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Termination of License Agreement with Besins Healthcare for Nasal Progesterone

Shin Nippon Biomedical Laboratories, Ltd. ("SNBL"; President: Ryoichi Nagata; Tokyo, Japan) announces the termination of a licensing agreement signed in April, 2013, with Besins Healthcare (CEO, Leslie Grunfeld; Belgium) regarding a nasal progesterone product.

The agreement granted a license to use SNBL's novel nasal delivery technology platform for a nasal progesterone powder formulation, which was being developed by BHR Pharma, LLC (Virginia, USA; "BHR Pharma"), a 100% subsidiary company of Besins Healthcare, for the treatment of traumatic brain injury. However, an injectable form of progesterone that was being developed by BHR Pharma was not able to confirm its efficacy for the same indication, and Besins Healthcare decided to terminate the development of the injectable progesterone. Consequently, the development of the nasal progesterone was also terminated, even though the product demonstrated high systemic absorption of progesterone. After consideration of other potential treatments for nasal progesterone, SNBL decided to terminate the license agreement with Besins Healthcare.

In the development of the nasal progesterone product, SNBL's technology platform demonstrated its capability in obtaining high absorption of progesterone using a noninvasive, needle-less method, and SNBL will seek partnering opportunities to apply the nasal progesterone to other therapies, including women's health.

The effect of the termination on the earnings of SNBL's current term is minimal.