

MESSAGE

Message from the CEO

Practicing Management That Enables Everyone to Live Happily

Representative Chairman
and President, PhD in Medicine

Ryoichi Nagata

Learning Happiness from the Kingdom of Bhutan

In December of last year, I was deeply honored to become the first Japanese national to receive the National Order of Merit (NOM) Gold Medal from His Majesty King Jigme Khesar Namgyel Wangchuck, who bestowed it to me at Bhutan's 117th National Day celebrations. Before an audience of 30,000, I received this medal in recognition of my contributions to the Kingdom of Bhutan over a period of 15 years as the Honorary Consul-General of Bhutan in Japan.

Around 2009, Bhutan faced high infant mortality rates, prompting the Bhutanese government to seek strategies for improvement. I proposed improving infant nutrition, specifically by providing dairy products such as cheese and yogurt. At the time, Bhutan lacked sufficient dairy cows and the infrastructure needed to produce dairy products. To achieve this goal, I invited two young professionals from the Livestock Bureau of Bhutan's Ministry of Agriculture to



Japan and provided them with the opportunity to study breeding for five years at Kagoshima University's Graduate School of Veterinary Medicine. Upon their return to Bhutan, the professionals successfully guided local farmers in strengthening domestic dairy cattle breeding. At the same time, SNBL constructed a dairy processing plant and provided comprehensive support for human resource development and management until the production of cheese, yogurt, and other products was established. Once the plant was fully operational, we donated the dairy processing plant to the Bhutanese government. Today, the children of Bhutan have access to safe and nutritious dairy products, and infant mortality rates have improved. Census results for Bhutan, which is also known as the Land of Happiness, indicate that 97% of citizens are happy. When I told the first Prime Minister, Jigme Thinley, "I don't think Japan can achieve such a high level of happiness," he replied, "Japanese and Bhutanese people define happiness differently. Don't the Japanese seek happiness in pleasure?" I realized that Japanese people tend to confuse temporary pleasures that satisfy the five senses—sight, hearing, smell, taste, and touch—with true happiness. Bhutanese people

His Majesty King Jigme Khesar Namgyel Wangchuck and Ryoichi Nagata, CEO



perceive happiness as a state of calm and peace, like the surface of a tranquil lake. This is a feeling similar to the Japanese concept of *chisoku* (to know sufficiency; to feel content with what you have). I learned that this mindset lies at the core of the Bhutanese people's hearts and minds, which is why their level of national happiness is so high. At SNBL, our management philosophy is embodied in the slogan, "I am happy, you are happy, everyone is happy". In a nutshell, we emphasize management that enables everyone to live happily. Our Vision for 2028 is to "work hand in hand with our stakeholders to create a chain of happiness." To achieve this, we believe it is important for each of our employees to become the starting point of a chain of happiness. This will make our clients happy, and this happiness will spread along the chain to stakeholders, including shareholders and the local community. The first step in expanding this chain of happiness is to create an environment where employees can enjoy working and build an organization that allows them to grow through their work. There is no such thing as a job that is fun from the very beginning. Even employees at Disneyland struggle to keep smiling through rigorous training and intense summer heat. Beyond an employee's immediate effort lies customer satisfaction, and from that satisfaction comes the "joy of working." Work may not be enjoyable from the start, but it can be enjoyed through ingenuity and effort. We do our best to communicate this distinction to our employees. For the past 13 years, I have overseen Nagata Juku, an internal leadership development program organized by our in-house training division, SNBL Academy. I spend about 60 days a year participating in retreats with Nagata Juku students. Nagata Juku offers three classes: Preparatory (up to 5 years after joining the company), Juku (up to 10 years after joining the company), and University (up to about 20 years after joining the company), and each class has around 10 to 20 members. The employees who join this program are capable individuals who are candidates for management positions or senior management/leadership roles. Nagata

Juku defines the five fundamental business skills as communication, insight, foresight, judgment, and action and provides training to develop these skills through practical application. In the Showa era (1926–1989), the mainstream work style was to follow instructions from above, but the times have changed. We provide training that emphasizes intelligence: not simply acquiring knowledge, but also acting autonomously, learning from failure, and growing.

I believe health is a fundamental prerequisite for happiness, and I personally serve as Chief Health Officer (CHO) to support health management. I work with occupational physicians and in-house public health nurses to conduct health checkups and various wellness initiatives through our unique programs. We believe that only when each employee is healthy in both mind and body that the joy of work and the chain of happiness can truly spread. The concept of happiness I learned in the Kingdom of Bhutan resonates deeply with my management philosophy, which is to create an environment where employees can grow as individuals, support each other as they work, and cultivate an environment that spreads the chain of happiness into society and into the future. This is the vision that SNBL strives to achieve.

Think Ahead and Prepare in Advance

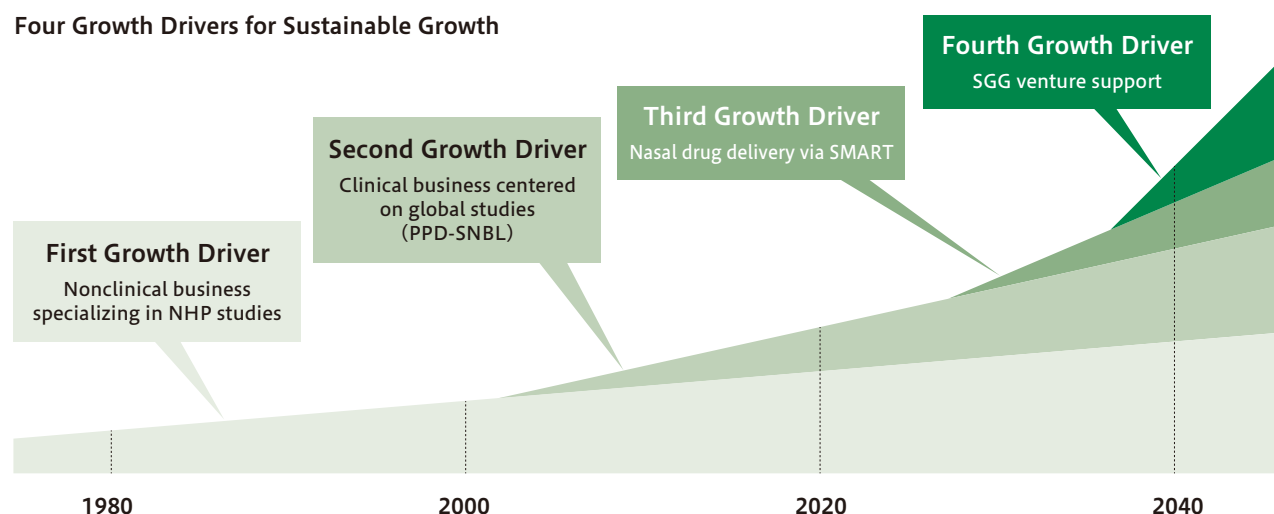
My management philosophy is simple: "Think ahead and prepare in advance". This mindset was instilled in me from a young age by my father, the founder of our company, and remains the core principle that guides my business decisions today. Our company recognized the value of laboratory NHPs, which comes from their high similarity to humans, at an early stage, allowing us to become the only Japanese CRO to have established a breeding and supply network. This system has underpinned our company's growth since 2018 and is the source of our high operating profit margin.

In the 1980s, our strategy of breeding NHPs in-house was not readily accepted because purchasing from external breeders seemed easier and cheaper. However, the COVID-19 pandemic in 2020 highlighted the value of our approach, as NHPs became extremely difficult to procure overseas while we were able to maintain uninterrupted access. This unmatched strength is highly valued and has evolved into a growth driver that has gained us a high level of recognition from European and American customers, especially global pharmaceutical companies. Strategic upfront investment in our nonclinical CRO business is driven by overseas demand that has exceeded expectations. The ongoing expansion of our staff, laboratory facilities, and NHP breeding capabilities is a logical and necessary measure to meet this demand. Our large-scale investments over the past three years have resulted in SNBL being designated a preferred vendor by global pharmaceutical companies.

Delaying diversification until a business has reached maturity risks missing crucial opportunities. For over 30 years, we have been developing our clinical operations and translational research (TR) businesses, based on the belief that we must have new growth engines beyond non-clinical services. Our clinical business has evolved into a joint venture with PPD and is now a key pillar of profitability. Our TR business achieved a tremendous milestone when a drug using our proprietary nasal delivery platform technology (SMART) obtained U.S. FDA approval. This success will significantly boost future licensing activities. Although R&D may temporarily suppress profits, strategic upfront investments to build a foundation for future growth will ultimately lead to an increase in corporate value. The strategy for allocating the cash flow from our corporate activities is essential when considering sustainable growth. I believe the responsibility of management is to proactively anticipate what is necessary for the company's sustainable

growth from a long-term perspective and make rational judgments, with an emphasis on the balance between growth investments and shareholder returns. Unexpected global policy shifts can suddenly emerge and cause abrupt changes to the business environment. For this reason, I believe it is essential not only to respond to daily market fluctuations but also to maintain a forward-looking approach that embraces challenges and looks 10 or 20 years ahead. Even before the company's IPO, we focused on two growth strategies for the CRO business: global expansion centered on the US market, and strengthening NHP resources. We also identified the TR business as a future growth area and made upfront investments. While market analysts and other stakeholders have sometimes questioned the timing and amounts of our investments in relation to short-term financial metrics, we recognize that certain investments are important for corporate growth over the next 10 to 20 years, even if they negatively impact short-term P&L. The experience gained through our global expansion and TR business has also become the foundation for new drug discovery support services, including our current SGG initiative. Taking stock of our achievements, we can conclusively declare that these upfront investments have been instrumental in building a strong foundation that sets our Group apart and drives sustainable growth. We will remain committed to our principle of thinking ahead and preparing in advance to continue enhancing our corporate value.

Four Growth Drivers for Sustainable Growth



SGG: Bridging the Gap between Drug Discovery Ecosystems in Japan and the US

The scope of pharmaceutical development research outsourced to SNBL by pharmaceutical companies has changed significantly over time. Until the 1980s, research was limited to nonclinical studies. In the early 1990s, however, we began undertaking Phase 1 trials, and in the

late 1990s, we expanded into clinical business and SMO¹ services.

In the US, the division of roles between pharmaceutical companies and biotech ventures has become clearly defined. Supported by investors and management talent, the US has a drug discovery ecosystem that maximizes corporate value while diversifying risk through IPOs on the NASDAQ market and M&A. This ecosystem functions with an eye toward post-approval exit strategies, providing a well-developed path from seed to global expansion. Compared to Japan, the US offers five key advantages for biotech company growth: market size, talent mobility, a continuous funding environment, clear regulatory processes, and globally recognized technology platforms. Consequently, the system enables promising startups with strong seeds to take on the challenges of the global market within a short timeframe.

Japan, on the other hand, despite possessing world-class science, technology, and R&D capabilities, lacks sufficient mechanisms to commercialize innovations and translate them into economic impact. The reality is that many startups possess outstanding research results but struggle to break into the ""inner circle"" of the global drug discovery ecosystem. This situation represents a significant loss for the Japanese economy, and I believe that urgent action is needed. The Japanese government appears to share this sense of urgency. I recently participated as one of several experts in a meeting on the theme of ""Strengthening the Drug Discovery Ecosystem"" held at the Prime Minister's Office. In June of this year, a follow-up meeting was convened at the Prime Minister's Office, during which I presented concrete proposals.² These policy initiatives align closely with SNBL's strategic direction, and I anticipate accelerated development of public-private collaborations as a result. Since 1999, SNBL has established nonclinical research facilities and hospitals that specialize in supporting clinical trials in the US, further expanding our CRO business

globally. We have also advanced our TR business by collaborating with academia and investing in startups that hold intellectual properties. A prime example is Wave Life Sciences, which went public on NASDAQ based on technologies from Harvard University and the University of Tokyo. Another example is Satsuma Pharmaceuticals, which was originally founded based on our proprietary SMART technology. We later repurchased the company after its NASDAQ listing and successfully guided the company to FDA approval. To date, of the four Japanese biotech startups that have been listed on the NASDAQ in the US, two were supported by SNBL from their founding through their growth.

In 2024, we established SNBL Global Gateway (SGG) in Seattle, USA, which recruits startups with promising technologies or drug candidates, evaluates them, and

supports their business expansion in the US. A major feature of this business is comprehensive support extending beyond mere investment to include practical aspects such as regulatory compliance, talent acquisition, and lifestyle support.

Drawing on my own experience developing drug discovery-related businesses in the US for over 20 years, I have a deep understanding of the three biggest obstacles that Japanese companies often struggle with when entering the US market. The first obstacle is cash flow. The issue of how to secure funding is the biggest challenge, and SGG addresses this through direct support and investor referrals. The second obstacle is local rules and regulations for daily life. We provide support for fundamental aspects of daily life, such as obtaining a driver's license, handling tax obligations, and accessing healthcare. The third obstacle is

¹ Site Management Organization (clinical trial site support organization)
² The SGG concept was introduced at the Public-Private Council for Enhancing Drug Discovery Capabilities held at the Prime Minister's Office in June this year. Presentation slides are available for download from the Cabinet Office website (in Japanese).



The Superiority of the US Drug Discovery Ecosystem

Japan	VS	USA
Medical expenses: approx. 47 trillion yen (2023)—The market is relatively small and self-contained within Japan	Market	Medical expenses: approx. 720 trillion yen (2023) —The world's largest market, enabling global expansion through FDA approval
CxO talent with extensive management experience is limited, and a risk-averse approach to management continues to dominate	Talent	Extensive and fluid networks with entrepreneurs and venture capital
Fundraising is predominantly limited to several hundred million yen; biotech venture capital firms are scarce, and securing post-IPO fundraising is also challenging.	Funds	Investments typically range from several billion to 10 billion yen; numerous biotech venture capital firms; active post-IPO fundraising
Regulations are complex, and the approval process is time-consuming	Development	Clear regulatory standards; accelerated approval processes
Research and development focus primarily on domestic evaluation, while overseas outreach remains a challenge for the future	Technologies	Active evaluation by global pharmaceutical companies and investors; numerous international outreach opportunities and events

Strengths of the US drug discovery ecosystem revealed through a Japan-US comparison

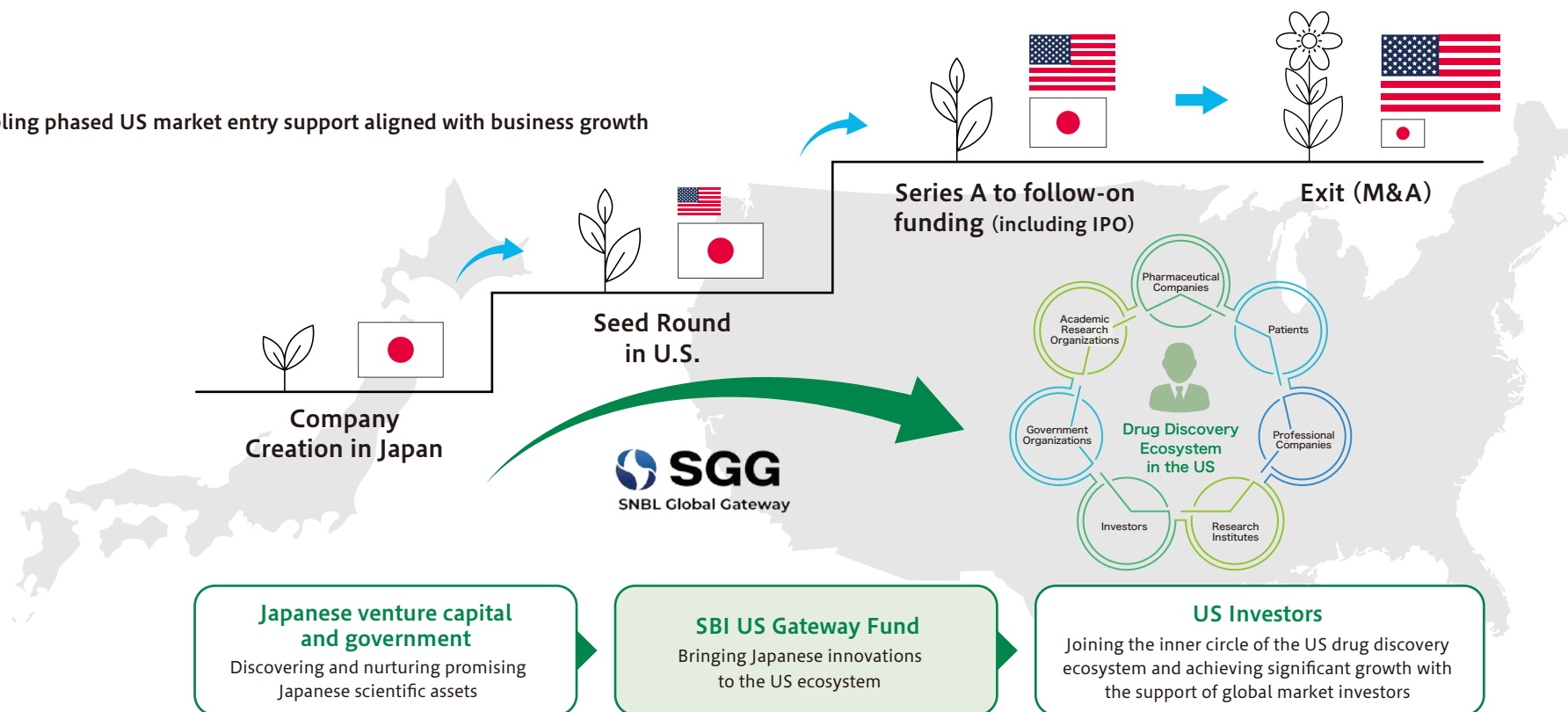
	Significant differences in post-approval sales and business expansion
	Depth of talent with management experience
	Mechanisms for a sustainable capital supply
	Superiority in PoC (Proof of Concept) and international approvals
	Evaluation against global standards

recruitment. Ignoring cultural and legal differences can easily lead to failure. By offering tailored support based on my own past failures, we help the next generation of startups avoid repeating the same mistakes. Financially, we established the SBI US Gateway Fund in partnership with the SBI Group and Plug and Play, leveraging SGG's base as an investment hub to expand our network with local investors. This framework directly connects Japanese technology seeds to the inner circle of the US drug discovery ecosystem, enabling us to provide step-by-step support aligned with business growth, from the seed stage through IPO to exit (M&A). We aim to simultaneously

maximize the growth of portfolio companies and fund performance through synergies between our incubation facilities and funds. Japanese researchers and venture entrepreneurs have tremendous potential. Due to a lack of business acumen and capital strategy, however, promising technologies are often swallowed up by major overseas investors before they have a chance to take root. This means that they are bought out before the flowers bloom, let alone bear fruit. SGG aims to transform this situation by serving as a bridge to ensure that technologies and intellectual property originating in Japan gain true recognition by global standards.

SGG has immense social significance and was not built to be a short-term profit generator. We are confident that SGG will contribute to expanding our order base through connections with our nonclinical CRO business and deliver investment returns over the medium to long term, thereby serving as a new growth driver for the SNBL Group. With long-term changes in the market environment, I believe that our experience and expertise accumulated in the US market are now exactly what society demands. SNBL remains committed to fulfilling its mission of delivering pharmaceuticals created in Japan to the world through drug discovery support in the global market.

Enabling phased US market entry support aligned with business growth



Financial KPIs

To enhance its corporate value, SNBL emphasizes the profits generated by each business division. One of its important management goals is to increase company-wide operating profit and ordinary profit and improve the profit ratio. In terms of the return on capital indicators, we emphasize ROE (return on equity) and ROIC (return on invested capital), which are reported at the monthly meetings of the Board of Directors.

To implement management practices focused on the cost of capital, we aim to maintain or increase our high ROE, and we strive to optimize the balance between financial soundness and shareholder return. We are committed to enhancing shareholders and investors' understanding of these management policies and strategies by clearly presenting them in our integrated report and providing detailed explanations at general shareholders' meetings,

financial results briefings, and other information sessions. To achieve sustainable growth and the medium- to long-term increase in corporate value, in 2022, we set KPIs for our growth potential and shareholder return, and for return on capital in 2023.

We have estimated the cost of capital and the cost of shareholders' equity at 4.8% and 7.2%, respectively, based on the results for the fiscal year ended March 31, 2025. We have estimated the β value to be 0.94, using weekly data from the past five years. The ROIC and ROE calculated based on the results for the fiscal year ended March 31, 2025 are 10.4% and 13.3%, respectively. Both exceed the estimated cost of capital and cost of shareholders' equity. SNBL will continue to work to achieve a return on capital that consistently exceeds the cost of capital.

Enhancement of corporate value

ROIC 10.4%

Return on
invested capital



**Cost of capital
(WACC) 4.8%**

Expected rate of return
for shareholders

Improvement of shareholder value

ROE 13.3%

Return on
shareholders' equity



**Cost of shareholders'
equity 7.2%**

Expected rate of return
for shareholders

Financial KPIs		FY3/2022 (Target)	FY3/2025 (Results)	FY3/2029 (Vision 2028)
Indicators of growth potential	Revenue	17.7 billion yen	32.4 billion yen	50.0 billion yen
	Ordinary profit*	5.7 billion yen	6.6 billion yen	20.0 billion yen
	Ordinary profit margin*	32.2%	20.4%	40.0%
Indicators of shareholder returns	Dividend payout ratio	23.4%	42.3%	30~40%
Indicators of capital profitability	ROE	40.4%	13.3%	10% or higher
	ROIC	18.4%	10.4%	10% or higher

* Ordinary profit and ordinary profit margin do not take into account foreign exchange losses or gains.

Vision 2028

SNBL's Materiality

To achieve the sustainable growth of corporate value, we have identified a total of seven material issues: three under the heading ""addressing social issues through business"" and four under the heading ""strengthening our management foundation to meet the needs of society."" Focusing on these material issues will also help achieve the SDGs and realize a sustainable society.

Process of Identifying Material Issues (Materiality)

01

Gauging and aggregating social issues and demands

We referred to a range of guidelines in the process, such as the SDGs and GRI guidelines, as well as the indicators of ESG rating agencies and Japanese government guidelines. Using these guidelines, we identified social issues to be addressed through our businesses and social demands to strengthen the management foundation. We then grouped similar items and considered their relevance to the company and finally aggregated them into 30 categories.

02

Identifying key stakeholders

With the involvement of each business division, we identified key stakeholders of the company and sorted out stakeholder expectations and demands.

03

Identifying high-priority issues and demands

In light of what the company is aiming to become, we examined risks and opportunities for the company corresponding to the 30 categories, from the perspective of social issues and social demands. The SDGs Committee, an advisory body to the Board of Directors, then extracted high-priority issues and demands as materiality candidates.

04

Identifying opportunities, risks, indicators, and material issues

After reviewing the opportunities, risks, targets, and KPIs of the extracted candidates, the Board of Directors identified seven categories as material issues (materiality).

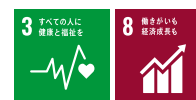
Seven material issues

Addressing Social Issues through Business

Supporting Drug Development and Improving Medical Technology (Improving Access to Medicines)



Wellbeing Lifestyle



Preserving the Beautiful Natural Environment



Strengthening Management Foundation to Meet Society's Demands

Creating an Organization Where People can Enjoy Their Work



Evolving the Business through Digital Transformation and Robotic Process Automation



Enhancing Stakeholder Engagement



Building a Governance Framework for Realizing the Corporate Principles



Materiality/Non-financial KPIs

Materiality	Sub-materiality	Indicators	Target
Supporting Drug Development and Improving Medical Technology (Improving Access to Medicines)	Creating time value in the nonclinical study	Shorter lead time for nonclinical study	FY3/2026: Submission of final report draft in 6 weeks at the earliest
	Improving science capabilities to become an outstanding CRO	Number of conference presentations and publications of articles / Obtaining qualifications	FY3/2029: 40 conference presentations and 13 article publications / FY3/2029: 10 employees with DABT credentials
	Helping meet unmet medical needs	Number of intranasal formulations approved utilizing our intranasal dosing platform	FY3/2031: 2 or more
	Supporting biotech venture companies	Number of funds established in the Gemseki business	FY3/2029: 3
Wellbeing Lifestyle	Achieving wellbeing	Employee satisfaction surveys / Employee engagement surveys	Checking results / Checking results
	Developing hospitality mindset	Customer satisfaction survey	Checking results
Preserving the Beautiful Natural Environment	Realizing carbon neutrality	Scope 1 & 2 & 3 / SNBL carbon neutral indicator / CO2 environmental efficiency / Amount of renewable energy produced	Checking results / FY3/2031: Net zero FY3/2031: 50% improvement (Base year: FY3/2021) / FY3/2029: 30 million kWh
	Shifting to a circular economy	Water environmental efficiency / Percentage of water resources reused	Checking results / Checking results
	Transition to nature positive	Number of fully farmed Japanese eel produced	FY3/2027: Annual production of 100,000 eels
Creating an Organization Where People can Enjoy Their Work	Promoting diversity, equity and inclusion	Percentage of women in managerial positions / Percentage of employees taking childcare leave	FY3/2029: 30% or higher / FY3/2029: Maintaining 100%
	Promoting human capital management	Training hours per person / Development of reading as a habit	Checking results / Checking results
	Promoting health and productivity management	SNBL Health & Productivity Management indicators (10 items)	FY3/2027: Achievement of target for each indicator
	Achieving growth of both employees and company	Employee satisfaction surveys / Employee engagement surveys	Checking results / Checking results
Evolving the Business through Digital Transformation and Robotic Process Automation	Study records digitalization	Number of sheets of paper saved	FY3/2024: 1.2 million sheets (compared to FY3/2022)
Enhancing Stakeholder Engagement	Maximizing customer profit	Customer satisfaction survey	Checking results
	Sharing growth with business partners	Percentage of major suppliers that have been evaluated	Checking results
	Increasing shareholder value	Number of investor meetings	Checking results
Building a Governance Framework for Realizing the Corporate Principles	Enhancement of the function of the Board of Directors	Board meeting attendance of directors and corporate auditors	Checking results (maintaining 80% or higher)
	Promotion of fair business activities	Conformity to Corporate Governance Code	Checking results (maintaining 100%)
	Commitment to compliance	Percentage of employees who take part in Compliance Action Guidelines training	100%

Addressing Social Issues through Business

Strengthening Management Foundation to Meet Society's Demands

SNBL's Value Creation

Vision 2028

Business Sustainability

E S G

Data Section

Dialogue: Strengths and Growth Strategy in Nonclinical Services

Becoming a World Leading CRO



Keiko Toya

External Director

Professor, Graduate School of Global Business,
Meiji University

Specializes in service management, utilizing big data and survey data in practical activities. Currently resides in Sweden as a Visiting Researcher at the European Institute of Japanese Studies, Stockholm School of Economics. Serves as chair of the SDGs Committee at SNBL.



Hideshi Tsusaki

Executive Managing Director / Head of Global Business Development

Registered Veterinarian (DVM) in Japan, PhD in Medicine,
Specially Appointed Professor (Part-time), Gifu Pharmaceutical University

Engaged in nonclinical service operations since joining SNBL in 1996. After serving as a study director and Head of Kagoshima Drug Safety Research Laboratories, he was entrusted with overseas business operations as President/CEO of SNBL USA. He currently leads overseas business development for nonclinical services and the NHP breeding program, and strives for stronger relationships with global clients, primarily in the US and Europe.

Our clients know that they can rely on SNBL to deliver studies as requested.

Toya We meet every month at the SDGs Committee, but this is the first time we have had a chance to talk at length like this. I am very much looking forward to it. First, Dr. Tsusaki, could you tell me about how you came to be involved in the nonclinical business?

Tsusaki Yes, thank you. I joined SNBL in 1996. My major in college was veterinary medicine and, within that field, I specialized in toxicology. Toxicology is actually a discipline that is directly linked to safety assessment, which is the core of the CRO business, so that choice was deeply connected to my career path.

After joining SNBL, I was assigned to Drug Safety Research Laboratories in Kagoshima. Initially, I worked as a technician conducting experiments on animals, directly

handling the animals on-site. Later, I became a study director, which is essentially a project manager. Because I regularly read English journals and other literature when I was a college student, I naturally became the point of contact for overseas clients. Directly interacting with researchers in the US and Europe allowed me to gain a global perspective from a young age and proved to be great experience for the future.

Toya In recent years, orders from US and European pharmaceutical companies have grown significantly. What are the reasons behind this?

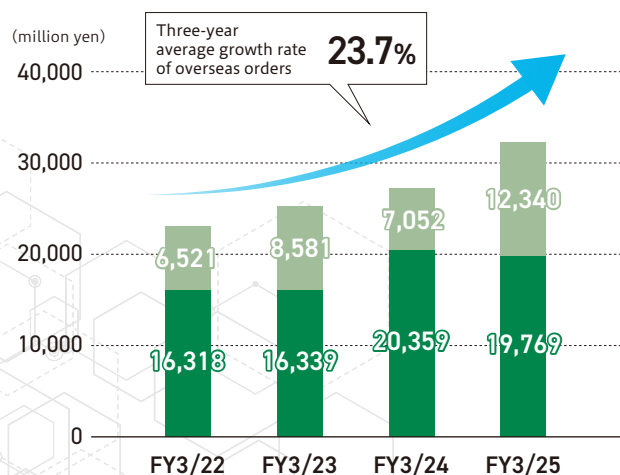
Tsusaki The most crucial point relates to the very essence of drug development: safely delivering medicine to people. Pharmaceuticals are ultimately administered to humans, but administering unknown substances directly to humans is ethically and scientifically unacceptable. For that reason, we instead use laboratory animals and cells to investigate biological responses. This is the role of nonclinical testing.

Our CEO, Dr. Nagata, pursued this approach early on, with the knowledge that studies using NHPs, which are phylogenetically close to humans, have high scientific validity. As a result, SNBL has now established a globally rare system that allows us to breed and supply laboratory NHPs within our own group. This system, which enables the stable provision of NHPs as needed, is particularly valued by our clients in the US and Europe. The background to this was the COVID-19 pandemic. At the time, China—the world's largest exporter of NHPs—had banned exports, causing a major disruption in global supply and demand and leading to a situation where drug research and development efforts stalled. SNBL, which had achieved a stable supply of NHPs, became the focus of renewed attention. This significantly boosted customer trust that SNBL can deliver studies as requested, which is our key strength.

Our stable supply of NHPs and our sincere commitment to animal welfare are two key reasons clients choose us

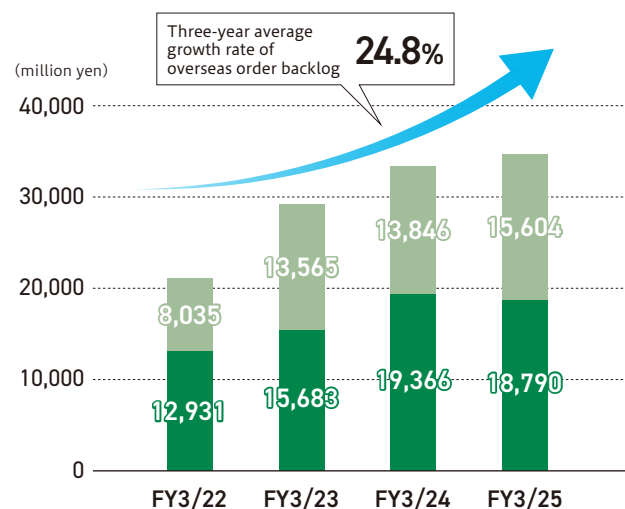
Trends in nonclinical services orders

■ Domestic orders ■ Overseas orders



Trend in nonclinical business order backlog

■ End-of-year order backlog (domestic) ■ End-of-year order backlog (overseas)



Toya I see. So, our long-standing experience in providing a stable supply of NHPs, whose characteristics are similar to those of humans, is recognized as our key strength. However, since we handle animals, consideration for animal welfare is essential. What are your thoughts on this point?

Tsusaki It is indeed a crucial theme. We are acutely aware of the ethical dilemma of sacrificing animals to protect human health. That is why we are committed to minimizing suffering throughout each animal's life by reducing the number of animals used, and ensuring that they are raised in the best possible environment. This aligns with the international animal welfare principle of the 3Rs (Replacement, Reduction, Refinement), which SNBL fully endorses.

When I first joined SNBL in the 1990s, Japan's animal welfare standards were said to be lagging 10 to 20 years behind those in the US and Europe. In 1999, however, we built our own facility in Washington State in the US and

operated our nonclinical CRO business there under the strict local standards. This became the catalyst for integrating animal welfare as an intangible asset of the Company. I was stationed in the US for about seven years in total, and the experience I gained there as a business manager was invaluable.

We have since gradually introduced Western standards at our facilities in Japan. In 2011, our Kagoshima facilities achieved full accreditation from AAALAC International, an internationally recognized animal welfare certification body. We have continued to make improvements since and now maintain a world-class animal breeding environment.

Toya So, your animal welfare initiatives translate directly into client recognition?

Tsusaki That's right. Major global pharmaceutical companies, in particular, have their own extremely high animal welfare standards. If you do not meet a certain level, you simply will not be considered for business. The reason we have earned the trust of our European and American clients is that we are quick to adopt and implement internationally recognized animal welfare standards. In other words, I believe our stable supply of NHPs and our sincere commitment to animal welfare are two key reasons clients choose us.

Preferred vendor status is proof of recognition as a strategic partner by major pharmaceutical companies

Toya Thank you. Earlier, we touched on major global pharmaceutical companies, and there was also news that SNBL was selected as a preferred vendor by one of these companies. Could you explain what a preferred vendor is and what factors contributed to earning this recognition?

Tsusaki Yes. "Preferred vendor" is a policy established by a pharmaceutical company stipulating that they can only commission studies from pre-approved CROs. In other words, they do not freely commission studies to any CRO. Only a limited number of CROs that have met strict criteria and are placed on a candidate list are eligible for

commissioning. At most, only two or three CROs are typically certified as preferred vendors. Getting over that barrier is extremely difficult in itself. Therefore, being selected is proof that we have been recognized as a strategic partner by major pharmaceutical companies.

The criteria for evaluation are strict. Without a strong reputation in the industry, a CRO cannot even be considered a candidate. Beyond that, advanced technical capabilities, reliable quality, and the capacity to conduct studies in a timely manner are required. I believe that SNBL is highly evaluated as a result of the trust built up over many years, our stable NHP supply system, and our ability to secure the necessary facilities and personnel to conduct studies when needed.

Toya I see. So, a stable supply and capacity are also crucial for being chosen as a preferred vendor?

Tsusaki Yes, that's right. When I returned from the US in 2017, our nonclinical business sales (on a standalone basis) were around 9 billion yen, with overseas sales accounting for less than 10%. However, since the European and American markets are over ten times larger than the Japanese market, I did believe that there was enormous growth potential. We therefore launched a new effort to attract the US and European clients, using Drug Safety Research Laboratories in Kagoshima as a base. As we progressed with this effort, demand proved higher than anticipated, and our available capacity was immediately filled up. By 2018-19, we reached full-capacity operation and achieved stable profits.

Then, when NHP exports from China were halted during the 2020 COVID-19 pandemic, our ability to provide a stable supply suddenly gained significant attention. This triggered a surge in orders from clients in the US and Europe, prompting us to undertake large-scale capacity expansion, including the construction of a new eight-story building. Today, our nonclinical business sales have expanded to approximately 30 billion yen, establishing us among the top five CROs globally.

Toya So, does selection as a preferred vendor lead to

long-term partnerships?

Tsusaki Yes. This is one of the key advantages of working with major global pharmaceutical companies. Small and medium-sized pharmaceutical and biotech companies experience significant fluctuations in their pipelines. It is not uncommon for them to have projects in one year and none in the next. Major global pharmaceutical companies, on the other hand, consistently maintain a certain number of development projects. Therefore, our current strategy is to continue to engage in flexible collaboration with biotech companies while being selected as a preferred vendor by two or three of global pharmas to build a stable foundation. This strategy has proven successful. Now, clients from the US and Europe, including global mega-pharma, visit the Drug Safety Research Laboratories in Kagoshima almost every week, expressing their desire to entrust studies to



SNBL. By maintaining our commitment to delivering high-quality data rather than merely focusing on expansion, while still ensuring a certain level of scale, we feel we have finally reached the stage where we are achieving full-scale recognition in the global market.

Word-of-mouth trust creates new customer touchpoints

Toya I believe our business expansion in the West is currently expanding from the US to Europe. Could you tell us about the differences in strategy and how this expansion is unfolding?

Tsusaki In fact, many European pharmaceutical companies also have research bases in the US. We have seen an increasing number of researchers who hear about

our services in the US and recommend us to their European headquarters, saying, "There's an excellent CRO in Japan called SNBL." European companies also tend to place strong emphasis on the Japanese market and often establish Japanese subsidiaries or research bases. When researchers who have worked with us introduce us to their European headquarters, our client base naturally expands to include European clients.

In fact, recently, a representative from a major European pharmaceutical company visited us, prompted by a recommendation from one of their group's US researchers. This kind of word of mouth expansion is helping us reach new clients.

Toya That's interesting. So, it's all about connections through personal networks?

Tsusaki Yes. The pharmaceutical industry is a very small world. It is said that everyone is within three degrees of separation from anyone else in the industry. That is why both good and bad reputations spread so quickly. By carefully nurturing our positive reputation, we achieve results that go beyond simply acquiring new clients. The US, in particular, has strong personal networks, and I often receive requests for recommendations or references from American researchers myself. As a result, our sales approach has evolved into one that allows us to make word-of-mouth our greatest weapon.

ESG compliance ties directly with customer trust

Toya Finally, I would like to ask about sustainability. We have been discussing this extensively at the SDGs Committee. How would you summarize SNBL's strengths from an ESG perspective?

Tsusaki On the social front, very few pharmaceutical companies worldwide can conduct nonclinical studies in-house. Many companies now rely on CRO expertise, making us indispensable to drug development. We believe that supporting the process of delivering medicine to

patients represents a significant social contribution.

The same applies from a government perspective.

Pharmaceuticals are a means of protecting public health, and nonclinical CROs that support drug development are important from a policy standpoint. Dr. Nagata was invited to give a presentation on strengthening the drug discovery ecosystem at the Prime Minister's Office, which I believe shows recognition of our role in society.

In environmental terms, SNBL uses no wild-caught NHPs whatsoever, using only purpose bred NHPs for research. This is important from the perspective of environmental protection under the Washington Convention, as we have established mechanisms that do not harm natural environments or ecosystems. We also pursue sustainable management by engaging in initiatives such as forest conservation and geothermal power generation.

Toya ESG compliance ties in directly with customer trust, right?

Tsusaki Yes. European pharmaceutical companies emphasize ESG evaluations as a condition for vendor selection. We are sometimes asked directly, "What is your EcoVadis score?" Continuing to sincerely address these standards is a fundamental prerequisite for maintaining customer trust. As with the strengths of our nonclinical business, I feel that our responsible stance toward sustainability is one of the reasons why our clients continue to choose SNBL.

i. AAALAC International, headquartered in the US, is an organization that evaluates and certifies the quality of animal care and use programs for animals used in scientific research. Obtaining AAALAC accreditation signifies that an organization's appropriate handling of animals and humane considerations meet international standards and that the research they conduct is highly reliable.

ii. An international organization that evaluates corporate sustainability performance. It comprehensively analyzes a company's environmental, social, and ethical initiatives, with results calculated as a score. Covering over 185 countries and over 250 industries, it is widely used for managing sustainability risks within global supply chains.



Interview with the COO



Shin Nippon Biomedical Laboratories, Ltd.
Senior Executive Vice President and COO

Ichiro Nagata

Cultivating CRO human resources trusted worldwide for scientific expertise and responsiveness

In recent years, SNBL has been recognized not only in Japan, but also globally. This can be seen from our recent successful preferred vendor contract with global pharmaceutical company. SNBL has been building a solid presence as a nonclinical CRO. In this context, I believe that scientific expertise and responsiveness will be keys that partners require for CROs in the future.

Originally, nonclinical studies were handled internally by pharmaceutical companies. However, while the role of CROs expands, with a progressive shift toward outsourcing in line with the trend of reducing development costs, it is becoming difficult for pharmaceutical companies to develop nonclinical human resources and accumulate know-how. Against this backdrop, CROs are now expected to play a role as partners in development who can participate in discussions from the planning stage of the study and make proposals from a scientific perspective rather than merely functioning as a subcontractor. To achieve this, in addition to the ability to accurately perform the commissioned study, it is essential to have the ability to make proposals based on experience and knowledge; that is, solid scientific expertise. At the same time, with the increase in global projects, there is demand for not only scientific expertise but also a high level of responsiveness. What I mean by "responsiveness" here is overall communication ability, including English language skills, as well as speed and accuracy of response. English language ability is now a prerequisite for business. On top of that, it is important to accurately meet the expectations of partners and build trust.

In light of these issues, SNBL launched the Research and

Technology Development Promotion Project two years ago as a company-wide initiative. Employees who want to take on the challenges of research form teams across departments and age groups, and present their research themes in the form of a competition twice a year. Along with senior management, our experts with extensive experience at major pharmaceutical companies and in medical settings review the teams' work and award research budgets to outstanding proposals. This initiative not only improves scientific abilities but also strengthens presentation skills and fosters a culture that encourages taking on new challenges. The results of research born from this initiative are presented at academic conferences, and solid outcomes are beginning to take shape.

We are also focusing on strengthening our English language skills. We offer four types of English training classes for employees involved in overseas projects according to their language ability. These activities are resulting in significant improvement in TOEIC scores. In addition, we hold quarterly in-house English speech events to provide ample opportunities to our employees to practice their English speaking and express themselves.

SNBL's goal for the future is to become an elite organization, so that people will say "your nonclinical study is guaranteed to succeed if you consult with SNBL." Combining scientific expertise and responsiveness to cultivate human resources who are trusted by pharmaceutical companies around the world—that is the responsibility of a CRO with sustainable growth, and the role SNBL should play.

— SNBLer Interview: Voices from Our Study Directors

In drug development, the study director plays a central role in overseeing the progress of nonclinical studies and connecting clients to studies.

In this interview, we spoke with two people who are active on the front lines about their daily roles, what they find to be most rewarding, and their relationships with clients.



Drug Safety Research
Laboratories Manager,
Global Study Team

Ayumi Inoue

— What kind of job is a study director?

A study director is like a project leader of a nonclinical study. When a study is requested by a pharmaceutical company, the study director oversees all processes, from the preparation of study protocols and internal coordination to verification of data and the preparation of final reports. We play an essential role in helping pharmaceuticals move to the next stage of development, while building trust with our clients.

— What is important to you in communicating with clients?

For me, it is providing the right information at the right time. During the study period, we provide weekly reports and share the progress and status of the study. I believe that hearing, “thank you,” and “we can trust you with our study,” from our clients is the basis of a trusted relationship.

— Please tell us what is rewarding about being a study director.

My specialty is reproductive and developmental toxicity studies. These are studies that evaluate how a drug affects reproductive function, women who can become pregnant, and their children. In particular, there are only a few nonclinical CROs in the world, SNBL being one of them, that can conduct large-scale reproductive and developmental toxicity studies using NHPs. I have experienced pregnancy and childbirth myself, and I am still in the midst of raising my own children. These experiences have made me realize that these studies carry a heavy burden of responsibility, involving people's entire lives. As a result, the sense of accomplishment that we feel when we get results is exceptional, and I find this rewarding.



Drug Safety Research
Laboratories
Unit Manager,
Global Study Team

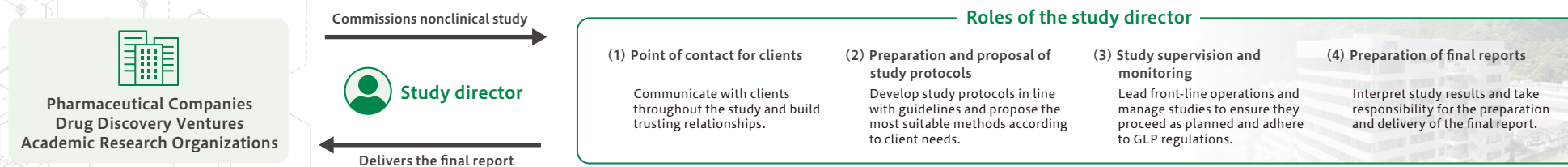
Hiroshi Uchino

— What qualifications and expertise are required of a study director?

In addition to specialized knowledge, study directors are expected to have extensive practical work experience. One of the most highly recognized qualifications internationally is the Diplomate of the American Board of Toxicology (DABT) awarded by the American Board of Toxicology (ABT). This certification proves that the holder is an expert with extensive knowledge and practical experience in toxicology and is recognized as proof of reliability, especially by pharmaceutical companies in the US who want to entrust testing to DABT qualification holders. There are around 40 DABT qualification holders in Japan, six of whom work at SNBL. SNBL is the only CRO in Japan that has DABT qualification holders.

— What kind of roles and attitudes do pharmaceutical companies require of CROs?

Expertise, quality, speed, and flexibility. In the current highly competitive global market, companies want to proceed with clinical trials as soon as possible. Therefore, it is essential to have proven technical capabilities and a high level of reliability, while also being able to respond quickly to changing needs. At SNBL, we ensure we respond promptly to overseas clients in such a way that they do not sense any time difference, and we maintain a system that consistently delivers both speed and peace of mind.



Sustainability Initiatives

Basic Sustainability Policy

SNBL strongly recognizes the importance of sustainability promotion initiatives for the sustainable growth of companies, and contributes to the realization of a sustainable society. In promoting sustainability, all employees work together based on the SNBL Basic Sustainability Policy.

01 Identifying materiality and addressing environmental and social issues through business

Based on the idea of double materiality, which considers the environmental and social impact in addition to the financial impact on the company, we will help to address environmental and social issues through our business with the aim of enhancing sustainable corporate value.

02 Earning trust through two-way dialogue with stakeholders

We will seek to respond to social demands through proactive, fair disclosure and through mutual dialogue with our stakeholders, thereby earning their trust as a company.

03 Instilling a culture of sustainability across the company

We will promote sustainability education for employees, and every employee will put sustainability into practice in their work.

Sustainability Framework

SNBL incorporates sustainability-related risks and opportunities into the decision-making of each business activity. SNBL has established the SDGs Committee as a non-statutory advisory body to the Board of Directors. The committee aims to systematically enhance the SNBL Group's sustainability initiatives from a medium- to long-term perspective.

The SDGs Committee meets monthly and deliberates on the identification of sustainability-related risks, opportunities, and material issues; sustainability-related policies and strategies; and the setting of non-financial targets under the supervision and advice of the Board of Directors. Sustainability-related policies and other important matters deliberated on by the SDGs Committee are presented to the Board of Directors. Policies and strategies decided on by the Board of Directors are incorporated into the goals of each organizational unit, and the results of activities are fed back to the Board of Directors.



Details of SNBL's ESG initiatives can be found on its website and in its ESG Data Book

ESG Data Book [↗](#)



Please visit our website for details.

E: Environment [↗](#)



S: Social [↗](#)



G: Governance [↗](#)



Creating an organization where people can experience joy in their work

One of our material issues is "creating an organization where people can enjoy their work." As balancing childcare, caregiving, and work becomes a major social challenge, what does "the joy of working" mean for us? How can we create an organization where every employee can truly experience that joy? In this roundtable talk, two executives and a manager who have experiences raising children came together to share their experience.



Aya Shiraishi

Director of Analytical Research Department,
Drug Safety Research Laboratories

Mother of one. Joined SNBL in 2001. Currently serves as director of the Analytical Research Department of the Drug Safety Research Laboratories, leading the department and managing approximately 100 staff members.

Ichiro Nagata

Senior Executive Vice President and COO

Father of two. A radiation oncologist. Joined SNBL in 2017. Currently oversees CRO business and investment operations. Has professional-level piano skills honed since age three.

Kyomi Nagatoshi

Executive Managing Director, Head of General Affairs and
Human Resources Division, and CHRO

One adult child. Joined SNBL in 2002. Oversees the General Affairs and Human Resources Division and the Medipolis business. Served as the Women's Empowerment Promotion Advisor of Kagoshima City, actively promoting women's empowerment throughout Kagoshima Prefecture since 2023.

SNBL's strength: A culture where you can consult with colleagues

— Please tell us about the challenges you faced while raising children.

Shiraishi I returned to work when my child turned one. At that time, a daycare center had just been established within the company, which was really helpful. Going to work together every morning and picking my child up after work did not feel particularly burdensome, and it enabled me to work with peace of mind. However, having to ask my family to take care of my child during business trips or training sometimes makes me worry that my child may feel lonely. I sometimes felt lost, wondering, "Am I doing the right thing?" or "Is it really okay to prioritize my work?" When I felt this way, being able to talk with fellow mothers who were in the same position really helped me sort out my feelings and made a big difference in my life. It made me realize the importance of a supportive environment where you can consult with those around.

Nagatoshi When I was raising my child, there was no

daycare center or flexible work hours, so I brought my child to a nursery school at 7:00 am every day before going to work. I remember feeling painful reluctance when I went to work every morning. It was because of this experience that I felt strongly about creating a better environment for the next generation to have access to resources that I did not have, which motivated me to establish a daycare center. When I see employees like Ms. Shiraishi who are happy to use the daycare center now, I feel sincerely glad that we did it. Having someone whom you can talk and consult can lead to peace of mind and allow you to concentrate on your work. I think this is another one of SNBL's strengths.

Use the power you gained from raising your children in your work, and use what you learn at work to raise your children

— What kind of changes have there been in your approach and perspective on work as a result of your parenting experiences?

Nagata One thing that has changed a lot since I had children is how I use my time. When you try to do your job, housework, hobbies, and everything, you naturally have to devise ways to allocate your time and do multiple things at the same time. Tasks that can be done in parallel should be tackled together, and those that require focus should be finished in one go. I acquired these skills after my children were born. If I did not have children, I would not have been aware of this, and I believe this has helped me grow a lot as a result.

Nagatoshi Absolutely. I find that my experience raising children has definitely been an asset in my work. The ability to notice subtle changes in children has helped me when I am managing my team as well. For example, I have been able to sense that something seems off today. I think this is a skill of observation that I learned from raising my child.

Nagata A mother's power of observation is truly remarkable, isn't it? Whenever I was feeling down, my

mother always noticed and asked, "Is something wrong?"

Nagatoshi I think that people who are raising children right now will often feel that things are hard because they have no time. However, if we can notice the changes in our children and cherish that connection, I believe that our children will be able to trust the way paved for them by their parents as they go through life.

Nagata When you are raising children, you start to think about how to apply effort in a limited amount of time. You will naturally develop the awareness to achieve maximum results even in a short period. My hobby is playing the piano, and I was recently asked to play at a client's commemorative event, but my practice time was limited. Still, by deciding how much to devote to practice and focus during that time, I believe that I was able to accomplish it more efficiently than when I was a student.

Shiraishi On the other hand, there are times when you take home lessons you learned at work. For example, in training, I learned to "listen without judgment" but at home I found myself scolding my child without giving them a chance to explain, and I later reflected on it. I believe that I have been able to grow as a parent by putting what I learned at work into practice at home.

Nagatoshi I agree. I like our CEO, Dr. Nagata's "Managerial Mindset," and I used to read it to my child. It describes what we should be like as people, and it also ties in with raising children.

The joy of seeing your efforts bear fruit and being thanked by someone is invaluable

— What does the "joy of working" mean to you?

Nagata I believe that the role of management is to "create a well-structured working environment." Management listens to the voices of employees working on the front lines, and, when something is important, takes immediate action, which leads to improvement. When we get positive

An on-site daycare center established in December 2007



feedback as a result, I am very happy. I think that it is only when your efforts take shape and you actually help others, that you can appreciate the joy of working.

Nagatoshi As I am involved in designing HR policy, when employees tell me that they have "been waiting for this kind of system," I can't help but imagine myself doing a fist pump in celebration. One particularly memorable moment was when I started the luncheon session at the Nadeshiko Committee.ⁱⁱ Personally, I struggled with parenting because I did not have anyone to turn to for advice, and I wanted my team to continue their careers with as much peaceful mind as possible. After the first session, I received feedback such as "I was able to build new connections," and "it is easier to seek advice now," and I felt really glad that I had launched this session.

Shiraishi When I first joined the company, I was motivated by the pure enjoyment of doing experiments. As the company grew, I was entrusted with work that carried greater responsibilities, and I found it interesting and rewarding to be in an environment where the company's growth and my own growth overlapped. In particular, the moments when we were able to meet the expectations of our clients were an irreplaceable joy for me. I have more opportunities to be in charge of overseas studies, and being able to conduct research in a global environment while living and working in Kagoshima adds to my enjoyment of work.

Instilling our philosophy fosters employees' enjoyment of work

— Please tell us what you think is important to spread the enjoyment of work.

Shiraishi I value listening to people. Each employee has their own circumstance, whether it be taking care of elderly relatives or child care, but I do not think it is a good idea for other people to make preemptive decisions and assume,

"This person is having a hard time, so we should not trust them to do this job." The important thing is to create a place and time where you can talk to them, so they can decide for themselves. For the younger generation, grabbing opportunities early on leads to future growth. That is why I hope young employees will take on challenges in as many situations as possible and gain a variety of experiences.

Nagata I value "building trusts". To achieve this, I try to chat with as many people as possible on a daily basis. At work, I deliberately use the stairs instead of the elevator to increase opportunities for communication by talking and exchanging greetings with each employee I meet along the way. Sometimes people come to me with personal concerns, and I believe this is only possible because of the trust built through the accumulation of small, daily interactions. I believe that the trust and openness that is created in this way provides the foundation for enjoying work.

Nagatoshi I value gratitude and respect. I try to listen to people with respect, no matter who they are. The ease of working today cannot be taken for granted tomorrow. That's why I believe that updating based on voices from the front lines will lead to job satisfaction and growth of the company. I am from a generation that grew up with more traditional values, so when I come into contact with the new values of the younger generation, I can be confused for a moment; but I am aware that this stems from unconscious bias. The important thing, when you encounter values that differ from your own, is to first accept them. I feel that, by simply being aware of this, the quality of dialogue can change significantly. I think that it is important to respect others based on the assumption that there are differences between generations and backgrounds.

Nagata I think that's exactly right. Respect is not a one-way street. It should work both ways. The older generations should respect the values of the younger generation, and the current generation should respect the economic foundations that the older generations has built. I

believe that the key to organizational management is not to say that one side is right, but to create a system that takes advantage of the strengths of both sides and brings them together.

Shiraishi It is because we are from different generations and positions that we can come up with new ideas. That's why, in meetings and projects, I am careful to have a mix of different generations and positions. I aim to create a multifaceted organization that can accept paradoxes and conflicts and turn them into strengths. If we can accumulate small successful experiences, then each person's motivation will bloom.

Nagata I think of a company as a tree. The company is the trunk, and the management team and all employees are the branches, leaves, and flowers. The thickness of the branches, or the color and shape of the flowers, may differ, but each part has its own role, and richly color the tree as a whole. Management philosophy is indispensable as the foundation that supports the tree. With the philosophy rooted firmly, the various branches and leaves are free to grow and bloom. It is the responsibility of management to ensure that the tree grows healthily. I think that when the philosophy is well understood by each employee and they feel proud of their role, The company is the trunk, and the management team and all employees are the branches, leaves, and flowers.

i. Dr. Nagata's views on the mindset of a business leader and the ways of thinking that we should value as people, which he communicates to SNBL employees every week. Past episodes can be viewed on our website.



ii. Launched in 2014 as a mechanism to take in the voices of women and enable them to fully demonstrate their abilities in the workplace. This has led to more than 50 improvements to date.

Governance Framework (As of June 30, 2025)



33.3%

53.3%

01 Transparency in Management

We established the Corporate Governance and Nomination Committee, the Remuneration Committee, and the Corporate Auditors Board, with independent directors comprising the majority of members. This enables us to have an objective perspective on management and enhance our supervisory functions. We have established a transparent governance system that includes each of these committees engaging in effective discussions and creating reports.

02 Independence of the Board of Directors

The Board of Directors has 12 members, including six independent directors. This enables Board members to engage in constructive discussions from diverse perspectives and make decisions. The majority of each committee is independent directors, ensuring independence and effective supervision.

03 Enhanced Collaboration through Tripartite Auditing

Corporate Auditors Board and internal audit department collaborate with third-party accounting auditors to strengthen the Tripartite Auditing aimed at increasing the effectiveness of internal controls. They regularly share information and improve collaboration which supports healthy business operations.

04 Promotion of Sustainability

We have established the SDGs Committee as a non-statutory advisory body to the Board of Directors with the aim of systematically enhancing SNBL Group-wide sustainability management from a medium-to-long-term perspective. We strive to grow sustainably while fulfilling our social responsibilities through decision-making that incorporates diverse perspectives.

Skill Matrix

Skill Matrix and Advisory Body Structure

Female directors

Directors	Current position and responsibilities at the Company	Years as a Director	Attendance at Board of Directors' Meetings (FY 3/2025)	Remuneration Committee	Corporate Governance & Nomination Committee	SDGs Committee	Areas of expectations									(Reference) Main Qualifications
							Corporate management	Global business	Technology / research and development	Financial affairs and accounting	Human resources, labor and staff development	Legal affairs and risk management	Environment	Social	Internal control and governance	
Ryoichi Nagata	Representative Chairman, President, and CEO	44 years	Chairperson 13/13	—	Chairperson ●	—	●	●	●		●		●		●	Physician
Ichiro Nagata	Senior Executive Vice President and COO	5 years	13/13	Chairperson ●	—	●	●	●	●		●				●	Physician
Ken Takanashi	Vice Chairman	21 years	13/13	—	—	●	●	●		●		●		●	●	U.S. Certified Public Accountant
Hideshi Tsusaki	Executive Managing Director	7 years	13/13	—	—	●	●	●	●				●		●	Veterinarian
Takashi Iriyama	Executive Managing Director CFO	Newly appointed	—	●	—	—	●	●		●		●			●	MBA
Kyomi Nagatoshi	Executive Managing Director CHRO	Newly appointed	—	—	●	—					●	●		●	●	Kagoshima City Women's Empowerment Adviser
Shinichi Fukumoto	Independent Director	10 years	13/13	●	●	—					●	●		●	●	Attorney-at-law
Takashi Yamashita	Independent Director	10 years	13/13	●	●	—				●	●	●			●	CPA
Tsuyoshi Hanada	Independent Director	5 years	13/13	●	●	—				●	●			●	●	Certified Tax Accountant
Keiko Toya	Independent Director	4 years	13/13	●	—	Chairperson ●	●	●					●	●	●	Scholar (Global Business)
Chizuru Matsueda	Independent Director	1 year	10/10	—	—	—				●	●			●	●	CPA Certified Fraud Examiner
Yumi Hirose	Independent Director	Newly appointed	—	—	—	—				●	●	●			●	Certified Tax Accountant

Directors and Corporate Auditors



Representative Chairman, President, CEO and CHO

Ryoichi Nagata

Born: August 11, 1958

Number of Company shares owned: 5,200



Senior Executive Vice President and COO

Ichiro Nagata

Born: August 3, 1985

Number of Company shares owned: 100



Vice Chairman

Ken Takanashi

Born: May 23, 1964

Number of Company shares owned: 38,700



Executive Managing Director

Hideshi Tsusaki

Born: January 27, 1967
Number of Company shares owned: 18,100



Executive Managing Director CFO

Takashi Iriyama

Born: April 25, 1968
Number of Company shares owned: 300



Executive Managing Director CHRO

Kyomi Nagatoshi

Born: January 21, 1966
Number of Company shares owned: 6,300



Independent Director

Shinichi Fukumoto

Born: July 20, 1958
Number of Company shares owned: 1,700



Independent Director

Takashi Yamashita

Born: February 18, 1956
Number of Company shares owned: 1,700



Independent Director

Tsuyoshi Hanada

Born: May 2, 1958
Number of Company shares owned: 6,800



Independent Director

Keiko Toya

Born: February 26, 1964
Number of Company shares owned: 3,200



Independent Director

Chizuru Matsueda

Born: November 3, 1973
Number of Company shares owned: 500



Independent Director

Yumi Hirose

Born: November 7, 1960
Number of Company shares owned: 100



Corporate Auditor

Masakazu Suda

Born: August 15, 1961
Number of Company shares owned: 6,300



Independent Corporate Auditor

Koshin Tatarano

Born: February 27, 1965
Number of Company shares owned: 1,800



Independent Corporate Auditor

Yoshikazu Shigehisa

Born: November 2, 1952
Number of Company shares owned: 1,200

Financial Data

(million yen)

	FY3/2021	FY3/2022	FY3/2023	FY3/2024	FY3/2025
Revenue	15,110	17,748	25,090	26,450	32,413
YoY (%)	3.8	17.5	41.4	5.4	22.5
Gross profit	7,554	9,687	13,046	14,282	16,960
Ratio of gross profit to revenue (%)	50.0	54.6	52.0	54.0	52.3
Operating profit	2,529	4,195	5,245	4,162	2,985
YoY (%)	13.5	65.9	25.0	-20.6	-28.3
Share of profit of entities accounted for using equity method	846	1,439	2,489	2,751	3,513
EBITDA	3,716	5,372	6,789	5,936	5,481
Ordinary profit	3,645	7,078	9,194	7,015	6,450
Profit before income taxes	4,175	8,183	7,759	6,974	6,013
Income taxes	497	1,016	1,708	1,456	1,148
Profit attributable to owners of parent	3,661	7,127	6,060	5,531	4,924
Profit per share (yen)	87.95	171.20	145.56	132.86	118.29
Revenue from international sponsors	2,100	3,091	6,575	8,637	10,889
Ratio of revenue from international sponsors (%)	13.9	17.4	26.2	32.7	33.6
Shareholders' equity	15,840	22,181	25,751	29,252	32,124
Net assets	15,838	19,723	26,359	34,160	40,085
Total assets	36,972	39,312	57,242	76,302	92,416
Interest-bearing debt	12,864	9,281	18,931	26,331	34,347
Equity ratio (%)	42.6	49.8	45.8	44.7	43.3
Capital expenditure	1,025	1,703	5,614	8,525	11,390
Depreciation	1,187	1,177	1,544	1,774	2,496
R&D expenses	392	425	683	1,741	2,217
Ratio of R&D expenses to revenue (%)	2.59	2.39	2.72	6.58	6.84
Number of employees at the end of the fiscal year	986	994	1,208	1,341	1,436
ROE (%)	22.9	40.4	26.5	18.3	13.3
ROA (%)	9.6	18.6	19.0	10.5	7.6
ROIC (%)	12.3	18.4	17.9	10.3	10.4
Ratio of operating profit to revenue (%)	16.7	23.6	20.9	15.7	9.2
Cash dividends per share (yen)	20	40	50	50	50
Dividend payout ratio (%)	22.7	23.4	34.3	37.6	42.3

Non-Financial Data

Environment*1	FY3/2021	FY3/2022	FY3/2023	FY3/2024	FY3/2025
Greenhouse gas emissions					
Scope 1 and 2 (Market base) (t-CO2)	10,806	11,561	14,623	17,347	17,452
Scope 1 (t-CO2)	3,176	3,145	5,389	5,452	5,779
Scope 2 (t-CO2)	7,630	8,416	9,234	11,895	11,673
Scope 3 (t-CO2) (Category 1-15)*2	-	-	-	26,945	61,258
Electric power generated (renewable energy) (MWh)*3	10,328	10,751	9,579	6,765	8,246
Water intake and discharge (thousand m3)	683	667	1,167	1,063	1,061
Industrial waste generated (t)	160	178	288	514	689
Social	FY3/2021	FY3/2022	FY3/2023	FY3/2024	FY3/2025
Employee information					
(excluding consolidated figures)					
Number of employees	986	994	1,208	1,341	1,436
Of which, female (proportion)	417 (42.3%)	423 (42.6%)	516 (42.7%)	600 (44.7%)	633 (44.1%)
Number of non-Japanese employees (proportion)	204 (20.7%)	196 (19.7%)	175 (14.5%)	218 (16.3%)	249 (17.3%)
(including non-consolidated figures)					
Number of Employees	965	1,008	1,071	1,243	1,391
Of which, female (proportion)	479 (49.6%)	516 (51.2%)	573 (53.5%)	661 (53.1%)	743 (53.4%)
(non-consolidated basis)					
Number of Employees	747	765	819	949	1,046
Of which, female (proportion)	310 (41.5%)	328 (42.9%)	364 (44.4%)	429 (45.2%)	474 (45.3%)
Number of non-Japanese employees (proportion)	15 (2.0%)	16 (2.1%)	19 (2.3%)	23 (2.4%)	29 (2.8%)
Number of employees with disabilities (proportion)*4	39 (3.8%)	40 (3.8%)	41.5 (3.7%)	40 (3.0%)	42.0 (2.7%)
Employment rate of older employees (60 and over) (%)	4.8	5.6	6.2	6.6	6.0
Number of managers	133	121	160	171	177
Number of females in managerial positions (proportion)	24 (18.0%)	26 (21.5%)	39 (24.4%)	43 (25.1%)	43 (24.3%)
Manager equivalent or higher (of which, female)	- (-)	24 (7)	30 (6)	24 (7)	22 (6)
Manager equivalent positions (of which, female)	- (-)	56 (9)	57 (10)	56 (8)	54 (8)
Employees newly appointed to managerial positions (of which, female)	- (-)	13 (4)	7 (2)	5 (1)	10 (2)
Average employee age	40.1	40.1	40.5	39.3	39.3
Male	42.3	42.4	43.1	41.8	41.7
Female	36.9	37.0	37.4	36.3	36.4

*1 Including the SNBL Ina Research Center from FY3/2023 *2 Starting from FY3/2025, we calculate categories 1, 2 and 3 on a consolidated basis. *3 Amount of electricity generated at and sold by a binary geothermal power plant operated in the city of Ibusuki

*4 Including a special subsidiary (calculated for the group)

Non-Financial Data

Social	FY3/2021	FY3/2022	FY3/2023	FY3/2024	FY3/2025
New hires during the fiscal year (of which, female)	66 (27)	73 (44)	91 (50)	179 (96)	139 (69)
New graduates hired (of which, female)	50 (24)	52 (34)	39 (29)	147 (82)	98 (58)
Mid-career employees hired (of which, female)	16 (3)	21 (10)	52 (21)	32 (14)	41 (11)
Number of employees leaving work (of which, female)	45 (17)	54 (33)	33 (19)	64 (31)	56 (41)
Turnover rate (%)	6.4	7.2	4.3	6.8	5.6
Three-year turnover rate for new graduates (%)	8.4	15.2	16.3	16.0	15.1
Average annual salary (thousands of yen)	5,030	5,321	5,564	5,813	6,267
Average annual salary for males (thousands of yen)	-	5,941	6,320	6,476	6,801
Average annual salary for females (thousands of yen)	-	4,505	4,706	5,040	5,672
Gender pay gap between men and women (%) ^{*5}	-	75.8	74.5	77.8	83.4
Manager equivalent or higher (of which, female)	-	-	-	-	99.6
Manager equivalent positions (of which, female)	-	-	-	-	93.5
General positions	-	-	-	-	87.6
Paid leave taken (%)	55.3	61.0	61.1	68.6	78.0
Average days of paid leave taken	9.5	10.6	11.6	11.7	15.0
Average monthly overtime (hours)	18.9	25.2	24.4	23.3	29.1
Percentage of eligible staff taking maternity leave (%)	100	100	100	100	100
Percentage of eligible staff taking paternity leave (%)	88.0	100	100	100	100
Average days of paternity leave taken	5.4	10.0	24.0	25.4	20.2
Return to work after childcare leave (retention rate) (%)	100	100	100	100	100
Employees using long-term care leave system	0	0	1	0	4
Social Information (Health Management)^{*6}	FY3/2021	FY3/2022	FY3/2023	FY3/2024	FY3/2025
Measures to prevent lifestyle-related diseases					
Metabolic syndrome rate (%)	13.6	12.7	13.1	11.3	11.6
Employees at risk of diabetes (%)	9.4	7.6	10.6	8.0	8.8
Employees at risk of hypertension (%)	9.4	8.9	10.0	8.5	8.5
Employees at risk of arteriosclerosis (%)	25.4	25.3	27.3	24.4	25.7
Habitual exercise ratio (%)	22.0	23.6	24.0	25.5	25.4
Rate of follow-up health examinations (%)	68.6	72.6	76.0	83.9	79.4
Rate of health examinations (%)	99.9	100	100	100	100
Mental health measures					
Stress check participation rate (%)	100	100	100	100	100
Employees with high stress (%)	8.6	11.8	11.9	11.6	11.8
Measures to prevent smoking					
Smoking rate (%)	15.4	12.4	11.0	9.0	9.0

^{*5} There is no wage difference for equal work, and the main reason for the wage difference between men and women is due to differences in total working hours, with women taking longer periods of maternity leave and more women applying shorter hours. Women in management positions earn 90% of what men earn.

^{*6} Starting from FY3/2025, we calculate these figures on a consolidated basis, excluding the SNBL Ina Research Center and overseas subsidiaries.

Corporate Data (As of September 30, 2025)

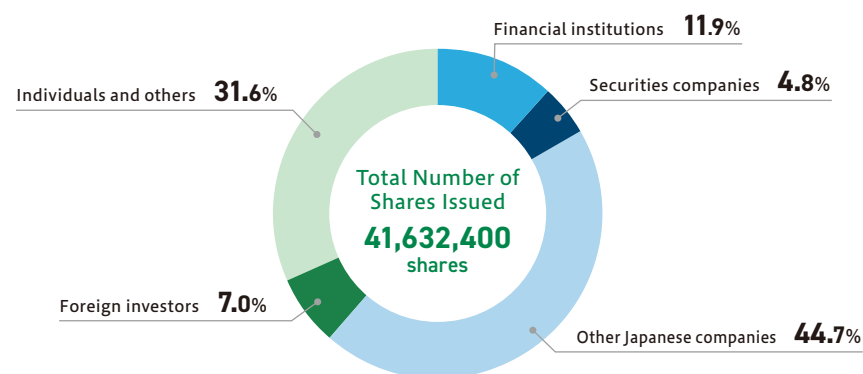
Company and Stock Information

Company Name	Shin Nippon Biomedical Laboratories, Ltd.
Foundation	September 1957 (Established: May 1973)
Capital	9,679 million yen
Number of Employees	1,531
Fiscal Year	April 1 to March 31 (Ordinary General Meeting of Shareholders in June)
Headquarters	Kagoshima Head Office 2438 Miyanoura-cho, Kagoshima-shi, Kagoshima Tokyo Head Office St. Luke's Tower 28th Floor, 8-1 Akashi-cho, Chuo-ku, Tokyo
Total Number of Shares Issued	41,632,400 shares
Share Unit	100 shares
Number of Shareholders	15,354
Stock Listing	Tokyo Stock Exchange Prime Market Security code: 2395
Administrator of Shareholder Register	Mizuho Trust & Banking Co., Ltd.
Accounting Auditor	KPMG AZSA LLC

Major Shareholders (Top 10 shareholders)

Name	Total number of shares held (thousands)	Shareholding ratio (%)
Nagata and Company Co., Ltd.	16,788	40.32
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,993	7.19
Takahisa Nagata	1,900	4.56
Medipolis Medical Research Institute	1,474	3.54
Custody Bank of Japan, Ltd. (Trust Account)	1,343	3.22
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	1,333	3.20
BNP PARIBAS LUXENBOURG/2S/JASDEC/FIM/ LUXENBOURG FUNDS/UCITS ASSETS	1,150	2.76
Rie Umehara	1,024	2.45
Employee Stock Ownership Association	365	0.87
Nomura Securities Co., Ltd.	320	0.77

Distribution of Shares by Type (share unit base)



Major External Evaluations and Awards





Shin Nippon Biomedical Laboratories, Ltd. (SNBL)
INTEGRATED REPORT 2025

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On our website, we have posted more detailed
information, including IR information.
<https://en.snbl.com>