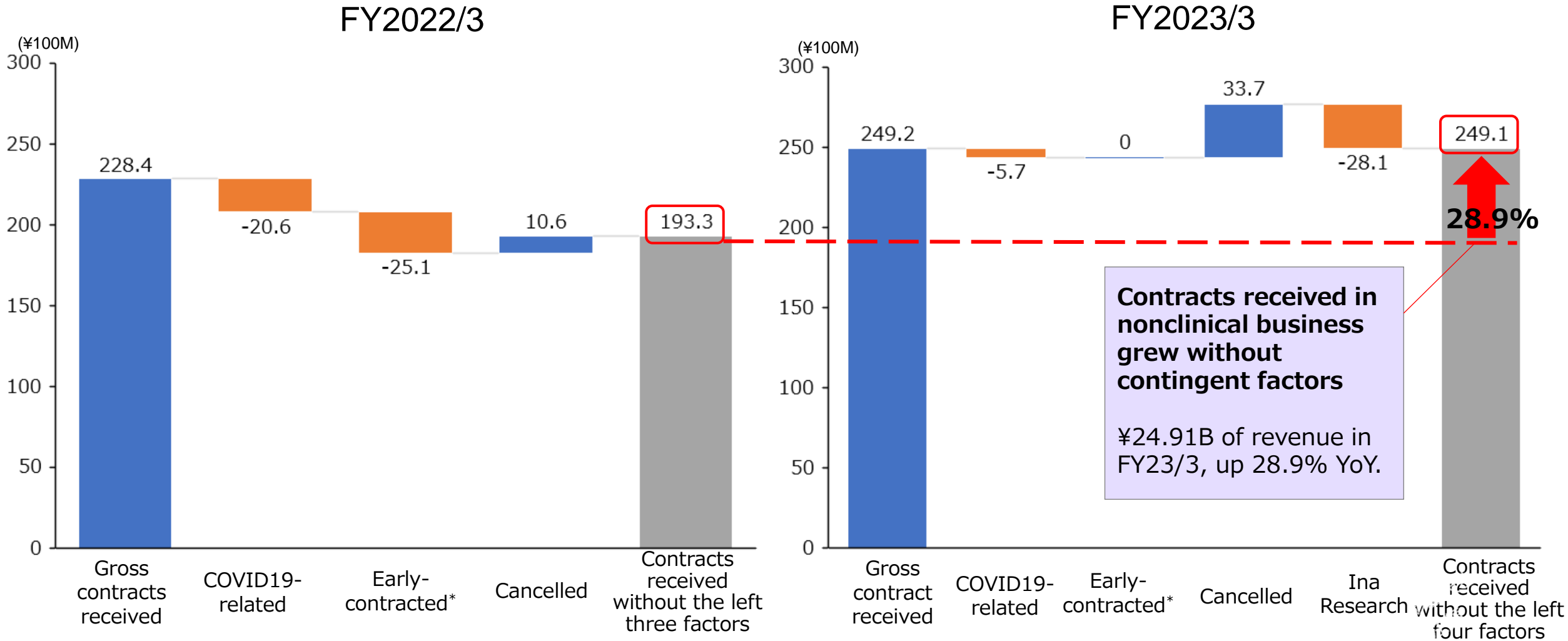
\* Includes Ina Research from Q2 FY23/3  
 • Cancelled contracted projects are recorded as a negative figure at the time of cancellation.

Backlogs at FY end

\$18.9M	\$36.0M	\$65.6M	\$101.6M	-
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**End of the previous term**  
 YOY +\$35.9M  
 SNBL +\$7.7M  
 INA +\$28.3M

# Analysis of the Contracts Received in FY2023/3



Steady growth excluding the above factors  
**(Japan: ¥13.09B → ¥15.15B, Europe & US: US\$40.0M → US\$54.7M, Asia: US\$15.0M → US\$22.6M)**

\*Orders with more than one year gap between the contract start date and the study start date.

## **Preferred Contracts**

- Signed a new Preferred Contract with a domestic pharmaceutical company
- Saw effects of our unique supply chain that can stably secure NHP supplies for study uses

## **Comprehensive contract research agreements at the drug discovery stage**

- Initiated drug discovery research project contracts with several domestic pharmaceutical companies similar to the ones with Astellas Pharma Inc. (since 2019 and previously made public)

## **Establishment of NHP colonies exclusively for customers**

- Established a dedicated NHP colony in response to requests mainly from overseas customers (an increase of 680 million yen over the previous year) for stable and timely introduction of NHPs for study use; this will lead to additional NHP study contracts in the future

## **Due diligence toward Preferred Contracts with major overseas pharmaceutical companies**

- Started receiving Due diligence processes for preferred contracts with several major overseas pharmaceutical companies (currently ongoing)

## To meet strong customer demands:

### 1. Expansion of testing and analytical facilities

- Invested in new equipment and expansion of processing facilities to accommodate the development of diversified drug modalities (completed in Q3 FY23/3)

### 2. Enhancement of domestic breeding capacity for NHPs

- Increased the number of breeding females at the end of March 2023 to approximately 3 times the number at the end of March 2022.

### 3. Construction of a new 8-story head office and a research building at the Drug Safety Research Center in Kagoshima

- Began the construction in December 2022 and will be completed by summer 2024

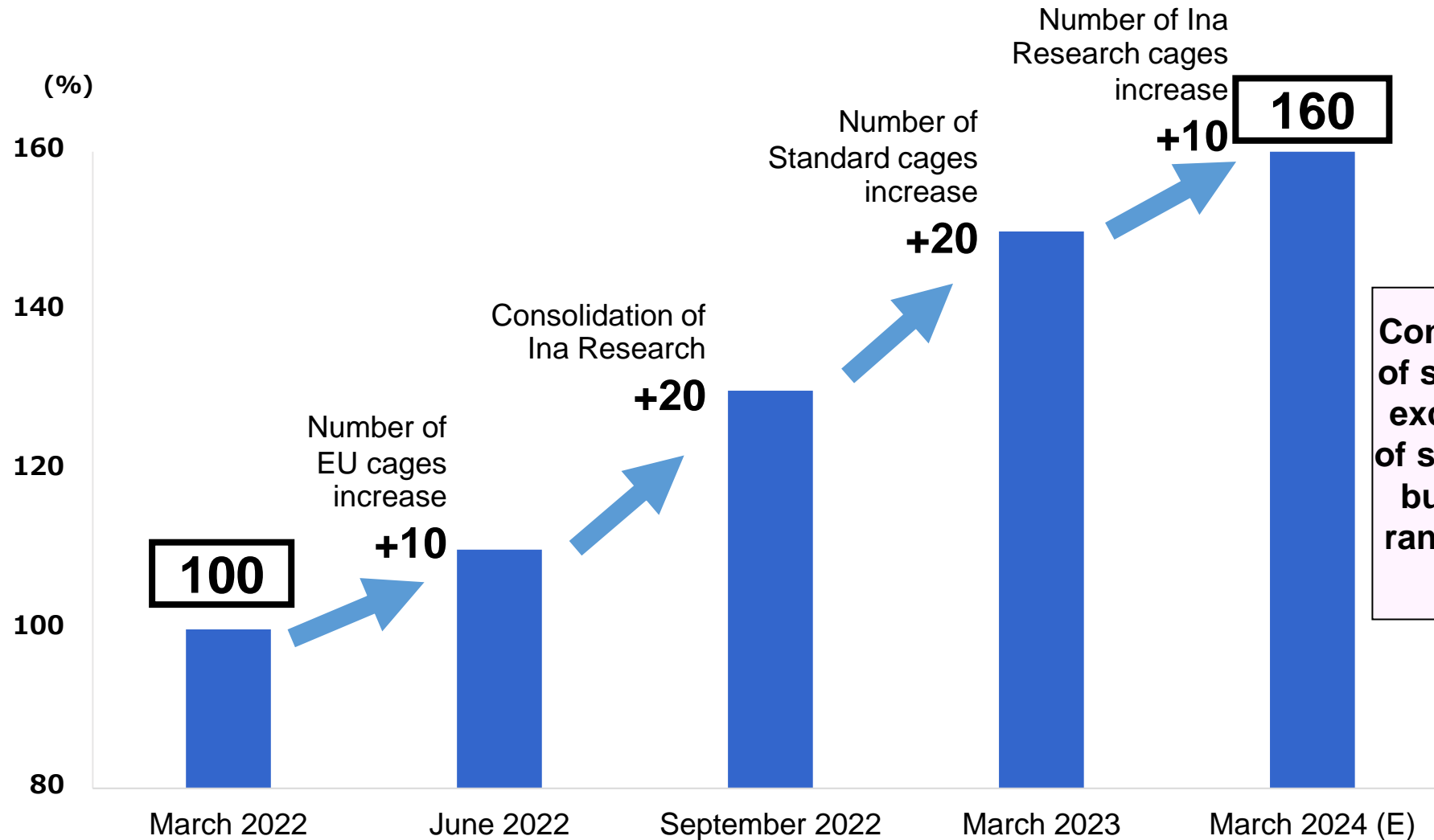
### 4. Human resource development

- Has been strengthening recruitment of new graduates (135 people joined in April 2023) and of career professionals

# Facility Expansion in Nonclinical Business



Conceptual Image of SNBL's Study Facility Capacity  
(capacity as of March 31, 2022, is set as 100%)



Considering the recent trends of supply/demand and foreign exchange rates, the capacity of study facility for nonclinical business is to reach a level ranging from ¥35B to ¥38B at the end of March 2024.

## 3. Business Topics: II. CRO(Clinical)/TR Businesses

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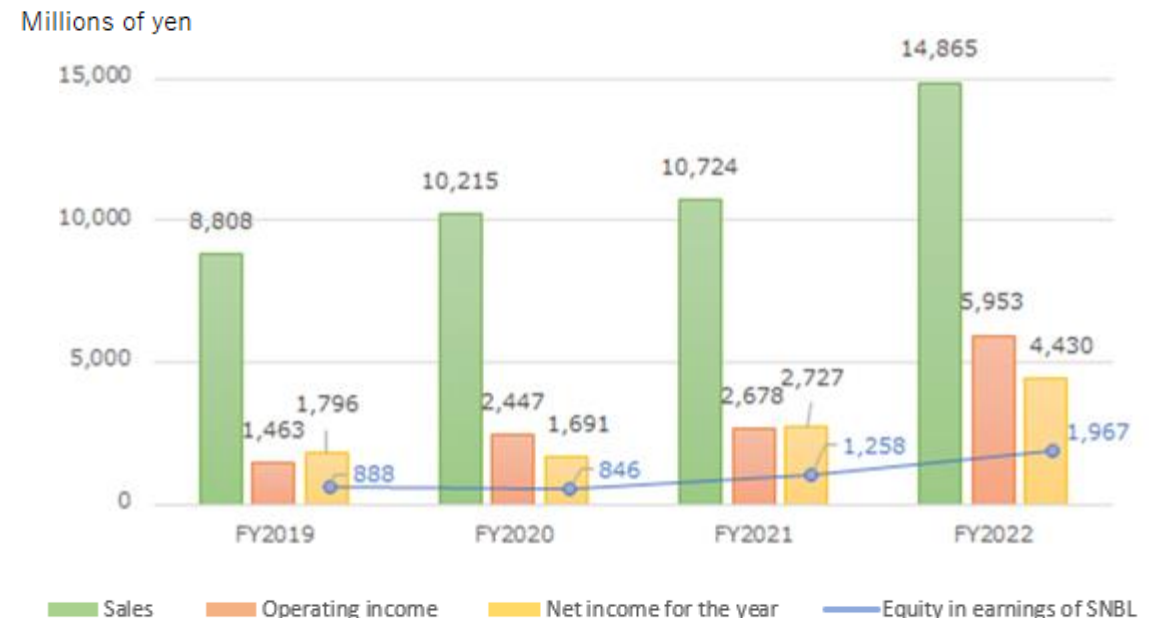
Ken Takanashi, MBA, CPA  
Executive Vice President

# CRO Business: Clinical Business



- The clinical business are conducted through a joint venture called PPD-SNBL formed in 2015 with PPD, a major U.S.-based clinical CRO. PPD-SNBL's core business is conducting the Japanese portion of global clinical trials contracted by major overseas pharmaceutical companies.
- SNBL's partner, PPD, is a highly reliable global CRO with the capacity to conduct clinical trials simultaneously in approximately 50 countries and is steadily increasing its performance. In December 2021, PPD became a part of Thermo Fisher Scientific, a global medical device company. Together with the added synergies from the group's expanded scale, orders for clinical trials have been extremely strong.
- The headcount of PPD-SNBL is growing from the mid-300s (including temporary staff) in April 2015 when the company was established to nearly 900, tripling the number in the current fiscal year (FY12/2023) after seven years.
- While PPD-SNBL's headcount has nearly tripled, highly efficient management has resulted in a more than five-fold increase in sales and grown into a highly profitable company (sales of about 15 billion yen, operating income of about 6 billion yen and operating margin of about 40%).
- SNBL's equity method profit received from PPD-SNBL in FY2022 was 1.96 billion yen, 56.4% up from the previous year. Although SNBL has a 40% stake in the company, we have sent the company's president and CFO as board members, and they have made a significant contribution to its performance.

PPD-SNBL results and SNBL receives equity in earnings of affiliates





# CRO Business: Business Profit Trends



【Trends in Business Profit and Business Profit Margin in CRO Business】

(Unit : Millions of yen)

		FY2021/3	FY2022/3	Growth Rate	FY2023/3	Growth Rate
CRO Business	Sales	14,508	17,047	17.5%	24,000	40.8%
	Operating income	3,393	5,053	48.4%	6,336	25.8%
	<b>Operating income to sales</b>	<b>23.4%</b>	<b>29.5%</b>		<b>26.4%</b>	
	Equity in earnings of affiliates	848	1,438		2,489	
	<b>(of PPD-SNBL)</b>	<b>846</b>	<b>1,258</b>		<b>1,967</b>	
	Business profit	4,241	6,473	71.2%	8,825	36.3%
	<b>Business profit ratio</b>	<b>29.2%</b>	<b>38.0%</b>		<b>36.8%</b>	

\* **Business profit = Operating income + Equity in earnings of affiliates**

※PPD-SNBL (equity ratio 40.0%), which conducts clinical operations, and Biomedical Research (equity ratio 49.9%), a breeding facility in China, are accounted for by the equity method and are not included in net sales and operating income

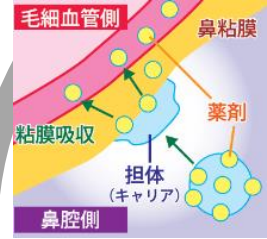
⇒The CRO business achieved business profit of ¥8,825M for the fiscal year ending March 31, 2023, including PPD-SNBL's equity in earnings of ¥1,967M (previous year: ¥1,258M) and Biomedical Research's equity in earnings of ¥522M (previous year: ¥181M), which will be recorded in non-operating income.  
Business profit margin of CRO business is 36.8%.

### For Systemic Absorption

- Drug absorption via the dense microvascular network
- Beneficial for any treatment requiring fast onset of action, or bypass of first-pass metabolism, and for patients with difficulty swallowing oral medication
- Excellent clinical safety profile in thousands of subjects
- Satsuma Pharm., a licensee of SNBL's nasal migraine drug, has submitted the NDA.
- SNLD, Ltd., a spin-out subsidiary of SNBL and a licensee of SNBL's the candidate rescue product for neurodegenerative disorder, has completed its clinical P1 study and is preparing next clinical studies.



### SNBL's Proprietary Nasal Drug Delivery System



#### Nasal Drug Carrier

- ✓ Muco-adhesive power carrier and specific optimizations for each drug characteristic
- ✓ Clinical and non-clinical experiences with candidate products for the systemic absorption

#### Nasal Delivery Device

- ✓ User-friendly
- ✓ Light-weight/compact
- ✓ Complete/consistent delivery
- ✓ Low cost
- ✓ Specific design for each nasal application



### For Vaccination to Enable Blocking Immunity

- Production of mucosal antibody
- Mucosal first-line and systemic second-line defenses
- Cross protection
- R&D for adjuvant formulations
- Collaborative research with Kinki University



### For Nose-to-Brain Delivery

- Drug delivery directly from the olfactory region to the brain
- Beneficial technology for drugs which are do not or difficult to pass the BBB
- Reduce systemic toxicity
- Submitted a research article on nose-to-brain delivery of poorly BBB permeable drug in NHPs to a scientific paper
- Begin productions to move evaluations for a special device to a clinical research stage



- Concluded a business alliance for promoting a manufacturing development of nasal product candidates with Shionogi Pharma, co., Ltd., a Contract Development Organization, in order to enhance SNBL's R&D activities for productization.

Satsuma Pharmaceuticals, Inc.



For relief acute migraine



Refer to the Corporate Presentation disclosed by Satsuma (Dec. 20, 2022).

Submitted the NDA to the US FDA in Mar. 2023.

SNLD, Ltd.



For improvement the wearing-off in Parkinson disease



Completed the clinical P1 study with 21 healthy volunteers in Jan. 2023, and has begun preparations for next clinical studies.

### Satsuma's nasal migraine drug candidate (STS101)

① There is a certain percentage of acute migraine non-responders for Triptans and Gepants<sup>\*1, 2</sup>. **STS101 has dihydroergotamine, an active agent, which is possibly effective to the non-responders<sup>\*2</sup>.**

- 30% of acute migraine patients are non-responders for triptans<sup>1</sup>.
- Gepants are not more effective than triptans and erometamines<sup>\*2</sup>.

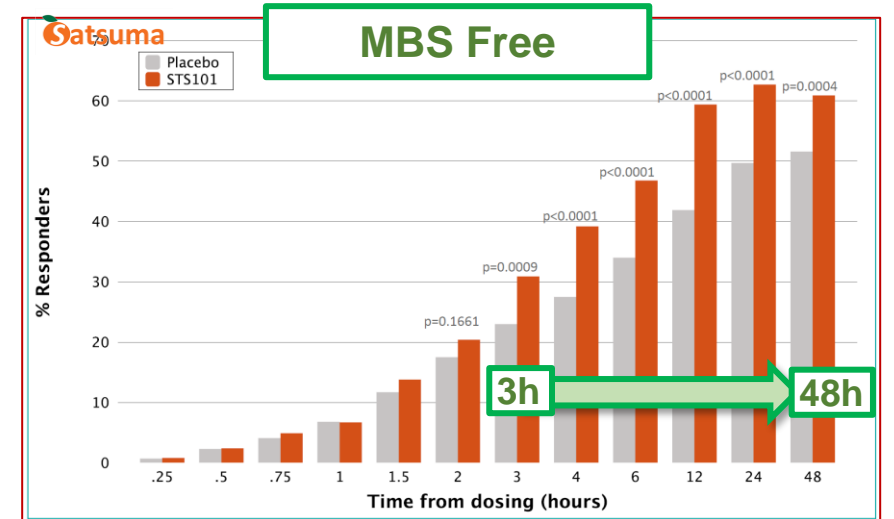
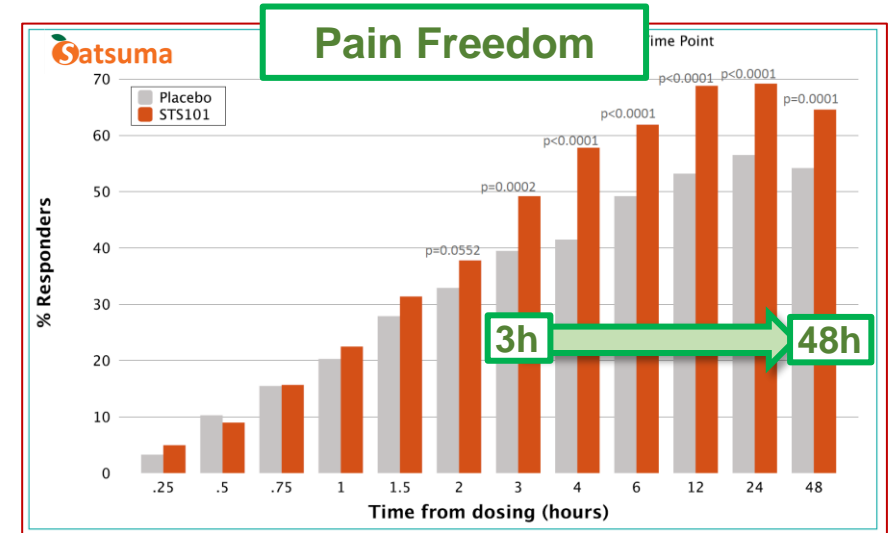
② It is reported that 55% of patients preferred a long-acting agent versus a rapid-onset, short-acting<sup>\*3</sup>.

In STS101 SUMMIT Study, a clinical Phase 3 efficacy study, **STS101 showed superior differences versus placebo on freedom from pain and MBS (most bothersome symptom) at 3 to 48 hours post-administration, although failed to meet the co-primary endpoints (see the right figures).**

- It is reported that 45% of patients with Triptan X had pain recurrences within 24 hours after dosing<sup>\*4</sup>.
- It is reported that a recurrence rate of pain within 48 hours after dosing of Gepant Y was higher than that of a placebo<sup>\*5</sup>.

\*1: Dodick, Headache, 2005, 45(2): 156-162.  
 \*2: Silberstein, Headache, 2020, 60: 40-57.  
 \*3: Malik, et. al, Headache, 2006, 46: 773-780.

\*4: Winner, et. al., Arch Neurology, 1996, 53(2): 180-184.  
 \*5: Lipton, et. al., Lancet Neurology, 2023, 22: 209-217.  
 \*6: Presentation Material of SUMMIT Phase 3 Efficacy Trial Topline Results, Satsuma Pharmaceutical, Inc., Nov. 14, 2022.



# TR Business– Acquire Satsuma Pharmaceuticals



## Acquisition Economic Terms

**Price (at time of acquisition) :**

**US\$0.91 per share,**

**Total amount US\$30.2 million**

(=Estimated cash balance + US\$2.5million)

**CVR(contingent value right):**

**Max US\$192.5million**

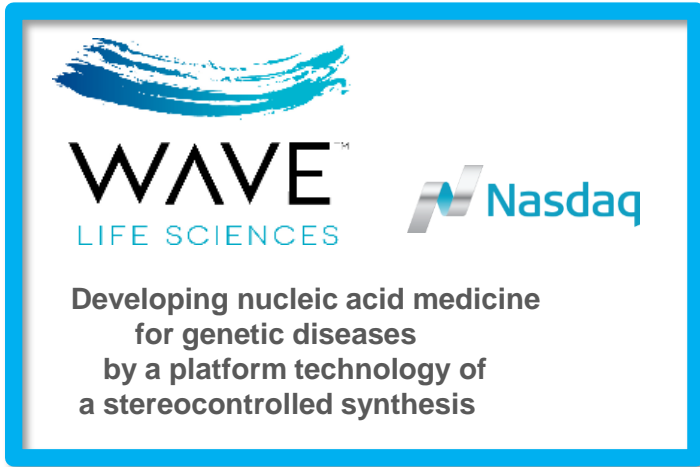
(upon achievement of US\$500 million accumulated earnings from post-recovery of investments made by SNBL after acquisition)

- **June 2016**-Established in the U.S. by licensing out our intranasal administration technology (limited to application to dihydroergotamine, an intranasal migraine drug)
- **September 2019**-Raised funds mainly from U.S. institutional investors and listed on Nasdaq
- **November 2022**- Release of clinical trial data from Phase 3 drug efficacy study (SUMMIT)

Satsuma stopped building its own sales network, which would require additional funding, and strived to reduce operating costs. Meanwhile, Satsuma has shifted to a policy of maximizing shareholder value through seeking commercial partners and strategic business partners, and continuing development for approval. This is because STS101 can be approved by the FDA without further clinical trials and its commercial potential remains large and is not significantly compromised by the results of the SUMMIT trial.

- **From November last year to February this year**, while discussing with the financial advisor (Lazard), Satsuma had been selecting potential strategic business partners etc. by providing data under a confidentiality agreement with them. During the selection process, Satsuma also approached SNBL, and we subsequently **discussed basic terms and conditions (LOI) from February to mid-March of this year.**
- **Due diligence was conducted from mid-March to mid-April of this year.** In parallel, the contents of the Merger agreement was discussed.
- **Friday, March 17-Apply for NDA.**
- **Sunday, April 16- Execution of the Merger Agreement after both parties' board resolutions (disclosed early morning, April 17, Japan time)**
- **Friday, May 5**-Tender Offer begins in the U.S. market (Buying period: 20 business days)
- SNBL will own 100% (after acquisition) from 8.4% (before acquisition).
- After STS101 is launched, licensing income (royalties on sales etc.) can be expected.

# TR Business– Important Investees



- Spin-out from a company established in Singapore in 2012 which was integrated from a SNBL subsidiary in the U.S. established in 2009 with a professor from Harvard University, and the one in Japan established in 2008 with a professor from University of Tokyo
- Listed on Nasdaq in November 2015, raising funds mainly from U.S. institutional investors
- Has three programs in Clinical trials (Huntington's disease, ALS/FTD, and Duchenne muscular dystrophy) by the latest stereocontrolled synthesis technology have been underway since 2021
- Increased its capital by US\$70 million in June 2022, and promoting its own in-house development program (AATD) using its proprietary genome editing (ADAR) technology.
- Signed a strategic collaboration agreement with GSK (key terms are shown on the left) for the development of RNA therapeutics for genetic diseases in December last year
- SNBL owns 9.5% of the company stock.

**Collaboration with GSK(key terms)**

**Upfront : US\$170 million**

**Milestone: Max US\$3.3 billion**

- 1)WVE-006(AATD) Max US\$525 million
- 2)GSK program(up to 8 ) Max US\$2.8 billion
- 3)WAVE program (up to 3)

**Royalty: percentage of net sales**

- 1)From low-teen to high-teen
- 2)Up to low-teen

Program	Discovery	Preclinical	Clinical	Rights	Patient Population (US & Europe)
<b>SPLICING</b>					
<b>WVE-N531</b> Exon 53 (DMD)			Phase 1/2	100% global	2.3K
Other exons (DMD)				100% global	Up to 18K
<b>RNA EDITING</b>					
<b>WVE-006</b> SERPINA1 (AATD)				GSK exclusive global license	200K
Multiple				100% global	-
<b>SILENCING: ANTISENSE</b>					
<b>WVE-003</b> mHTT (HD)			Phase 1/2	Takeda 50:50 Option	25K Manifest (SNP3) 60K Pre-Manifest (SNP3)
<b>WVE-004</b> C9orf72 (ALS and FTD)			Phase 1/2	Takeda 50:50 Option	4K (C9-ALS) 26K (C9-FTD)
SCA3 (ATXN3)				Takeda 50:50 Option	8K
<b>SILENCING: RNAi</b>					
Multiple				100% global	-

## 3. Business Topics: III. Medipolis Business

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Ichiro Nagata, MD, PhD, MMH, MBA  
Executive Director of the Board



# Medipolis Business – Hospitality (AMAFURU & Co.)



At AMAFURU & Co., we are involved in facility management within Wellness Resort Medipolis Ibusuki. As the affinity of the group as a whole, we operate 3 hotel business with our main concept as “Wellbeing of the People”; in other words, the realization of the overall health.

## Healing Resort AMAFURU

We provide Japanese hospitality to guests with the 3 pillars of wellness, nature, and luxury.



## Retreat Resort Ibusuki Bayhills

With the concept of “A second house within nature”, we provide a retreat and workcation service to look back at yourself.



## Medical Resort HOTEL Fresia

We provide a comfortable and relaxing environment for patients receiving treatment at the Medipolis Proton Therapy and Treatment Center and their family.



Medipolis Medical Research Institute  
Medipolis Proton Therapy and Research Center

### ■ Power Generation



#### <Main advantages of geothermal power generation>

1. Nearly zero CO2 emission and excellent environmental compatibility
2. A base-load power source capable of stable power generation
3. Japan having the third largest amount of worldwide geothermal power resources
4. Multi-stage energy utilization (e.g. the use of hot water after power generation)

Increasing demand of geothermal power generation is expected toward the Japanese government's goal of achieving carbon neutrality by 2050.

[Geothermal Power Plant in Medipolis Ibusuki]

- Our binary geothermal power plant rated at 1,580 kW has been operating since February 2015.
- All of the generated electricity is sold under the FIT Law, providing us a stable income.  
Average revenue (as power generation division): 424Mlion yen  
Average sales of electricity per annum (average over the past 3 years): 10,219k kWh\*(\*Approx. a half of our annual power consumption)  
Average equipment utilization rate (average for the past 3 years): 73.8%
- Surplus steam from the power plant is used for greenhouse cultivation, heating of swimming pools, and heating of facilities, reducing CO2 emissions through multi-stage energy utilization.
- In 2022, we finished constructing a system of geothermal power generation by the hot spring water currently used for bathing at our hotel. We aim the system sell its electricity within this year.
- Planning a joint study with a University to investigate the possibility of CCS (Carbon Dioxide Capture and Storage) within our site.

### ■ Seedling Production of Glass Eels

- We conduct research on the artificial seedling production of glass eels, in order to protect the natural resources of Japanese eels, which are becoming increasingly depleted, and to contribute to the local community (Kagoshima Prefecture is the number one supplier of Japanese eels in Japan).



## 4. Q&A

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1. Projected results are based on information available to the Company at the time of writing, as well as certain assumptions judged by the Company to be reasonable. Various risks and uncertain factors could cause actual results to differ materially from these projections. This material does not constitute a solicitation of application to acquire or an offer to sell any security in Japan or elsewhere. This material is presented to inform stakeholders of the views of SNBL's management but should not be relied on solely in making investment and other decisions. You should rely on your own independent examination of us before investing in any securities issued by our company. SNBL shall accept no responsibility or liability for damage or loss caused by any error, inaccuracy, misunderstanding or changes of target figures or any other use of this material.
2. Information about pharmaceutical products (including products currently in development) included in this material is not intended to constitute an advertisement nor medical advice.
3. The presentation slides are based on "Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (Japanese GAAP)." Figures rounded to the nearest 100 million JPY and percentage to one decimal place.
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.

## <IR Inquiries>



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I am happy, you are happy, and everyone is happy.



**SHIN NIPPON BIOMEDICAL LABORATORIES, LTD.**

(TSE PRIME: 2395)

