



February 2, 2024

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Notice Regarding Revisions of Consolidated Earnings Forecasts **for the Full-Year of the Fiscal Year Ending March 31, 2024**

Shin Nippon Biomedical Laboratories, Ltd. (hereinafter, “the Company”) announces the revisions to the forecast of the full-year consolidated results for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024) announced on August 2, 2023, in view of the latest earnings trends.

1. Revisions of the forecasts for the consolidated earnings results for the fiscal year ending March 31, 2024

Revisions of the forecasts for the full-year consolidated financial results from April 1, 2023 to March 31, 2024

	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)	30,368	5,020	7,180	4,780	114.81
Revised forecasts (B)	26,190	3,470	6,390	3,975	95.47
Changes (B - A)	(4,178)	(1,550)	(790)	(805)	
Changes (%)	(13.8)	(30.9)	(11.0)	(16.8)	
ref.) Results of the fiscal year ended March 31, 2023	25,090	5,245	9,194	6,060	145.56

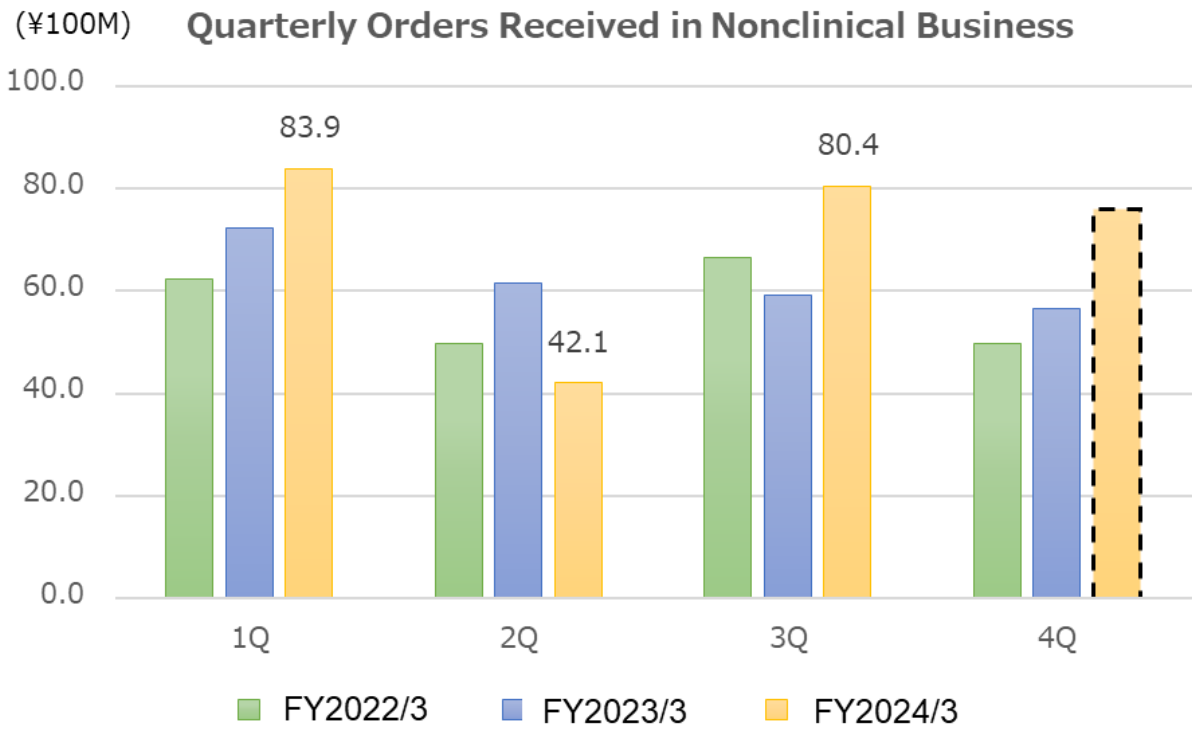
2. Reasons for the revisions to the consolidate financial results forecasts

For the full year ending March 31, 2024, we expect that the revenue will fall short of the forecasts due mainly to the mainstay CRO Business not reaching the full-year plan, as orders received to be posted as revenue in this financial year will be lower than projected. As indicated in a chart below, orders received in nonclinical business was ¥4.21 billion in the second quarter from July to September in 2023, which was weaker than original expectations. During the following three months from October to December, the Company made its utmost efforts to improve the situation, resulting in a record-high orders received for the third quarter, however, most of these orders are expected to be posted as revenue from the year ending March 31, 2025 onwards.

Regarding profits, the Company sees the current business environment in nonclinical business as an opportunity for further growth and has been investing in three key areas: strengthening human resources, increasing facilities, and establishing a domestic breeding system for laboratory NHPs. These strategic initiatives have led to a significant increase in costs compared to the previous year, and lower-than-planned revenue have been unable to fully absorb the costs, resulting in a decline in profit levels. The decrease in ordinary profit, however, has been limited thanks to stronger-than-expected performance of PPD-SNB K.K., an equity method affiliate in clinical business.

The newly revised forecast figures in the full-year outlook above continue to be based on the assumed exchange rate of 144.99 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



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