

**SHIN NIPPON
BIOMEDICAL LABORATORIES, LTD. (SNBL)**
Integrated Report 2022



*Promoting people's happiness in close
involvement with stakeholders*



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Editorial Policy

Our aim through this Integrated Report is to explain four key aspects of SNBL—the values the company holds, our unique business model, our future Vision for the company and its role in society, and our strategy for achieving the vision and the management foundation that underlies it—to a broad range of stakeholders. We trust the Report will serve as a tool for fostering mutual understanding through dialogue, shedding light on our initiatives aimed at creating shared value over the longer term.

The Integrated Report puts particular emphasis on conveying, in an easy-to-understand manner along with concrete examples, the strengths the company has cultivated as well as our efforts to realize the 2028 Vision of “promoting people’s happiness in close involvement with stakeholders.”

We are striving to disclose corporate information proactively and fairly so that more stakeholders can gauge the actual situation of the company. Our hope is to better improve management and enhance corporate value through mutual dialogue with all of our stakeholders.

In preparing this Report, we referred to the IFRS Foundation’s International Integrated Reporting Framework and the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation of Japan’s Ministry of Economy, Trade and Industry.

- Period covered: April 1, 2021 to March 31, 2022
- Scope of coverage: Shin Nippon Biomedical Laboratories, Ltd. (SNBL)

Section 01

Value Creation Story

Corporate Governance Framework

Corporate Principle

Committed to the environment, life, and people

Mission

SNBL is committed to freeing patients from suffering by supporting drug development and improving medical technology.

Slogan

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

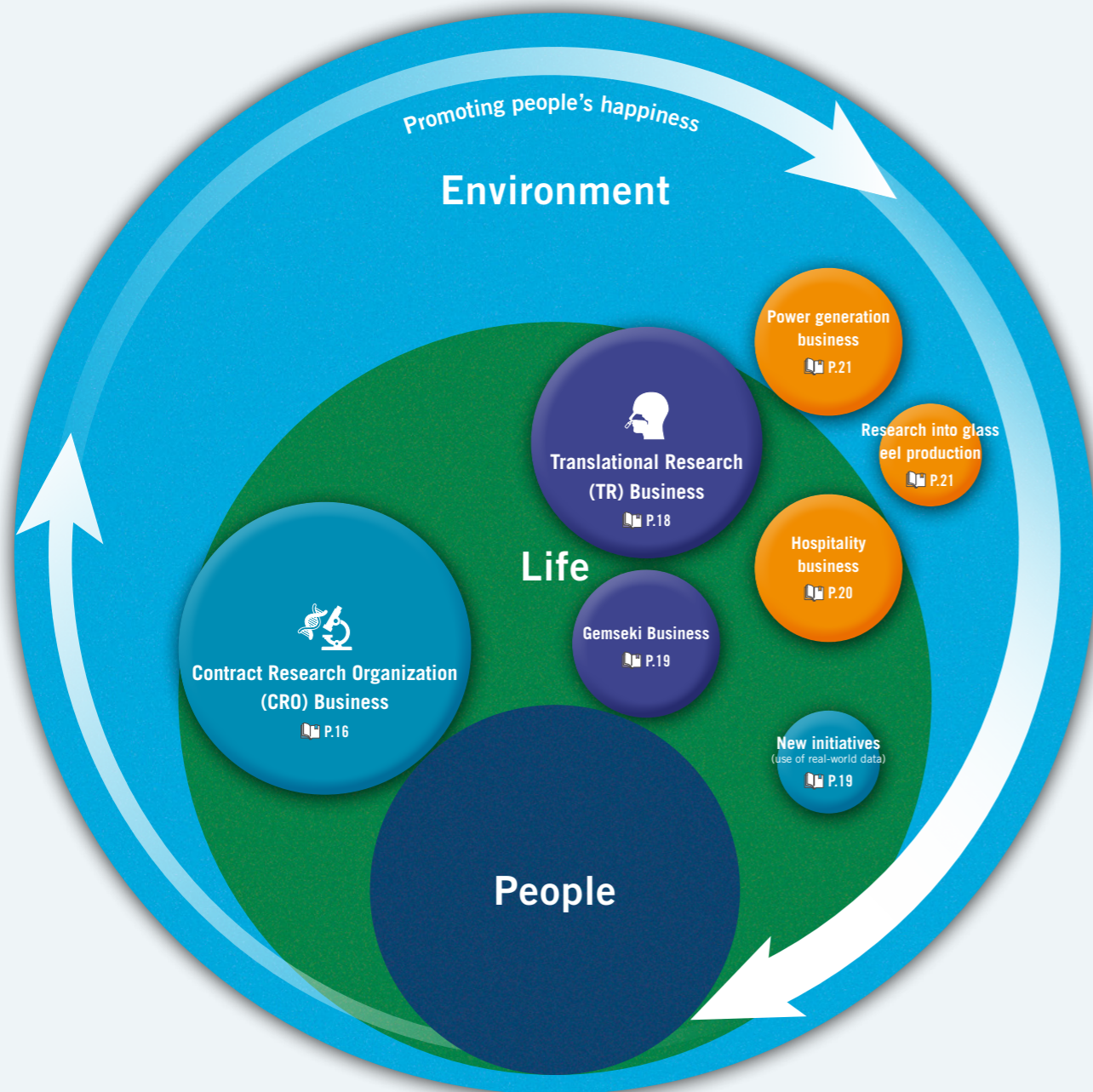


SNBL’s corporate principle is embodied in the three colors of our logo: blue, green, and dark blue. **Blue** refers to the “environment,” expressing our commitment to preserve the blue skies, blue oceans, and the beautiful earth. We want to preserve this wonderful environment forever. **Green** symbolizes “life.” We stand in awe of this irreplaceable and precious life. Finally, **dark blue** symbolizes “people.” The treasure of a society and a company is people. Let us value our spirit, which makes us humane.

SNBL's Businesses

SNBL's Business Areas

Guided by our corporate principle of being a company “committed to the environment, life, and people,” SNBL aims to “promote people’s happiness in close involvement with stakeholders” in every aspect of the company, as we develop our businesses in the following areas.



Contract Research Organization (CRO) Business

SNBL's main business involves carrying out both nonclinical and clinical studies under contract from pharmaceutical companies and pursuing drug development (see page 5). SNBL is Japan's first contract research organization (CRO), which is a company that undertakes studies on behalf of pharmaceutical companies.

Nonclinical CRO business

Before administering drug candidate compounds to human subjects, drug developers are required to test drug safety using laboratory animals, cells, or other media. These are called nonclinical (or preclinical) studies. In the nonclinical CRO business, SNBL undertakes a variety of studies on behalf of pharmaceutical companies, including toxicity testing, pharmacological testing, and pharmacokinetic testing of drug candidate compounds.

Clinical CRO business

Clinical studies confirm the efficacy and safety in human subjects of drugs or other compounds under development. Medical institutions conduct contract clinical studies at the behest of pharmaceutical companies. In the clinical CRO business, we visit medical institutions on behalf of these companies to manage the progress of clinical studies.

Translational Research (TR) Business

In the TR business, SNBL is discovering promising drug seeds and new technologies born out of basic research at universities and biotech venture companies in Japan and overseas and adding value to them as we carry them to commercialization. We are also developing our own drugs based on our proprietary technology for nasal drug delivery.

Another facet of the TR business involves Gemseki Inc. This subsidiary engages in a global licensing business related to drug discovery seeds and technologies. We have also created a fund with Gemseki as a general partner for the purpose of investing in promising businesses.

Businesses that Generate Benefits for Society

The Medipolis business encompasses business areas that generate benefits for society, including hospitality and power generation businesses, as well as research into the production of glass eel hatchlings.

Medipolis business

Hospitality business

We engage in three hotel businesses under the overriding concept of achieving people's well-being: the Amafuru Oka healing resort hotel, the Ibusuki Bay Hills Hotel & Spa medium- and long-term stay facility, and Hotel Freesia, a lodging facility for patients of the Medipolis Proton Therapy and Research Center.

Power generation business

SNBL is engaged in a power generation business using renewable energy (geothermal and hot spring power generation).

Research into glass eel production

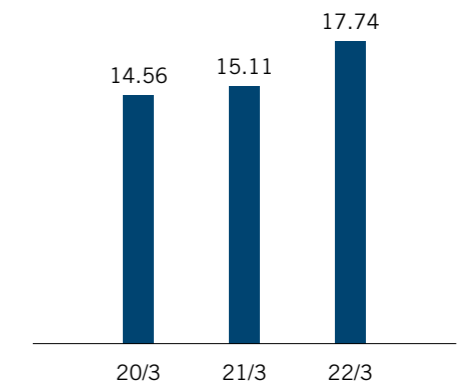
As a part of our efforts to preserve biodiversity, we are conducting research and development on the production of seedlings of Japanese eels, which are on the IUCN Red List of endangered species.

New Initiatives to Improve the Health of Humankind

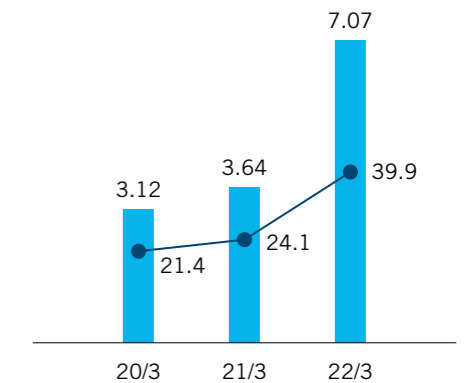
We are working to accurately gauge medical treatments and their outcomes through the use of medical data (real-world data) gathered in ordinary clinical settings, while taking steps to leverage this data in preventive medicine applications.

Performance Highlights

Revenue (billions of yen)



Ordinary profit, Ratio of ordinary profit to revenue



■ Ordinary profit (billions of yen)
● Ratio of ordinary profit to revenue (%)

Business Locations (as of March 2022)

Main sites in Japan

- Tokyo Head Office
- Kagoshima Main Branch, Drug Safety Research Laboratories
- Pharmacokinetics and Bioanalysis Center (Wakayama)
- Osaka Branch
- Toso Office (Kagoshima)

Leading consolidated subsidiaries and affiliates

- SNBL USA, Ltd.
- Shin Nippon Biomedical Laboratories Cambodia Ltd.
- SNBL China, Ltd.
- PPD-SNBL Inc.
- Clinical Study Support, Inc. (CSS)
- Gemseki Inc.
- SNLD Inc.
- Amafuru & Co.
- Medipolis Energy Ltd.
- Fureai-Sasaeai Co., Ltd.

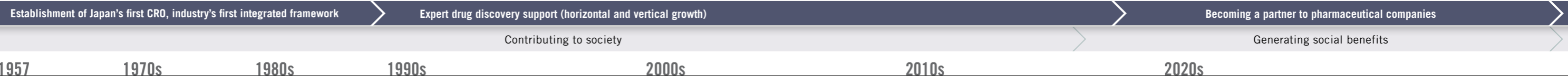
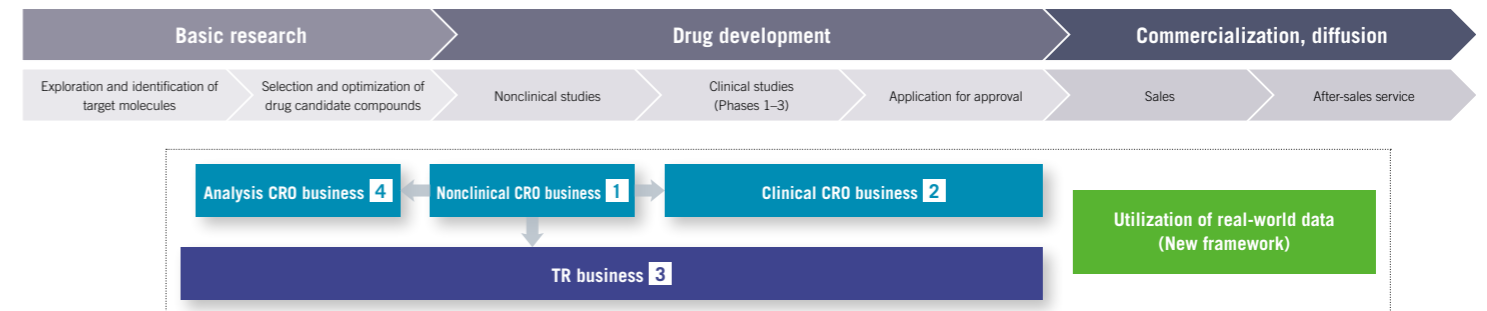
Path of Value Creation

SNBL has declared its mission to free patients from suffering by supporting drug development and improving medical technology. Guided by this mission, we have built a unique business model over many years centered on life sciences related to drug development. We are currently expanding the business in all areas of the drug discovery process, helping to give patients access to more effective drugs as quickly as possible.

SNBL has worked to enhance corporate value and better serve public interests through social activities even before the global focus on the United Nations Sustainable Development Goals (SDGs) and environmental, social, and governance (ESG) issues. Our efforts today, based on our corporate principle of being a company “committed to the environment, life, and people,” concentrate on businesses that generate benefits for society, bringing about both economic and social benefits.

Having overcome a period of adversity in the 2010s, associated mainly with restructuring of our business in the U.S., SNBL has posted record-high ordinary profits for four years in a row since the fiscal year ended March 2019. This success is the culmination of initiatives aimed at maximizing the competitive advantages we have built up over the years.

Drug Discovery Process and Expansion of SNBL's Business Areas



1 Japan's First Contract Research Organization (CRO)

SNBL was founded in 1957 by Tsugio Nagata, father of the current president, Ryoichi Nagata. In 1960, SNBL received its first commission for the nonclinical study of a drug from a leading overseas pharmaceutical company, thus becoming Japan's first contract research organization (CRO).




Southern Japan Dog Center, predecessor to SNBL Founder Tsugio Nagata (center)

Ryoichi Nagata Appointed President

After being appointed president in 1991 (and CEO in 1997), Ryoichi Nagata expanded both the CRO business internationally and the clinical CRO business in Japan, including Phase 2 and 3 contract studies and establishment of a Site Management Organization (SMO) business. He also set up the Translational Research (TR) business and expanded it overseas, and launched the Medipolis business.

2 Start of Contract Clinical Studies

In 1993, the CRO business expanded beyond nonclinical studies to encompass clinical studies (clinical pharmacology studies) as well. In 1997, SNBL established the industry's first integrated framework in Japan capable of undertaking studies ranging from nonclinical studies to Phases 1-3 clinical trials.

3 Launch of the TR Business

In 1997, SNBL established the Translational Research (TR) business, which seeks to discover promising drug seeds and new technologies born out of basic research at universities and biotech venture companies in Japan and overseas, and adding value to them as we carry them to commercialization via nonclinical and clinical studies. We established two biotech venture companies in the U.S., Wave Life Sciences Ltd. and Satsuma Pharmaceuticals, Inc., and listed both on the NASDAQ stock exchange in 2015 and 2019, respectively. The two companies are now positioned as our core investments.

Success with Digitization, First in the Industry

In 1981, SNBL became the first company in the CRO industry to succeed in migrating study data online. In 1989, we built Japan's first desktop publishing system via Ethernet using an Apple 2 computer.

Expansion of the U.S. CRO Business

We established SNBL USA, Ltd., a consolidated subsidiary, on the outskirts of Seattle in 1999, when it began nonclinical studies. In 2004, we established SNBL Clinical Pharmacology Center, Inc. as a consolidated subsidiary in Baltimore. This 96-bed medical facility specializes in clinical studies, which got underway in 2005.

Launch of the Medipolis Business

In 2004, we bought Green Pia Ibusuki, a former recreation facility in Kagoshima Prefecture, from the Japanese Welfare Pension Fund and renamed it Medipolis Ibusuki. The ensuing Medipolis business subsequently expanded to include other businesses that generate economic and social benefits for society, including hospitality and power generation businesses.

Business Restructuring

The U.S. business deteriorated following the issuance of a Warning Letter by the Food and Drug Administration (FDA) in 2010 to SNBL USA, regarding noncompliance with Good Laboratory Practice (GLP) codes. This prompted a restructuring of the business, including in Japan. We took several steps as part of the restructuring: transferring the nonclinical CRO business of SNBL USA to the Altasciences group (retaining and leasing the research facilities), selling our breeding facilities in Texas for nonhuman primates for experimental research to Orient Bio Inc., merging clinical trial facilities in Baltimore with Pharmaron Beijing Co., Ltd., merging the clinical CRO business in Japan into Pharmaceutical Product Development, LLC (PPD), selling the SMO business in Japan to M3, Inc., and shutting down the medical institution conducting clinical pharmacology studies in Japan. We completed the reorganization in 2018.

4 Meeting Development Strategy Needs in New Modalities in Drug Discovery

SNBL is set apart as being the only CRO in the world that has established its own in-group framework for breeding and supplying nonhuman primates as well as by our supply chain management. The stable supply of nonhuman primates for laboratory settings coupled with a proven and trusted track record in drug discovery support in Japan and abroad have earned us a growing reputation as an effective partner to pharmaceutical companies for R&D involving new modalities in drug discovery. We have been highly rated for our ability to undertake comprehensive contract research at the drug discovery stage (analysis) with leading pharmaceutical companies and for our consultation capabilities. Building on this reputation, we are working in many ways to meet customer needs with the aim of being the leading name in CRO and the most sought-after partner.



The Medipolis Proton Therapy and Research Center, which SNBL helped establish and has since supported operationally.

Key Events

| | |
|------|---|
| 1957 | Founded in Kagoshima City |
| 1960 | Began contract nonclinical studies as the first CRO in Japan |
| 1974 | Company name changed to Shin Nihon Kagaku Co., Ltd. |
| 1983 | Began contract Good Laboratory Practice (GLP)-compliant nonclinical studies |

| | |
|------|---|
| 1991 | Ryoichi Nagata appointed president |
| 1993 | Began contract clinical studies (clinical pharmacological testing, Phase 1 clinical trials) |
| 1997 | Ryoichi Nagata appointed President and CEO Began contract clinical trials (Phases 2-3) |
| 1998 | Established the Pharmacokinetics and Bioanalysis Center in Kainan, Wakayama Prefecture |
| 1999 | Established SNBL USA, Ltd. in Washington State |

| | |
|------|---|
| 2003 | Established SNBL China, Ltd. in Guangdong Province |
| 2004 | Listed on Tokyo Stock Exchange (TSE) Mothers Market Purchased Green Pia Ibusuki from the Japanese Welfare Pension Fund Established SNBL Clinical Pharmacology Center, Inc. in Maryland, in the U.S. |
| 2007 | Established Shin Nippon Biomedical Laboratories Cambodia Ltd. |

| | |
|------|--|
| 2008 | Transferred to First Section of TSE |
| 2014 | Ryoichi Nagata appointed Chairman, President, and CEO |
| 2015 | Merged clinical CRO business of SNBL with Pharmaceutical Product Development, LLC (PPD) to form PPD-SNBL, starting global clinical studies |
| 2022 | Relisted on Prime Market of TSE |

Value Creation Story



To free patients from suffering by supporting drug development and improving medical technology

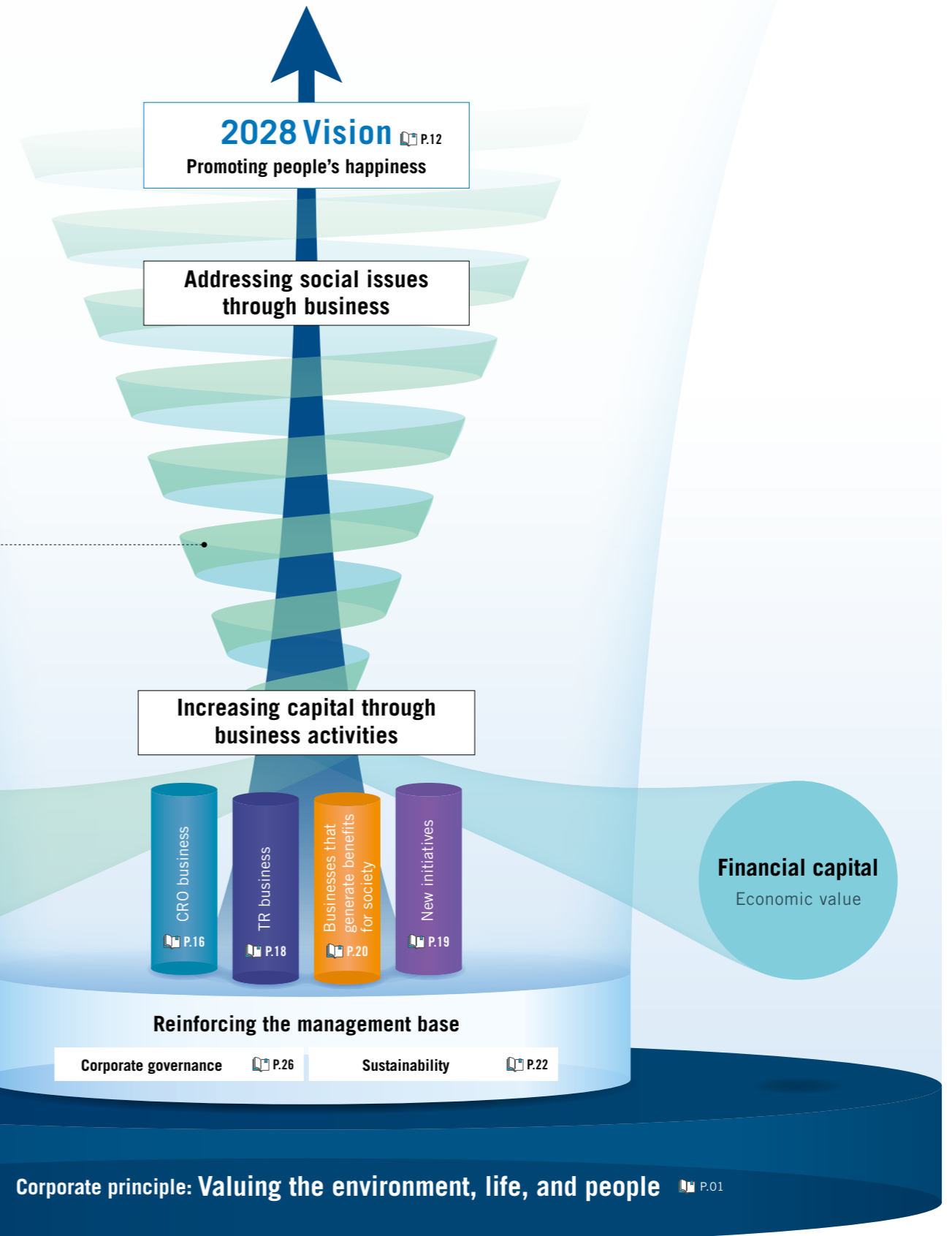
2028 Vision P.12

Promoting people's happiness in close involvement with stakeholders

The touchstone for all of SNBL's management decisions is our corporate principle of being a company "committed to the environment, life, and people." We are strengthening the management foundation that underlies our creation of value while enabling us to anticipate societal shifts, and harnessing six types of management resources (financial capital and five types of non-financial capitals), as we work to develop new businesses and maximize the value we create in existing businesses. In this way, we will generate a virtuous cycle of increasing capital through our business activities.

SNBL's mission is to free patients from suffering by supporting drug development and improving medical technology. With this mindset, we formulated the 2028 Vision, which calls for us to be a company that promotes people's happiness in close involvement with our diverse stakeholders and generates economic and social value through our business activities.

| SNBL's Vision for Stakeholders | |
|--------------------------------|---------------------------------|
| Employees | Realizing individual potential |
| Customers | Maximizing customer profit |
| Business partners | Shared growth |
| Shareholders and investors | Increasing shareholder value |
| Regional communities | Regional economic development |
| Humankind | Improved well-being |
| Future generations | Realizing a sustainable society |



Creating Economic Value

(Key Financial Performance Indicators)

- Revenue
- Ordinary profit
- Ordinary profit margin
- Payout ratio

Creating Social Value

(Key Non-Financial Themes)

Seven Key Issues (Materiality)

- Supporting drug development and improving medical technology
- Providing healthy lives
- Preserving the beauty of the natural environment
- Creating an organization where people can experience joy in their work
- Evolving the business through digital transformation and robotic process automation
- Enhancing stakeholder engagement
- Building a governance framework for realizing the corporate principle

Message from the CEO



Ryoichi Nagata

President and Chairman

I hope to work with everyone to promote people's happiness.

01. Tell us briefly about the history and activities of SNBL.

My father and the previous president, Tsugio Nagata, founded the Company in Kagoshima, which is located in western Japan, in 1957. In 1960, we were commissioned by a leading foreign pharmaceutical company to test the efficacy of an antibiotic, thus becoming Japan's first contract research organization (CRO). We subsequently expanded the CRO business, centered on contract nonclinical studies. In 1981, the year I was appointed as a non-executive director, we became the first company in the CRO industry to successfully migrate study data to an online platform. At that time, even leading U.S. CROs were not capable of operating online, so we drew visitors from all over Japan and the world. I was appointed president of the Company in 1991 and, in 1993, we built a medical institution and began to carry out contract clinical studies.

I was appointed CEO in 1997, the year marking the Company's 40th anniversary. In that same year, we built the Pharmacokinetics and Bioanalysis Center in the city of Kainan, in Wakayama Prefecture. We further branched out into new business areas in 1998, entering the Translational Research (TR) business and also commencing Phase 2 and 3 clinical studies in the CRO business. Looking abroad as well, we constructed a laboratory for nonclinical studies outside Seattle in 1999, followed by a 96-bed medical facility for clinical studies built on the campus of University of Maryland, Baltimore in 2004. Later, as part of the TR business, we established WaVe Life Sciences Ltd. in Boston and Satsuma Pharmaceuticals, Inc. in San Francisco, listing both companies on the NASDAQ stock exchange.

02. Tell us what lies behind the turnaround in performance starting in the fiscal year ended March 2019, culminating in record highs at all profit levels in the fiscal year ended March 2022.

Weak performance from 2011 to 2018 was the result of a slowdown in the U.S. business following a Warning Letter issued by the FDA in 2010. However, since the business in Japan was performing well during that time, we were able to achieve a swift turnaround in the Group's performance by restructuring the U.S. business.

On the other hand, we enjoy the strong trust of sponsors in the U.S., and additionally, nonhuman primates have become indispensable for the development of new

modalities in drug discovery. As a result, our research facilities in Japan also continue to receive a steadily growing influx of orders from overseas sponsors.



Image of the new Kagoshima Head Office and research building, slated for completion in June 2024. Contract research capacity will increase by more than half after construction is completed, making it possible to take on large-scale orders.

03. What kind of company does SNBL aim to be in the long run?

I picture the Company in terms of an airplane. Currently, the CRO business is the main engine driving growth. Going forward, we have high hopes that the Translational Research (TR) business will generate a profit and become a second engine of growth. Specifically, in the TR business, Satsuma Pharmaceuticals is preparing to submit a new drug approval application to the FDA next year for a migraine drug, based on proprietary technology for nasal administration. In addition, SNLD, another subsidiary, is also developing a nasal administration rescue medication for Parkinson's disease, which is going to enter Phase 2 clinical trials. Meanwhile, we are also focusing on a project to develop nasal administration vaccines. Along with the CRO and TR businesses, we hope to add the business of

a subsidiary, Gemseki Inc., as a third engine powering growth. Because it invests in biotech firms that have leading-edge technology and is engaged in introducing new technologies, Gemseki has a window into the future of drug development. In addition to these three revenue-generating businesses, we engage in other operations that create benefits for society, including geothermal power generation and hospitality, as well as research into the breeding of glass eel larvae in support of eel farming, a key industry in Kagoshima Prefecture. In terms of volunteer activities, we support the operations of Medipolis Proton Therapy and Research Center and Veritas English School/Veritas Kindergarten, which emphasizes English-based education.

04. What are your impressions looking back at the fiscal year ended March 2022?

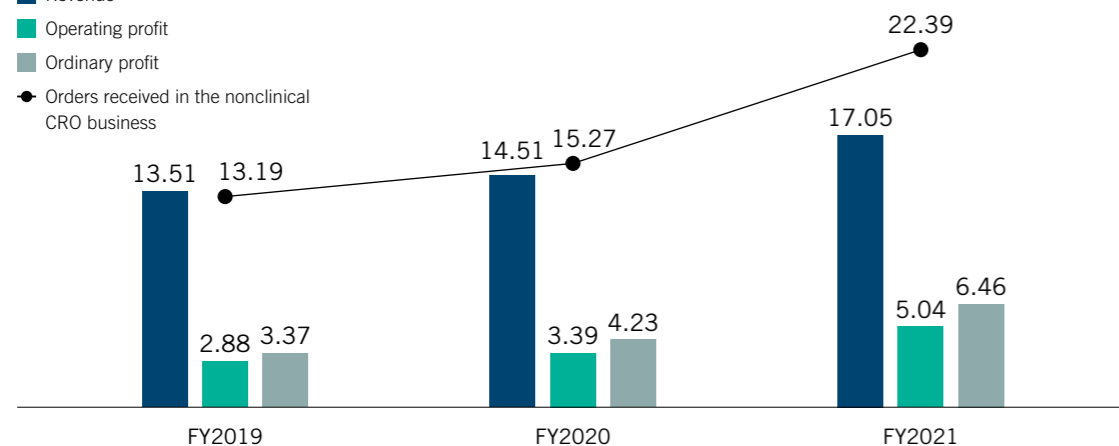
Driven by the mainstay CRO business, we achieved double-digit increases in both revenue and profits, and set new profit records for the second year in a row. We are the only CRO in the world that has established our own in-Group framework for breeding and supplying nonhuman primates. This paid off in the past year: The framework was rated highly by customers as an evaluation system that is useful not only for the development of COVID-19 vaccines and therapeutic drugs, but also new modalities in drug discovery, which led to orders for large-scale studies.

Orders received in the nonclinical CRO business reached a record high of ¥22.3 billion, up 46% year on year. Orders received from overseas, where numerous new drug discovery modalities are being developed, doubled year on year to ¥6.1 billion. The ratio of overseas orders received was 27% of total orders, an increase of about 7% from the previous fiscal year. We paid a record-high ¥40 dividend for the fiscal year ended March 2022, and the Board of Directors resolved to target a consolidated payout ratio of 30%–40% starting in the current fiscal year.

CRO Business Results

(billions of yen)

- Revenue
- Operating profit
- Ordinary profit
- Orders received in the nonclinical CRO business



05. Tell us about the Company's philosophy and its SDGs and ESG initiatives.

SNBL's corporate philosophy is to "continue to be a company that values the environment, life, and people," and our mission is to free patients from suffering by supporting drug development and improving medical technology. Finally, our slogan is "I am happy, you are happy, and everyone is happy." Since its founding, the Company has continued to pursue management guided by this outlook, which dovetails precisely with the spirit of the SDGs adopted by the U.N. in September 2015. We take pride in being a company that leads the industry when it comes to SDGs and ESG initiatives. This past March, we were selected as a Nadeshiko Brand by the Ministry of Economy, Trade and Industry, and the Tokyo Stock Exchange, in recognition of our superior achievements in promoting women's empowerment. We have also been

selected for six years in a row as a Certified Health and Productivity Management Outstanding Organization (White 500 Company) for our excellent track record in promoting health and productive management.

The Company owns a large tract of land stretching over 340 hectares (840 acres) in the highlands of Kagoshima Prefecture, called Medipolis Ibusuki. Most of the land is covered by trees. Recognizing that this forest is a treasure trove of biodiversity, we have considerably managed the land for many years with the aid of the local forestry association, trimming and thinning trees while continuing to plant new ones. We estimate that the forest absorbs roughly 1,800 tons-CO₂ per year, corroborating our declaration of achieving carbon neutrality by 2030.

06. Do you have a final word for stakeholders and shareholders?

The 2028 Vision headlining this year's Integrated Report is to "Promoting people's happiness in close involvement with stakeholders." In my 30 years since becoming president in 1991, I have put growth strategies in place based on my own vision of both the horizontal and

vertical development of the business. One by one, I sense that the various tactics we have adopted over the years are beginning to bear fruit. Going forward, I hope to work with everyone to promote people's happiness.

2028 Vision

SNBL's Strengths

SNBL's mission is to free patients from suffering by supporting drug development and improving medical technology. We have sought to establish a business foundation as a research institute that can undertake work across the field of drug development, from nonclinical to clinical studies. Currently, we are leveraging our strengths—a research track-record and abundance of experience cultivated over half a century as well as a network of relationships with pharmaceutical companies, medical and academic institutions, and a variety of other stakeholders—to continually generate economic and social value in a broad range of life science fields, including drug discovery research, preventive medicine, health promotion, and environmental preservation.

In the fiscal year ended March 2022, driven by our mainstay CRO business, ordinary profit reached a record high for the fourth year in a row. This steady growth is the result of various measures we have put in place over several years, which has created a virtuous cycle in which the value created through our businesses leads to increased capital, which in turn is the source of new value creation.

| Five Non-Financial Capitals | SNBL's Initiatives |
|--|--|
| Human capital | <ul style="list-style-type: none"> We are seeking to bring about the contentment of employees through unique initiatives. Our goal is to foster an environment in which diverse personnel can take on new challenges and grow, making the most of their individual strengths and working with imagination and ingenuity. Both the company and its employees grow together this way, as each individual feels a sense of accomplishment and the joy of fulfilling his or her potential, which feeds into creating value for stakeholders. In the course of building up a solid track-record and abundance of experience in drug development, we have cultivated many highly skilled professionals. These are the people who create new value for the company. |
| Intellectual capital | <ul style="list-style-type: none"> Based on the experience gained since our founding and expertise cultivated over more than two decades of business operations in the U.S., we boast technologies and evaluation systems in the nonclinical CRO business that are difficult for other companies to implement. In the TR business, we have a platform for nasal drug delivery that combines technologies and devices we developed in-house. We are drawing on this advantage to bring proposals related to out-licensing and joint development to pharmaceutical companies in Japan and overseas. |
| Social and relationship capital | <ul style="list-style-type: none"> We are creating new business opportunities by capitalizing on our existing network with various stakeholders and connecting academic and medical institutions and companies in Japan and overseas from a neutral standpoint. Our focus in the nonclinical CRO business has been on responding swiftly to customer needs and continuously improving quality, which has earned us high acclaim as a drug development partner to pharmaceutical companies. We are working with these companies to improve access to medicines. In the clinical CRO business, we formed a joint venture with Pharmaceutical Product Development, LLC (PPD), a global CRO, to carry out joint global studies. As a new initiative to improve human health, we have formed partnerships with academic institutions and venture companies and are working on a healthcare business using real-world data, mainly through our subsidiary, Clinical Study Support, Inc. (CSS). |
| Manufactured capital | <ul style="list-style-type: none"> SNBL is an excellent contract research organization conforming to Good Laboratory Practice standards, which were established to improve the reliability of data on pharmaceutical efficacy and safety evaluations. This has enabled us to build and earn the trust and confidence of stakeholders over many years. We are the only CRO in the world that has established our own unique in-group framework for breeding and supplying high-quality nonhuman primates. Even amid a global shortage in the supply of nonhuman primates due to the full-fledged growth of R&D into new drug modalities, the framework we have established allows us to respond quickly to customer requests. |
| Natural capital | <ul style="list-style-type: none"> The company owns a large tract of land stretching over 340 hectares (840 acres) in the city of Ibusuki, in the highlands of Kagoshima Prefecture. About 90% of the land is covered with forest. We are drawing on this natural capital to engage in the Medipolis business (hospitality and power generation businesses). In particular, geothermal and hot spring power generation that taps into the area's abundant geothermal resources is contributing to the stable supply of energy as a base load power source. Meanwhile, we are making a significant contribution to achieving carbon neutrality in order to address climate change issues. We are conducting research into the production of glass eel larvae on the island of Okinoerabu, which offers high-quality seawater, seeking to preserve marine resources and the continuity of traditional Japanese eel food culture. |

2028 Vision

Our 2028 Vision is to “promote people’s happiness in close involvement with stakeholders.” By remaining closely involved with a range of stakeholders and creating economic and social value together with them through our businesses, we are striving to promote and support people’s happiness.

We will focus on three key initiatives in realizing the 2028 Vision: boosting investment in growth, digital transformation, and cultivating human capital.

Three Initiatives

Boosting investment in growth

Aiming to enhance corporate value over the longer term, we will strengthen our earning power by assessing the business portfolio in light of capital costs and allocating management resources appropriately.

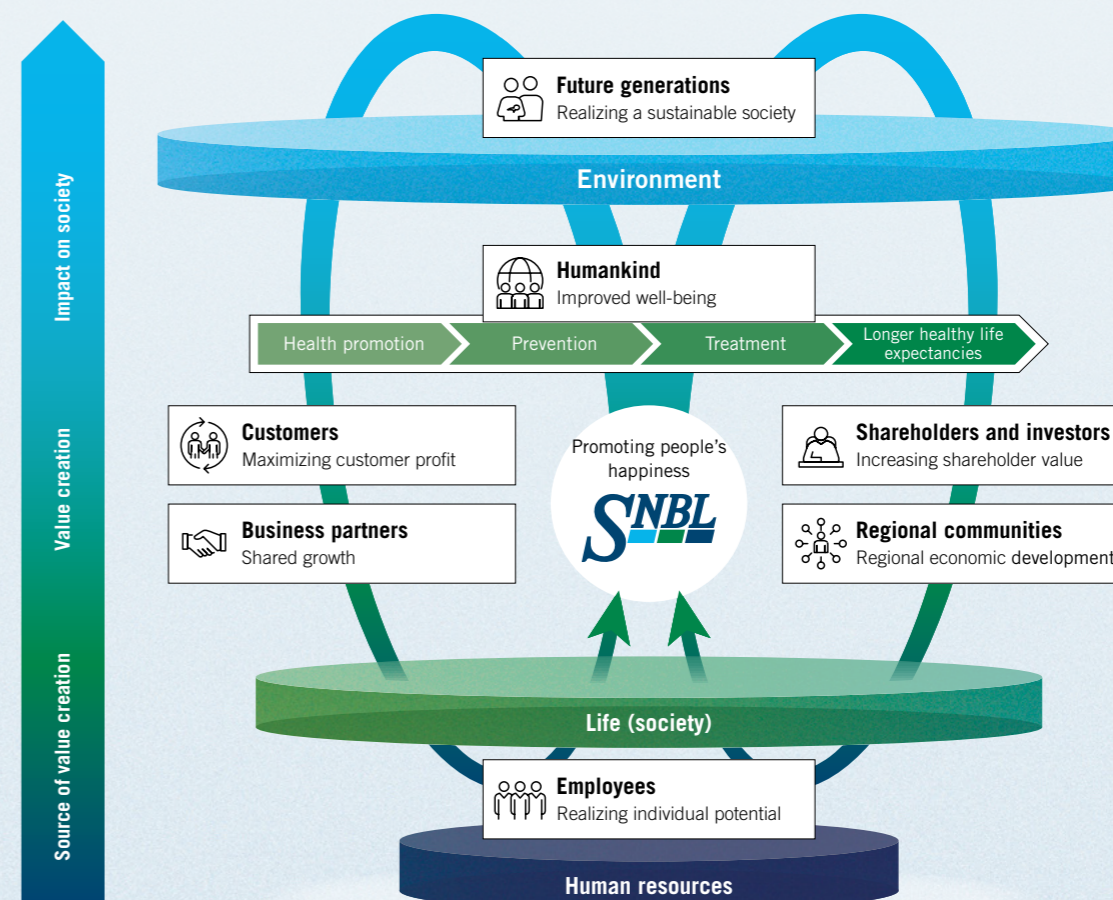
Digital transformation

Digital transformation improves organizational productivity and increases the value provided to stakeholders by shortening the time employees spend on “simple, digitizable” tasks and letting them have more time to concentrate on more valuable “work.”















Cultivating human capital

We aim to be a company where employees can feel a sense of accomplishment and realize their potential through their work. To this end, we are pursuing a series of HR development initiatives linked to our business plans and fostering an organizational environment in which employees grow autonomously.

2028 Vision “To promote people’s happiness in close involvement with stakeholders”



Financial Targets and Non-Financial Key Performance Indicators in 2028 Vision

| | Key issues (materiality) | Social issues | SNBL's initiatives | Selected non-financial key performance and monitoring indicators |
|---|--|---|--|--|
| Addressing social issues through business | Supporting drug discovery and improving medical technology (improving access to medicines)  | <ul style="list-style-type: none"> Lack of CROs that can serve as R&D partners of pharmaceutical companies for new drug modalities Delays in drug development due to global shortages of nonhuman primates Disparities in access to medicines across regions due to drug lag | <ul style="list-style-type: none"> SNBL boasts technologies and evaluation systems that are difficult for other companies to implement. We have established a unique in-group framework for breeding and supplying high-quality nonhuman primates that allows us to respond quickly to customer needs. We formed a joint venture with the PPD group, which is present in roughly 50 countries worldwide, and are helping to eliminate drug lag by carrying out joint global studies. | <ul style="list-style-type: none"> Lead time in nonclinical studies Number of conference presentations and publications of articles in nonclinical study areas Percentage of time dedicated to training and R&D in research positions |
| | Offering healthy lives (lifestyles with well-being)   | <ul style="list-style-type: none"> Lowest level of happiness among developed countries (Japan) Increase in social welfare costs due to a super-aging society Delay in the use of big data in the medical field in Japan | <ul style="list-style-type: none"> We provide unforgettable experiences through three hotel businesses based on the concept of well-being. In collaboration with subsidiary CSS, we are working to provide optimal prevention and treatment services through the use of reliable medical information. | <ul style="list-style-type: none"> Number of wellness programs in the hospitality business Number of papers published relating to real-world data utilization |
| | Preserving the beauty of the natural environment     | <ul style="list-style-type: none"> Delayed global response to climate change Mounting economic losses due to loss of natural capital and ecosystem services | <ul style="list-style-type: none"> We are developing a geothermal power generation business to provide renewable energy and are working to achieve carbon neutrality by 2030. In addition to protecting roughly 340 hectares (840 acres) of forested land in the city of Ibusuki, we are conducting research into the preservation of Japanese eels, which are on the IUCN Red List of endangered species. | <ul style="list-style-type: none"> Scope 1 emissions Scope 2 emissions Number of trees planted in the forest at Medipolis Ibusuki |
| Reinforcing the management base | Creating an organization where people can experience joy in their work   | <ul style="list-style-type: none"> Investing in human capital Linking development of human resources to the company's significance to society Boosting productivity by enhancing employee job satisfaction | <ul style="list-style-type: none"> Believing that people are the source of our corporate value, we are developing training programs for a wide range of employees from new hires to management candidates through SNBL Academy, our distinctive HR development institution. We established the Working Nadeshiko* Committee to help create a workplace where women can work comfortably and play an active role, and are striving to foster an environment that empowers everyone. President Nagata, who is also the CEO and a medical doctor, serves as Chief Health Officer (CHO) of SNBL, participating in the company's health management. <p><small>*Nadeshiko is a Japanese term referring to the personification of an idealized Japanese woman.</small></p> | <ul style="list-style-type: none"> Ratio of female managers Employee engagement surveys Employee satisfaction surveys Health management key performance indicators (10 items) |
| | Evolving the business through digital transformation and robotic process automation  | <ul style="list-style-type: none"> Weathering the looming problem of inadequate IT systems and human resources by 2025 through digital transformation Cultivating human resources to carry out digital transformation | <ul style="list-style-type: none"> We are working across departments to cultivate a digital transformation mindsets and create a digital culture in our organization. Quality control based on original paper printouts is the mainstream practice in the CRO business. We have launched a project to reduce the volume of paper used by switching to digital records and revising the operational process. | <ul style="list-style-type: none"> Participants in digital transformation training Lead time in the nonclinical CRO business Paper reduction in the nonclinical CRO business |
| | Enhancing stakeholder engagement   | <ul style="list-style-type: none"> Building trust and forming partnerships with stakeholders Enhancing sustainability throughout the supply chain Promoting two-way communication with shareholders and investors | <ul style="list-style-type: none"> Drawing on customers' feedback, we are seeking to enhance customer satisfaction. We have formulated a Code of Conduct for Suppliers and are working to make the entire supply chain more sustainable. We communicate our initiatives in an easy-to-understand manner through our investor relations PR blog, the Integrated Report, and the Sustainability Report. | <ul style="list-style-type: none"> Customer satisfaction survey Establishment of a Supplier Code of Conduct Number of investor meetings |
| | Building a governance framework for realizing the corporate principles   | <ul style="list-style-type: none"> Strengthening compliance Managing various risks, including business risks and geopolitical risks Realizing highly transparent management | <ul style="list-style-type: none"> We are bolstering the audit and oversight functions of the Board of Directors, having established a Corporate Auditors Board and an Independent Accounting Auditor and appointed independent outside directors to at least a third of Board positions. We are striving to heighten employees' awareness of compliance by carrying out monthly compliance training online. | <ul style="list-style-type: none"> Ratio of outside directors Board meeting attendance Compliance action guidelines training sessions Surveys by ESG rating agencies |

Financial key performance indicators (FY2028 Targets)

Revenue

¥ **50 billion**

Ordinary profit
Ordinary profit margin

¥ **20 billion**
40.0%

Payout ratio

30-40%



Contract Research Organization (CRO) Business

Vision

Creating a nonclinical R&D ecosystem to deliver new drugs to patients as quickly as possible

- Business Strengths**
- Abundance of experience and a lengthy track record in the area of contract nonclinical studies, where we have the top share of the domestic market
 - Unique in-group framework for breeding and supplying high-quality nonhuman primates. The only one in the CRO industry
 - Useful cutting-edge technologies and frameworks for the evaluation of new drug modalities
 - Alliance with PPD, a global clinical CRO in the field of contract clinical studies

Business Overview

Our CRO business includes both a nonclinical CRO business, in which we are commissioned to conduct studies needed for drug development using cells and laboratory animals, and a clinical CRO business, in which we are commissioned to conduct clinical studies (trials).

R&D into new drug modalities*¹ in drug discovery is gathering momentum in the pharmaceutical industry. We have established a framework for the stable breeding and supplying of nonhuman primates, the importance of which is growing for the evaluation of new drug modalities, and were one of the first companies in the industry to address needs for useful technologies and frameworks to evaluate the efficacy and safety of new drug modalities. As a result, we have seen an increase in orders from clients in both Japan and overseas, which brought rapid growth in both revenue and operating profit in the nonclinical CRO business. With the

Initiatives to Realize Our Vision

Drug development by pharmaceutical companies is growing more difficult every year owing to the increased time required for development, mounting development costs, and declining development efficiency. Pharmaceutical companies used to conduct their own nonclinical and clinical studies, but from the perspective of management efficiency, they now develop drugs in cooperation with companies that have specialized knowledge, expertise, and a track record in drug development. CROs are one part of that process, and outsourcing by pharmaceutical companies to CROs is increasing.

When developing drugs for human beings, the most efficient approach is to investigate safety and efficacy using laboratory animals that closely resemble human subjects. SNBL is set apart

development of new drug modalities poised to accelerate going forward, we are aiming to generate further business growth by drawing on our strengths to tap into robust market demand.

We operate the clinical CRO business through equity-method affiliate PPD-SNBL, a joint venture with leading U.S.-based global clinical CRO PPD, a member of the Thermo Fisher Scientific Group. PPD-SNBL's main business is conducting the Japanese portion of global studies contracted to PPD, which has locations in around 50 countries. While being a global company, we have incorporated business elements unique to Japan, cultivating a close-knit working environment and relationships that have resulted in a high level of employee retention, which supports steady growth in performance. In 2019, we were selected as one of the five most attractive high-growth companies to work for in Japan by global recruitment company Randstad.

by having built a global brand in the area of nonclinical studies using nonhuman primates. We continue to fulfill our mission of freeing patients from suffering by raising the technical level of assessment of the efficacy, toxicity, and metabolism of new drug modalities. We aim to leverage our extensive knowledge and track record in creating a new nonclinical development ecosystem*² that generates time value in nonclinical studies. Under this new ecosystem, we will build an environment in which clinical development can begin sooner by shortening the time required for various steps in nonclinical studies, from the selection of compounds for new drug candidates onward. This way, we seek to be a company that can help new drugs be delivered to patients as quickly as possible.

*1 Modalities indicate types of drug and treatment methods. New drug modalities currently in the spotlight include nucleotide drugs, next-generation therapeutic antibody drugs, peptide drugs, gene therapy, cell therapy, and regenerative medicine.

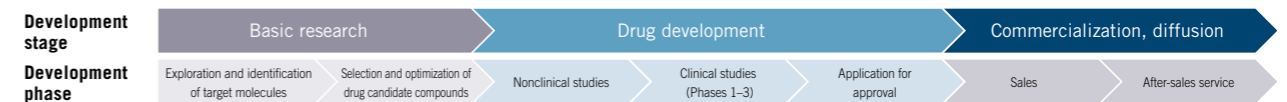
*2 "Ecosystem" derives from the field of ecology and indicates a context where organisms exist interdependently in the same space. In the business world, it describes cooperative relationships for the purpose of addressing the issues of customers and society.

Initiatives to Create a New Nonclinical Development Ecosystem

Pharmaceutical companies recognize SNBL as a drug development partner owing to our high degree of specialist knowledge and unparalleled track record. This feeds into strong earnings in the CRO business. To deliver new drugs to patients as quickly as possible, we have taken steps to strengthen our cooperative relationships with pharmaceutical companies and a range of other stakeholders with a view to creating a new nonclinical development ecosystem that generates time value in the nonclinical study process. Reducing the time required for nonclinical studies to move development into the clinical trial stage as soon as possible benefits not only patients, but also contributes to maximizing the profits of the pharmaceutical companies and biotech venture companies that are our customers. We therefore believe it also fosters the growth of the pharmaceutical sector as a whole in ways such as eliminating drug lag*³.

*3 The problem of the considerable amount of time required for a drug already approved overseas to receive approval in Japan.

| Four Initiatives to Create a New Ecosystem | |
|--|--|
| <p>Building a fully integrated service framework</p> <p>By not merely engaging in nonclinical studies but undertaking integrated contract research on behalf of pharmaceutical companies, ranging from upstream exploratory studies through to clinical trials, SNBL can offer integrated services that shorten the periods for drug development.</p> | <p>Technological development</p> <p>We are boosting our competitiveness in the global market by swiftly identifying market trends and developing the technological capabilities necessary to deliver services that meet these needs, while also providing the level of customer service that customers come to expect from a Japanese company.</p> |
| <p>Digital transformation</p> <p>We are pursuing digital transformation to simultaneously improve customer experience value (front-end reform) and create time value (back-end reform). We are leveraging digital tools to build a service delivery framework that serves global corporate customers in the same way that an internal department could.</p> | <p>Bolstering the framework for the stable supply of nonhuman primates</p> <p>Full-fledged growth of R&D into new drug modalities is giving rise to the issue of global shortages in the supply of nonhuman primates. By bolstering our stable supply framework, we are putting in place a framework to meet the needs of pharmaceutical companies for the rapid evaluation of studies.</p> |



The Nonclinical Development Ecosystem SNBL Is Targeting

Linking pharmaceutical companies, biotech venture companies, academic institutions, and other partners to build an environment that delivers new drugs to patients as quickly as possible

Pharmaceutical companies
Biotech venture companies
Academic institutions
Research organizations

Creating time value by shortening the time required for various steps in nonclinical studies

Segment Highlights

Shortening lead times in nonclinical studies

Lead time from study completion to submission of the draft final report

| | | |
|-----------------|-----------------------|---|
| Global standard | FY2025 | Enabling the draft final report to be submitted as quickly as six weeks |
| 8 weeks | As quickly as 6 weeks | |

Number of conference presentations and article publications

| | | |
|--------------------------|------------|-------------|
| | FY2021 | FY2028 |
| Conference presentations | 25 times | 40 times |
| Articles published | 5 articles | 13 articles |

Average annual salary

Realizing a salary system on par with the pharmaceutical industry by FY2028 as a partner with pharmaceutical companies



Translational Research (TR) Business

Vision

Aiming to increase profits to follow the CRO business by developing the proprietary nasal drug delivery technology into pharmaceutical products

- Business Strengths**
- Possibility of developing low-risk drug-device combination products which apply existing drug compounds to proprietary nasal drug delivery technology
 - Clinical development of nasal rescue drugs with the advantage of rapid action progressing in Japan and overseas
 - Possibility of developing powdered nasal vaccines usable anywhere in the world due to their ease of administration and cold-chain free characteristics

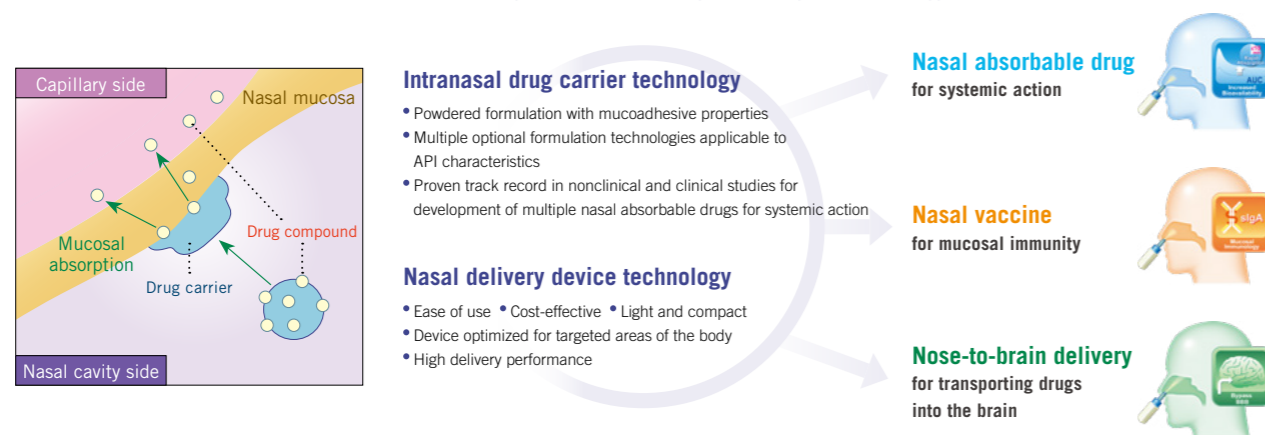
Business Overview

The TR business is grounded in a strategy of transforming the earnings structure by drawing on SNBL's infrastructure, accumulated technologies, and experience. Launched in 1997, the TR business has conducted drug development based on the company's proprietary nasal drug delivery technology refined through ongoing R&D. In terms of monetizing the business, Satsuma Pharmaceuticals, a licensee of our nasal drug delivery technology, announced in August 2022 that it had completed subject enrollment for a Phase 3 trial of STS101, a nasal

dihydroergotamine product for acute migraines. If STS101 is further developed as expected and is launched on the market after FDA approval of its new drug application, SNBL will acquire licensing revenue (sales-based royalties). Furthermore, in May 2022, consolidated subsidiary SNLD completed subject enrollment for a Phase 1 clinical trial of TR-012001, a nasal rescue drug*1 for treatment of "wearing off" symptoms in Parkinson's Disease, in Japan, and is proceeding with preparations for a Phase 2 clinical trial.

*1 A rescue drug is a drug used to relieve severe symptoms rather than for radical treatments.

SNBL-TR's Original Nasal Drug Delivery Technology



Initiatives to Realize Our Vision

SNBL's nasal drug delivery technology is a platform consisting of powdered formulation technology with a proprietary drug carrier and a proprietary nasal delivery device. The development model applies to existing drugs with considerable clinical use experiences to the technology, enabling low-risk product development with less likelihood of development being suspended because the

drug did not have the target effect. One feature of the technology is its rapid action, grounded in the rapid absorption of the drug through the nasal mucosa. We are moving forward with development of rescue drugs that can relieve severe symptoms immediately after dosing. We have also started development on another project for nasal vaccines. While general injectable

vaccines protect against the outbreak and progression of an infection, nasal vaccines have the potential to protect against infection itself through the action of IgA antibodies secreted in the nasal mucosa. Nasal administration is also easier and more convenient than injections, and the vaccine can be stored at room temperature. As a result, the nasal vaccines can be used without refrigeration in developing nations and other countries and regions that do not have strong medical infrastructure, having the potential not only to contribute to

company earnings but also, from a SDGs/ESG perspective, to deliver medical care to people around the world who previously had no access to it.

Segment Highlights

- Number of approved intranasal drug products using SNBL's nasal drug delivery technology

| FY2030 |
|------------------------|
| 2 formulations or more |



Gemseki Business

Vision

Helping to improve human health by efficiently and effectively supporting the development of the life science industry

- Business Strengths**
- Guided two biotech venture companies to an IPO*3 on NASDAQ with SNBL's scientific prowess and brand recognition as a CVC
 - Management of proprietary "Yakuichi Rakuza" platform for drug discovery seeds and technologies

Business Overview

Gemseki Inc., a subsidiary of SNBL, is moving forward with its investment business through a fund in which SNBL is a general partner. It invested in six companies in the fiscal year ended March 2022. Gemseki is also globally expanding its licensing business related to drug discovery seeds and technologies. It operates a platform called "Yakuichi Rakuza." The platform enables efficient matching between companies exploring out-licensing of drug discovery seeds and technologies and companies interested in in-licensing such IPs.

Initiatives to Realize Our Vision

Leveraging SNBL's strengths as a corporate venture capitalist (CVC)*2 grounded in its business activities in the life sciences sphere, particularly in CRO, Gemseki takes a flexible approach to supporting the technical development of biotech venture companies. In the investment business, it intends to create a third fund by the fiscal year ending March 2029 and provides efficient and effective support for biotech venture companies while drawing on its experience in IPOs*3 in the U.S. In the licensing business, in addition to proposing effective matches through the "Yakuichi Rakuza" platform (which has more than 350 registered IP assets), Gemseki is expanding its services to meet customer needs, such as providing flexible consulting services.

• Number of funds created

| FY2021 | FY2028 |
|--------|---------|
| 1 fund | 3 funds |

*2 Indicates a company that creates a fund using its own capital to directly invest in and support external companies; mainly unlisted venture startups.

*3 IPO: an initial public offering is the new listing on a stock exchange of a previously unlisted company.



New Initiatives to Improve the Health of Humankind

Vision

Providing optimal preventive healthcare and treatments using science-based, highly reliable medical information

- Business Strengths**
- Connection with pharmaceutical companies, medical institutions, and academic institutions through the CRO business
 - Clinical Study Support, Inc. (CSS) provides real-world evidence using their expertise in analysis of medical data in clinical settings

Technological advancement has created a vast trove of real-world data*4 in the medical and health spheres. The greater use of this real-world data holds the promise of improving the health of numerous people and assisting in the creation of a sustainable social welfare system by means of a more efficient clinical development process for new drugs, control of burgeoning medical costs driven by an aging society, and improvements in the quality of health management and prevention services. As the vigorous debate about the establishment of a legal and systemic framework for the use of real-world data continues, subsidiary CSS has collected a wealth of research experience as a pioneer in the use of real-world data in the medical and health spheres. CSS is also promoting research in this area, having established joint research classes with Juntendo University in 2020. Going forward, the subsidiary will continue to provide ethically and scientifically reliable real-world evidence, collecting and analyzing high-quality data by effectively utilizing the network SNBL has built with pharmaceutical companies, medical institutions, and academic institutions over many years, while also actively promoting the commercialization of such data.

*4 A comprehensive term indicating large-scale medical data generated from routine treatments at medical institutions, including data on drug health insurance claims and other health insurance data and from electronic medical records.



Businesses that Generate Social Benefits

Business Overview

SNBL owns a large tract of naturally abundant land in the city of Ibusuki, in the highlands of Kagoshima Prefecture (Medipolis Ibusuki). Taking advantage of this and other natural resources, we have developed several businesses that generate social benefits. These include the Medipolis business, which encompasses a hospitality business (operation of hotel accommodations) and a power generation business (operation of a geothermal power plant), as well as an initiative to preserve biodiversity through the production of juvenile Japanese eels (artificial production of glass eels). These businesses embody our corporate principle of being a company “committed to the environment, life, and people.” Our aim is to generate not only economic profits, but also social benefits as well in pursuing solutions to social and environmental issues. The COVID-19 pandemic impacted the hospitality business, including the temporary closure of facilities in light of the state of emergency declared by the Japanese government. As restrictions on movement are eased, earnings are gradually turning around. In the power generation business, our geothermal power plant has steadily produced electricity since we started up operations in February 2015. The generated power is sold under the feed-in tariff (FIT) system, providing a stable source of earnings. In the fiscal year ended March 2022, the plant generated a record amount of power (10.75 million kWh). The glass eel production development has recorded a survival rate of 20%–30% a month after hatching and around 5%–8% after three months.



Medipolis Ibusuki, surrounded by nature



Hospitality Business

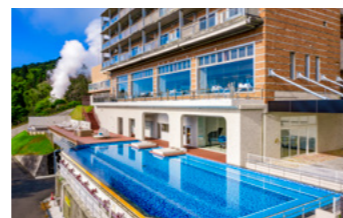
Vision

Offering hospitality for mental, physical, and social health for all

- Business Strengths**
- SNBL's experience in life science gives us a unique perspective into customer well-being
 - Services that draw on the abundant natural resources of Ibusuki City
 - Offering wellness programs
 - Collaboration with the Medipolis Proton Therapy and Research Center

Initiatives to Realize Our Vision

With the goal of providing mental, physical, and social health and well-being to everyone who visits the facility, we have built the Amafuru Oka healing resort hotel under the novel concept of “three generations spending a time of restful healing together.” The hotel offers an environment for family members across three generations to enjoy their stay and provides opportunities for families to bond. The Ibusuki Bay Hills Hotel & Spa retreat resort and the Hotel Freesia medical resort contribute to the physical and social health of guests by offering wellness programs and hosting local events in cooperation with local businesses from the city of Ibusuki and Medipolis Proton Therapy and Research Center*1, which operates on the grounds of Medipolis Ibusuki.



Amafuru Oka.

*1 The Medipolis Proton Therapy and Research Center began treating cancerous tumors using proton beams in January 2011. To date, it has contributed to the treatment of over 5,000 cancer patients. SNBL helped to establish the center and since then has provided operational support.



Power Generation Business

Vision

Contributing to raising Japan's renewable energy ratio and to solving climate issues using the geothermal resources of Ibusuki

- Business Strengths**
- A renewable form of energy as well as a source of stable electric power generation that does not negatively impact the weather or climate
 - Expertise and track record as the first purely private enterprise to operate a binary geothermal power plant
 - Natural resources suited to the verification of various decarbonization technologies

Initiatives to Realize Our Vision

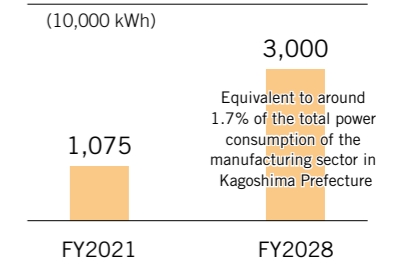
In June 2022, SNBL completed construction of a hot spring power plant that taps into surplus steam from the hot spring source that feeds the hotel's bath and its heating system, enabling generation of roughly an additional 4 million kWh of power per year. Going forward, by drawing on our expertise and track record as the first purely private enterprise to operate a binary geothermal power plant, we aim to expand power generated to around 20 million kWh by the fiscal year ending March 2026, equivalent to the total amount of power used in our businesses in Japan, and to around 30 million kWh by the fiscal year ending March 2029, which is equivalent to around 1.7% of the total power usage of the manufacturing sector in Kagoshima Prefecture. We are also undertaking joint research in cooperation with academic institutions and other private-sector companies to explore the potential of carbon capture and storage (CCS) as a decarbonization technology.

As Japan strives to meet its target of achieving carbon neutrality by 2050, geothermal energy offers a form of renewable energy that also has the potential to be a base load power source for the stable, year-long generation of electric power that does not affect the weather or climate. The Ministry of Economy, Trade and Industry is aiming to raise geothermal power generation from the current level of 2.8 billion kWh to 6.8 billion kWh by the fiscal year ending March 2031. SNBL will continue to promote the spread of renewable energy, centered on geothermal power from Ibusuki, while also working to address climate issues in Japan and the world through its efforts at Ibusuki.



1,500kW-class geothermal power station

Volume of Renewable Energy Generated



Research into Glass Eel Production

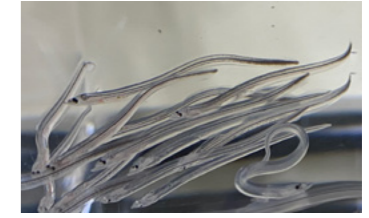
Vision

Contributing to the realization of wholly farm-bred Japanese eels and the preservation of natural resources and traditional Japanese culinary culture

- Business Strengths**
- Proprietary glass eel production technology
 - Regional alliances toward commercialization of the whole eel farming process

Initiatives to Realize Our Vision

SNBL started glass eel production in the city of Kagoshima, migrating the operation to the town of Wadomari on the island of Okinoerabu in Kagoshima Prefecture in 2019, with a view to furthering research into the use of high-quality seawater. Currently, eel farming relies entirely on wild juveniles (wild glass eels). One problem this approach presents is that glass eel prices rise sharply in years when the catch of juveniles is poor. Moreover, declining glass eel catches in recent years have given rise to concerns about depleting resources. The ability to produce glass eels on a large scale will enable commercialization of wholly farm-bred Japanese eels. This would bring stability to market prices and prevent overfishing of natural resources, while contributing to the preservation of both Japanese culinary culture and natural resources. We also believe, as a new industry, glass eel production would provide a boost to the local economy of Okinoerabu. Going forward, to enable mass production and commercialization, we aim to build a framework that can consistently supply around 100,000 juveniles a year by the fiscal year ending March 2027.



Farmed glass eels

Commercialization of wholly farm-bred eels

FY2026 Creation of a mass production framework targeting commercialization

The Management Foundation Underlying Value Creation

Sustainability Initiatives

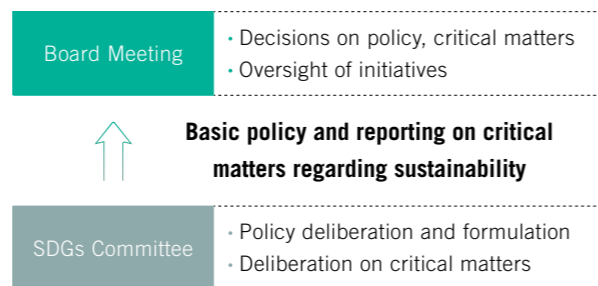
SNBL's corporate principle is to be a company "committed to the environment, life, and people." Guided by these principles, we are keenly aware of the importance of efforts to promote sustainable corporate growth and are helping to bring about a sustainable society. SNBL's Sustainability Policy is the cornerstone on which all of our employees work together to pursue sustainability initiatives.

Sustainability Policy

- 1 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.
- 2 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.
- 3 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

We established the SDGs Committee as an advisory body to the Board of Directors for the purpose of pursuing sustainability management. The committee deliberates and formulates responses to critical sustainability-related issues. It reports regularly to the Board of Directors, based on which the Board makes decisions. There is a system in place to ensure appropriate oversight of initiatives.



Process of Identifying Key Issues (Materiality)

Based on our corporate principle of being a company "committed to the environment, life, and people," we have identified key issues to be prioritized in our ongoing pursuit of greater corporate value. The process of identifying these issues is shown below.

| | | |
|--------|--|---|
| STEP 1 | Gauging and aggregating social issues and demands | We referred to a range of guidelines in the process, such as the SDGs, SASB Standards for the services sector, GRI guidelines, and ISO 26000 standards, 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. |
| STEP 2 | Identifying key stakeholders | With the involvement of each business division, we identified key stakeholders of the company and sorted out stakeholder expectations and demands. |
| STEP 3 | Identifying high-priority issues and demands | In light of what the company is aiming to become (2028 Vision), 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. |
| STEP 4 | Identifying key issues, opportunities, risks, and KPIs | After reviewing the opportunities, risks, targets, and KPIs of the extracted candidates, the Board of Directors identified seven categories as key issues (materiality). |

Environmental Initiatives

Policy

Guided by our corporate principle of being a company "committed to the environment, life, and people," SNBL is keenly aware of the importance for sustainable corporate growth of preserving the environment. We will contribute to preservation of the natural environment to reduce greenhouse gas emissions and conduct business activities that take into account the impact on biodiversity.

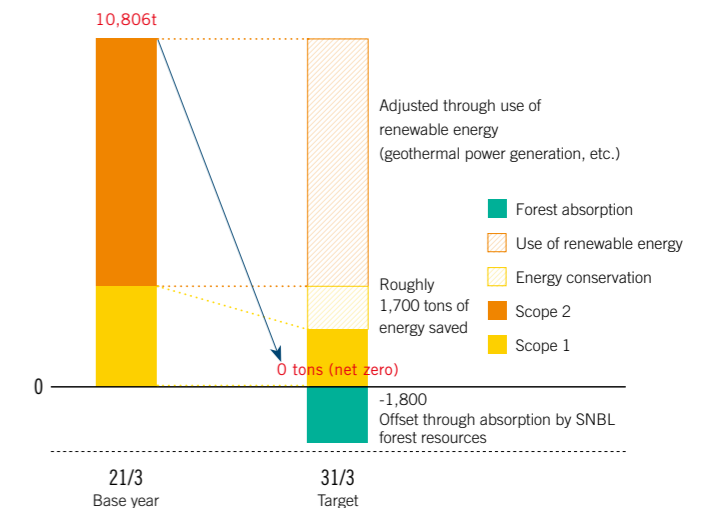
Response to Climate Change Issues

The response to climate change is one of the highest-priority issues among SNBL's sustainability promotion efforts. In October 2021, we announced a carbon neutral target of achieving net zero Scope 1 and 2 emissions in accordance with the Paris Agreement targets within our business activities in Japan by 2030.

<https://www.snbl.co.jp.e.aoy.hp.transer.com/esg/tcfd/>

Since announcing our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in October 2020, we have continuously monitored risks and opportunities related to climate change and are working to expand disclosure in line with TCFD recommendations.

Target for greenhouse gas emissions reduction
FY2030 Realizing carbon neutrality (t-CO₂)



Preserving Biodiversity

The company engages in the Medipolis business drawing on its natural capital—a large tract of land stretching over 340 hectares (840 acres) in the highlands of the city of Ibusuki, in Kagoshima. The Ministry of Health, Labour and Welfare's Pension Welfare Agency had previously built a large-scale public recreation facility called Green Pia Ibusuki on that site, which closed in 2002.

Natural Capital of Medipolis Ibusuki

| | |
|---------------------|-----------------------------|
| Japanese cedar | Approximately 157,100 trees |
| Sawtooth oak | Approximately 3,000 trees |
| Japanese cypress | Approximately 1,500 trees |
| Cherry blossom | Approximately 500 trees |
| Maple | Approximately 300 trees |
| Ginkgo | Approximately 300 trees |
| Japanese plum | Approximately 300 trees |
| Azaleas | Approximately 10,000 trees |
| Hydrangea | Approximately 4,500 trees |
| Coconut palm | Approximately 40 trees |
| Cockspur coral tree | Approximately 40 trees |
| Camellia | Approximately 100 trees |
| Sasanqua camellia | Approximately 150 trees |
| Miscellaneous trees | Approximately 53,300 trees |

In response to requests from the prefecture and the city of Ibusuki, we bought the site in 2004 as a way of supporting and contributing to the local community.

About 90% of the land is covered in forest. Recognizing that the forest is a treasure trove of biodiversity, we have considerably managed the land for many years with the aid of the local forestry association, recycling the mountain air through the systematic thinning and planting of trees. Through ongoing action to preserve our natural capital, we will contribute to the worldwide "30 by 30" initiative to designate 30% of the world's land and ocean area as protected areas in an effort to become "nature positive," arresting and reversing the trend of declining biodiversity by 2030.

Tree planting at Medipolis Ibusuki

| FY2021 | | FY2022 | |
|----------------|--------------|-------------------|--------------|
| Japanese cedar | 10,000 trees | Japanese elm | 10,000 trees |
| | | Sawtooth oak | 20,000 trees |
| | | Walnut | 200 trees |
| | | Japanese chestnut | 50 trees |

HR Strategy

Policy

We consider our people to be what sets SNBL apart from other companies, seeing them as the source of enhanced corporate value, and thus seek to respect the individuality of our employees. We are working to build an organization in which all employees have a sense of solidarity as fellow members of the company and can capitalize on their aptitudes and fulfill their potential, and where employees make up for one another's shortcomings and show mutual appreciation.

Based on this awareness, we are working to secure personnel who will become sources of value creation, cultivate human resources through our own in-house systems, and heighten employee satisfaction and ease of working. As people who value the company's principles gather together and all employees realize their potential through their work, this fosters the ability to offer value to a wider range of stakeholders. We will continue to promote this virtuous cycle that promotes people's happiness.

HR Development: Training

SNBL Academy

We established SNBL Academy, a separate educational institution, in 2002. It has served as the base for numerous programs to develop personnel, ranging from new recruits to future managers and management candidates. Our HR development is marked by the close relationship between the CEO and employees. Ryoichi Nagata spends about a quarter of his time on employee training and in seminars for executives, called *Nagata-Juku*, and frequently speaks directly in various programs.

R&D in the Nonclinical CRO Division

We are working to enhance the overall scientific capabilities of our employees. To this end, in our mainstay Nonclinical CRO Division, we have set a target of devoting 10% or more of total working hours of our researchers to R&D and training.

Building an HR Portfolio: Mobility

Securing human resources linked to business strategies

In building the HR portfolio, our first step is to determine what kind of personnel is needed to implement our business strategies, both from a quantitative perspective, such as the number of hires, and from a qualitative perspective, such as experience. We then recruit new graduates and mid-career hires and cultivate personnel in-house to meet these needs.

New personnel evaluation system

We introduced a new personnel evaluation system based on three pillars: putting the company's principles into practice (compliance), clearing the budget, and the individual's approach to new challenges. This is enabling us to revise the former seniority-based wage system, carry out fair assessments of employee diversity, and foster a corporate culture in which each employee takes forward-thinking initiative in pursuing creation, innovation, and change.

Instilling the Corporate Philosophy: Engagement

Management Philosophy Meeting, messages from the CEO

SNBL holds a Management Philosophy Meeting once a month, bringing together the heads of each division. We also disseminate the CEO's original video messages to employees. Meanwhile, the CEO himself works to instill the corporate philosophy and foster a sense of unity within the organization, sending out a message to the whole company every Monday on putting the company's principles into practice, called Management Mindset Training. We have also put together a notebook of the company's philosophy for employees to carry with them, and have distributed copies of the CEO's book, *The Working Spirit I Want to Cherish: From the Heart of the Worker*, along with a calendar offering daily principle readings, to all employees. A series of articles summarizing the CEO's management philosophy and principles are available (in Japanese) on the corporate website.

Four-line diaries and one-on-one meetings

Since 2001, all employees have sought to put their reflections on the day that has passed into writing in the form of a daily four-line diary. The focus is on whether and how they have put the corporate philosophy into practice in terms of events, insights, lessons learned, and resolutions. Employees also receive feedback from a mentor with whom they are randomly matched each month. These efforts help instill the corporate principles across the organization. Results on the frequency of these reflections and feedback sessions are compiled automatically for each individual and the results are shared at the company-wide Management Philosophy Meeting. To encourage greater employee motivation and growth, employees also participate in one-on-one meetings at least once a week, data about which is also presented at the Management Philosophy Meeting.

Health Management

CEO serves as CHO to be the driving force

Ryoichi Nagata, who is the CEO and a medical doctor, also serves as the Chief Health Officer (CHO) of SNBL. He came up with the slogan, "I am happy, you are happy, and everyone is happy." In addition to carrying out health management, he supports the health maintenance and health promotion of employees, helping to build an organization in which all employees can fulfill their potential efficiently.

Under the CHO's guidance, we have put in place an internal framework to quickly take health-related actions when needed. A dedicated Health Management Unit and the General Affairs and Human Resources Division take the lead in implementing health promotion measures. The progress of these measures is presented at the Management Philosophy Meeting, along with the overall state of employee health. Moreover, since the outbreak of COVID-19, we have a system in which employees can immediately consult a doctor in the Health Management Unit by phone or email, if they or a family member develop a fever or other symptoms and receive appropriate advice. Over the past two and a half years, the CHO has received over 2,000 such calls.

App-based employee health management and lunchtime seminars

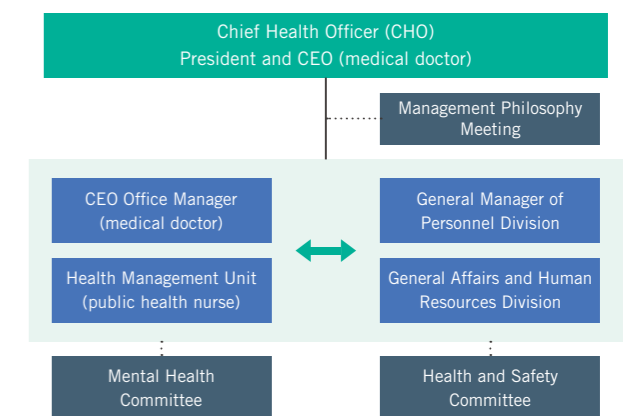
We rolled out the app-based FINC health management service in the fiscal year ended March 2022. The personalized app helps employees alter their lifestyle habits, raise health literacy, and maintain and

improve health. We also regularly hold health-themed lunchtime seminars to provide employees with up-to-date health knowledge.

Vaccine program open to stakeholders

We started carrying out COVID-19 vaccinations at the workplace in July 2021. We have administered approximately 5,000 vaccinations, not only to our executives and employees and their families, but also to employees of business partners and other stakeholders in the community.

Framework for SNBL's Health Management Initiatives



Creating a Good Working Environment: Diversity

Active Participation of Diverse Personnel

We are pursuing management that values diversity and inclusion, to enable personnel with diverse backgrounds, including race, religion, disabilities, gender, etc., to capitalize on their strengths, make up for one another's shortcomings, and show mutual appreciation and respect. We aim to create new value in our businesses and foster an organization that continually generates innovation.

We have formulated a policy on HR management to ensure diversity. The CEO himself has emphasized its importance. We also incorporate diversity initiatives and outcomes into director evaluations.

SNBL's diversity and inclusion efforts include employing and empowering people with disabilities. In 2011, we established subsidiary Fureai-Sasaai Co., Ltd., the first organization in Kagoshima Prefecture to promote the employment of people with disabilities. The company currently has 21 employees. We are also focusing on the active participation of global personnel, and currently have 16 non-Japanese employees on staff.

Flexible Working Styles

To ensure that employees can continue to work, we have implemented systems for working remotely, flexible hours, staggered working hours, and hourly paid leave. We have also established various systems to support the diverse careers of our employees, such as allowing employees to choose multiple career tracks, request job changes, designate desired working locations, seek re-employment after mandatory retirement, acquire certifications, and apply for in-house scholarships to obtain an academic degree.

Women's Empowerment

We have recognized women's empowerment as the most important focus of our diversity and inclusion efforts, and have set targets for the fiscal year ending March 2024 and are putting in place various measures to achieve them.

- (1) Raising the percentage of women in managerial positions to 20% or more
- (2) Female childcare leave-taking rate: 100%; male childcare leave-taking rate: 100%

Specifically, from the time we hire new employees, we are actively communicating examples of active and successful careers. We are also diversifying our hiring approach and processes, identifying managerial candidates within the company from an early stage and strategically creating a pool of talent as candidates for promotion. We are taking ongoing steps to shift awareness within the company through training to highlight unconscious bias and to promote understanding of health issues specific to women. Meanwhile, we are developing systems and a workplace environment to allow women to more readily take on the challenge of career advancement, such as by setting up a childcare center next to our office.

To better empower women, we set up the Working Nadeshiko* Committee as a mechanism for listening to the voices of women on the front lines about what is needed for women to adequately fulfill their potential in the workplace. Questionnaires administered by the committee have led to a range of measures being put in place. As a result, the percentage of women who leave the company because of marriage or childbirth improved from 38.5% in the fiscal year ended March 2008 to 1.5% in the fiscal year ended March 2021.

*Nadeshiko is a Japanese term referring to the personification of an idealized Japanese woman

Corporate Governance

Governance Policy

To further enhance corporate value, the Company has adopted a basic policy of developing sound management practices, improving efficiency, enhancing transparency, strengthening its compliance framework, and achieving effective corporate governance.

Efforts to Improve the Effectiveness of the Board of Directors

The Company has introduced a system of individual interviews with each director, conducted by the President, regarding deliberations by the Board of Directors and the execution of business, in addition to the questionnaire survey given to directors and corporate auditors which is drawn up and conducted by the non-statutory Corporate Governance and Nomination Committee. This committee deliberates on the results of the survey and shares them with the Board of Directors, which overall leads to improvements that help generate more productive deliberations by the Board of Directors and enhance its effectiveness.

In addition, to encourage productive discussions between the Board of Directors meetings' attendees, "Matters for Discussion" were established in the Board of Directors Regulations (amended April 1, 2018), separate from the matters for resolution and reporting matters dealt with during the Board of Directors meetings. This system allows directors and executive officers to submit these matters for discussion as topics that should be discussed before the stage of being submitted as matters for resolution, or matters that should be brought up so that opinions can be shared. Using this system further promotes discussion during the Board of Directors meetings.

Establishment of Corporate Governance and Nomination Committee and Remuneration Committee

The Company has established the Corporate Governance and Nomination Committee and the Remuneration Committee, which are non-statutory committees. The majority of the members from both committees is composed of independent external directors, ensuring their independence. Since the Company believes that the participation of persons with a thorough understanding of the internal circumstances of the Company is beneficial to make discussions in both committees effective, members of these committees include internal directors.

The Corporate Governance and Nomination Committee deliberates on the appointment and dismissal of directors and corporate auditors and submits their recommendations to the General Meeting of Shareholders, as well as on the appointment of candidates for CEO, executive officers, and other management members, such as operating officers, administrative officers, and directors of subsidiaries, and on their dismissal, and submits its

recommendations to the Board of Directors. It also deliberates on decisions on policies and procedures for the selection of candidates for directors, corporate auditors, and management members, on matters related to the appointment of successors to the CEO, and on matters related to evaluations of the effectiveness of the Board of Directors.

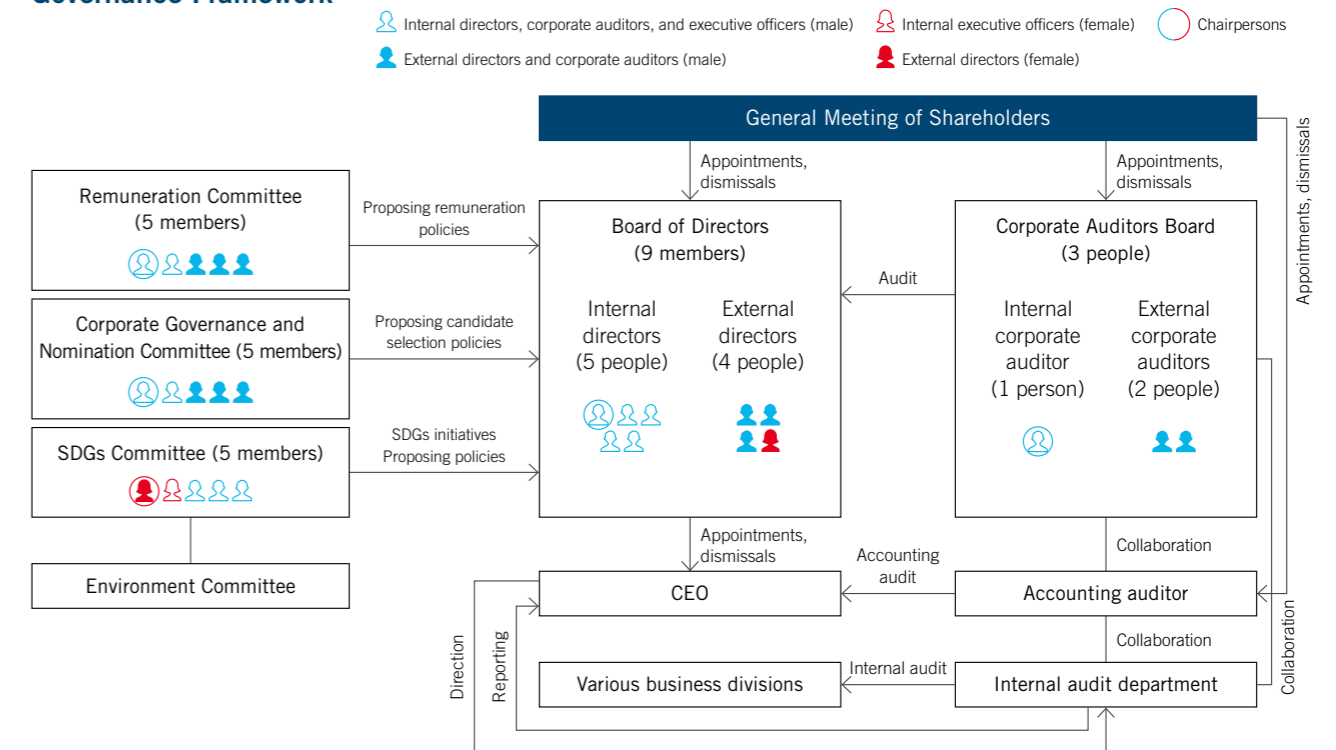
The Remuneration Committee deliberates on the remuneration of directors and corporate auditors and submits its recommendations to the General Meeting of Shareholders. It also deliberates on the remuneration of directors and other management members, such as operating officers, administrative officers, and directors of subsidiaries, and submits its recommendations to the Board of Directors. It also deliberates on policies related to the composition of remuneration, as well as on decision-making processes for remuneration of directors.

Establishment of SDGs Committee

At the Board of Directors meeting held on August 27, 2021, the Company resolved to establish the SDGs Committee as a non-statutory advisory body to the Board of Directors with the aim of systematically enhancing SNBL Group sustainability initiatives from a medium- to long-term perspective. An external director of the Company, Keiko Toya, is the chair of this committee, which meets to conduct meaningful discussions on a monthly basis.

In October 2021, the Company established the Environment Committee as a subordinate body to the SDGs Committee. The SDGs Committee played an instrumental role in the making of the Company's first Sustainability Report in 2021, and started disclosing various ESG policies and data on a dedicated page of the Company's website: <https://www.snbl.co.jp/e.aoy.hp.transer.com/esg/policies>

Governance Framework

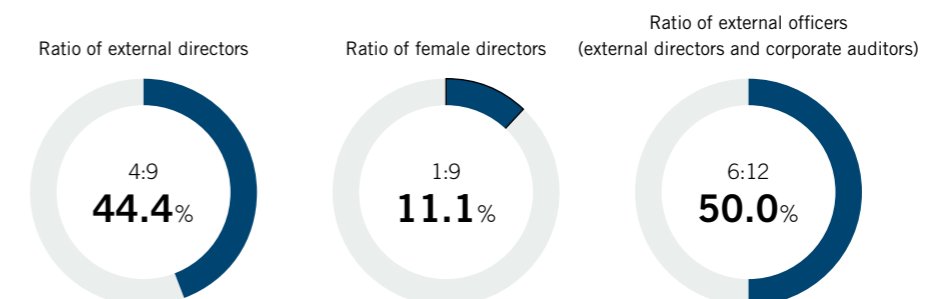


Approach to the Board of Directors

For its Board of Directors, the Company seeks persons of excellent character and insight from inside and outside the Company, regardless of their nationality, personal history, or gender in accordance with our diversity and inclusion policy. Regarding directors responsible for the execution of business, the Company regards persons with abundant business knowledge and experience as candidates, and considers those with extensive knowledge and experience in their field of expertise as candidates for external directors. The Company has appointed nine directors to the Board. To enhance the agility and flexibility of management regarding business execution other than matters for resolution, each of

the five directors who are not external directors, and 12 executive officers (including one non-Japanese officer) are responsible for the execution of their respective business operations, and many of them also serve as the managers of divisions under the organizational structure of the Company. There are four external directors. We also recognize gender discrimination as an important issue and actively consider the appointment of female directors from the perspective of effectiveness and stature. At the 48th General Meeting of Shareholders held on June 29, 2021, one female external director was appointed.

Composition of the Board of Directors



Corporate Governance

Skills Matrix

| Directors | Current position and responsibilities at the Company | Corporate management | Global business | Technology and research development | Financial affairs and accounting | Human resources, labor and staff development | Legal affairs and risk management | Environment | Social | Internal control and governance | Main qualifications |
|-------------------|---|----------------------|-----------------|-------------------------------------|----------------------------------|--|-----------------------------------|-------------|--------|---------------------------------|----------------------------------|
| Ryoichi Nagata | President and Chairman CEO and CHO | ○ | ○ | ○ | | ○ | | ○ | | ○ | Physician |
| Ken Takanashi | Executive Vice President Group Corporate Management and Global Business | ○ | ○ | | ○ | | ○ | | ○ | ○ | U.S. Certified Public Accountant |
| Shinji Nitanda | Managing Director Corporate Development and Corporate Finance | ○ | | | ○ | ○ | ○ | | | ○ | |
| Hideshi Tsusaki | Managing Director Preclinical Company President and Global Business Development | ○ | ○ | ○ | | | | ○ | | ○ | Veterinarian |
| Ichiro Nagata | Executive Director Preclinical Company Vice President and CEO Office Senior Director Senior Director of Hospitality Division | ○ | ○ | ○ | | ○ | | | | ○ | Physician |
| Shinichi Fukumoto | Independent External Director | | | | | ○ | ○ | | ○ | ○ | Attorney-at-law |
| Takashi Yamashita | Independent External Director | | | | ○ | ○ | ○ | | | ○ | CPA |
| Tsuyoshi Hanada | Independent External Director | | | | ○ | ○ | | | ○ | ○ | Certified Tax Accountant |
| Keiko Toya | Independent External Director | ○ | ○ | | | | | ○ | ○ | ○ | Scholar (Global Business) |

Directors' Skills Matrix

The Company's internal and external officers pursue management drawing on their knowledge, experience, and high level of insight in their respective fields of expertise. The relevant expertise and experience of each director are shown in the skills matrix above. The table indicates their most relevant skills, and does not indicate all the knowledge, experience, or expertise possessed by each director.

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

Remuneration amounts for each director are determined in accordance with Company-designated procedures within the range of the total amount of remuneration for all directors set forth by resolution of the General Meeting of Shareholders. Specifically, the non-statutory Remuneration Committee prepares a draft which it submits to the Board of Directors. The President & CEO is delegated by the Board of Directors to determine the amount of remuneration for directors within the scope of the amount submitted by the Remuneration Committee. The remuneration of directors is determined after comprehensively taking various factors into account, including company business performance, economic conditions, and the responsibilities and achievements of each individual.

i. Basic policy

Regarding the remuneration of the Company's directors (including external directors in addition to executive directors; hereinafter the same), the monthly remuneration of directors was set to no greater than ¥40,000,000 per month (not including the amount paid as employee salary for those directors serving concurrently as employees) by resolution of the General Meeting of Shareholders held on June 25, 2003. Based on this resolution, the Company's basic policy is to set an appropriate level based on each director's duties when determining the remuneration of individual directors. Specifically, the remuneration of the Company's directors is a fixed amount.

ii. Policy for determining the amount of base remuneration (monetary remuneration) for individual directors (including the policy for determining the timing or conditions for granting remuneration, etc.)

The base remuneration of the Company's directors is a fixed monthly remuneration determined after comprehensively taking various factors into account including the Company's business performance, economic conditions, and the responsibilities and achievements of each individual.

iii. Matters concerning decisions on the details of remuneration paid individually to directors

Regarding amounts of remuneration for individual directors, the Remuneration Committee, of which the majority of members are external directors, receives consultation from the Board of Directors, reviews the Company's business performance, economic conditions, and the responsibilities and achievements of each director, prepares a draft and submits it to the Board of Directors. The President and Representative Director is delegated by the Board of Directors to determine the amounts of remuneration for individual directors and makes the determination within the scope of the details submitted from the Remuneration Committee.

iv. Director remuneration for the fiscal year ended March 2022

The remuneration of directors of the Company in the latest fiscal year is as follows.
 · Remuneration paid to nine directors: ¥237,670,000
 Note that there are no persons whose total amount of consolidated remuneration is ¥100 million or more.

Support System for external directors (and external corporate auditors)

Currently, no sections or personnel designed to assist external directors or external corporate auditors have been put in place, but personnel are assigned within reasonable limits when requested.

In addition, decisions on matters related to sections responsible for assisting external corporate auditors and personnel rights — such as the appointment and transfer of their personnel — are made after obtaining prior consent from the Corporate Auditors Board, in order to ensure independence from directors.

Message from an External Director

Use societal expectations as motivation to grow and remain a company that inspires

Takashi Yamashita

External Director



Assessing SNBL's Corporate Culture

About 25 years have passed since I first met President Ryoichi Nagata. All this time, he has stayed true to his fundamental approach to management.

I believe the corporate principle of being a company “committed to the environment, life, and people” lies at the heart of his stance, and the way SNBL does business today embodies this thinking. The company took environmental preservation seriously even before environmental issues were as loudly voiced as they are today. The city of Ibusuki serves as an excellent example of SNBL's corporate principle in action. The company started out with the nonclinical CRO business, but then expanded into the clinical CRO business and drug development business, all based on an ethos of valuing life. Medipolis Proton Therapy and Research Center, which the company also established in Ibusuki, welcomes patients from all over the world.

For 25 years, under Ryoichi's leadership, the company has carefully built up these businesses one by one through the united efforts of its officers and employees. I think this demonstrates the ambitious, principled, and resolute nature of the company.

Valuable Discussions at Board Meetings

Looking at shareholder composition, it would be easy to think of SNBL as a family-owned company where one person unilaterally runs the show. However, the four outside directors and two outside corporate auditors are able to express their opinions freely at meetings of the Board of Directors, and our feedback is reflected in the corporate management. In that sense, SNBL is no different from a large open company.

Although it is sometimes difficult for us outside officers to fully grasp the nature of SNBL's business areas since they don't directly connect with our day-to-day lives, we play a vital role in facilitating the smooth operation of the Board through Q&A sessions and exchanging opinions with executive officers and others at the divisional strategy meetings held twice a year.

SNBL's Strengths

Since many of SNBL's businesses have a global makeup, management that is internationally oriented is critical for growth. To this end, the company made a foray into the U.S. early on and has been deepening ties in Southeast Asia for the breeding and raising of the nonhuman primates required for the nonclinical CRO business.

During a challenging period for the U.S. business, I observed the company's facility on the outskirts of Seattle with President Nagata, Executive Vice President Ken Takanashi, and Outside Director Nobukazu Fukumoto, among others. At the time, I was impressed by how meticulously clean, orderly, and tidy it was and by the undiminished motivation of the workers there. I believe these standards that SNBL constantly works to uphold are a source of its competitive strength, which is underpinned by relationships of trust between employees and management, particularly President Nagata.

My Hopes for SNBL

I feel that everything started to turn around for SNBL after the company overcame the difficulties it was facing in the U.S. Now, it is on track to becoming the company President Nagata first envisioned 25 years ago. For me, as an outside observer, the time seems to have passed quickly, but each day has undoubtedly brought new challenges for Ryoichi, even though I'm sure he is too humble to admit this.

Looking forward to the next 25 years, I believe the company will be shaped by the strong ambitions of the next generation and will depend on how hard they strive to achieve their goals.

My hope is that this new generation will take pride in SNBL's corporate principles and management philosophy. I also hope that the company, remaining grounded in the current management foundation, will use societal expectations as motivation to grow, and every employee will strive to build a company that earns the trust of people worldwide. I am confident that their efforts will align with SNBL's mission to free patients from suffering by supporting drug development and improving medical technology.

Compliance

Compliance Policy

SNBL strives to foster a corporate culture in which every officer and employee is fully aware of the rationale for compliance and consistently acts in line with the SNBL Compliance Code of Conduct, not only through their corporate activities but also in their personal lives.

Establishment and Implementation of SNBL Compliance Code of Conduct

We have established a code of ethics, based on the corporate principle of being a company “committed to the environment, life, and people.” We are working to ensure that all officers and employees are thoroughly aware of these guidelines by

distributing a philosophy notebook. We also conduct monthly in-house e-learning on timely compliance-related topics and case studies.

Approach and Initiatives Regarding Animal Welfare

Our animal welfare regulations are set in the Approach and Initiatives Regarding Animal Welfare. We properly raise and keep animals with due consideration of their physiology, biology, habits, etc., in line with the principles of the 3Rs (replacement, reduction, refinement), the internationally accepted basic principles on animal experimentation. We have a sincere appreciation for the animals we use in scientific studies, and have held an animal appreciation festival every spring and autumn since our founding. SNBL Drug Safety Laboratories has

been fully accredited by AAALAC International* since June 2011. All animal breeding facilities in Japan as well as key facilities overseas, namely Shin Nippon Biomedical Laboratories (Cambodia) Ltd. and SNBL China, Ltd. are now also fully accredited by AAALAC International.

* The Association for Assessment and Accreditation of Laboratory Animal Care (AAALAC) International is the only international third-party organization to accredit animal care and use programs according to the Guide for the Care and Use of Laboratory Animals. Currently there are more than 1,040 AAALAC International-accredited organizations in 50 countries.

Establishment and Implementation of a Code of Conduct for Suppliers

We established the Code of Conduct for Suppliers for business partners that provide products and services to SNBL. Among its requirements, the code seeks to ensure compliance with laws and regulations, respect for human rights, appropriate work

practices, and efforts for environmental conservation. SNBL asks its core suppliers to comply with the code and cooperate with its provisions.

Helplines for Internal Reporting and Consultation

We formulated the Policy on Prevention of Discrimination and Harassment to promote business activities that respect the rights of all of our stakeholders. We have established multiple points of contact within the company for reporting and consultation, including anonymous reporting, which receive reports concerning fraud, harassment, labor and health issues, and personnel evaluations. We have also established

a hotline for internal reporting through an outside corporate law firm. When a report is received, the Internal Audit Division acts as the office in setting up an Internal Reporting Committee, chaired by the officer in charge of the Personnel Division, to properly look into the situation and take appropriate actions to prevent and detect fraud early and to take corrective measures when deemed necessary.

Directors and Corporate Auditors

Directors



Ryoichi Nagata

President, Chairman, CEO and CHO
 Born: August 11, 1958
 Time in office: 41 years
 Number of Company shares owned: 0

Career profile
 September 1981: Director of the Company
 June 2014: Executive Director, Chairman, President and CEO of the Company

Reasons for nomination as a candidate for director

The Company deems Dr. Ryoichi Nagata capable of properly executing his duties as a Representative Director of the Company in consideration of his abundant experience and broad insights as an executive manager of the Company, his proven leadership as a CEO and CHO, advanced specialist knowledge in medical care as a physician, and his well-versed insight into a variety of business sectors of the Company, particularly with respect to drug development.

Attendance at meetings of the Board of Directors: 100% (20/20)



Shinji Nitanda

Managing Director
 Born: September 18, 1968
 Time in office: 10 years
 Number of Company shares owned: 23,200

Career profile
 May 2002: Joined the Company
 June 2019: Senior Vice President and CFO of the Company (to present)

Reasons for nomination as a candidate for director

The Company deems Mr. Shinji Nitanda capable of properly executing his duties as a director of the Company in consideration of his abundant experience in the accounting and finance fields and his leadership in optimization of management resources.

Attendance at meetings of the Board of Directors: 100% (20/20)



Ichiro Nagata

Executive Director
 Born: August 3, 1985
 Time in office: 2 years
 Number of Company shares owned: 1,024,000

Career profile
 April 2017: Joined the Company
 April 2021: Vice President of the Company

Reasons for nomination as a candidate for director

The Company deems Dr. Ichiro Nagata capable of properly executing his duties as a director of the Company in consideration of his advanced medical expertise as a medical doctor and his considerable knowledge and understanding of global strategies from a leader's perspective.

Attendance at meetings of the Board of Directors: 100% (20/20)



Ken Takanashi

Executive Vice President
 Born: May 23, 1964
 Time in office: 18 years
 Number of Company shares owned: 36,100

Career profile
 December 2002: Joined the Company, Director of the Company
 June 2017: Senior Executive Vice President and COO of the Company

Reasons for nomination as a candidate for director

The Company deems Mr. Ken Takanashi capable of properly executing his duties as a Representative Director of the Company in consideration of his abundant experience in global business and new business development and his leadership as a vice president in the businesses of corporations.

Attendance at meetings of the Board of Directors: 100% (20/20)



Hideshi Tsusaki

Managing Director
 Born: January 27, 1967
 Time in office: 4 years
 Number of Company shares owned: 18,100

Career profile
 April 1996: Joined the Company
 June 2021: Senior Vice President of the Company

Reasons for nomination as a candidate for director

The Company deems Dr. Hideshi Tsusaki capable of properly executing his duties as a director of the Company in consideration of his abundant experience in the preclinical business as a veterinarian and his leadership in the domestic and international preclinical business.

Attendance at meetings of the Board of Directors: 100% (15/15)

Independent External Directors



Shinichi Fukumoto

External Director
 Born: July 20, 1958
 Time in office: 7 years
 Number of Company shares owned: 0

Career profile
 June 2015: External Director of the Company

Reasons for nomination as a candidate for director

The Company deems Mr. Shinichi Fukumoto capable of properly executing his duties as an external director of the Company based on his well-versed insight, specialist knowledge and experience in corporate legal affairs as an attorney-at-law and application of his skills to provide supervision and advice.

Attendance at meetings of the Board of Directors: 100% (20/20)



Tsuyoshi Hanada

External Director
 Born: May 2, 1958
 Time in office: 2 years
 Number of Company shares owned: 3,300

Career profile
 June 2020: External Director of the Company (to present)

Reasons for nomination as a candidate for director

The Company deems Mr. Tsuyoshi Hanada capable of properly executing his duties as an external director of the Company based on his advanced specialist knowledge and abundant experience as a tax accountant and application of his skills to provide supervision and advice.

Attendance at meetings of the Board of Directors: 100% (20/20)



Masakazu Suda

Corporate Auditor
 Born: August 15, 1961
 Time in office: 2 years
 Number of Company shares owned: 6,300

Career profile
 August 1990: Joined the Company
 June 2020: Corporate Auditor of the Company

Reasons for nomination as a candidate for corporate auditor

The Company deems Mr. Masakazu Suda capable of properly executing his duties as a corporate auditor based on his abundant knowledge and experience cultivated during a long career in the preclinical business and work experience in the Internal Audit Department.

Attendance at meetings of the Board of Directors: 100% (20/20)



Zenichi Shigehisa

External Corporate Auditor
 Born: November 2, 1952
 Time in office: 3 years
 Number of Company shares owned: 0

Career profile
 June 2019: Corporate auditor of the Company

Reasons for nomination as a candidate for corporate auditor

The Company deems Mr. Zenichi Shigehisa capable of properly executing his duties as an external corporate auditor based on his insight and experience as a financial and accounting expert.

Attendance at meetings of the Board of Directors: 100% (20/20)



Takashi Yamashita

External Director
 Born: February 18, 1956
 Time in office: 7 years
 Number of Company shares owned: 0

Career profile
 June 2015: External Director of the Company

Reasons for nomination as a candidate for director

The Company deems Mr. Takashi Yamashita capable of properly executing his duties as an external director of the Company based on his advanced specialist knowledge and abundant experience as a certified public accountant and tax accountant and application of his skills to provide supervision and advice.

Attendance at meetings of the Board of Directors: 100% (20/20)



Keiko Toya

External Director
 Born: February 26, 1964
 Time in office: 1 year
 Number of Company shares owned: 0

Career profile
 June 2021: External Director of the Company

Reasons for nomination as a candidate for director

The Company deems Dr. Keiko Toya capable of properly executing her duties as an external director of the Company based on her advanced specialist knowledge and abundant experience as an expert in business administration and application of her skills to provide supervision and advice.

Attendance at meetings of the Board of Directors: 100% (15/15)



Takakiyo Tatano

External Corporate Auditor
 Born: February 27, 1965
 Time in office: 3 years
 Number of Company shares owned: 0

Career profile
 June 2019: Corporate auditor of the Company

Reasons for nomination as a candidate for corporate auditor

The Company deems Mr. Takakiyo Tatano capable of properly executing his duties as a corporate auditor based on his knowledge and experience as a legal expert.

Attendance at meetings of the Board of Directors: 100% (20/20)

Auditors

Data Section

Financial Data

Five-Year Financial Summary

(Millions of yen)

| | FY3/2018 | FY3/2019 | FY3/2020 | FY3/2021 | FY3/2022 |
|---|----------|----------|----------|----------|----------|
| Revenue | 16,600 | 15,658 | 14,561 | 15,110 | 17,748 |
| YoY (%) | -3.7 | -5.7 | -7.0 | 3.8 | 17.5 |
| Gross profit | 5,204 | 6,177 | 7,615 | 7,554 | 9,687 |
| Ratio of gross profit to revenue (%) | 31.3 | 39.5 | 52.3 | 50.0 | 54.6 |
| Operating profit | -697 | 829 | 2,228 | 2,529 | 4,195 |
| YoY (%) | — | — | 168.5 | 13.5 | 65.9 |
| Share of profit of entities accounted for using equity method | 637 | 361 | 888 | 846 | 1,439 |
| EBITDA | 775 | 2,190 | 3,457 | 3,716 | 5,372 |
| Ordinary profit | -813 | 1,613 | 3,121 | 3,645 | 7,078 |
| Profit before income taxes | -1,507 | 1,650 | 3,062 | 4,175 | 8,183 |
| Income taxes | 2,013 | -308 | 414 | 497 | 1,016 |
| Profit attributable to owners of parent | -3,555 | 1,950 | 2,550 | 3,661 | 7,127 |
| Profit per share (yen) | -85.41 | 46.84 | 61.25 | 87.95 | 171.20 |
| Revenue from international sponsors | 4,868 | 4,014 | 2,317 | 2,100 | 3,091 |
| Ratio of revenue from international sponsors (%) | 29.3 | 25.6 | 15.9 | 13.9 | 17.4 |
| Shareholders' equity | 7,982 | 9,958 | 12,386 | 15,840 | 22,181 |
| Net assets | 26,215 | 28,477 | 16,381 | 15,838 | 19,723 |
| Total assets | 57,493 | 54,329 | 39,002 | 36,972 | 39,312 |
| Interest-bearing debt | 19,139 | 16,158 | 15,123 | 12,864 | 9,281 |
| Equity ratio (%) | 45.5 | 52.3 | 41.8 | 42.6 | 49.8 |
| Capital expenditures | 1,274 | 1,612 | 1,514 | 1,025 | 1,703 |
| Depreciation | 1,472 | 1,361 | 1,229 | 1,187 | 1,177 |
| R&D expenses | 518 | 339 | 400 | 392 | 425 |
| Ratio of R&D expenses to revenue (%) | 3.12 | 2.17 | 2.75 | 2.60 | 2.39 |
| Number of employees at the end of the fiscal year | 1,385 | 935 | 985 | 986 | 994 |
| ROE (%) | -14.6 | 7.1 | 11.4 | 22.9 | 40.4 |
| ROA (%) | -1.4 | 2.9 | 6.7 | 9.6 | 18.6 |
| ROIC (%) | — | — | 11.7 | 12.3 | 18.4 |
| Ratio of operating profit to revenue (%) | -4.2 | 5.3 | 15.3 | 16.7 | 23.6 |
| Cash dividends per share (yen) | — | 3.00 | 5.00 | 20.00 | 40.00 |
| Dividend payout ratio (%) | — | 6.4 | 8.2 | 22.7 | 23.4 |

Non-Financial Data

Five-Year Non-Financial Summary

| Environment | FY3/2018 | FY3/2019 | FY3/2020 | FY3/2021 | FY3/2022 |
|--|----------|----------|----------|----------|----------|
| Greenhouse gas emissions (Scope 1 and 2) (Market base) (t-CO ₂)*1,2,3 | 15,239 | 13,801 | 11,648 | 10,806 | 11,561 |
| Scope 1 (t-CO ₂) | — | — | — | 3,176 | 3,145 |
| Scope 2 (t-CO ₂) | — | — | — | 7,630 | 8,416 |
| Scope 3 (t-CO ₂)*4 | — | — | — | — | 246 |
| Category 5: Waste generated in operations (t-CO ₂) | — | — | — | — | 115 |
| Category 6: Business travel (t-CO ₂) | — | — | — | — | 131 |
| Use of electricity (MWh)*5 | 22,419 | 21,551 | 21,665 | 21,114 | 18,591 |
| Electric power generated (renewable energy) (MWh)*6 | 9,659 | 8,325 | 10,344 | 10,328 | 10,751 |
| Water intake and discharge (thousand m ³) *7 | 559 | 596 | 613 | 683 | 667 |
| Industrial waste generated (t) *8 | 182 | 171 | 159 | 160 | 178 |

*1 Scope of sites covered: Kagoshima Main Branch, Drug Safety Research Laboratories, Pharmacokinetics and Bioanalysis Center (Wakayama), Medipolis Ibusuki

*2 Calculation method: Greenhouse gas emissions = Amount of purchased electricity x emission coefficient after adjustment + Σ (fuel consumed x emission coefficient)

*3 Emissions per unit: Used calculation methods and emission coefficient stipulated in the calculation, reporting, and disclosure system based on the Act on Promotion of Global

Warming Countermeasures

*4 Of the 15 categories of Scope 3 emissions, only categories 5 and 6 are calculated

*5 Scope of sites covered: Kagoshima Main Branch, Drug Safety Research Laboratories, Pharmacokinetics and Bioanalysis Center (Wakayama), Medipolis Ibusuki

*6 Amount of electricity generated at and sold by a binary geothermal power plant operated in the city of Ibusuki

*7 Scope of sites covered: Kagoshima Main Branch, Drug Safety Research Laboratories, Pharmacokinetics and Bioanalysis Center (Wakayama), Medipolis Ibusuki

*8 Includes specially controlled industrial waste

| Social Information | FY3/2018 | FY3/2019 | FY3/2020 | FY3/2021 | FY3/2022 |
|--|-------------|-------------|-------------|-------------|-------------|
| Employee information (excluding consolidated figures) | | | | | |
| Number of employees | 1,385 | 935 | 985 | 986 | 994 |
| Of which, female (proportion) | — | — | — | 417 (42.3%) | 423 (42.6%) |
| Number of foreign employees (proportion) | — | — | — | 204 (20.7%) | 196 (19.7%) |
| (including non-consolidated figures) | | | | | |
| Number of employees | 870 | 853 | 911 | 965 | 1,008 |
| Of which, female (proportion) | 438 (50.3%) | 430 (50.4%) | 454 (49.8%) | 479 (49.6%) | 516 (51.2%) |
| (non-consolidated basis) | | | | | |
| Number of employees | 682 | 651 | 720 | 747 | 765 |
| Of which, female (proportion) | 303 (44.4%) | 285 (43.8%) | 305 (42.4%) | 310 (41.5%) | 328 (42.9%) |
| Number of foreign employees (proportion) | 9 (1.3%) | 9 (1.4%) | 12 (1.7%) | 15 (2.0%) | 16 (2.1%) |
| Number of employees with disabilities (proportion)*9 | 27 (2.7%) | 27 (2.4%) | 37 (3.8%) | 39 (3.8%) | 40 (3.8%) |
| Employees by age groups | | | | | |
| Under 30 (of which, female) | — (—) | — (—) | 124 (70) | 136 (76) | 152 (87) |
| 30s (of which, female) | — (—) | — (—) | 213 (104) | 208 (99) | 206 (99) |
| 40s (of which, female) | — (—) | — (—) | 258 (109) | 273 (110) | 269 (112) |
| 50s (of which, female) | — (—) | — (—) | 93 (20) | 94 (23) | 95 (27) |
| 60 years or older (of which, female) | 32 (0) | 33 (2) | 32 (2) | 36 (2) | 43 (3) |
| Employment rate of older employees (60 and over) (%) | 4.7 | 5.1 | 4.4 | 4.8 | 5.6 |
| Number of managers*10 | 73 | 63 | 63 | 59 | 80 |
| Number of female managers (proportion) | 14 (19.2%) | 12 (19.0%) | 10 (15.9%) | 11 (18.6%) | 16 (20.0%) |
| Manager equivalent or higher (of which, female) | — (—) | — (—) | — (—) | — (—) | 24 (7) |
| Manager equivalent positions (of which, female) | — (—) | — (—) | — (—) | — (—) | 56 (9) |
| Employees newly appointed to managerial positions (of which, female) | — (—) | — (—) | — (—) | — (—) | 13 (4) |

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

*10 Managerial positions are section heads, deputy section heads, or higher

Non-Financial Data

| Social Information | FY3/2018 | FY3/2019 | FY3/2020 | FY3/2021 | FY3/2022 |
|---|----------|----------|----------|----------|----------|
| Average employee age | 37.9 | 38.7 | 40.3 | 40.1 | 40.1 |
| Male | 39.8 | 40.4 | 42.5 | 42.3 | 42.4 |
| Female | 35.6 | 36.5 | 37.3 | 36.9 | 37.0 |
| Employee Tenure | 10.3 | 11.0 | 11.2 | 12.1 | 12.1 |
| Male | 11.2 | 11.9 | 12.2 | 13.2 | 13.3 |
| Female | 9.1 | 9.9 | 9.9 | 10.5 | 10.6 |
| New hires during the fiscal year (of which, female) | 31 (13) | 26 (10) | 66 (35) | 66 (27) | 73 (44) |
| New graduates hired (of which, female) | 16 (6) | 15 (6) | 30 (17) | 50 (24) | 52 (34) |
| Mid-career employees hired (of which, female) | 15 (7) | 11 (4) | 36 (18) | 16 (3) | 21 (10) |
| Number of employees leaving work (of which, female) | 48 (20) | 56 (29) | 38 (20) | 45 (17) | 54 (33) |
| Turnover rate (%) | 7.0 | 7.7 | 5.9 | 6.4 | 7.2 |
| Three-year turnover rate for new graduates (%) | 14.3 | 16.4 | 6.6 | 8.4 | 15.2 |
| Average annual salary (thousands of yen) | 4,340 | 4,350 | 4,820 | 5,030 | 5,321 |
| Average annual salary for males (thousands of yen) | — | — | — | — | 5,941 |
| Average annual salary for females (thousands of yen) | — | — | — | — | 4,505 |
| Male-female salary differential | — | — | — | — | 75.8 |
| Paid leave taken (%) | 67.2 | 58.4 | 57.9 | 55.3 | 61.0 |
| Average days of paid leave taken | 11.8 | 10.6 | 10.3 | 9.5 | 10.6 |
| Average monthly overtime (hours) | 8.9 | 14.3 | 16.9 | 18.9 | 25.2 |
| Percentage of eligible staff taking maternity leave (%) | 100 | 100 | 100 | 100 | 100 |
| Percentage of eligible staff taking paternity leave (%) | 4.8 | 56.3 | 30.0 | 88.0 | 100.0 |
| Average days of paternity leave taken | — | — | — | 5.4 | 10.0 |
| Return to work after childcare leave (retention rate) (%) | 100 | 100 | 100 | 100 | 100 |
| Employees using long-term care leave system | 1 | 0 | 1 | 0 | 0 |
| Employees taking volunteer leave | 0 | 0 | 0 | 0 | 0 |
| Other social information | | | | | |
| Employees on leave of absence | — | — | — | — | 26 |
| Occupational accidents | 16 | 13 | 9 | 13 | 11 |
| Fatal accidents | 0 | 0 | 0 | 0 | 0 |
| Administrative actions | 0 | 0 | 0 | 0 | 0 |
| Consultations through internal reporting system | 0 | 1 | 0 | 0 | 0 |

| Social Information (Health Management) | FY3/2018 | FY3/2019 | FY3/2020 | FY3/2021 | FY3/2022 |
|--|----------|----------|----------|----------|----------|
| Measures to prevent lifestyle-related diseases | | | | | |
| Obesity rate (%) | 11.2 | 12.9 | 11.6 | 13.6 | 12.7 |
| Employees at risk of diabetes (%) | 10.8 | 11.0 | 9.2 | 9.4 | 7.6 |
| Employees at risk of hypertension (%) | 5.1 | 5.6 | 7.0 | 9.4 | 8.9 |
| Employees at risk of arteriosclerosis (%) | 32.0 | 32.9 | 31.2 | 25.4 | 25.3 |
| Habitual exercise ratio (%) | 23.0 | 21.0 | 24.0 | 22.0 | 23.6 |
| Rate of follow-up health examinations (%) | 65.6 | 72.3 | 72.8 | 68.6 | 72.6 |
| Rate of health examinations (%) | 100 | 100 | 100 | 99.9 | 100 |
| Mental health measures | | | | | |
| Stress check participation rate (%) | 94.6 | 98.1 | 99.1 | 100 | 100 |
| Employees with high stress (%) | 8.7 | 11.9 | 12.0 | 8.6 | 11.8 |
| Measures to prevent smoking | | | | | |
| Smoking rate (%) | 13.4 | 13.4 | 13.2 | 15.4 | 12.4 |

Glossary

Glossary

| Terms | Explanation |
|---|---|
| Contract Research Organization (CRO) business | Pharmaceutical companies and other drug developers outsource some or virtually all of the work related to the implementation, operation, and management of nonclinical and clinical studies. |
| Nonclinical studies | Also called preclinical studies, these are studies carried out before clinical trials to investigate the efficacy and safety of a drug or other compounds under development using laboratory animals, cells, or bacteria. |
| Clinical trials | A study to investigate the efficacy and safety in human subjects of drugs or other compounds under development. |
| Good Laboratory Practice (GLP) | Refers to the Standards for Implementation of Nonclinical Studies on Safety of Drugs established by Japan's Ministry of Health, Labour and Welfare (MHLW). Among the documents submitted when applying for manufacturing and marketing approval of drugs or other compounds, testing facilities are required to comply with GLP regulations to ensure the reliability of safety testing data using animals. |
| Final report | A document created for each study by the study director to report its results. |
| Drug modality | Indicates types of drugs and treatment methods. New drug modalities that are currently trending include nucleotide drugs, next-generation antibody drugs, peptide drugs, gene therapies, and cell therapies. |
| Ecosystem | A term deriving from ecology, indicating a context where organisms exist interdependently in the same space. In the business world, it describes cooperative relationships for the purpose of resolving the issues of customers and society. |
| Drug lag | The time lag between when a drug receives approval overseas and when it is approved for use in the target country. |
| Access to drugs | Having the means to deliver appropriate drugs and healthcare to the people who need them. |
| Nasal drug delivery technology | A nasal drug delivery technology, consisting of a powder carrier technology designed for increased drug absorption through its muco-adhesive properties and a delivery device technology designed for simple use, and complete and consistent delivery of intranasal powder formulations. |
| Rescue drug | A type of drug for treatment of acute or severe symptoms. |
| IgA antibody | A type of secreted antibody that appears on mucosal membranes inside the nose and throughout the body. It defends against viruses at the site of entry, preventing them from entering the body. |
| Drug carrier | SNBL's proprietary nasal drug delivery technology consists of a muco-adhesive powder carrier. The muco-adhesive properties of the carrier enable enhanced absorption of the active pharmaceutical ingredient. |
| Corporate venture capitalist (CVC) | A company that creates a fund using its own capital to directly invest in and support external companies, mainly unlisted venture startups. |
| Initial public offering (IPO) | The new listing on a stock exchange of a previously unlisted company. |
| Real-world data | A comprehensive term indicating large-scale medical data generated from routine treatments at medical institutions, including data on drug health insurance claims and other health insurance data and from electronic medical records. |
| Binary power generation | Indicates a system in which a source of heat evaporates a medium with a low boiling point and the resulting steam turns a turbine to generate electricity. It is also called binary cycle power generation because it uses two heat cycles, the primary heat source cycle and the fluid cycle. |
| Carbon capture and storage (CCS) | An array of techniques for capturing carbon dioxide and storing it in a stable form underground. |
| Glass eel production | Seedlings are juvenile fish used in aquaculture. In eel farming, glass eels are used as seed fish. At present, eel farming uses only wild glass eels that are caught in estuaries as seed fish. Artificially bred seedling eels are not used. Responding to concerns about the depletion of the Japanese eel population, SNBL is aiming to establish technology for the artificial mass production of glass eels as alternative seedlings for use in eel farming. |
| Stakeholder | A term that refers to a person or entity affected in some way by a company's activities. It encompasses financial institutions, administrative agencies, and various other organizations in addition to shareholders, managers, employees, customers, and business partners. |
| Carbon neutrality | The effort to neutralize the total emissions of greenhouse gases with gases that are absorbed or removed. |
| Digital transformation | The concept of transforming people's lives for the better through the spread of advanced IT technology. |
| Robotic process automation (RPA) | The automation of simple routine tasks performed on a computer, such as data entry, transcription, and file copying, using a robot. |

Corporate Data

(As of March 31, 2022)

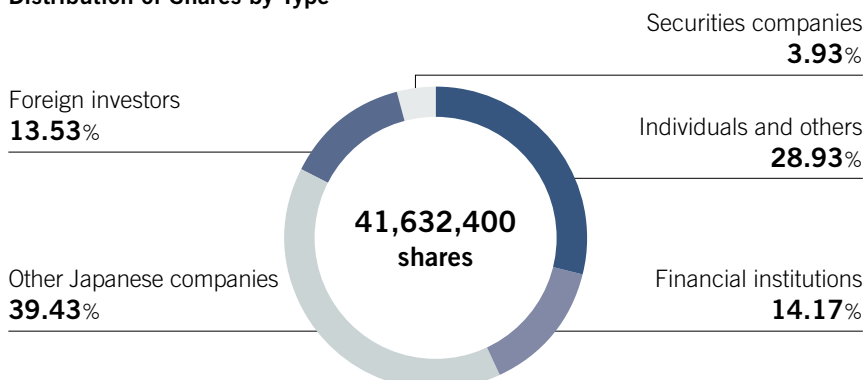
Company and Stock Information

| | |
|---------------------------------------|--|
| Company Name | SHIN NIPPON BIOMEDICAL LABORATORIES, LTD. (SNBL) |
| Foundation | September 1957 (Established: May 1973) |
| Capital | 9,679,070,000 yen |
| Number of Employees | 994 |
| Fiscal Year | April 1 to March 31 (Ordinary General Meeting of Shareholders in June) |
| Headquarters | <ul style="list-style-type: none"> Tokyo Headquarters St. Luke's Tower 28th Floor, 8-1 Akashi-cho, Chuo-ku, Tokyo, 104-0044 Kagoshima Main Branch 2438 Miyanoura-cho, Kagoshima-shi, Kagoshima |
| Total Number of Shares Issued | 41,632,400 shares |
| Share Unit | 100 shares |
| Number of Shareholders | 9,841 |
| Stock Listing | Tokyo Stock Exchange Prime Market Security code: 2395 |
| Administrator of Shareholder Registry | Mizuho Trust & Banking Co., Ltd. |
| Accounting Auditor | KPMG AZSA LLC |

Major Shareholders

| Name | Total number of shares held (thousands) | Shareholding ratio (%) |
|--|---|------------------------|
| Nagata and Company Co., Ltd. | 14,690 | 35.28 |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 3,209 | 7.70 |
| Takahisa Nagata | 2,080 | 4.99 |
| Medipolis Medical Research Institute | 1,474 | 3.54 |
| Goldman Sachs Japan Co., Ltd. BNYM | 1,194 | 2.86 |
| Custody Bank of Japan, Ltd. (Trust Account) | 1,086 | 2.60 |
| Ikue Nagata | 1,024 | 2.45 |
| Ichiro Nagata | 1,024 | 2.45 |
| Rie Umehara | 1,024 | 2.45 |
| The KAGOSHIMA BANK, LTD. | 1,000 | 2.40 |

Distribution of Shares by Type



Major External Evaluations and Awards



Nadeshiko Brand



Eruboshi (Grade 3) Certification



2022
健康経営優良法人
Health and productivity
ホワイト500

2022 Certified Health and Productivity
Management Outstanding Organization
(Large Enterprise Category)
(White 500 Company)



Full AAALAC International Accreditation



FTSE Blossom
Japan Sector
Relative Index

FTSE Blossom
Japan Sector Relative Index



JPX Nikkei Mid and Small Cap Index