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November 7, 2025

Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)

Company name: Shin Nippon Biomedical Laboratories, Ltd.
Listing: Prime Market, Tokyo Stock Exchange
Securities code: 2395
URL: <https://en.snbl.com>
Representative: Ryoichi Nagata, Representative Chairman, President & CEO
Inquiries: Toshiyuki Iwata, Honorary Executive Director, Head of IR & Corporate Communications
Telephone: +81-3-5565-6216
Scheduled date to file semi-annual securities report: November 7, 2025
Scheduled date to commence dividend payments: November 28, 2025
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for analysts and institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	14,766	18.1	49	(38.4)	1,627	(11.0)	1,061	(20.3)
September 30, 2024	12,508	5.3	80	(96.6)	1,829	(51.3)	1,331	(55.1)

Note: Comprehensive income For the six months ended September 30, 2025: ¥(968) million [–%]
For the six months ended September 30, 2024: ¥3,542 million [(46.6)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	25.48	–
September 30, 2024	31.97	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2025	90,978	38,226	41.6	909.74
March 31, 2025	92,416	40,085	43.3	961.34

Reference: Equity
As of September 30, 2025: ¥37,874 million
As of March 31, 2025: ¥40,022 million

2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	20.00	—	30.00	50.00
Fiscal year ending March 31, 2026	—	20.00			
Fiscal year ending March 31, 2026 (Forecast)			—	30.00	50.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated earnings forecasts for the year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2026	33,272	2.6	3,550	18.9	5,927	(8.1)	3,550	(27.9)	85.27

Note: Revisions to the forecast of consolidated financial results most recently announced: None

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2025	41,632,400 shares
As of March 31, 2025	41,632,400 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2025	564 shares
As of March 31, 2025	564 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2025	41,631,836 shares
Six months ended September 30, 2024	41,631,931 shares

- * Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit corporation.

- * Proper use of earnings forecasts, and other special matters
(The forecast of financial results and forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual financial results may differ significantly from the forecasts for various reasons. For more information regarding our suppositions that form the assumptions for the earnings forecasts, please see page 9 of the attachment, “(3) Explanation of consolidated earnings forecasts and other forward-looking statements.”

(Method of obtaining financial results supplementary materials and details of financial results briefing)

Financial results supplementary materials are posted via TDnet on the date of disclosure. The Company plans to hold a financial results briefing call for analysts and institutional investors on Friday, November 7, 2025. Explanatory details (audio recording in Japanese and its transcript in both Japanese and English) will be posted on the Company’s website (<https://en.snbl.com>) in a timely manner after the briefing.

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1. Qualitative information on semi-annual consolidated financial results for the six months ended September 30, 2025

(1) Explanation of operating results

In the pharmaceutical industry, companies have been increasingly turning to contract research organizations (CROs) that specialize in outsourcing, with the aim of accelerating research and development in Japan and abroad while improving cost efficiency and simplifying their correspondence with regulatory authorities. In addition, research and development involving new modalities in drug discovery (therapeutic approaches) has been in full swing, particularly with respect to nucleic acid medicine, next-generation therapeutic antibodies, peptide drugs, gene therapy, cell therapy, and regenerative medicine. With a proven track record in supporting research and development of new modalities in drug discovery, the Company has been addressing such trends by placing its focus on meeting customer needs which involves taking swift action, improving services, and persistently enhancing quality, aiming to become a one-of-a-kind CRO and far and away the first name that comes to mind for clients when they consider a CRO.

Under such circumstances, revenue for the first six months of the fiscal year ending March 31, 2026 (from April 1, 2025 to September 30, 2025; hereinafter, “the first half of the fiscal year under review”) increased by ¥2,258 million (up 18.1%) compared to the first six months of the fiscal year ended March 31, 2025 (hereinafter, “the first half of the previous fiscal year”) to ¥14,766 million, a record high for the first half of the fiscal year, driven by the mainstay CRO business. Meanwhile, operating profit was ¥49 million, a deterioration of ¥30 million (down 38.4%) year on year. The decrease in operating profit despite significantly increased revenue is due to the following three factors causing cost increases. Firstly, it is due to a temporary decrease in profits resulting from the accounting treatment that had been adopted until the first half of the fiscal year under review. For NHP (Non-Human Primates) imported from our Cambodian subsidiary, unrealized profit was calculated for each shipment lot using the profit margin of the subsidiary for a certain period in the past to perform the financial closing. However, under this method, an increase in the number of NHP imports has a large impact on the consolidated statement of income, resulting in a ¥670 million accounting decrease in profits for the first half of the fiscal year under review. We have been working on DX operation to speed up and improve the accuracy of financial and accounting processing as one of the top priorities, and in light of the progress in strengthening domestic breeding facilities for NHP, therefore, we have changed the method of calculating unrealized profit associated with NHP imports on an individual basis starting from the second half of the fiscal year under review. Accordingly, as a result of this change, fluctuations in unrealized profit at the time of NHP imports from our subsidiary in Cambodia will not affect the consolidated statement of income. Secondly, it is due to an increase of depreciation by ¥424 million year on year as new office and research buildings equipped with state-of-the-art testing instruments became fully operational in September 2024, while we expanded the capacity of study facilities as a result of preferred vendor agreement newly signed with a major client in nonclinical CRO business. The depreciation period for testing instruments is short at five years, and since the declining balance method is adopted, depreciation expenses significantly increased in the first year. Third, the expenses for the commercialization of an intranasal therapeutic agent for migraine from Satsuma Pharmaceuticals, Inc. (hereinafter, “Satsuma”), a consolidated subsidiary of the Company in the United States, increased by ¥113 million year on year to ¥1,405 million. Ordinary profit decreased by ¥201 million (down 11.0%) year on year to ¥1,627 million. The main reason is that the share of profit of entities accounted for using equity method from PPD-SNBL K.K., which conducts the clinical business within the CRO business, decreased by ¥499 million year on year to ¥1,209 million. As for foreign exchange losses (gains), foreign exchange gains of ¥179 million were recorded, contributing to an increase in ordinary profit by ¥275 million compared with foreign exchange losses of ¥96 million for the first half of the previous fiscal year. Profit attributable to owners of parent decreased by ¥269 million (down 20.3%) year on year to ¥1,061 million.

As of September 30, 2025, the SNBL Group had 1,531 employees on a consolidated basis excluding part-time and hourly employees, as a result of the 114 new employees (including 60 female employees) who joined the Company in April 2025. The ratio of female employees on a consolidated basis was 52.7%.

Operating results by segment and initiatives for SDGs/ESG are as follows.

(i) CRO business

The CRO business comprises the nonclinical business, which undertakes nonclinical (or preclinical) studies mainly using cells and laboratory animals, and the clinical business, which undertakes clinical studies. The Company’s nonclinical business is one of the industry’s largest in Japan, and based on the results of numerous studies using NHPs, considered as one of the industry’s second-top tier nonclinical CROs globally. The nonclinical business achieved steady results for the six months ended September 30, 2025. The following initiatives implemented by the Company have shown positive results.

- The importance of the Company-established framework for breeding and supplying NHPs within the SNBL Group, the only such framework built by a CRO in the world, has increased due to research

and development involving new modalities in drug discovery coming into full swing. In addition, the environment where it is difficult to obtain NHPs overseas has also made a positive contribution to the Company, leading to orders received. We have also been strengthening our framework for breeding NHPs in Japan since the fiscal year ended March 31, 2023 to reduce import risks and improve quality. We have continued to expand breeding facilities in the first half of the fiscal year under review, and we expect such expansion will be completed by the end of the current fiscal year.

- The concentration analysis performed on drug development candidates (study substances) and biomarkers in biological samples is called bioanalysis. The Company has introduced a lot of the cutting-edge devices required to evaluate the efficacy and safety of new modalities in drug discovery, and built a system for evaluating test substances and biomarkers from an earlier stage. Synergies were demonstrated between this system and the above Company-established framework for breeding and supplying NHPs within the SNBL Group. This led to an increase in orders of bioanalysis. We recognize this as an area with high growth potential, and in the first half of the fiscal year under review, we continued to strengthen our capabilities to respond to increased contracts received from overseas.
- We concluded preferred contracts (agreements for preferentially outsourcing to pre-selected CROs) with multiple pharmaceutical companies, which highly evaluated these efforts, leading to an increase in orders received. In the first half of the fiscal year under review, we concluded a preferred contract with one domestic pharmaceutical company. In addition, we have been strengthening our sales activities with an aim to receive contracts from Europe and the U.S. As part of such efforts the Company newly formed the Global Study Team (GST) in the Drug Safety Research Laboratory in November 2024. As a result of these efforts, we have obtained preferred vendor certification from a global mega-pharmaceutical company in the first half of the fiscal year under review.
- In September 2024, we began full-scale operations of new office buildings and research facility (eight floors above ground; two buildings), the construction of which had been proceeded at the Kagoshima Head Office since December 2022. The new office buildings and research facility have a dedicated laboratory for Microphysiological Systems (MPS), which is expected to be increasingly utilized to complement safety studies, and during the first half of the fiscal year under review, the Company became the first CRO in Japan to commence MPS contract services in April 2025, leading to concluding contracts. In July 2025, a luncheon seminar on MPS was held at the 52nd Annual Meeting of the Japanese Society of Toxicology in Okinawa, attracting over 300 participants.
- On October 1, 2024, the Company began offering nonclinical study services at a facility adjacent to SakuLabTM-Tsukuba, an open innovation laboratory within the Tsukuba Research Center of Astellas Pharma Inc. This marks the first service provision in the facility that houses startups, academic institutions, and venture companies. Drawing on its experience gained and achievements secured in nonclinical studies across various modalities in drug discovery, the Company is poised to assist startups, academic institutions, pharmaceutical companies, and other entities in operating within the drug discovery ecosystem. During the first half of the fiscal year under review, we conducted numerous facility tours, which have led to concluding multiple contracts.
- In order to expand our capacity for NHP testing, in the first half of the fiscal year under review, the Company is proceeding with construction to convert a dormant lab building at our Drug Safety Research Laboratory into NHP testing rooms.

As a result of the aforementioned initiatives, contracts received in the nonclinical business for the first half of the fiscal year under review increased by ¥476 million (up 3.1%) year on year to ¥15,787 million. The main factor for the increase in orders received is an increase in orders received from customers in Europe and the U.S., in which we have strengthened strategic initiatives, and such orders received for the first half of the fiscal year under review grew significantly by 62.1% year on year to ¥5,922 million. Overseas orders received in the first half of the fiscal year under review increased by 16.3% year on year to ¥6,459 million, accounting for 40.9% of total orders received (the first half of the previous fiscal year: 36.3%). The order backlog as of the end of September 2025 is at a record high level at ¥36,486 million, an increase of ¥2,092 million from the end of March 2025.

The clinical business has been engaged mainly in contract operations of global studies (studies conducted simultaneously in multiple countries and regions) at PPD-SNBL K.K. (“PPD-SNBL”), a joint venture with PPD International Holdings, LLC (“PPD”), an international clinical CRO based in the United States, and marked the 10th year this year in April 2025 since it was established. In December 2021, PPD became a member of the corporate group of Thermo Fisher Scientific Inc., a major global player in medical devices, with the objective of enhancing contract synergies. PPD-SNBL’s mainstay business is that of the implementation in Japan of studies, outsourced to PPD, that are conducted simultaneously in multiple countries. While it is a global company, PPD-SNBL has established a working environment with stable

high retention rates by incorporating the management and training expertise that the Company has developed over many years, and it has achieved high rates of growth ever since it was founded, against the background of high order backlogs.

The performance of PPD-SNBL for the first half of the fiscal year under review showed revenue of ¥9,949 million, down 7.8% year on year, and operating profit of ¥4,272 million, down 19.6% year on year. The decline in operating profit is attributed to factors such as the appreciation of the yen compared to the first half of the previous fiscal year, sluggish revenue from newly initiated trials due to fewer orders in the first half of the previous fiscal year, and changes in order forms from major clients. However, the ratio of operating profit to revenue remains high at 42.9%, still exceeding 40%. The share of profit of entities accounted for using equity method for the first half of the fiscal year under review was ¥1,209 million (¥1,708 million in the first half of the previous fiscal year).

Revenue in the CRO business for the first half of the fiscal year under review increased by ¥1,967 million (up 16.2%) year on year to ¥14,147 million, renewing a record high for the first half of the fiscal year. Operating profit of the CRO business decreased by ¥59 million (down 2.6%) year on year to ¥2,206 million, and ratio of operating profit to revenue was 15.6% (the first half of the previous fiscal year: 18.6%).

(ii) Translational Research business (TR business)

Translational Research business (hereinafter, “TR business”) is a research and development business that discovers promising seeds and new technologies generated through in-house research and development as well as fundamental research performed at Japanese and overseas universities, biotech ventures, and research institutes, and develops them for commercialization, stock listing, or M&A, by increasing their added value.

The Company’s proprietary intranasal delivery platform technology (SMART: Simple MucoAdhesive Release Technology Platform, hereinafter, “SMART”), which has been a focus of inquiry as the core of the TR business since 1997, is a platform technology that combines an intranasal powder formulation technology using a mucoadhesive carrier composition as the base with an intranasal delivery device (medical device). Rapid and high drug absorption has been enabled by improving drug retention through the nasal mucosa. It has the advantage of being easier to administer than injections and allowing the formulation to be stored at room temperature.

Regarding the commercialization of intranasal drug delivery by Satsuma Pharmaceuticals, Inc., on April 30, 2025 (US time), marketing approval was granted by the FDA for “Atzumi™” (development code: STS101), an intranasal migraine drug. Since obtaining the approval, Satsuma has been advancing negotiations to conclude a partnering agreement with potential sales partners. In June 2025, Satsuma presented a poster on the results of the clinical trial of STS101 at the American Headache Society (AHS) and its article was published on *Headache: The Journal of Head and Face Pain*.

The TR Business Headquarters within parent SNBL includes a department that conducts research into fundamental technologies such as formulations and devices, as well as a department that manages clinical trials of Parkinson’s disease treatment drugs and the acquisition of nonclinical POCs for intranasal mucosal vaccines. SNLD, Ltd. (hereinafter, “SNLD”), a consolidated subsidiary of the Company, is developing an Intranasal Levodopa Spray for the treatment of off symptoms of Parkinson’s Disease (development code: TR-012001) and an improved development product of TR-012001 (TRN501). SNLD presented the results of the Phase II exploratory clinical trials conducted on Parkinson’s disease patients in Japan (12 cases) at the 77th Annual Meeting of the American Academy of Neurology (AAN) in April 2025. Additionally, at the Annual Meeting of the Japanese Society of Neurology held in May, the Company presented multiple abstracts, including the results of the Phase I trial. The Company also completed the dosing of healthy Japanese adults in the Phase I clinical trials in August 2024 for TRN501, and is working on analyzing study’s data and preparing the Study Report. We will conduct detailed research on pharmaceutical regulatory systems and markets in various countries and carefully determine future development policies. In parallel, we are also developing basic formulation technologies that aim to achieve even greater convenience. In the development of intranasal mucosal vaccines, we are stepping up the development stage through formulation research and verification of the underlying immunological theory, with the aim of obtaining nonclinical POCs and future clinical applications.

In the Gemseki business, we have been operating the licensing brokerage business related to drug discovery seeds and technologies on a global basis under the mission of “Striving to support the best development of drug candidates and technologies for society.” In June 2025, at the world’s largest biotech exhibition, the “2025 BIO International Convention” held in Boston and in September, at the “Asia Bio Partnering Forum 2025” held in Singapore, we conducted meetings with pharmaceutical venture companies, research

institutions, and pharmaceutical companies. We focused on identifying and securing contracts with new customers possessing promising drug discovery seeds and technologies, as well as introducing drug discovery seeds and technologies to existing customers. Additionally, we expanded our global business network with individuals involved in the drug discovery ecosystem, which serves as the foundation for our business. In the first half of the fiscal year under review, we made progress in collaboration between overseas companies we have supported for a long time and Japanese pharmaceutical companies, and these activities have led to the conclusion of contracts.

Gemseki Investment Inc., a consolidated subsidiary of the Company engaged in investment business, made additional investments in existing investees from Gemseki Ventures L.P., which began operations in 2020, and completed portfolio investments from this fund. Going forward, we will focus on managing and supporting our investees, while continuing investment activities in venture companies through Gemseki Fund No. 2 Investment Limited Partnership, which was established in 2024. In addition, through a process of ongoing communication with multiple existing investees in Japan and overseas and other venture capitals, the Company is continuing to examine how best to generate business synergies with the SNBL Group. Gemseki aims to provide the comprehensive support needed for the creation and development of pharmaceuticals and medical devices, with the goal of generating synergies throughout the Group.

We have been developing the SNBL Global Gateway (SGG) business since 1999, which leverages to the fullest extent our strong network with academic institutions, investors, and professional companies in Japan and the U.S., by utilizing the CRO and TR businesses which have been developed over many years, mainly centered on our facilities based in Washington State, USA. The SGG business provides comprehensive support services to Japanese biotech companies (drug discovery startups, university-affiliated ventures, etc.) aiming to enter the U.S. market, as well as U.S. startups seeking to collaborate with Japanese companies or enter the Japanese market. This support is designed to facilitate entry into either the U.S. or Japanese market. We offer fully integrated support, including assistance with establishing local offices in either Japan or the U.S., market analysis, strategic planning, regulatory/intellectual property strategy development, fundraising, introduction to partner companies, and business plan development and execution support. During the first half of the fiscal year under review, we focused on providing U.S. market analysis services to Japanese biotech companies that are in the early stages of considering expansion into the U.S. market. We also supported Tasso, Inc., a start-up company from Seattle, U.S.A., which provides self blood collection devices, to enter into the Japanese market by establishing a joint venture company, Tasso-SNBL Ltd. in Japan in March 2025. In August, the company's device for self-collection of blood received certification as a controlled medical device under Japan's Pharmaceuticals and Medical Devices Act from the Ministry of Health, Labour and Welfare (MHLW), and preparation for its launch by the end of 2025 is in progress. Additionally, we connect Japanese and U.S. venture companies and various stakeholders supporting their activities to identify new business opportunities and contribute to the development of a global biotechnology and drug discovery ecosystem. This business is being promoted in collaboration with the SBI Group, which has an extensive track record in global investment, and in addition to operating business incubation facilities, we are also focusing on fund management. In November 2024, Plug and Play, the world's largest innovation platform provider headquartered in Silicon Valley, USA, joined the joint fund established by the Company and the SBI Group, further strengthening the support system provided through the SGG business. In the first half of the fiscal year under review, we began providing support to domestic listed companies, biotech companies, and venture capital firms, and several companies have opened offices in business incubation facilities. In June 2025, following President Nagata's presentation at the Gate Opening Summit for Innovative Drug Discovery convened by then-Prime Minister Kishida in July 2024, he made specific proposals at the Public-Private Council for Improving Drug Discovery Capabilities held at the Prime Minister's Office with the attendance of former Prime Minister Ishiba. The proposals focused on how Japanese biotech ventures can expand their business in the United States, based on the role of SGG.

Amid these circumstances, the TR business posted revenue of ¥28 million for the first half of the fiscal year under review (the first half of the previous fiscal year: ¥17 million). The recording of ¥1,405 million in expenses of Satsuma (the first half of the previous fiscal year: ¥1,291 million) resulted in operating loss of ¥2,081 million (the first half of the previous fiscal year: operating loss of ¥1,843 million).

(iii) Medipolis business (Social Benefits Generation business)

The Company owns a large tract of land of 340 hectares (840 acres) in the highlands of Ibusuki City, Kagoshima Prefecture called Medipolis Ibusuki. The Company leverages this natural asset to operate the Medipolis business and generate benefits for society. This business is the embodiment of corporate principle: "Committed to the environment, life and people." We are committed to creating benefits for society in an integrated fashion, not only from the perspective of economic gains, but also in terms of the

issues in society and the environment. Specifically, we operate a power generation business using renewable energy sources, as well as a hospitality business centering on the operation of hotels based on the concept of well-being, or in other words, holistic health.

In the power generation business, we have operated a 1,500 kW binary geothermal power plant since February 2015. Geothermal power generation produces hardly any CO₂ emissions, is not affected by the weather during the day or night, and has the potential to be a baseload power source capable of stable power generation all year round. Our geothermal power plant is capable of generating approximately 10 million kWh of electricity throughout the year, and we generate steady electricity sale income from the produced electricity, leveraging the feed-in tariff system (FIT system) for renewable energy.

Also, as a new power generation project, a hot spring power generation plant that utilizes residual steam from the hot spring sources supplied to hotel bathing facilities and floor heating started operations in April 2025. Annual power generation is estimated at 4 million kWh, which is equivalent to the annual electricity consumption of 1,000 average households. As in geothermal power generation, hot spring power generation is also a renewable energy-based power source capable of stable power generation all year round regardless of season or weather, and contributes to reduction of greenhouse gases, which are a cause for climate change. In the first half of the fiscal year under review, we also generated steady electricity sale income from electricity produced from hot spring power generation, using the feed-in tariff (FIT) system. The estimated annual power generation from both geothermal and hot spring power generation is equivalent to roughly half of the Company's annual electricity consumption.

In the hospitality business, three facilities, namely the Amafuru Oka as a healing resort hotel, the HOTEL Freesia as an accommodation facility for patients of the Medipolis Proton Therapy and Research Center, and Hotel Bay Hills Hotel & Spa as an accommodation dedicated for training and education, are each operated to meet the needs of guests. The Amafuru Oka is also used as a place to stay for our domestic and international partners who visit the Company. The high level of satisfaction among guests develops relationships of trust, which in turn contribute to the operating results of our businesses. In June 2025, the Amafuru Oka was ranked number eight in Japan in "Hotel Spas" category at Travel+Leisure Luxury Awards Asia Pacific 2025, a globally recognized hotel rating agency. The Medipolis Proton Therapy and Research Center has treated more than 7,500 cancer patients with proton therapy since it began treatments in January 2011, and has been recognized as a socially contributing organization by a major life insurance company.

The Medipolis business posted revenue of ¥390 million for the first half of the fiscal year under review, an increase of ¥164 million (up 73.0%) from ¥225 million for the first half of the previous fiscal year, due to the contribution of power generation business. Operating profit turned positive ¥14 million (the first half of the previous fiscal year: operating loss of ¥221 million).

(iv) US Property Management business

The Company began operating the US Property Management business this year, leasing out multi-purpose industrial buildings (1.72 hectares) constructed on a site of approximately 19.83 hectares owned by SNBL USA, LTD. The US Property Management business posted revenue of ¥88 million for the first half of the fiscal year under review, due to the land and house rent received from tenants, while it posted operating loss of ¥48 million (the first half of the previous fiscal year: operating loss of ¥10 million) mainly due to depreciation.

(v) Initiatives for SDGs/ESG

In September 2015, the UN General Assembly adopted the "Sustainable Development Goals (SDGs)" as globally shared targets to be met by 2030 that were established so that the people of the world can live in happiness. The SDGs are actually the same as the Company's all-time corporate philosophy of "We are a company that values the environment, life, and people" and the Company's slogan "I'm happy, you are happy, and everyone is happy," and the Company accordingly regards itself as an industry leader in initiatives for SDGs/ESG.

Regarding our initiatives for SDGs/ESG, the SDGs Committee (chaired by independent External Director, Dr. Keiko Toya), which the Company established as an advisory body to the Board of Directors, and the Environmental Committee (chaired by the honorary executive director in charge of sustainability), which the Company established as a subordinate organization of the SDGs Committee conduct lively discussions on a monthly basis. The Company discloses an ESG data book that is produced based on these achievements regarding initiatives for SDGs/ESG, each of the Company's policies, information based on

TCFD Recommendations, and such on a dedicated page of the Company's website (<https://en.snbl.com/esg>).

In the Integrated Report, we have provided our 2028 Vision, a phrase of “promoting people’s happiness in close involvement with stakeholders” as the future we aim to create. We specified aims of FY2028 financial KPIs (targets) of ¥50 billion in revenue, ¥20 billion in ordinary profit, ordinary profit margin of 40%, and payout ratio of 30–40%. The cost of capital has been set at 4.8%, estimated based on the earnings results for the fiscal year ended March 31, 2025. The beta value has been calculated to be 0.94 using weekly data for the last five years. In our analysis of capital return indicators, we put emphasis on ROE and ROIC, which are presented during the Board of Directors meetings held monthly. It calls for ROE and ROIC of at least 10%, and calculated based on operating results for the fiscal year ended March 31, 2025, ROE was 13.3%, and ROIC was 10.4%. In addition, the Company updated its Corporate Governance Report in June 2025, and has implemented all the principles of the Corporate Governance Code following the revisions in June 2021, including those for the TSE Prime Market. The ratio of female Directors as of September 30, 2025 was 33.3% (four out of 12 Directors).

The Company has been highly evaluated by various rating agencies for its continuous efforts for SDGs/ESG. In July 2025, the Company earned its debut selection as a component stock in the FTSE Blossom Japan Index and it continued to be selected for the FTSE Blossom Japan Sector Relative Index, both of which are constructed by global index provider FTSE Russell in the UK.

As for the results of dialogue with shareholders and investors during the first half of the fiscal year under review, the Company conducted 153 meetings with institutional investors and analysts (the first half of the previous fiscal year: 104 meetings). A post on the IR and Corporate Communications blog was updated 128 times to provide information in a timely way. In the General Meeting of Shareholders held in June 2025, the Company held a briefing session on its intranasal drug delivery platform technology for shareholders, who attended such shareholder’s meeting, after the conclusion of the meeting.

Through efforts to conserve biodiversity for regional contribution (Kagoshima Prefecture is the No. 1 supplier of Japanese eels in Japan), the Company has been pursuing research into the artificial production of Japanese eels in their juvenile stage (glass eels), which are listed as endangered in the IUCN Red List, in artificial habitats. In 2019, we established our research facility in Wadamari-cho, Okinoerabu Island, Kagoshima Prefecture, researching into the artificial production of glass eels. We have achieved high survival rates at the laboratory level and are currently scaling up production to enable mass production. In October 2024, we began a joint research with Nissui Corporation, a major fisheries company. During the first half of the fiscal year under review, we established a facility on the premises of Medipolis Ibusuki to raise artificially produced glass eels. We are also planning to offer them as a special menu item at hotels operated by the Company in the next fiscal year.

(2) Explanation of financial position

(Analysis of assets, liabilities and net assets)

Total assets as of September 30, 2025 decreased by ¥1,437 million (down 1.6%) compared to the balance as of the end of the previous fiscal year, to ¥90,978 million.

Current assets decreased by ¥1,555 million (down 4.7%) compared to the balance as of the end of the previous fiscal year, to ¥31,384 million due mainly to a decrease in notes and accounts receivable - trade, and contract assets of ¥599 million (down 9.0%) and a decrease in cash and deposits of ¥474 million (down 3.9%). Non-current assets increased by ¥117 million (up 0.2%) compared to the balance as of the end of the previous fiscal year, to ¥59,594 million due mainly to an increase in property, plant and equipment of ¥548 million (up 1.6%) due to capital investment, etc. and a decrease in investment securities of ¥221 million (down 1.1%).

Liabilities increased by ¥420 million (up 0.8%) compared to the balance as of the end of the previous fiscal year, to ¥52,751 million. Current liabilities decreased by ¥793 million (down 2.7%) compared to the balance as of the end of the previous fiscal year, to ¥28,462 million due mainly to an increase in short-term borrowings of ¥2,452 million (up 20.8%) and a decrease in income taxes payable of ¥2,067 million (down 93.2%). Non-current liabilities increased by ¥1,214 million (up 5.3%) compared to the balance as of the end of the previous fiscal year, to ¥24,289 million due mainly to an increase in long-term borrowings of ¥1,154 million (up 5.2%).

Net assets decreased by ¥1,858 million (down 4.6%) compared to the balance as of the end of the previous fiscal year, to ¥38,226 million due mainly to the posting of ¥1,061 million in profit attributable to owners of parent, despite an increase in valuation difference on available-for-sale securities of ¥1,407 million, dividends paid of ¥1,248 million, and a decrease in foreign currency translation adjustment of ¥3,408 million.

(Analysis of cash flows)

The outstanding balance of cash and cash equivalents ("cash") as of September 30, 2025 was ¥11,397 million, down ¥446 million (3.8%) compared to the balance as of the end of the previous fiscal year.

Status of each cash flow during the six months ended September 30, 2025 and main contributing factors thereof are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was ¥1,819 million, up ¥1,587 million (684.4%) relative to the six months ended September 30, 2024.

The main contributing factors included profit before income taxes of ¥1,323 million, depreciation of ¥1,503 million, share of profit of entities accounted for using equity method of ¥1,315 million, a loss on retirement of non-current assets of ¥295 million, a decrease in trade receivables of ¥596 million, an increase in advances received of ¥478 million, interest and dividends received of ¥1,290 million, and income taxes paid of ¥1,895 million.

(Cash flows from investing activities)

Net cash used in investing activities was ¥4,146 million, down ¥3,375 million (44.9%) relative to the six months ended September 30, 2024.

The main contributing factors included purchase of property, plant and equipment of ¥3,234 million, purchase of investment securities of ¥862 million, and purchase of intangible assets of ¥75 million.

(Cash flows from financing activities)

Net cash provided by financing activities was ¥2,286 million, down ¥5,371 million (70.1%) relative to the six months ended September 30, 2024.

The main contributing factors included proceeds from long-term borrowings of ¥6,800 million, repayments of long-term borrowings of ¥4,592 million, an increase in short-term borrowings of ¥1,400 million, and dividends paid of ¥1,248 million.

(3) Explanation of consolidated earnings forecasts and other forward-looking statements

We believe at this point that the impact of the reciprocal tariff policy announced by the US government on our operating results is immaterial, since both the nonclinical business and the clinical business, the Company's first and second growth engines, respectively, are service provision businesses and there is little export of products, etc. to the US.

For the six months ended September 30, 2025, revenue and profits all exceeded the initial forecasts announced by the Company on May 8. Regarding the forecasts for the fiscal year ending March 31, 2026, the Company has left the forecasts for revenue and profits unchanged. The expected exchange rate is US\$1 = ¥145.00, established at the beginning of the period.

Orders received for the nonclinical business in the first half of the fiscal year under review was ¥15,787 million, with a progress rate of 44.8% against the full-year order plan of ¥35,200 million. However, the number of estimates submitted and the status of inquiries in the first half of the fiscal year under review exceed both those of the first half of the previous fiscal year and the initial forecast for the period, and we have not changed the full-year order plan.

Please refer to the following for principal management benchmarks (capital expenditures, depreciation, R&D expenses, and number of employees), assumptions on which the forecast is based.

[Contracts received in the nonclinical business]

(Millions of yen)

	Results for the six months ended September 30, 2022	Full-year results for the fiscal year ended March 31, 2023	Results for the six months ended September 30, 2023	Full-year results for the fiscal year ended March 31, 2024	Results for the six months ended September 30, 2024	Full-year results for the fiscal year ended March 31, 2025	Results for the six months ended September 30, 2025	Full-year plan for the fiscal year ending March 31, 2026
Orders received	13,373	24,920	12,615	27,411	15,311	32,109	15,787	35,200
Of which, Japan	7,642	16,339	9,679	20,359	9,756	19,769	9,328	20,637
Of which, overseas	5,731	8,581	2,935	7,052	5,555	12,340	6,459	14,562
Order backlog	33,672	29,248	32,210	33,212	35,877	34,394	36,486	

- (Notes) 1. Results of Ina Research (currently SNBL INA Ltd.) are included from July 1, 2022.
2. For calculation of orders received (overseas), an average USD/JPY exchange rate of each fiscal year is applied.
3. For calculation of order backlog (overseas), a year-end exchange rate of each fiscal year is applied.

[Trends in principal management benchmarks]

(Millions of yen, unless otherwise noted)

	Results for the six months ended September 30, 2022	Full-year results for the fiscal year ended March 31, 2023	Results for the six months ended September 30, 2023	Full-year results for the fiscal year ended March 31, 2024	Results for the six months ended September 30, 2024	Full-year results for the fiscal year ended March 31, 2025	Results for the six months ended September 30, 2025	Full-year plan for the fiscal year ending March 31, 2026
	From April 2022 to September 2022	From April 2022 to March 2023	From April 2023 to September 2023	From April 2023 to March 2024	From April 2024 to September 2024	From April 2024 to March 2025	From April 2025 to September 2025	From April 2025 to March 2026
Capital expenditures	1,971	5,614	2,174	8,525	7,639	11,390	3,085	10,775
Depreciation	741	1,544	830	1,774	1,079	2,496	1,503	4,257
R&D expenses	265	683	482	1,741	1,276	2,217	1,283	2,525
Number of employees at period-end (people)	1,219	1,208	1,358	1,341	1,451	1,436	1,531	1,551

(Note) Results of Ina Research (currently SNBL INA Ltd.) are included from July 1, 2022.

2. Semi-annual consolidated financial statements and significant notes thereto

(1) Semi-annual consolidated balance sheet

(Thousands of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	12,032,136	11,557,423
Notes and accounts receivable - trade, and contract assets	6,643,088	6,043,422
Inventories	12,618,001	12,734,769
Other	1,777,229	1,178,553
Allowance for doubtful accounts	(130,608)	(129,665)
Total current assets	32,939,848	31,384,504
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	22,096,190	23,211,385
Land	4,546,836	4,809,826
Other, net	8,189,490	7,359,316
Total property, plant and equipment	34,832,518	35,380,528
Intangible assets		
Goodwill	1,884,230	1,777,891
Other	219,125	255,226
Total intangible assets	2,103,356	2,033,118
Investments and other assets		
Investment securities	19,762,231	19,540,687
Other	2,955,089	2,832,146
Allowance for doubtful accounts	(176,535)	(192,147)
Total investments and other assets	22,540,785	22,180,686
Total non-current assets	59,476,659	59,594,333
Total assets	92,416,508	90,978,837

(Thousands of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	460,937	500,902
Short-term borrowings	11,777,811	14,229,996
Income taxes payable	2,217,925	150,334
Advances received	10,941,641	11,420,497
Other	3,857,829	2,160,432
Total current liabilities	29,256,146	28,462,162
Non-current liabilities		
Long-term borrowings	22,271,126	23,425,261
Lease liabilities	425,099	469,874
Other	378,544	394,590
Total non-current liabilities	23,074,771	24,289,726
Total liabilities	52,330,917	52,751,889
Net assets		
Shareholders' equity		
Share capital	9,679,070	9,679,070
Capital surplus	2,358,493	2,398,557
Retained earnings	20,087,636	19,899,809
Treasury shares	(745)	(745)
Total shareholders' equity	32,124,455	31,976,692
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,031,759	7,439,259
Foreign currency translation adjustment	1,866,521	(1,541,689)
Total accumulated other comprehensive income	7,898,281	5,897,570
Non-controlling interests	62,854	352,685
Total net assets	40,085,590	38,226,947
Total liabilities and net assets	92,416,508	90,978,837

(2) Semi-annual consolidated statement of income and semi-annual consolidated statement of comprehensive income

Semi-annual statement of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Revenue	12,508,481	14,766,784
Cost of revenue	5,985,140	8,089,008
Gross profit	6,523,340	6,677,776
Selling, general and administrative expenses	6,443,312	6,628,463
Operating profit	80,028	49,313
Non-operating income		
Interest income	34,913	95,735
Dividend income	850	1,020
Share of profit of entities accounted for using equity method	1,834,943	1,315,625
Foreign exchange gains	—	179,307
Other	73,263	147,522
Total non-operating income	1,943,971	1,739,211
Non-operating expenses		
Interest expenses	93,994	126,452
Foreign exchange losses	96,392	—
Commission expenses	2,066	432
Other	2,409	33,887
Total non-operating expenses	194,863	160,772
Ordinary profit	1,829,136	1,627,752
Extraordinary income		
Gain on sale of non-current assets	—	2,562
Gain on sale of investment securities	21,919	—
Total extraordinary income	21,919	2,562
Extraordinary losses		
Loss on retirement of non-current assets	85,138	295,728
Impairment losses	9,921	10,793
Total extraordinary losses	95,060	306,521
Profit before income taxes	1,755,995	1,323,792
Income taxes - current	582,136	96,647
Income taxes - deferred	(138,684)	189,354
Total income taxes	443,451	286,001
Profit	1,312,543	1,037,790
Loss attributable to non-controlling interests	(18,492)	(23,337)
Profit attributable to owners of parent	1,331,035	1,061,128

Semi-annual consolidated statement of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	1,312,543	1,037,790
Other comprehensive income		
Valuation difference on available-for-sale securities	2,786,264	1,407,499
Foreign currency translation adjustment	(688,974)	(3,315,903)
Share of other comprehensive income of entities accounted for using equity method	132,298	(97,945)
Total other comprehensive income	2,229,588	(2,006,350)
Comprehensive income	3,542,132	(968,559)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,563,770	(939,583)
Comprehensive income attributable to non-controlling interests	(21,637)	(28,976)

(3) Semi-annual consolidated statement of cash flows

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	1,755,995	1,323,792
Depreciation	1,079,298	1,503,621
Impairment losses	9,921	10,793
Amortization of goodwill	57,354	56,499
Increase (decrease) in allowance for doubtful accounts	57,291	14,668
Interest and dividend income	(35,764)	(96,755)
Interest expenses	93,994	126,452
Foreign exchange losses (gains)	(61,687)	(41,921)
Share of loss (profit) of entities accounted for using equity method	(1,834,943)	(1,315,625)
Loss (gain) on sale of non-current assets	–	(2,562)
Loss on retirement of non-current assets	85,138	295,728
Loss (gain) on sale of investment securities	(21,919)	–
Decrease (increase) in trade receivables	(575,601)	596,829
Decrease (increase) in inventories	(1,709,111)	(185,356)
Increase (decrease) in advances received	3,088,864	478,855
Increase (decrease) in trade payables	189,385	50,854
Other, net	(1,213,632)	(258,469)
Subtotal	964,583	2,557,404
Interest and dividends received	1,113,700	1,290,132
Interest paid	(100,264)	(132,923)
Income taxes paid	(1,746,065)	(1,895,163)
Net cash provided by (used in) operating activities	231,954	1,819,450
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	–	14,746
Proceeds from redemption of securities	211,945	–
Purchase of property, plant and equipment	(7,640,488)	(3,234,004)
Purchase of intangible assets	(64,878)	(75,243)
Proceeds from sale of property, plant and equipment	–	4,356
Purchase of investment securities	(61,956)	(862,049)
Proceeds from sale of investment securities	24,000	–
Other, net	9,317	5,769
Net cash provided by (used in) investing activities	(7,522,061)	(4,146,425)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	3,580,000	1,400,000
Proceeds from long-term borrowings	10,000,000	6,800,000
Repayments of long-term borrowings	(4,595,667)	(4,592,713)
Repayments of finance lease liabilities	(78,728)	(71,930)
Dividends paid	(1,247,180)	(1,248,568)
Net cash provided by (used in) financing activities	7,658,424	2,286,788
Effect of exchange rate change on cash and cash equivalents	442,369	(406,704)
Net increase (decrease) in cash and cash equivalents	810,685	(446,892)
Cash and cash equivalents at beginning of period	10,274,773	11,843,986
Cash and cash equivalents at end of period	11,085,459	11,397,094

(4) Notes to semi-annual consolidated financial statements**(Notes on going concern assumption)**

Not applicable.

(Changes in consolidated subsidiaries during the current semi-annual accounting period)

Not applicable.

(Notes when there are significant changes in amounts of equity)

Not applicable.

(Changes in accounting policies)

Not applicable.

(Notes to semi-annual consolidated balance sheet)

* The composition of inventories is as follows.

(Thousands of yen)

	As of March 31, 2025	As of September 30, 2025
Merchandise and finished goods	5,076,579	3,380,143
Work in process	6,690,673	8,385,247
Raw materials and supplies	850,748	969,378
Total	12,618,001	12,734,769

(Notes to semi-annual consolidated statement of income)

* The major item of selling, general and administrative expenses is as follows.

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Salaries and allowance	1,491,424	1,574,692
Provision of allowance for doubtful accounts	57,291	76

(Notes to semi-annual consolidated statement of cash flows)

* The reconciliation of cash and cash equivalents at the end of the period with the account balances in the semi-annual consolidated balance sheets is as follows.

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash and deposits	11,085,459	11,557,423
Time deposits with maturity over 3 months	—	(160,329)
Cash and cash equivalents	11,085,459	11,397,094

(Notes to segment information)
(Segment information)

I. Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

1. Information on the amounts of revenue and profit (loss) by reportable segment

(Thousands of yen)

	Reportable segments					Other (Note 1)	Total	Adjustments (Note 2)	Amount recorded on the semi- annual consolidated statement of income (Note 3)
	CRO business	TR business	Medipolis business	US Property Management business	Subtotal				
Revenue									
Revenue from external customers	12,167,875	17,018	175,902	–	12,360,797	147,684	12,508,481	–	12,508,481
Transactions with other segments	11,725	–	49,621	–	61,347	1,091,338	1,152,685	(1,152,685)	–
Total	12,179,601	17,018	225,524	–	12,422,144	1,239,022	13,661,167	(1,152,685)	12,508,481
Segment profit (loss)	2,266,459	(1,843,404)	(221,186)	(10,879)	190,988	60,339	251,327	(171,299)	80,028

(Notes) 1. The “Other” classification serves as a business segment not included in the reportable segments, and accordingly includes the construction business and other such businesses.

2. Segment profit (loss) adjustments amounting to negative ¥171,299 thousand consist of negative ¥113,302 thousand in elimination of intersegment transactions and negative ¥57,996 thousand in corporate expenses not allocated to a reportable segment. Corporate expenses are mainly general and administrative expenses, which are not attributable to the reportable segments.

3. Segment profit (loss) has been calculated upon adjusting operating profit in the semi-annual consolidated statement of income.

4. Figures above have been restated retrospectively in consistency with the reported business segments for the six months period ended September 30, 2025.

2. Information about impairment loss for non-current assets or goodwill, etc., by reportable segment

The information is omitted since there is no significant change occurred.

II. Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

1. Information on the amounts of revenue and profit (loss) by reportable segment

(Thousands of yen)

	Reportable segments					Other (Note 1)	Total	Adjustments (Note 2)	Amount recorded on the semi- annual consolidated statement of income (Note 3)
	CRO business	TR business	Medipolis business	US Property Management business	Subtotal				
Revenue									
Revenue from external customers	14,126,406	28,139	341,241	88,024	14,583,812	182,972	14,766,784	–	14,766,784
Transactions with other segments	20,716	585	48,895	–	70,197	1,379,614	1,449,811	(1,449,811)	–
Total	14,147,123	28,724	390,136	88,024	14,654,010	1,562,586	16,216,596	(1,449,811)	14,766,784
Segment profit (loss)	2,206,631	(2,081,722)	14,394	(48,317)	90,985	29,024	120,010	(70,697)	49,313

(Notes) 1. The “Other” classification serves as a business segment not included in the reportable segments, and accordingly includes the construction and other businesses.

2. Segment profit (loss) adjustments amounting to negative ¥70,697 thousand consist of ¥7,882 thousand in elimination of intersegment transactions and negative ¥62,815 thousand in corporate expenses not allocated to a reportable segment. Corporate expenses are mainly general and administrative expenses, which are not attributable to the reportable segments.

3. Segment profit (loss) has been calculated upon adjusting operating profit in the semi-annual consolidated statement of income.

2. Information about impairment loss for non-current assets or goodwill, etc., by reportable segment

The information is omitted since there is no significant change occurred.