

# SNBL’s Management Philosophy and 2028Vision

In line with our corporate philosophy, we strive to establish strong relationships with our stakeholders and collaborate with them to create both economic and social value in an integrated manner through our business, thus promoting people’s happiness in the world.

Management Philosophy

Corporate Philosophy

We are a company committed to the environment, life, and people.

Mission

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

Slogan

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

2028Vision

Promoting people’s happiness hand in hand with our stakeholders



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.

## Financial KPIs

In order to achieve sustainable growth and medium- to long-term improvements in corporate value, we have set KPIs for “Indicators of growth potential” and “Indicators of shareholder returns” for 2022, and KPIs for “Indicators of capital profitability” for 2023.

Regarding the cost of capital, SNBL recognizes that it is estimated to be 5.1% based on the financial results for the fiscal year ended March 31, 2024 (using a β value of 0.98). ROE and ROIC calculated based on the financial results for the fiscal year ended March 31, 2024 are 18.3% and 10.3%, respectively, both of which greatly exceed SNBL’s cost of capital. SNBL will continue to work to achieve return on capital that exceeds the cost of capital.

Enhancement of Our Corporate Value

ROIC 10.3

Return on invested capital

Cost of Capital WACC 5.1

Expected rate of return for shareholders

Improvement of Shareholder Value

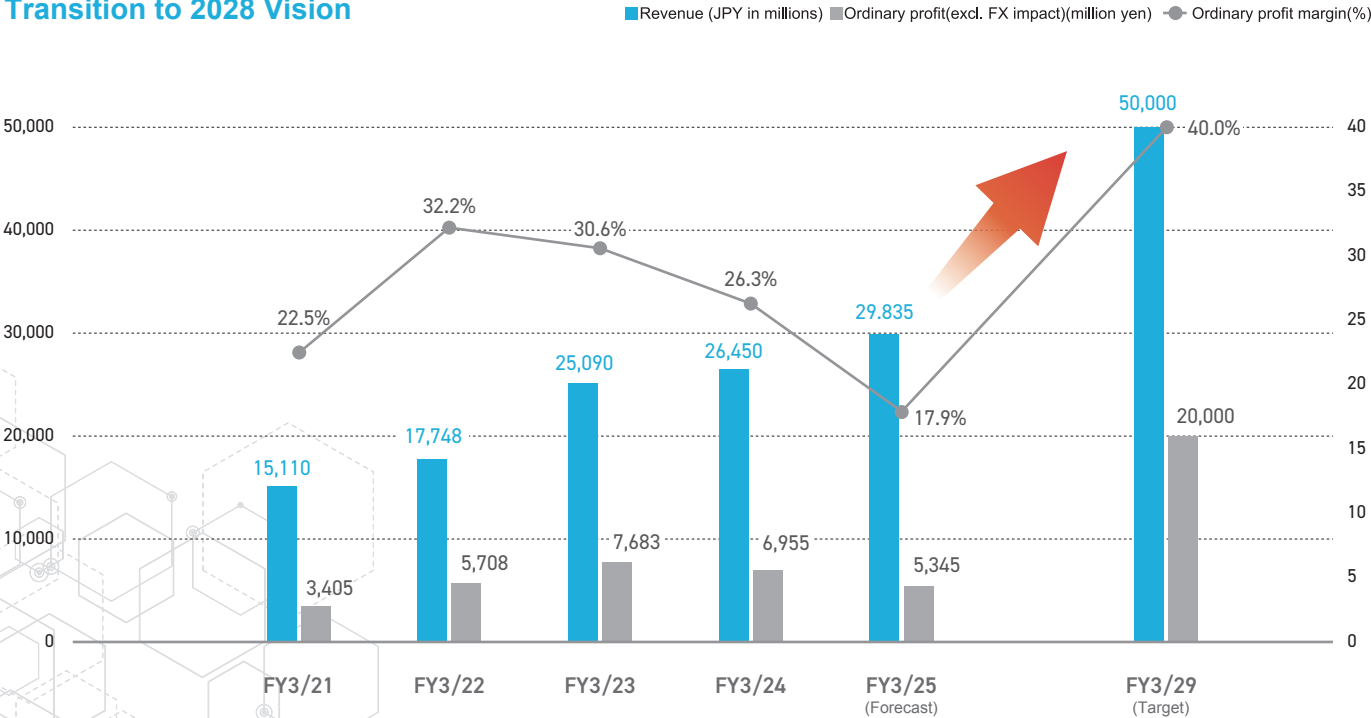
ROE 18.3

Return on shareholders' equity

Cost of Shareholders' Equity 7.0

Expected rate of return for shareholders

## Transition to 2028 Vision



2028 (Target) (FY 3/2029)		
Indicators of growth potential	Revenue	¥50 billion
	Ordinary profit	¥20 billion
	Ordinary profit margin	40.0%
Indicators of shareholder returns	Dividend payout ratio	30~40%
Indicators of capital profitability	ROE	10% or higher
	ROIC	10% or higher

2028Vision

# SNBL’s Materiality

In order to achieve sustainable growth in corporate value, we have identified a total of seven material issues: three under the heading “addressing social issues through business” and four under the heading “Strengthening management foundation to meet society’s demands”. Focusing on these material issues will also help achieve the SDGs and realize a sustainable society.

## Process of Identifying Key Issues (Materiality)

01

Gauging and aggregating social issues and demands

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

02

Identifying key stakeholders

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

03

Identifying high-priority issues and demands

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

04

Identifying 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).

## seven material issues

Addressing Social Issues through Business

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

Wellbeing Lifestyle

Preserving the Beautiful Natural Environment

Strengthening Management Foundation to Meet Society’s Demands

Creating an Organization Where People can Enjoy Their Work

Evolving the Business through Digital Transformation and Robotic Process Automation

Enhancing Stakeholder Engagement

Building a Governance Framework for Realizing the Corporate Principles

## Materiality/Non-financial KPIs

	Materiality	Sub-materiality	indicators	Target
Addressing Social Issues through Business	Supporting Drug Development and Improving Medical Technology (Improving Access to Medicines)	Creating time value in the nonclinical study	Shorter lead time for nonclinical study	FY3/2026: Submission of final report draft in 6 weeks at the earliest
		Improving scientific capabilities to become an outstanding CRO	Number of conference presentations and publications of articles / Obtaining qualifications	FY3/2029: 40 conference presentations and 13 article publications / FY3/2029: 10 employees with DABT* credential
		Helping meet unmet medical needs	Number of intranasal formulations approved utilizing our intranasal dosing platform	FY3/2031: 2 or more
		Supporting bio-venture companies	Number of funds established in the Gemseki business	FY3/2029: 3
	Wellbeing lifestyle	Achieving wellbeing	Employee satisfaction surveys / Employee engagement surveys	Checking Results / Checking Results
		Developing hospitality mindset	Customer satisfaction survey	Checking Results
	Preserving the Beautiful Natural Environment	Realizing carbon neutrality	Scope1 & 2 & 3 / SNBL carbon neutral indicator / CO2 environmental efficiency /Amount of renewable energy produced	Checking Results / FY3/2031: Net zero FY3/2031:50% improvement (Base year: FY3/2021) / FY3/2029: 30 million kWh
		Shifting to a circular economy	Water environmental efficiency / Percentage of water resources reused	Checking Results / Checking Results
		Transition to nature positive	Number of fully farmed Japanese eels produced	FY3/2027: Annual production of 100,000 eels
Strengthening management foundation to meet society's demands	Creating an Organization Where People can Enjoy Their Work	Promoting Diversity, Equity and Inclusion	Percentage of women in managerial positions / Percentage of employees taking childcare leave	FY3/2029: 30% or higher / FY3/2029: Maintaining 100%
		Promoting human capital management	Training hours per person / Development of reading as a habit	Checking Results / Checking Results
		Promoting health and productivity management	SNBL Health & Productivity Management indicators (10 items)	FY3/2027: Achievement of target for each indicator
		Achieving growth of both employees and company	Employee satisfaction surveys / Employee engagement surveys	Checking Results / Checking Results
	Evolving the Business through Digital Transformation and Robotic Process Automation	Study records digitalization	Number of sheets of paper saved	FY3/2024: 1.2 million sheets (compared to FY3/2022)
	Enhancing Stakeholder Engagement	Maximizing customer profit	Customer satisfaction survey	Checking Results
		Sharing growth with business partners	Percentage of major suppliers evaluated	Checking Results
		Increasing shareholder value	Number of investor meetings	Checking Results
	Building a Governance Framework for Realizing the Corporate Principles	Enhancement of the function of the Board of Directors	Board meeting attendance of directors and corporate auditors	Checking Results (maintaining 80% or higher)
		Promotion of fair business activities	Conformity to the Corporate Governance Code	Checking Results (maintaining 100%)
		Commitment to compliance	Percentage of employees who take part in the Compliance Action Guidelines training	100%

SNBL's Value Creation

Medium-Term Business Plan

Business Sustainability

ESG

Data Section

SNBL's Value Creation

Medium-Term Business Plan

Business Sustainability

ESG

Data Section

In line with our corporate philosophy of being  
a company committed to the environment, life, and people,  
we are creating economic and social value in an integrated manner.

SNBL has built a unique business model centered on life sciences related to drug development.  
We have worked to enhance its 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.

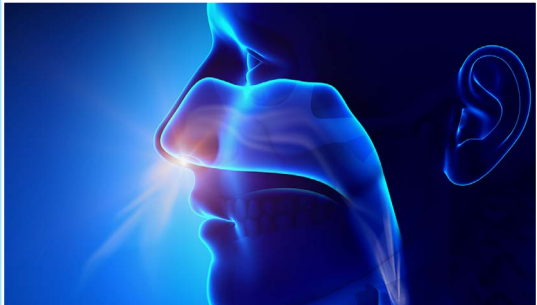


TR Business

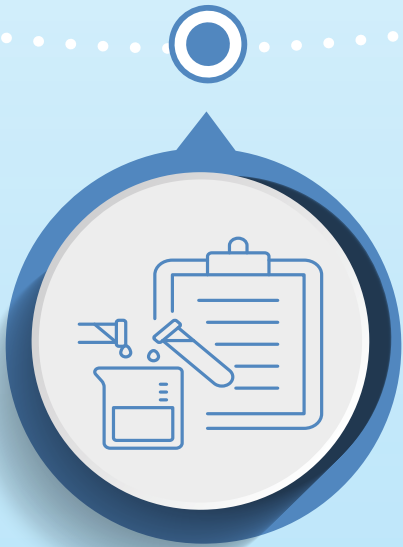
Development of a  
User-Friendly Nasal Spray for Patients

We are developing our own drugs based on our proprietary technology for intranasal drug delivery.

\* TR(Translational Research): 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.



TR Business...Refer to our website



CRO Business

Extensive experience and track record  
in the nonclinical CRO services,  
boasting the top market share in Japan

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



CRO Business...Refer to our website



Medipolis business  
(Businesses that Generate Benefits for Society)

Creating social value by making use of  
Kagoshima's regional  
and natural resources

Hospitality business

We operate two hotel businesses under the main concept of wellbeing.



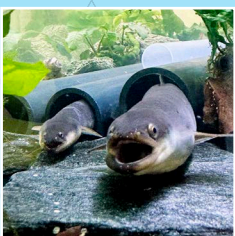
Power generation business

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



Research into the production of  
Japanese eel seedling

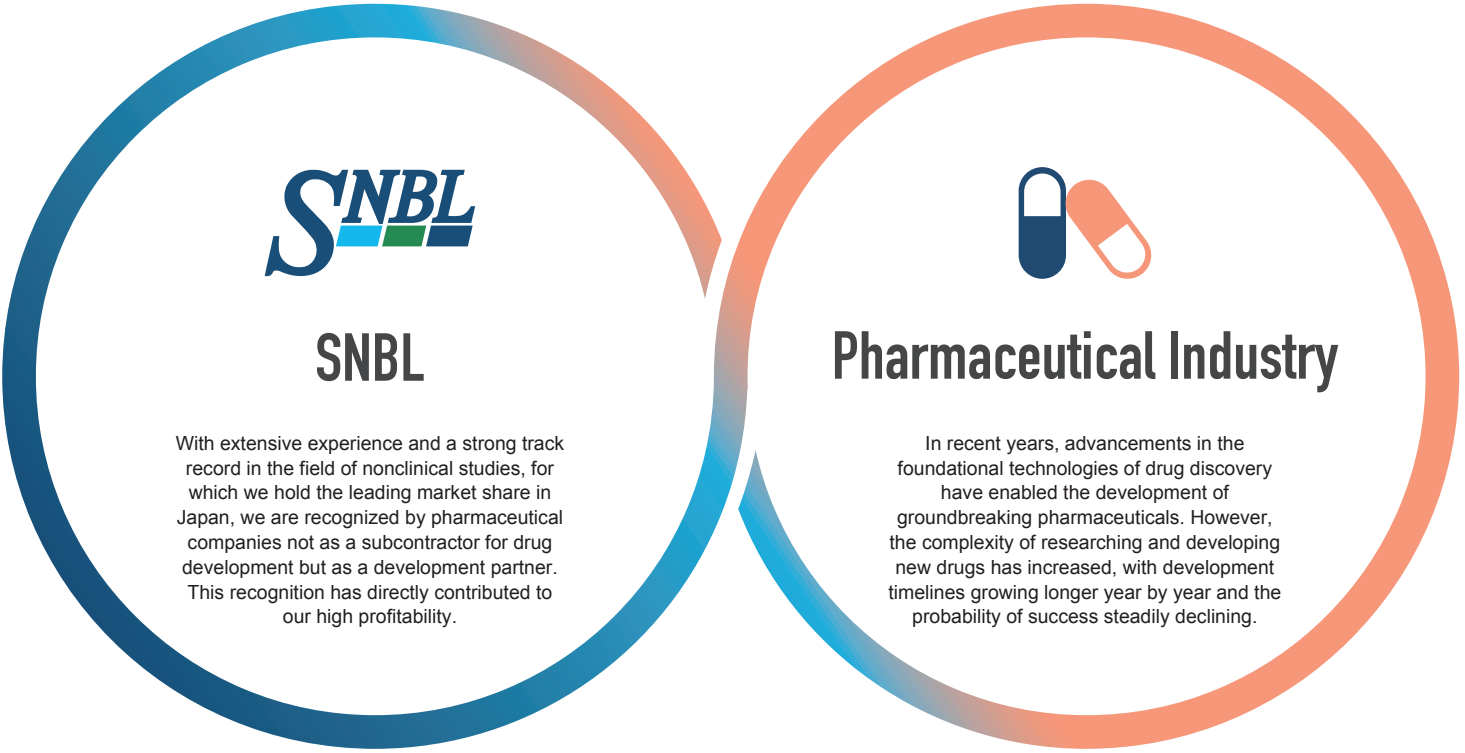
As a part of our efforts to preserve biodiversity, we are conducting research into the production of Japanese eels in their juvenile stage (glass eels). The Japanese eel has been listed as endangered in the IUCN Red List.



Medipolis business...Refer to our website



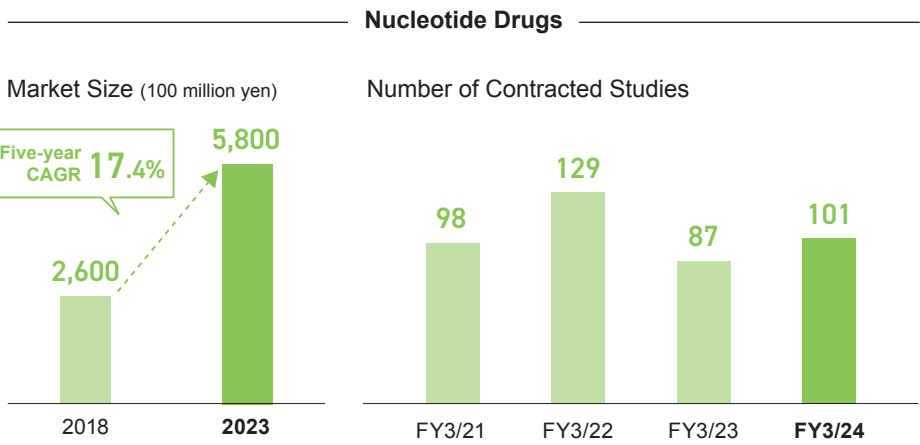
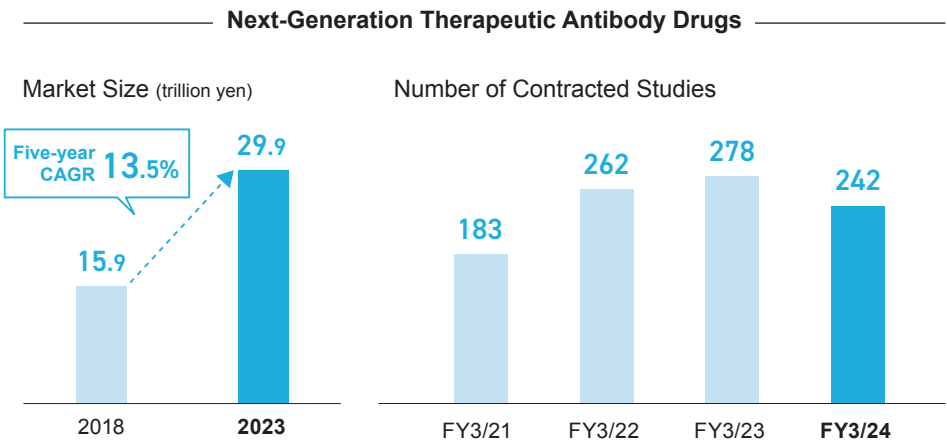
Growth Strategy for Nonclinical CRO Business



SNBL's Value Creation  
Medium-Term Business Plan  
Business Sustainability  
E S G  
Data Section

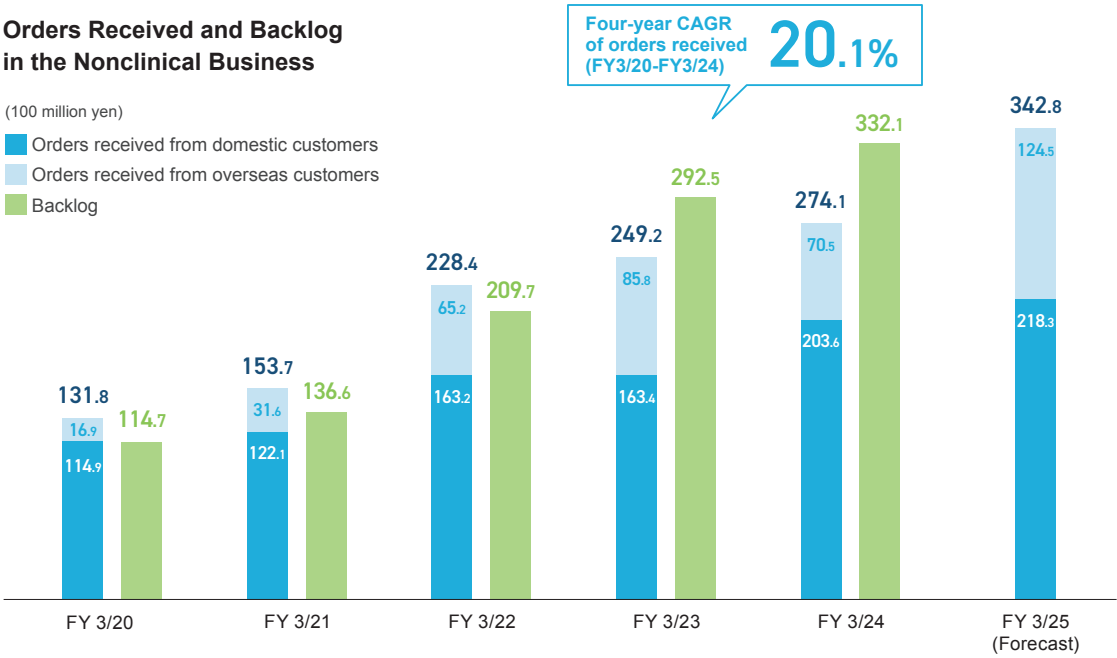
Extensive Experience in Supporting the Development of New Drug Modalities

In recent years, advancements in the foundational technologies of drug discovery have led to the practical application of not only traditional small-molecule drugs but also new modalities such as antibody drugs, nucleic acid therapeutics, gene therapies, and regenerative and cell-based medicines. To address these emerging trends, we introduced state-of-the-art equipment and established evaluation systems at an early stage. As a result, we have accumulated extensive experience in assessing the efficacy and safety of these innovative drug modalities.



SNBL's Position in the Nonclinical Market

Amid the recent surge in the development of new drug modalities by pharmaceutical companies, the trend toward outsourcing to CROs is accelerating, with the aim of speeding up research and development, improving cost efficiency, and simplifying compliance with regulatory authorities. We hold the leading position in the domestic nonclinical market and rank among the top-tier players internationally, thanks to our extensive experience conducting studies involving laboratory NHPs. Our nonclinical business performance, as indicated by order intake—a key leading indicator—has demonstrated a robust compound annual growth rate (CAGR) of 20.1% from FY3/2020 to FY3/2024, and we are also seeing a steady increase in orders from overseas clients. As of the end of September 2024, our backlog of orders remains strong, amounting to ¥35.87 billion.

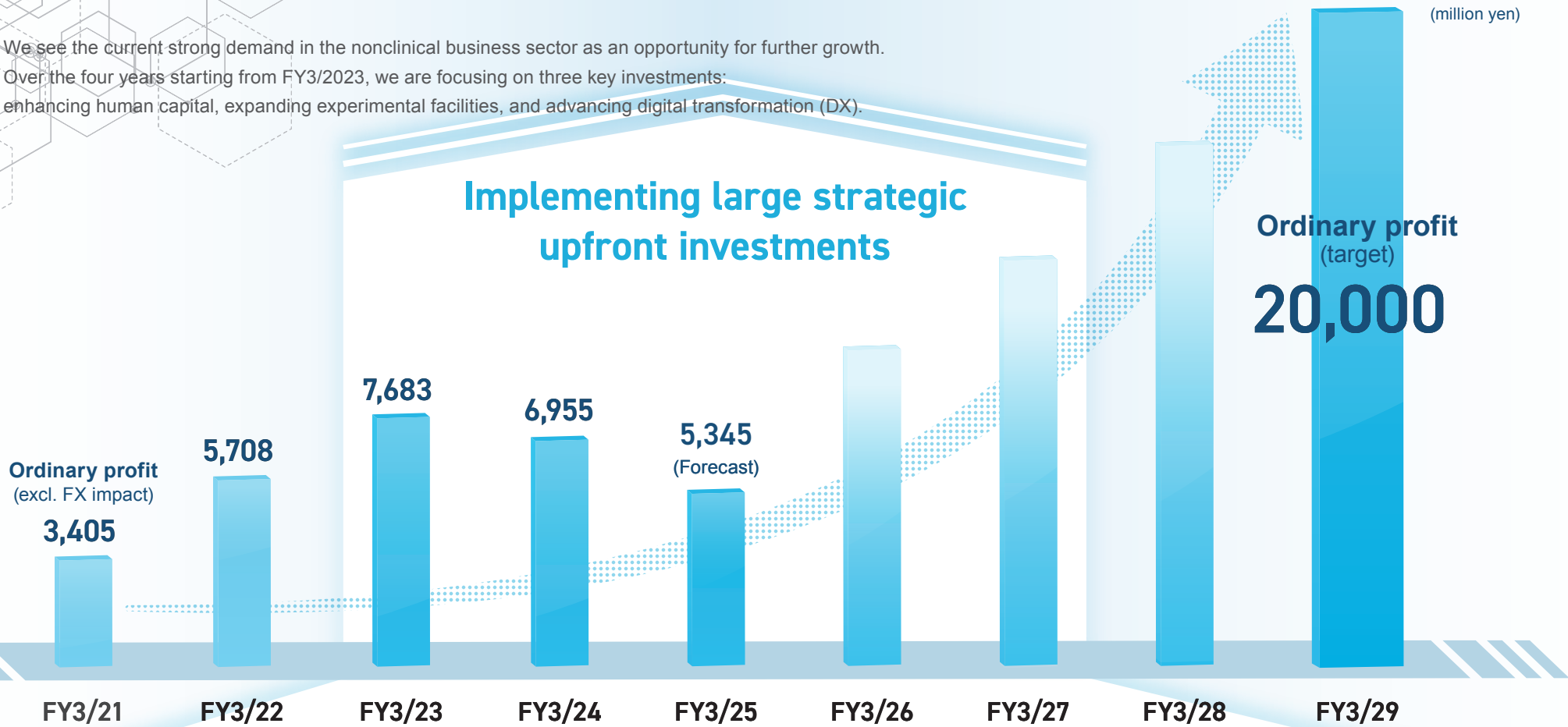


SNBL's Value Creation  
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Three Key Investments for Growth in the Nonclinical Business

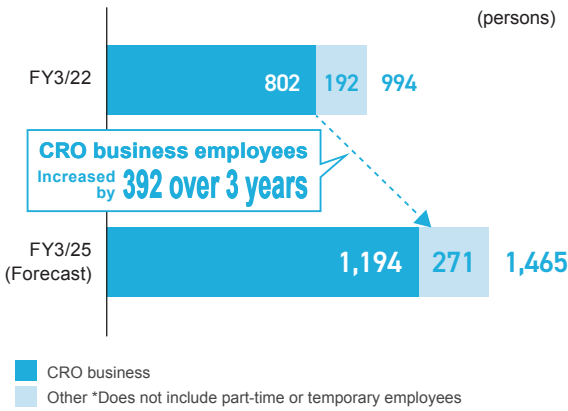
We see the current strong demand in the nonclinical business sector as an opportunity for further growth. Over the four years starting from FY3/2023, we are focusing on three key investments: enhancing human capital, expanding experimental facilities, and advancing digital transformation (DX).

Implementing large strategic upfront investments



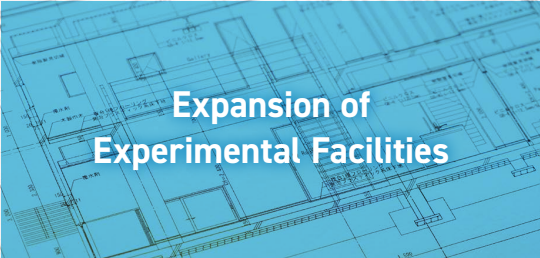
Strengthening Human Capital

Through the recruitment and strengthening of human capital, we are building a system that can respond to the strong market demand.



Specialists in nonclinical studies, such as veterinarians and toxicologists, are assigned as appropriate to carry out their roles effectively.

Qualified Personnel	
Main Qualifications	Number of People
Veterinarian	43
Diplomate of the American Board of Toxicology (DABT)	4
Diplomate of the Japanese Society of Toxicology (DJSOT)	14
Japanese Instructor for Laboratory Animal Technologist	6
Senior Laboratory Animal Technician	94
Japanese Society of Toxicologic Pathology (JSTP)	13
Japanese College of Veterinary Pathologists (JCVP)	15
Diplomate of Japanese College of Fundamental Ophthalmologists	3
Japanese Teratology Society-approved Reproductive and Developmental Toxicologist	7



Expansion of Experimental Facilities

The new research buildings at our Kagoshima headquarters, consisting of two eight-story structures, were completed at the end of May 2024. In addition to increasing the capacity of our existing laboratory NHP study facilities, the new buildings have allowed us to establish a system capable of handling large-scale orders. The new building also includes a dedicated laboratory for conducting contract work related to microphysiological systems (MPS). \*

\*MPS: Microphysiological systems use technologies such as regenerative medicine to simulate the human body. These platforms combine organ or tissue cells cultured from human stem cells or iPS cells with chips to reproduce the effects and dynamics of drugs in the human body.

Increased Capacity

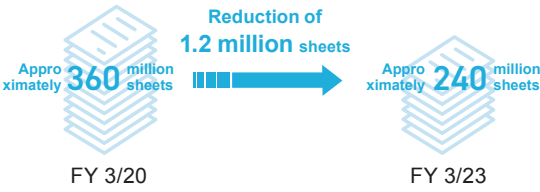
Area	Capacity
NHP Studies	Approx. 1.6 times
Test Article Management and Dosing Formulation Preparation	Approx. 3 times
Dosing Formulation Analysis	Approx. 2.6 times
Bioanalysis	Approx. 2.2 times
Cellular Experiments	Approx. 2.8 times
MPS	Newly built



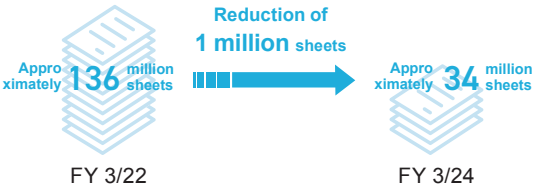
Advancing Digital Transformation (DX)

In the CRO industry, workflows for quality management have traditionally been based on paper records, posing a significant challenge to improving operational efficiency. To address this, we launched a project called Zero Mission in 2019, aimed at eliminating the use of paper and digitalizing nonclinical study data. As a result of the Zero Mission project, we have not only reduced paper consumption but also achieved significant reductions in lead times for nonclinical studies and employee working hours. Moving forward, we will continue to promote digital transformation to create time value in nonclinical studies.

Paper Consumption



Paper Disposal

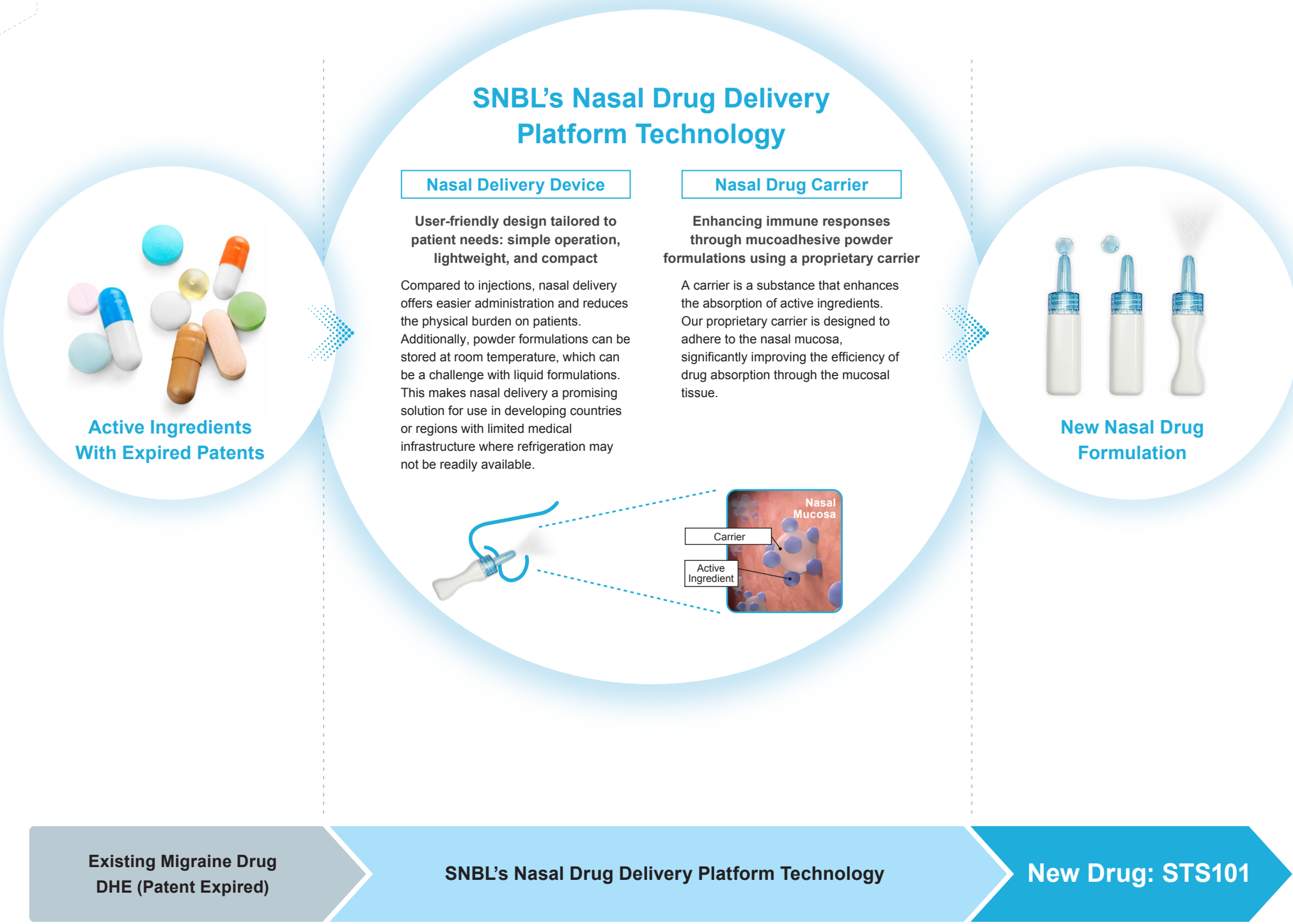


Working Hours



Growth Strategy for TR Business


Our company possesses a proprietary nasal drug delivery platform technology that combines a powdered formulation technology with a proprietary carrier and a proprietary delivery device designed by us. This platform enables existing drugs to be used as new nasal drug formulations. The platform is particularly appealing to pharmaceutical companies with active ingredients whose patents have expired, as it facilitates the development of patient-friendly, easy-to-use formulations. Advancing business partnerships with these pharmaceutical companies is expected to contribute to expanding orders in our core nonclinical CRO business.



Pursuing Approval for the First Nasal Combination Drug Using Our Nasal Drug Delivery Platform Technology

Satsuma Pharmaceuticals, Inc. (a subsidiary of our company) is currently developing STS101, a migraine treatment utilizing our nasal drug delivery platform technology. STS101 is a nasal powder formulation that offers exceptional ease of use and portability while delivering the same rapid and sustained high blood drug concentrations as injectable drugs. At the American Headache Society Annual Meeting in June 2024, multiple key opinion leaders in migraine treatment continued to highly praise these features of STS101. With the commercial launch of STS101, we anticipate realizing annual licensing revenues exceeding tens of millions of dollars, commensurate with the projected market scale expansion. After examining the content of the complete response letter received from the U.S. FDA in January 2024, along with subsequent meetings and correspondence with the FDA, we gathered the necessary information related to CMC (Chemistry, Manufacturing, and Controls) and resubmitted the STS101 application to the FDA on October 30, 2024. Approval of STS101 will not only mark the creation of our first pharmaceutical product but also establish our nasal drug delivery platform technology as a means to improve the usability and efficacy of existing active pharmaceutical ingredients. This achievement is expected to drive further development of innovative nasal delivery drugs and enhance recognition of our platform technology within the pharmaceutical industry.

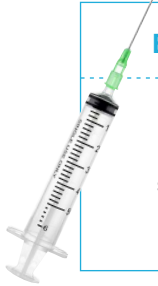
Advantages of STS101



**New Drug: STS101**


- Pain-free, can be self-administered
- Rapid and consistent blood drug concentration
- Simple and easy-to-use administration
- Room temperature storage

In an independent survey of 100 migraine specialists, results indicated that approximately 30% of migraine patients under their care would be prescribed STS101.



**Existing Injectable Medications**

- Rapid and consistent blood drug concentration
- Painful administration and difficult to self-administer
- Requires refrigerated storage



**Existing Nasal Liquids**

- Pain-free, can be self-administered
- Large variability in blood drug concentration
- Complicated administration process



Human Capital Management Initiatives

SNBL’s Cultivation of Human Capital



We consider our people to be what sets SNBL apart from other companies, seeing them as the driver for enhancing corporate value. With the aim of creating a workplace where everyone can work happily and enjoyably, we place a high value on respecting the individuality of our employees. By enhancing their sense of purpose and fulfillment in their work, we actively support each employee in achieving their personal aspirations. We are building an organization where each employee feels a sense of solidarity as a member of the company, leverages their unique strengths to demonstrate their abilities, and collaborates to complement one another's weaknesses, fostering a culture of mutual appreciation. In the cultivation of human capital, our CEO actively participates in multiple internal training programs and values direct discussions with employees. A defining feature of our approach to human capital development is the close relationship between the CEO and employees, where the CEO is regarded as one of the most accessible and supportive figures for fostering their personal growth.



SNBL’s Cultivation Program for Human Capital

In terms of human capital development, SNBL Academy, an in-house training academy established in 2002, offers various programs for employees at all levels, from new hires to managerial candidates and managers.

	Compulsory				Elective								For selected personnel		
Directors	Training for officers														
Managers	Information security training	Compliance Action Guidelines training	Confidentiality training	Philosophy training	Manager's mindset training	Four-line duty (reflections on putting corporate philosophy into practice)	Personnel and labor management training	Coaching training	"Benefit Station" free e-learning	Morning classes delivered by in-house professionals	Management training (3 courses)	English training (5 programs)	Digital transformation training (5 programs)	Japanese training (for non-Japanese employees)	Nagata Daigakko
Supervisors and Deputy Supervisors															Nagata Juku
Young employees															
New employees							New employee training	XUP							
Dispatch employees															
Part-time employees															

Women’s Empowerment

We have recognized women's empowerment as the most important focus of our diversity, equity and inclusion efforts. To better empower women, we set up the Working Nadeshiko Committee in 2014 as a mechanism for listening to the voices of women in the workplace about what is needed for them to adequately fulfill their potential, and more than 50 improvements have been implemented to date.



Kagoshima's first "Platinum Kurumin Plus (highest evaluation)" certification

AI & Digital Transformation

AI Initiatives

Information search system using generative AI

We have developed an information search system using generative AI on our company intranet. Generative AI has made it possible to significantly reduce the time taken for tasks such as summarizing content, organizing key points, and drafting outlines. By introducing generative AI, we have improved work productivity and provided an environment where employees can focus on creative activities.

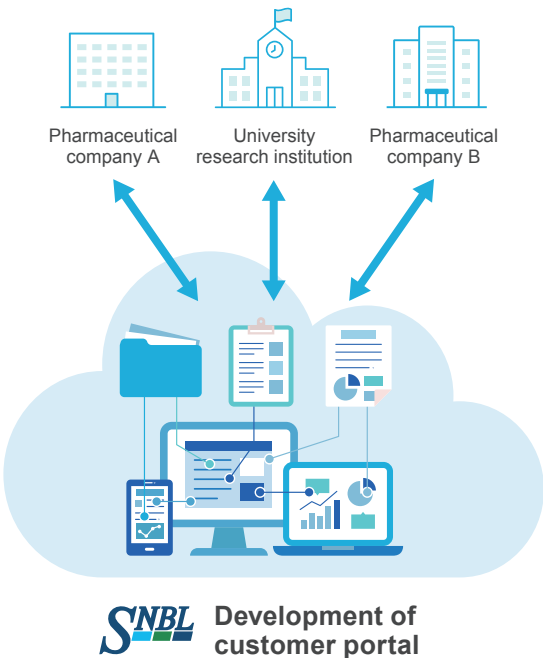


Digital Transformation Initiatives

Our digital transformation initiatives are focused on achieving both improvement of customer experience (front-end innovation) and creation of time value (back-end innovation) at the same time.

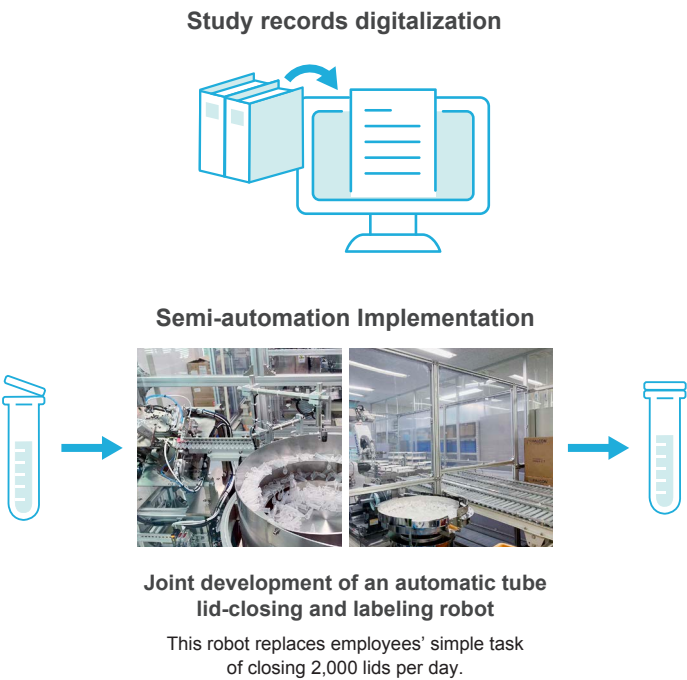
Improving customer experience (front-end innovation)

By working closely with our customers around the world and offering timely access to the information they need, we aim to provide the ultimate customer experience, making them feel as if they are working with their own staff rather than outsourcing to an external organization.



Reducing time (back-end innovation)

By identifying which tasks need to be performed by humans and which ones can be computerized, we will maximize the value created by our employees while promoting system linkage and RPA to help realize the shortest lead times in the industry.



Sustainability Initiatives

Sustainability Policy

We are keenly aware of the importance of efforts to promote sustainable corporate growth and helping the realization of a sustainable society. SNBL’s Sustainability Policy is the cornerstone on which all of our employees work together to pursue sustainability initiatives.

01 Identifying materiality and addressing environmental and social issues through business

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

02 Earning trust through two-way dialogue with stakeholders

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

03 Instilling a culture of sustainability across the company

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

Sustainability Framework

We incorporate sustainability-related risks and opportunities into decision-making for each business activity. We have established the SDGs Committee as a non-statutory advisory body to the Board of Directors with the aim of systematically enhancing SNBL Group-wide sustainability management from a medium-to-long-term perspective.

The Committee meets monthly and, under the supervision and advice of the Board of Directors, deliberates on the identification of sustainability risks, opportunities, and materialities, the establishment of sustainability policies and strategies, and the setting of non-financial KPIs and targets.

Sustainability-related policies and important matters discussed by the SDGs Committee are submitted to the Board of Directors. The policies and strategies are incorporated into the goals of each department, and the results of activities are fed back to the Board of Directors.



For details of our ESG initiatives, please refer to our website and ESG Data Book.

ESG Data Book

Refer to our website

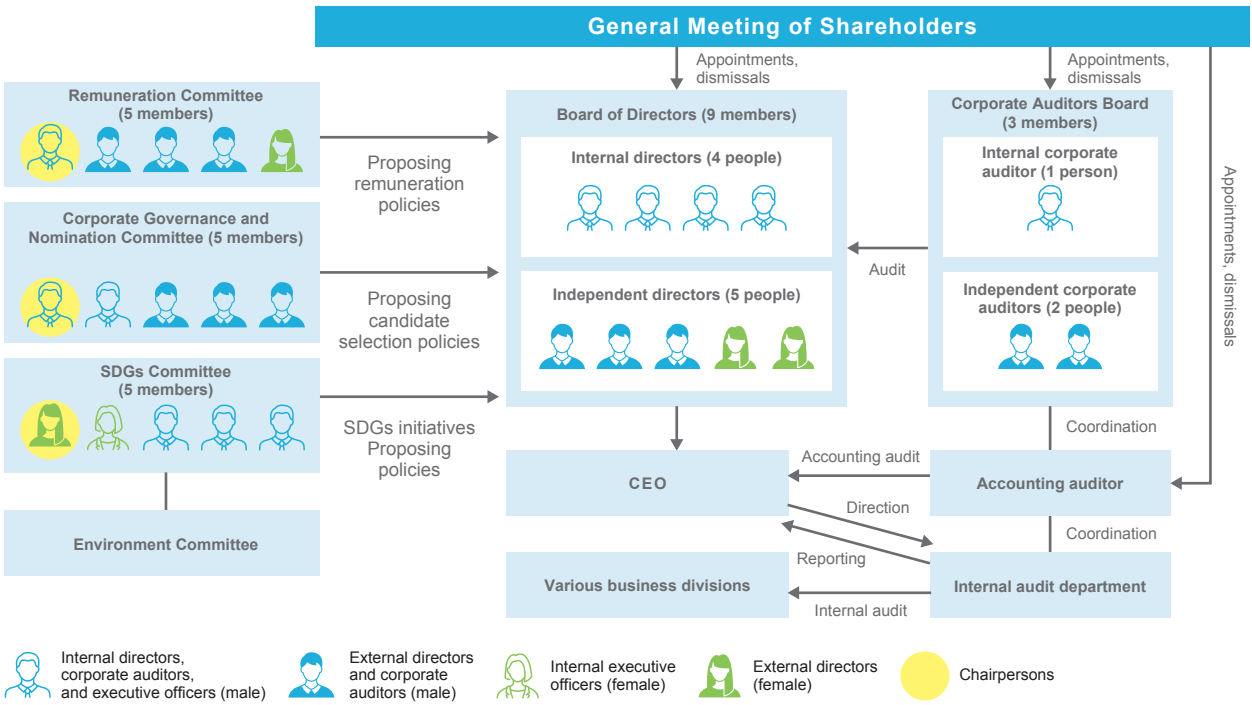
E: Environment

S: Social

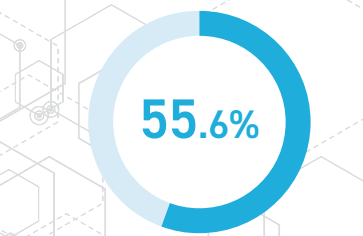
G: Governance

Corporate Governance

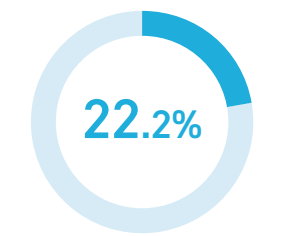
Governance Framework



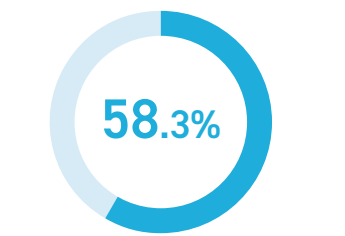
Ratio of independent directors



Ratio of female directors



Ratio of Independent officers\*



\* Independent directors and independent corporate auditors

01 Transparency in Management

We established the Corporate Governance and Nomination Committee, the Remuneration Committee, and the Corporate Auditors Board, with independent directors comprising the majority of members. This system ensures transparency in management and enables discussions and reports to be conducted appropriately within these three committees.

02 Independence of the Board of Directors

The Board of Directors has 9 members, including five independent directors.

03 Enhanced Collaboration through Tripartite Auditing

Corporate Auditors Board and internal audit department collaborate with third-party accounting auditors to strengthen the Tripartite Auditing aimed at increasing the effectiveness of internal controls.

04 Promotion of Sustainability

We have established the SDGs Committee as a non-statutory advisory body to the Board of Directors with the aim of systematically enhancing SNBL Group-wide sustainability management from a medium-to-long-term perspective.



Directors and Corporate Auditors



- 1

Representative Chairman,  
President, CEO and CHO

**Ryoichi Nagata**

Born: August 11, 1958  
Number of Company shares owned: 0
- 2

Senior Executive Vice President

**Ken Takanashi**

Born: May 23, 1964  
Number of Company shares owned: 37,400
- 3

Executive Vice President

**Ichiro Nagata**

Born: August 3, 1985  
Number of Company shares owned: 0
- 4

Executive Managing Director,

**Hideshi Tsusaki**

Born: January 27, 1967  
Number of Company shares owned: 18,100
- 5

Independent Director

**Shinichi Fukumoto**

Born: July 20, 1958  
Number of Company shares owned: 400
- 6

Independent Director

**Takashi Yamashita**

Born: February 18, 1956  
Number of Company shares owned: 400
- 7

Independent Director

**Tsuyoshi Hanada**

Born: May 2, 1958  
Number of Company shares owned: 4,100
- 8

Independent Director

**Keiko Toya**

Born: February 26, 1964  
Number of Company shares owned: 800
- 9

Independent Director

**Chizuru Matsueda**

Born: November 3, 1973  
Number of Company shares owned: 0
- 10

Corporate Auditor

**Masakazu Suda**

Born: August 15, 1961  
Number of Company shares owned: 6,300
- 11

Independent Corporate Auditor

**Koshin Tatarano**

Born: February 27, 1965  
Number of Company shares owned: 0
- 12

Independent Corporate Auditor

**Yoshikazu Shigehisa**

Born: November 2, 1952  
Number of Company shares owned: 300

Skills Matrix

Skill Matrix and Advisory Body Structure

Directors	Current position and responsibilities at the Company	Years as a Director	Attendances (FY 3/2024)				Areas of expectations									Main qualifications
			Board of Directors	Remuneration Committee	Corporate Governance & Nomination Committee	SDGs Committee	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	
Ryoichi Nagata	Representative Chairman, President, and CEO Head of Group Finance and Fisheries Business, CHO (Chief Health Officer)	43 years	Chairperson 13/13	-	Chairperson 5/5	-	●	●	●		●		●		●	Physician
Ken Takanashi	Senior Executive Vice President Head of Global Business	20 years	13/13	Chairperson 2/2	-	3/3	●	●		●		●		●	●	U.S. Certified Public Accountant
Ichiro Nagata	Executive Vice President Head of CRO Business and Hospitality Business and GM of Global Services and Communications (GSC)	4 years	13/13	-	5/5	11/12	●	●	●		●				●	Physician
Hideshi Tsusaki	Executive Managing Director GM of Europe and US Sales	6 years	13/13	-	-	9/9	●	●	●				●		●	Veterinarian
Shinichi Fukumoto	Independent Director	9 years	13/13	2/2	5/5	-					●	●		●	●	Attorney-at-law
Takashi Yamashita	Independent Director	9 years	13/13	2/2	5/5	-				●	●	●			●	CPA
Tsuyoshi Hanada	Independent Director	4 years	13/13	2/2	5/5	-				●	●			●	●	Certified Tax Accountant
Keiko Toya	Independent Director	3 years	13/13	2/2	-	Chairperson 12/12	●	●					●	●	●	Scholar (Global Business)
Chizuru Matsueda	Independent Director	1 years	-	-	-	-				●	●			●	●	CPA

Financial Data

(Millions of yen)

	FY3/2020	FY3/2021	FY3/2022	FY3/2023	FY3/2024
Revenue	14,561	15,110	17,748	25,090	26,450
YoY (%)	-7.0	3.8	17.5	41.4	5.4
Gross profit	7,615	7,554	9,687	13,046	14,282
Ratio of gross profit to revenue (%)	52.3	50.0	54.6	52.0	54.0
Operating profit	2,228	2,529	4,195	5,245	4,162
YoY (%)	168.5	13.5	65.9	25.0	-20.6
Share of profit of entities accounted for using equity method	888	846	1,439	2,489	2,751
EBITDA	3,457	3,716	5,372	6,789	5,936
Ordinary profit	3,121	3,645	7,078	9,194	7,015
Profit before income tax	3,062	4,175	8,183	7,759	6,974
Income tax	414	497	1,016	1,708	1,456
Profit attributable to owners of parent	2,550	3,661	7,127	6,060	5,531
Profit per share (yen)	61.25	87.95	171.20	145.56	132.86
Revenue from international sponsors	2,317	2,100	3,091	6,575	8,637
Ratio of revenue from international sponsors (%)	15.9	13.9	17.4	26.2	32.7
Shareholders' equity	12,386	15,840	22,181	25,751	29,252
Net assets	16,381	15,838	19,723	26,359	34,160
Total assets	39,002	36,972	39,312	57,242	76,302
Interest-bearing debt	15,123	12,864	9,281	18,931	26,331
Equity ratio (%)	41.8	42.6	49.8	45.8	44.7
Capital expenditure	1,514	1,025	1,703	5,614	8,525
Depreciation	1,229	1,187	1,177	1,544	1,774
R&D expenses	400	392	425	683	1,741
Ratio of R&D expenses to revenue (%)	2.75	2.59	2.39	2.72	6.58
Number of employees at the end of the fiscal year	985	986	994	1,208	1,341
ROE (%)	11.4	22.9	40.4	26.5	18.3
ROA (%)	6.7	9.6	18.6	19.0	10.5
ROIC (%)	11.7	12.3	18.4	17.9	10.3
Ratio of operating profit to revenue (%)	15.3	16.7	23.6	20.9	15.7
Cash dividends per share (yen)	5	20	40	50	50
Dividend payout ratio (%)	8.2	22.7	23.4	34.3	37.6

Non-Financial Data

Environment	FY3/2020	FY3/2021	FY3/2022	FY3/2023	FY3/2024
Greenhouse gas emissions (Scope 1 and 2)					
(Market base) (t-CO <sub>2</sub> )	11,648	10,806	11,561	14,623	17,347
Scope1(t-CO <sub>2</sub> )	-	3,176	3,145	5,389	5,452
Scope2(t-CO <sub>2</sub> )	-	7,630	8,416	9,234	11,895
Scope3(t-CO <sub>2</sub> )(Category 1-15)	-	-	-	-	26,945
Electric power generated (renewable energy) (MWh)*1	10,344	10,328	10,751	9,579	6,765
Water intake and discharge (thousand m <sup>3</sup> )	613	683	667	1,167	1,063
Industrial waste generated (t)	159	160	178	288	514
CO <sub>2</sub> environmental efficiency (revenue/CO <sub>2</sub> emissions) (million yen/t-CO <sub>2</sub> )	1.25	1.40	1.54	1.72	1.52
Water environmental efficiency (revenue/water use)(million yen/thousand m <sup>3</sup> )	23.75	22.12	26.61	21.49	24.88
Social	FY3/2020	FY3/2021	FY3/2022	FY3/2023	FY3/2024
Employee information					
(excluding consolidated figures)					
Number of employees	985	986	994	1,208	1,341
Of which, female (proportion)	-	417 (42.3%)	423 (42.6%)	516 (42.7%)	600 (44.7%)
Number of non-Japanese employees (proportion)	-	204 (20.7%)	196 (19.7%)	175 (14.5%)	218 (16.3%)
(including non-consolidated figures)					
Number of employees	911	965	1,008	1,071	1,243
Of which, female (proportion)	454 (49.8%)	479 (49.6%)	516 (51.2%)	573 (53.5%)	661 (53.1%)
(non-consolidated basis)					
Number of employees	720	747	765	819	949
Of which, female (proportion)	305 (42.4%)	310 (41.5%)	328 (42.9%)	364 (44.4%)	429 (45.2%)
Number of non-Japanese employees (proportion)	12 (1.7%)	15 (2.0%)	16 (2.1%)	19 (2.3%)	23 (2.4%)
Number of employees with disabilities (proportion)*3	37 (3.8%)	39 (3.8%)	40 (3.8%)	41.5 (3.8%)	40 (3.0%)
Employees by age groups					
Under 30 (of which, female)	124 (70)	136 (76)	152 (87)	171 (105)	263 (153)
30s (of which, female)	213 (104)	208 (99)	206 (99)	198 (95)	221 (107)
40s (of which, female)	258 (109)	273 (110)	269 (112)	284 (122)	267 (115)
50s (of which, female)	93 (20)	94 (23)	95 (27)	115 (38)	135 (48)
60 years or older (of which, female)	32 (2)	36 (2)	43 (3)	51 (4)	63 (6)
Employment rate of older employees (60 and over) (%)	4.4	4.8	5.6	6.2	6.6
Number of managers	109	133	121	160	171
Number of females in managerial positions (proportion)	19 (17.4%)	24 (18.0%)	26 (21.5%)	39 (24.4%)	43 (25.1%)
Manager equivalent or higher (of which, female)	- (-)	- (-)	24 (7)	30 (6)	24 (7)
Manager equivalent positions (of which, female)	- (-)	- (-)	56 (9)	57 (10)	56 (8)
Employees newly appointed to managerial positions (of which, female)	- (-)	- (-)	13 (4)	7 (2)	5 (1)

\*1Including the SNBL Ina Research Center from the FY3/2024  
\*2 Amount of electricity generated at and sold by binary geothermal power plant operated  
\*3 Including a special subsidiary (calculated for the group) Based on the employment rate system for persons with disabilities, short-time workers are counted as 0.5 persons.



Non-Financial Data

Social	FY3/2020	FY3/2021	FY3/2022	FY3/2023	FY3/2024
Average employee age	40.3	40.1	40.1	40.5	39.3
Male	42.5	42.3	42.4	43.1	41.8
Female	37.3	36.9	37.0	37.4	36.3
New hires during the fiscal year (of which, female)	66 (35)	66 (27)	73 (44)	91(50)	179(96)
New graduates hired (of which, female)	30 (17)	50 (24)	52 (34)	39 (29)	147(82)
Mid-career employees hired (of which, female)	36 (18)	16 (3)	21 (10)	52 (21)	32(14)
Number of employees leaving work (of which, female)	38 (20)	45 (17)	54 (33)	33 (19)	64(31)
Turnover rate (%)	5.9	6.4	7.2	4.3	6.8
Three-year turnover rate for new graduates (%)	6.6	8.4	15.2	16.3	16.0
Average annual salary (thousands of yen)	4,820	5,030	5,321	5,564	5,813
Average annual salary for males (thousands of yen)	-	-	5,941	6,320	6,476
Average annual salary for females (thousands of yen)	-	-	4,505	4,706	5,040
Gender pay gap for all employees*4	-	-	75.8%	74.5%	77.8%
Paid leave taken (%)	57.9	55.3	61.0	61.1	68.6
Average days of paid leave taken	10.3	9.5	10.6	11.6	11.7
Average monthly overtime (hours)	16.9	18.9	25.2	24.4	23.3
Percentage of eligible staff taking maternity leave (%)	100	100	100	100	100
Percentage of eligible staff taking paternity leave (%)	30.0	88.0	100	100	100
Average days of paternity leave taken	-	5.4	10.0	24.0	25.4
Return to work after childcare leave (retention rate) (%)	100	100	100	100	100
Employees using long-term care leave system	1	0	0	1	0
Employees taking volunteer leave	0	0	0	0	0
Social Information (Health Management)	FY3/2020	FY3/2021	FY3/2022	FY3/2023	FY3/2024
Measures to prevent lifestyle-related diseases					
Metabolic syndrome rate (%)	11.6	13.6	12.7	13.1	11.3
Employees at risk of diabetes (%)	9.2	9.4	7.6	10.6	8.0
Employees at risk of hypertension (%)	7.0	9.4	8.9	10.0	8.5
Employees at risk of arteriosclerosis (%)	31.2	25.4	25.3	27.3	24.4
Habitual exercise ratio (%)	24.0	22.0	23.6	24.0	25.5
Rate of follow-up health examinations (%)	72.8	68.6	72.6	76.0	83.9
Health examinations rate (%)	100	99.9	100	100	100
Mental health measures					
Stress check participation rate (%)	99.1	100	100	100	100
Employees with high stress (%)	12.0	8.6	11.8	11.9	11.6
Measures to prevent smoking					
Smoking rate (%)	13.2	15.4	12.4	11.0	9.00

\*4 There is no wage difference for equal work, and the main reason for the wage difference between men and women is due to differences in total working hours, with women taking longer periods of maternity leave and more women applying shorter hours. The wage difference between men and women in management positions exceeds 90%. Considering the inclusion of female managers who take maternity leave and the age distribution, we believe that the gender wage gap has almost been eliminated.

Corporate Data (As of March 31, 2024)

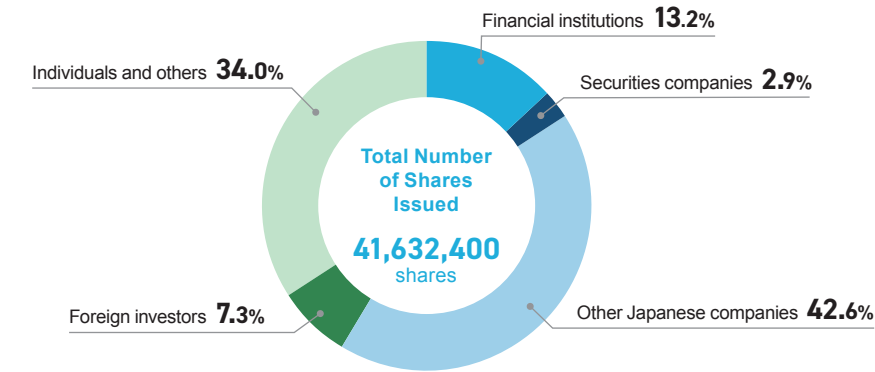
Company and Stock Information

Company Name	SHIN NIPPON BIOMEDICAL LABORATORIES, LTD. (SNBL)
Foundation	September 1957 (Established: May 1973)
Capital	9,679 million yen
Number of employees	1,341
Fiscal Year	April 1 to March 31 (Ordinary General Meeting of Shareholders in June)
Headquarters	Kagoshima Head Office 2438 Miyanoura-cho, Kagoshima-shi, Kagoshima  Tokyo Head Office St. Luke's Tower 28th Floor, 8-1 Akashi-cho, Chuo-ku, Tokyo
Total Number of Shares Issued	41,632,400 shares
Share Unit	100 shares
Number of Shareholders	16,009
Stock Listing	Tokyo Stock Exchange Prime Market Security code: 2395
Administrator of Shareholder Registry	Mizuho Trust & Banking Co., Ltd.
Accounting auditor	KPMG AZSA LLC

Distribution of Shares by Type (Share Unit Base)

Name	Total number of shares held (thousands)	Shareholding ratio (%)
Nagata and Company Co., Ltd.	15,764	37.86
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,386	5.73
Takahisa Nagata	2,000	4.80
Custody Bank of Japan, Ltd. (Trust Account)	1,662	3.99
Medipolis Medical Research Institute	1,474	3.54
Ikue Nagata	1,024	2.45
Rie Umehara	1,024	2.45
The KAGOSHIMA BANK, LTD.	1,000	2.40
J.P.MORGAN SECURITIES PLC FOR AND ON BEHALF OF ITS CLIENTS	862	2.07
BNP PARIBAS LUXEMBOURG/2S/ JASDEC/FIM/LUXEMBOURG	665	1.59

Distribution of Shares by Type (share unit base)



Major External Evaluations and Awards



Platinum Eruboshi Certification  
(Kagoshima's first "Platinum Eruboshi (highest evaluation)" certification)



Platinum Kurumin Plus Certification  
(Kagoshima's first "Platinum Kurumin Plus (highest evaluation)" certification)



Nadeshiko Brand



2024 Certified Health and Productivity Management Outstanding Organization  
(Large Enterprise Category) (White 500 Company)



Full AAALAC International Accreditation



FTSE Blossom Japan Sector Relative Index



JPX-NIKKEI Mid Small  
FY3/2023 – FY3/2025  
JPX-Nikkei Mid and Small Cap Index





Shin Nippon Biomedical Laboratories, Ltd. (SNBL)  
**INTEGRATED REPORT 2024**

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On our website, we have posted more detailed  
information, including IR information.

<https://en.snbl.com>