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MEMBERSHIP

May 11, 2026

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)

Company name: Shin Nippon Biomedical Laboratories, Ltd.  
 Listing: Prime Market, Tokyo Stock Exchange  
 Securities code: 2395  
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 Scheduled date of annual general meeting of shareholders: June 26, 2026  
 Scheduled date to commence dividend payments: June 29, 2026  
 Scheduled date to file annual securities report: June 25, 2026  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (for analysts and investors)

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

### 1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	32,524	0.3	2,653	(11.1)	5,833	(9.6)	4,566	(7.3)
March 31, 2025	32,413	22.5	2,985	(28.3)	6,450	(8.1)	4,924	(11.0)

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥5,126 million [(35.1)%]  
 For the fiscal year ended March 31, 2025: ¥7,899 million [(20.3)%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of Ordinary profit to total assets	Ratio of Operating profit to revenue
	Yen	Yen	%	%	%
March 31, 2026	109.69	–	11.0	5.9	8.2
March 31, 2025	118.29	–	13.3	7.6	9.2

Reference: Share of profit (loss) of entities accounted for using equity method  
 For the fiscal year ended March 31, 2026: ¥2,780 million  
 For the fiscal year ended March 31, 2025: ¥3,513 million

#### (2) Consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2026	105,055	43,489	41.0	1,035.76
March 31, 2025	92,416	40,085	43.3	961.34

Reference: Equity  
 As of March 31, 2026: ¥43,120 million  
 As of March 31, 2025: ¥40,022 million

### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	8,327	(6,790)	4,514	18,371
March 31, 2025	7,035	(11,691)	5,914	11,843

### 2. Cash dividends

	Annual dividends					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	–	20.00	–	30.00	50.00	2,081	42.3	5.6
Fiscal year ended March 31, 2026	–	20.00	–	30.00	50.00	2,081	45.6	5.0
Fiscal year ending March 31, 2027 (Forecast)		20.00		30.00	50.00		59.5	

### 3. Consolidated earnings forecasts for the year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(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
Six months ending September 30, 2026	16,596	12.4	463	838.9	1,948	19.7	1,167	10.0	28.03
Fiscal year ending March 31, 2027	38,000	16.8	3,000	13.0	6,000	2.9	3,500	(23.4)	84.07

**\* Notes**

(1) Significant changes in the scope of consolidation during the period: None

Note: For details of changes in consolidated subsidiaries and equity method affiliates which do not fall into the case of significant changes above, please refer to “(5) Notes to consolidated financial statements (Changes in the scope of consolidation)” of “3. Consolidated Financial Statements and Significant Notes thereto” in the attachment.

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2026	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 March 31, 2026	586 shares
As of March 31, 2025	564 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	41,631,836 shares
Fiscal year ended March 31, 2025	41,631,903 shares

\* Financial results reports are exempt from audit 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 8 of the attachment, “(4) Future outlook” of “1. Overview of Operating Results and Others.”

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

Financial results explanatory 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 Monday, May 11, 2026, from 15 pm Japan Time in the form of online meeting. Explanatory details (video 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. Overview of Operating Results and Others

### (1) Overview of operating results for the fiscal year ended March 31, 2026

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, the Company's consolidated financial results for the fiscal year under review (from April 1, 2025 to March 31, 2026; hereinafter, "the fiscal year ended March 31, 2026") exceeded the revised forecasts announced on February 6, 2026 in terms of both revenue and profits. Revenue reached ¥32,524 million, marking a record high for the fourth consecutive fiscal year. However, due to the completion of several large projects in the mainstay CRO business, which were originally expected to be recorded as revenue during the fiscal year ended March 31, 2026, being postponed to the following fiscal year ending March 31, 2027, revenue increased by only ¥111 million (up 0.3%) compared to the fiscal year ended March 31, 2025 (hereinafter, "the previous fiscal year"). Operating profit decreased by ¥331 million (down 11.1%) year on year to ¥2,653 million. The main reason for the decrease in operating profit is the postponement of revenue recognition, particularly in several large projects within the CRO business, which is our major source of revenue. Additionally, in the same CRO business, the Company views the current business environment as an opportunity for further growth, leading to an increase in costs due to continuing large strategic upfront investments. These investments include the substantial strengthening of human resources, expansion of laboratory facilities, establishment of a domestic breeding framework for laboratory non-human primates (NHPs), and promotion of digital transformation (DX). The expenses for the commercialization of the intranasal migraine therapeutic agent "Atzumi™" from Satsuma Pharmaceuticals, Inc. (hereinafter, "Satsuma"), a consolidated subsidiary of the Company in the United States, resulted in operating loss of ¥2,545 million (for the previous fiscal year: ¥2,284 million) at Satsuma. Ordinary profit decreased by ¥617 million (down 9.6%) year on year to ¥5,833 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, although exceeding the initial plan, decreased by ¥503 million compared to the previous fiscal year to ¥2,769 million. Foreign exchange gains of ¥152 million were also recorded, contributing to an increase in ordinary profit of 315 million compared with foreign exchange losses of ¥162 million for the previous fiscal year. Profit attributable to owners of parent decreased by ¥358 million (down 7.3%) year on year to ¥4,566 million.

As of March 31, 2026, the SNBL Group had 1,522 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. In addition, the ratio of female employees on a consolidated basis was 53.6%. The 150 new employees (including 90 female employees) joined the Company in April 2026.

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. In the fiscal year ended March 31, 2026, the nonclinical business recorded lower revenue and profit, but we perceive it to have performed satisfactorily from a medium- to long-term perspective, and 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 full swing in Japan since the fiscal year ended March 31, 2023 to reduce import risks and improve quality. A new breeding facility was expanded during the fiscal year ended March 31, 2026 as planned and it is already in operation. These initiatives have been highly evaluated, particularly by customers in Europe and the U.S.
- 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 study 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 that this is an area with high growth potential, and in the fiscal year ending

March 31, 2027, we plan to add another four LC-MS/MS units to strengthen our capabilities to respond to increased orders 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 fiscal year ended March 31, 2026, we concluded a new preferred contract with one major domestic pharmaceutical company, bringing the total to four domestic pharmaceutical companies with which we have preferred contracts. In addition, we have strengthened our sales activities with an aim to receive orders 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. These efforts have proven successful, resulting in obtaining preferred vendor certification from a global mega-pharmaceutical company for the fiscal year ended March 31, 2026.
- The Company has also achieved steady progress in terms of number of major pharmaceutical companies in Japan, regarding contracts to undertake comprehensive research at the drug discovery stage and has already received orders from multiple companies for development research beginning with the early drug discovery stage.
- 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 in April 2025, the Company became the first CRO in Japan to commence MPS contract services, leading to concluding contracts for two studies in the second quarter of the fiscal year. Interest from both domestic and overseas pharmaceutical companies is high, and multiple inquiries are ongoing.
- In February 2026, we announced the construction of a new NHP laboratory dedicated to large breeding cages compliant with EU standards, for which there is strong demand from customers in Europe and the U.S. This investment will further enhance our ability to secure orders from customers in Europe and the U.S., where our strategic initiatives have started to generate positive outcomes. The investment in this structure, which has four floors above ground, will be around ¥10 billion, and draws on the extensive know-how that we have accumulated from many years of experience in NHP studies. We believe this facility, which is equipped with a new MRI (3 tesla), CT, and other equipment, meets the highest standards in the world, and we are moving forward with preparations aimed at completion in November 2027.
- With the objective of reducing the time taken from study completion to submission of the draft final report, we are working on the use of AI to automate preparation of final reports. In the fiscal year ended March 31, 2026, we conducted a PoC from which we obtained satisfactory results. We began development aimed at full-fledged implementation in May 2026, and plan to launch this framework by March 2027, with the intention of providing new time value to customers.

As a result of the aforementioned initiatives, orders received in the nonclinical business for the fiscal year ended March 31, 2026, increased by ¥3,620 million (up 11.3%) year on year to ¥35,728 million, setting a record high. 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 grew significantly by 35.2% year on year to ¥13,225 million. Overseas orders received increased by 25.7% year on year to ¥15,505 million, accounting for 43.4% of total orders received (the previous fiscal year: 38.4%). The order backlog as of the end of March 2026 is at a record high level at ¥40,920 million, an increase of ¥6,526 million (up 19.0%) 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 fiscal year ended December 31, 2025 showed revenue of ¥20,593 million, down 6.0% year on year, and operating profit of ¥9,120 million, down 14.1% year on year. The decline in operating profit is attributed to factors such as the appreciation of the yen compared to the previous fiscal year, sluggish revenue from newly initiated trials due to fewer orders in the previous fiscal year, and changes in order forms from major clients. However, the ratio of operating profit remains high at 44.3%, still exceeding 40%. In addition, orders in the fiscal year ended December 31, 2025 have significantly exceeded those of the previous fiscal year.

The share of profit of entities accounted for using equity method from PPD-SNBL’s contribution for the fiscal year ended March 31, 2026 was ¥2,769 million (for the previous fiscal year: ¥3,272 million).

Revenue in the CRO business for the fiscal year ended March 31, 2026 decreased by ¥317 million (down 1.0%) compared to the previous fiscal year to ¥31,277 million, due to the completion of several large projects, which were expected to be recorded in the fiscal year ended March 31, 2026, being delayed to the following fiscal year. Operating profit of the CRO

business increased by ¥349 million (down 4.8%) year on year to ¥6,909 million, and ratio of operating profit to revenue was 22.1%.

(ii) Translational Research business (TR business)

Translational Research business (hereinafter, “TR business”) is a research and development business that discovers promising seeds and innovative 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 development intranasal drug delivery platform technology (SMART: Simple MucoAdhesive Release Technology, hereinafter, “SMART”), which has been a focus of inquiry as the core of the TR business since 1997, is a platform technology that combines a powdered formulation technology using a carrier composition as the base with a drug 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 conducting negotiations of 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* in November 2025.

The TR Business Headquarters within parent SNBL includes a department that conducts research into creating 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 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 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, Movement Disorder Society of Japan in July, and International Congress of Parkinson’s Disease and Movement Disorders in October, 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. The results are to be presented in academic meetings. We are conducting detailed research on pharmaceutical regulatory systems and markets in various countries and carefully determining future development policies while planning the next clinical trial. In terms of development of intranasal mucosal vaccines, we received contracted R&D expenses from AMED/SCARDA and moved forward with research and development, but at an interim evaluation recently conducted by AMED we were deemed to have achieved nonclinical PoC (Proof of Concept) because we were able to use the powdered nasal administration method that we had developed to demonstrate the ability to induce IgA secretions in the nasal cavities of cynomolgus monkey that had the effect of preventing infection of the nasal mucosa by an influenza virus. This led to the interim evaluation being awarded the highest score of “A” and a decision to extend support for this research and development to March 31, 2029, which includes additional contracted R&D expenses from AMED. Going forward, we aim to complete Phase I clinical trials within the period of the clinical development study.

In the Gemseki business, we have been operating the licensing brokerage business related to drug discovery seeds and technologies globally under the mission of “Striving to support the best development of drug candidates and technologies for society.” We participated in the BIO International Convention held in Boston, USA, in June 2025, BIO-Europe in Vienna in November of the same year, “JPM Week” which is centered on the J.P. Morgan Healthcare Conference and Biotech Showcase held in San Francisco, USA, in January 2026, and engaged in interviews with drug discovery ventures, research institutions, and pharmaceutical companies. In addition to using such major international events to search for and conclude contracts with new clients with promising drug discovery seeds, we also introduced drug discovery seeds and technologies to existing clients. We also expanded our business network with global stakeholders involved in the drug discovery ecosystem that serves as the foundation of our business. Gemseki Investment Inc., a consolidated subsidiary engaged in the investment business, made an additional investment in one existing investee from Gemseki Ventures L.P., which began operations in 2020, and completed portfolio investments from this fund. We continued to conduct investment activities through the Gemseki Fund No. 2 Investment Limited Partnership that we formed in 2024, and in the fiscal year under review we took stakes in a total of six startups in Japan and North America. Gemseki aims to provide the comprehensive support needed for the creation and development of pharmaceuticals and medical devices, with the goal of maximizing added value through collaboration within the Group.

We have been developing the CRO and TR businesses since 1999, mainly centered on our facilities in Washington State, USA, and have built a strong network with academic institutions, investors, and professional companies in Japan and the U.S. To contribute to the development of the drug discovery ecosystem, we are making full use of the experience and network we have developed through the U.S. business to expand the SNBL Global Gateway (SGG) business. The SGG business provides comprehensive support in both countries for Japanese biotech companies (drug discovery startups, university-affiliated ventures, etc.) aiming to enter the U.S. market, and U.S. startups aiming to enter the Japanese market

or build alliances with Japanese companies. We offer fully integrated support, including assistance with establishing local offices, market analysis, strategic planning, regulatory/intellectual property strategy development, fundraising, introduction to partner companies, and business plan development and execution support. In the fiscal year ended March 31, 2026, we provided support to Japanese listed companies, biotech companies, and venture capital firms. Within this, we prioritized services analyzing the U.S. Market for Japanese biotech companies in the initial stages of considering entry to that market, and advisory services on the form of U.S. market entry to take. Multiple companies have also opened offices at business incubation facilities. In terms of support for U.S. startups seeking to enter the Japanese market, we collaborated with Seattle-based startup Tasso, which engages in self blood collection devices, to establish a joint venture called Tasso-SNBL Ltd. in March 2025. In August, this received certification as a controlled medical device from the Ministry of Health, Labour and Welfare, and the device went on sale in December. In March 2026, a sales dealership agreement was concluded with a member company of the H.U. Group. Additionally, we connect Japanese and U.S. venture companies and various stakeholders supporting their activities to create 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 the global investment field, 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, and in the fiscal year under review, made investments in North America startups via the fund.

Amid these circumstances, the TR business posted revenue of ¥108 million for the fiscal year ended March 31, 2026 (for the previous fiscal year: ¥54 million). The operating loss was ¥4,028 million (for the previous fiscal year: operating loss of ¥3,680 million), partly due to the recording of expenses of ¥2,781 million for the commercialization of an intranasal migraine treatment “Atzumi™” from Satsuma (for the previous fiscal year: ¥2,369 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 as the business to generate benefits for society, and operates power generation and hospitality businesses. 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 CO<sub>2</sub> emissions, is not affected by weather or time of day, and is a baseload power source capable of stable power generation. The power plant generates approximately 10 million kWh of electricity each year, and we recorded steady electricity sale income from the use of the feed-in tariff (FIT) system. In April 2025, we also began operation of a hot spring power generation plant that utilizes residual steam from hotel hot spring sources. This is expected to generate 4 million kWh each year (roughly equivalent to the amount used by 1,000 households), and it made a significant contribution to performance in the fiscal year ended March 31, 2026. Through this power generation, we also recorded steady electricity sale income from the use of the FIT system. The estimated annual power generation from these sources combined 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 Ibusuki 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. In December 2025, we further enhanced guest satisfaction by opening a new French restaurant “Lueur,” which features a live kitchen. The Medipolis Proton Therapy and Research Center has treated more than 7,800 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 ¥804 million for the fiscal year ended March 2026, an increase of ¥239 million (up 42.4%) from ¥564 million for the previous fiscal year, due to the contribution of hot spring power generation. As for operating profit (loss), operating loss of ¥65 million was recorded (for the previous fiscal year: operating loss of ¥422 million).

(iv) US Property Management business

The Company began operating the US Property Management business in 2025, leasing out the multi-purpose industrial building “Seaway Technology Center (STC)” (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 ¥184 million for the fiscal year ended

March 31, 2026, due to the land and house rent received from tenants, while it posted operating loss of ¥1 million (the previous fiscal year: operating loss of ¥60 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 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 December 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 March 31, 2026 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. In March 2026, we were selected for the “FY2025 Nadeshiko Brand,” a program jointly organized by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange as a company that excels in promoting women’s participation in the workplace. This was the second time we had been selected, following on from FY2021.

As for the results of dialogue with shareholders and investors during the fiscal year ended March 31, 2026, the Company conducted 271 meetings with institutional investors and analysts (one-on-one meetings, small meetings, and meetings with top management), compared to 261 meetings in the previous fiscal year. A post on the IR and Corporate Communications blog was updated 318 times to provide information in a timely way. Following the General Meeting of Shareholders held in June 2024, 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 fiscal year ended March 31, 2026, 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 going forward.

## (2) Overview of financial position for the fiscal year ended March 31, 2026

Changes in financial position for the fiscal year ended March 31, 2026 from the end of the previous fiscal year were as follows:

Total assets as of March 31, 2026 increased by ¥12,639 million (up 13.7%) compared to the balance as of the end of the previous fiscal year, to ¥105,055 million. Current assets increased by ¥10,048 million (up 30.5%) compared to the balance as of the end of the previous fiscal year, to ¥42,988 million due mainly to increases in cash and deposits of ¥6,504 million (up 54.1%) and in inventories of ¥2,496 million (up 19.8%).

Non-current assets increased by ¥2,590 million (up 4.4%) compared to the balance as of the end of the previous fiscal year, to ¥62,066 million due mainly to an increase in property, plant, and equipment of ¥1,369 million (up 3.9%) and an increase in investment securities of ¥1,610 million (up 8.2%).

Liabilities increased by ¥9,235 million (up 17.6%) compared to the balance as of the end of the previous fiscal year, to ¥61,566 million. Current liabilities increased by ¥10,069 million (up 34.4%) compared to the balance as of the end of the previous fiscal year, to ¥39,325 million due mainly to increases in short-term borrowings of ¥7,892 million (up 67.0%) and increases in advances received of ¥3,764 million (up 34.4%) following a rise in orders, which outweighed a decrease in income taxes payable of ¥1,251 million (down 56.4%). Non-current liabilities decreased by ¥833 million (down 3.6%) compared to the balance as of the end of the previous fiscal year, to ¥22,240 million due mainly to a decrease in long-term borrowings of ¥1,150 million (down 5.2%).

Net assets increased by ¥3,403 million (up 8.5%) compared to the balance as of the end of the previous fiscal year, to ¥43,489 million due mainly to the posting of ¥4,566 million in profit attributable to owners of parent, an increase in retained earnings of ¥2,485 million (up 12.4%), an increase in valuation difference on available-for-sale securities of ¥1,879 million (up 31.2%), dividends paid of ¥2,081 million, and a decrease in foreign currency translation adjustment of ¥1,306 million.

## (3) Overview of cash flows for the fiscal year ended March 31, 2026

The outstanding balance of cash and cash equivalents (“cash”) as of March 31, 2026 was ¥18,371 million, up ¥6,527 million (55.1%) compared to the balance as of the end of the previous fiscal year.

Status of each cash flow during the fiscal year ended March 31, 2026 and main contributing factors thereof are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was ¥8,327 million, up ¥1,291 million (18.4%) relative to the fiscal year ended March 31, 2025.

The main contributing factors included profit before income taxes of ¥6,247 million, depreciation of ¥3,318 million, share of profit of entities accounted for using equity method of ¥2,780 million, an increase of ¥596 million in trade receivables, an increase of ¥2,408 million in inventories, an increase of ¥3,764 million in advances received, interest income and dividend income received of ¥2,447 million, and income taxes paid of ¥2,175 million.

(Cash flows from investing activities)

Net cash used in investing activities was ¥6,790 million, down ¥4,900 million (41.9%) relative to the fiscal year ended March 31, 2025.

The main contributing factors included purchase of property, plant and equipment of ¥5,173 million and that of investment securities of ¥1,521 million.

(Cash flows from financing activities)

Net cash provided by financing activities was ¥4,514 million, down ¥1,399 million (23.7%) relative to the fiscal year ended March 31, 2025.

The main contributing factors included net increase in short-term borrowings of ¥6,200 million and proceeds from long-term borrowings of ¥10,000 million, repayments of long-term borrowings of ¥9,457 million and dividends paid of ¥2,083 million.

#### (4) Future outlook

The vision of our mainstay CRO business is “Creating a nonclinical R&D ecosystem to deliver new drugs to patients as quickly as possible.” We are working to build a system that can reliably respond to the demands of domestic and overseas customers from a medium- to long-term perspective. Currently, we are actively promoting the following investments and research and development as part of our research support in the field of new drug discovery modalities, including nucleic acid drugs, next-generation antibodies, peptide drugs, gene therapy, and regenerative medicine. We have been able to receive many projects for new modalities in drug discovery by differentiating ourselves from competing facilities and gaining a competitive advantage.

- Establishment of administration techniques for delivering drugs into special regions such as within the eyes or brain
- Introduction of state-of-the-art equipment useful for evaluation of new modalities in drug discovery
- Building new evaluation systems useful for assessing the efficacy and safety of each modality in drug discovery
- Operational Excellence through digital transformation (DX)

With the acquisition of SNBL INA Ltd. (formerly Ina Research Inc.), the Company is now able to provide contract drug dependence studies. In addition, Ina Research has strengths in domestic academia, venture companies, and the Korean market, and the Company expects that it will be able to diversify its customer base and generate early synergies by managing the business as a single entity.

Inquiries from overseas customers continue to be active, and we have succeeded in receiving ongoing orders from global pharmaceutical companies due to our competitive advantage in the following six areas.

- Knowledge and trust cultivated through 20 years of nonclinical business operations in the US
- Leveraging human resources with experience working in the US
- Establishment of an evaluation system and experimental techniques for new modalities in drug discovery
- Quality at the highest level in the world
- Timely studies with a stable supply framework for laboratory NHPs.
- Attention to detail that is uniquely Japanese

In particular, as the only CRO in the world to have an established framework for breeding and supplying laboratory NHPs within the SNBL Group, the Company’s stable supply of laboratory animals through efficient supply chain management leveraging such unique framework has been highly evaluated by overseas customers, leading to orders for large-scale studies. In order to continue to strengthen our supply chain management, we will reinforce the breeding system at our facilities in Southeast Asia, as well as establish a sufficient breeding system in scale in Japan.

In addition, we are expanding our facilities and increasing our research staff, as well as building a system that can fully meet customer needs, including those of major global pharmaceutical companies. Namely, in addition to full-scale operations of research facilities at the Kagoshima head office, which were completed at the end of May 2024, the Company increased the number of laboratories for NHPs and hired 141 new graduates in April 2026 as a part of continuing efforts of reinforcing new graduate recruitment since the previous fiscal year. In addition, reducing nonclinical studies lead time is an important factor for pharmaceutical companies in drug development because it creates time value. The Company promotes automation, mechanization, and robotization of business processes, as well as digital transformation (DX), and it has formed an internal project to shorten lead times.

In TR business, the Company is conducting research on the application of the SMART to various drugs, while working diligently to improve the technology and research optional technologies that should be added to the base technologies. While maintaining our own base technologies, we make our own decisions on development candidates and advance the development stage to clinical trials. We then propose licensing activities and joint development with pharmaceutical companies. With regard to Satsuma, a SMART licensee, marketing approval was received from the FDA for “Atzumi™,” an intranasal migraine drug, (development code: STS101) on April 30, 2025 (US time).

While continuing activities aimed at concluding a partnering agreement since last year, and in light of the latest market conditions, the Company has decided to pursue an accelerated market launch of Atzumi™ by enhancing in-house manufacturing and commercialization capabilities at Satsuma, with the involvement of former senior executives who led the company at the time of its Nasdaq listing in the United States. Through this approach, the Company seeks to enhance the value of Atzumi™ while advancing broader business development activities across global markets, including the Middle East (Saudi Arabia, Israel, and the UAE), India, Singapore, Taiwan, South Korea, and Japan. Please also refer to the press release titled “Update on Business Development of Atzumi™ (dihydroergotamine) Nasal Powder at Satsuma Pharmaceuticals, Inc.” published today.

SNLD, which is conducting development of an Intranasal Levodopa Spray to address “wearing off” symptoms for Parkinson’s disease, completed the dosing of healthy Japanese adults in the Phase I trial in August 2024 for the improved TRN501 product. It is working on analyzing study data and preparing the study report, the results of which are scheduled to be announced at a conference going forward. We will conduct detailed research on pharmaceutical regulatory systems and markets in various countries and carefully determine future development policies while planning the next clinical trial. As for the development of nasal vaccines, based on the judgment that nonclinical PoC has been achieved, the decision has been made to extend support for research and development to March 31, 2029, which includes additional contracted R&D expenses from AMED. We aim to complete Phase I clinical trials within the period of the clinical development study.

For Medipolis business (Social Benefit Generation Business), we have operated a binary geothermal power plant as a fully private-sector company for the first time in Japan since 2015, and sell approximately 10 million kWh of electricity each year. On top of this, a hot spring power generation plant that utilizes residual steam from the existing hot spring sources for a hotel started operations on April 10, 2025. The Company will continue to work on the promotion of renewable energy toward resolving climate change issues. The hospitality business supports the operation of the Medipolis Proton Therapy and Research Center while contributing to people's well-being by strengthening the hospitality mindset of SNBL through hotel operation. In addition, as part of our initiatives for SDGs/ESG, we are conducting research into the production of Japanese eels in their juvenile stage (glass eels) in artificial habitats on Okinoerabu Island. We have started joint research with Nissui Corporation on development of mass production techniques for artificial seedlings of Japanese eels since October 2024.

With a view toward the Company's next stage of growth, and in order to further strengthen its management structure and drive sustainable growth in corporate value over the medium to long term, the Company has decided to appoint a new Representative Director and President at the 53rd Annual General Meeting of Shareholders scheduled for June 26, 2026. For details, please refer to the Company's press release entitled "Notice Concerning Change of Representatives and Assignments of Executive Members" dated April 30, 2026.

### **Consolidated earnings forecasts**

We believe 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.

With respect to the impact of the situation in the Middle East, the Company has not, at this time, experienced any difficulties in procuring medical products or other supplies necessary for its operations. The Company will continue to closely monitor developments, and should there be any material changes to the assumed business environment, it will appropriately review and revise its earnings forecasts in a timely manner.

Regarding the intranasal migraine treatment Atzumi™, the Company disclosed an update on May 11 in conjunction with its financial results announcement under the title, "Update on Business Development of Atzumi™ (dihydroergotamine) Nasal Powder at Satsuma Pharmaceuticals, Inc.". In addition to negotiations premised on a full licensing-out of manufacturing and commercialization rights, Satsuma has decided to enhance in-house manufacturing and commercialization capabilities and to accelerate the early market entry of Atzumi™. Thereafter, the Company will advance commercial partnership discussions while concurrently pursuing region-specific licensing negotiations in Europe, the Middle East, and Asia, thereby promoting flexible and diversified business development opportunities.

Consolidated earnings forecasts for the fiscal year ending March 31, 2027 (April 1, 2026 to March 31, 2027) project revenue of ¥38,000 million, operating profit of ¥3,000 million, ordinary profit of ¥6,000 million, and profit attributable to owners of parent of ¥3,500 million. The assumed exchange rate is US\$1 = ¥150.00.

Revenue is expected to increase by ¥5,475 million (16.8%) year on year to ¥38,000 million, compared with the fiscal year ended March 2026. This increase is primarily attributable to the recognition of revenues in the CRO business during the fiscal year ending March 2027 for several large-scale projects whose completion, originally expected in the fiscal year ended March 2026, was delayed and carried over to the subsequent fiscal year.

Operating profit is forecast to increase by ¥346 million (13.0%) year on year to ¥3,000 million. While the TR business is expected to record an expanded operating loss of ¥1,615 million compared with the fiscal year ended March 2026, this is more than offset by an anticipated increase of ¥2,018 million in operating profit from the CRO business. Satsuma is projected to incur an operating loss of ¥3,528 million (fiscal year ended March 2026: ¥2,545 million), reflecting increased business activity expenses in preparation for the market launch of Atzumi™.

Ordinary profit is expected to increase by ¥167 million (2.9%) year on year to ¥6,000 million, mainly due to an expected increase of ¥23 million in equity-method income from PPD-SNBL, to ¥2,792 million.

Profit attributable to owners of parent is forecast to decrease by ¥1,066 million (23.4%) year on year to ¥3,500 million. This decrease is primarily due to the recognition of ¥800 million in subsidy income related to the construction of the new research building at the Kagoshima headquarters in the fiscal year ended March 2026, while no extraordinary gains are expected to be recorded in the fiscal year ending March 2027.

One of our key management priorities is to pay stable dividends to our shareholders. The Company forecasts an annual dividend of ¥50 per share for fiscal year ended March 31, 2026, based on the belief that its mainstay CRO business performed solidly, even though its business development plan for licensing-out of Atzumi™ has progressed slower than initially anticipated. The Company expects to keep an annual dividend of ¥50 per share for the fiscal year ending March 31, 2027, as it foresees that its mainstay CRO business continue to perform solidly and to renew its record-highs for revenue and operating profit.

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

[Orders received in the nonclinical business]

(Millions of yen)

	Full-year results for the fiscal year ended March 31, 2022	Full-year results for the fiscal year ended March 31, 2023	Full-year results for the fiscal year ended March 31, 2024	Full-year results for the fiscal year ended March 31, 2025	Full-year performance for the fiscal year ended March 31, 2026	Full-year plan for the fiscal year ending March 31, 2027
Orders received	22,839	24,920	27,411	32,109	35,728	37,800
Of which, Japan	16,318	16,339	20,359	19,769	20,223	19,200
Of which, overseas	6,521	8,581	7,052	12,340	15,505	18,600
Order backlog	20,966	29,248	33,212	34,394	40,920	—

- (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 exchange rate for each fiscal year is applied.  
3. For calculation of order backlog (overseas), a year-end exchange rate for each fiscal year is applied.

[Trends in principal management benchmarks]

(Millions of yen, unless otherwise noted)

	Full-year results for the fiscal year ended March 31, 2022	Full-year results for the fiscal year ended March 31, 2023	Full-year results for the fiscal year ended March 31, 2024	Full-year results for the fiscal year ended March 31, 2025	Full-year performance for the fiscal year ended March 31, 2026	Full-year plan for the fiscal year ending March 31, 2027
	From April 2021 to March 2022	From April 2022 to March 2023	From April 2023 to March 2024	From April 2024 to March 2025	From April 2025 to March 2026	From April 2026 to March 2027
Capital expenditures	1,703	5,614	8,525	11,390	5,304	11,086
Depreciation	1,177	1,544	1,774	2,496	3,318	3,948
R&D expenses	425	683	1,741	2,217	2,400	2,323
Number of employees at period-end (people)	994	1,208	1,341	1,436	1,522	1,676

(Note) Ina Research (currently SNBL INA Ltd.) and Satsuma Pharmaceuticals are included from July 1, 2022, and October 1, 2023, respectively.

## 2. Basic Policy on Selection of Accounting Standards

For the time being, the SNBL Group has decided to adopt Japanese GAAP in consideration of periodic comparability of consolidated financial statements. We intend to address adopting IFRS (International Financial Reporting Standards) as appropriate, taking into consideration various circumstances in Japan and overseas.

### 3. Consolidated Financial Statements and Significant Notes Thereto

#### (1) Consolidated balance sheet

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
<b>Assets</b>		
Current assets		
Cash and deposits	12,032,136	18,536,325
Notes and accounts receivable - trade, and contract assets	6,643,088	7,304,856
Inventories	12,618,001	15,114,090
Other	1,777,229	2,205,775
Allowance for doubtful accounts	(130,608)	(172,270)
Total current assets	32,939,848	42,988,777
Non-current assets		
Property, plant and equipment		
Buildings and structures	38,910,224	41,988,185
Accumulated depreciation	(16,814,034)	(18,189,079)
Buildings and structures, net	22,096,190	23,799,105
Machinery, equipment and vehicles	1,608,130	1,648,981
Accumulated depreciation	(894,145)	(969,572)
Machinery, equipment and vehicles, net	713,984	679,409
Tools, furniture and fixtures	10,332,750	10,502,829
Accumulated depreciation	(6,127,460)	(6,879,463)
Tools, furniture and fixtures, net	4,205,289	3,623,366
Land	4,546,836	5,033,176
Leased assets	2,456,953	2,608,408
Accumulated depreciation	(1,130,307)	(1,357,696)
Leased assets, net	1,326,645	1,250,711
Construction in progress	1,943,570	1,815,923
Total property, plant and equipment	34,832,518	36,201,692
Intangible assets		
Goodwill	1,884,230	1,762,784
Other	219,125	359,685
Total intangible assets	2,103,356	2,122,470
Investments and other assets		
Investment securities	19,762,231	21,373,107
Long-term loans receivable	35,046	32,708
Deferred tax assets	2,036,947	1,551,941
Other	883,095	982,037
Allowance for doubtful accounts	(176,535)	(197,220)
Total investments and other assets	22,540,785	23,742,575
Total non-current assets	59,476,659	62,066,737
Total assets	92,416,508	105,055,514

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	460,937	406,866
Short-term borrowings	11,777,811	19,669,996
Income taxes payable	2,217,925	966,195
Advances received	10,941,641	14,705,860
Other	3,857,829	3,576,392
Total current liabilities	29,256,146	39,325,311
Non-current liabilities		
Long-term borrowings	22,271,126	21,121,025
Lease liabilities	425,099	468,120
Deferred tax liabilities	235,533	481,442
Other	143,011	170,363
Total non-current liabilities	23,074,771	22,240,951
Total liabilities	52,330,917	61,566,263
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	22,572,741
Treasury shares	(745)	(780)
Total shareholders' equity	32,124,455	34,649,589
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,031,759	7,911,222
Foreign currency translation adjustment	1,866,521	559,946
Total accumulated other comprehensive income	7,898,281	8,471,168
Non-controlling interests	62,854	368,492
Total net assets	40,085,590	43,489,251
Total liabilities and net assets	92,416,508	105,055,514

**(2) Consolidated statement of income and consolidated statement of comprehensive income**

## Consolidated statement of income

(Thousands of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Revenue	32,413,807	32,524,960
Cost of revenue	15,452,859	16,286,212
Gross profit	16,960,947	16,238,747
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	369,581	474,043
Salaries and allowances	3,291,823	3,408,615
Retirement benefit expenses	27,874	58,137
Welfare expenses	591,442	676,225
Insurance expenses	40,745	64,859
Supplies expenses	140,843	142,485
Rent expenses	208,597	233,859
Depreciation	389,973	411,942
Travel, transportation and vehicle expenses	368,124	344,408
Commission expenses	1,698,779	1,523,387
Breeding animal maintenance expenses	2,359,891	2,000,753
Research and development expenses	2,217,685	2,400,392
Provision of allowance for doubtful accounts	307,916	42,755
Other	1,962,451	1,802,974
Total selling, general and administrative expenses	13,975,732	13,584,841
Operating profit	2,985,215	2,653,906
Non-operating income		
Interest income	97,229	237,825
Dividend income	1,630	2,070
Foreign exchange gains	–	152,555
Share of profit of entities accounted for using equity method	3,513,182	2,780,199
Other	233,891	311,571
Total non-operating income	3,845,933	3,484,222
Non-operating expenses		
Interest expenses	202,745	293,216
Foreign exchange losses	162,696	–
Commission expenses	2,357	1,597
Other	12,430	10,271
Total non-operating expenses	380,229	305,086
Ordinary profit	6,450,918	5,833,042

(Thousands of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Extraordinary income		
Gain on sale of non-current assets	4,126	9,757
Gain on sale of investment securities	21,919	–
Gain on change in equity	17,075	–
Subsidy income	–	800,000
Other		65,926
Total extraordinary income	43,122	875,684
Extraordinary losses		
Loss on sale and retirement of non-current assets	232,928	446,608
Impairment losses	78,132	11,598
Loss on valuation of investment securities	169,880	3,000
Total extraordinary losses	480,941	461,206
Profit before income taxes	6,013,099	6,247,520
Income taxes - current	2,274,424	1,003,497
Income taxes - deferred	(1,125,915)	709,827
Total income taxes	1,148,509	1,713,324
Profit	4,864,589	4,534,196
Loss attributable to non-controlling interests	(60,258)	(32,500)
Profit attributable to owners of parent	4,924,848	4,566,696

Consolidated statement of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	4,864,589	4,534,196
Other comprehensive income		
Valuation difference on available-for-sale securities	2,387,325	1,879,462
Foreign currency translation adjustment	548,430	(1,330,862)
Share of other comprehensive income of entities accounted for using equity method	98,922	43,618
Total other comprehensive income	3,034,678	592,218
Comprehensive income	7,899,268	5,126,414
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,961,704	5,139,584
Comprehensive income attributable to non-controlling interests	(62,435)	(13,169)

**(3) Consolidated statement of changes in equity**

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,679,070	2,358,493	17,215,849	(420)	29,252,993
Changes during period					
Profit attributable to owners of parent			4,924,848		4,924,848
Dividends of surplus			(2,081,596)		(2,081,596)
Purchase of treasury shares				(325)	(325)
Change in ownership interest of parent due to transactions with non-controlling interests					
Change in scope of consolidation			28,534		28,534
Net changes in items other than shareholders' equity					
Total changes during period	–	–	2,871,786	(325)	2,871,461
Balance at end of period	9,679,070	2,358,493	20,087,636	(745)	32,124,455

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	3,644,434	1,216,991	4,861,426	46,215	34,160,635
Changes during period					
Profit attributable to owners of parent					4,924,848
Dividends of surplus					(2,081,596)
Purchase of treasury shares					(325)
Change in ownership interest of parent due to transactions with non-controlling interests					–
Change in scope of consolidation					28,534
Net changes in items other than shareholders' equity	2,387,325	649,529	3,036,855	16,639	3,053,494
Total changes during period	2,387,325	649,529	3,036,855	16,639	5,924,955
Balance at end of period	6,031,759	1,866,521	7,898,281	62,854	40,085,590

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,679,070	2,358,493	20,087,636	(745)	32,124,455
Changes during period					
Profit attributable to owners of parent			4,566,696		4,566,696
Dividends of surplus			(2,081,591)		(2,081,591)
Purchase of treasury shares				(34)	(34)
Change in ownership interest of parent due to transactions with non-controlling interests		40,064			40,064
Change in scope of consolidation					
Net changes in items other than shareholders' equity					
Total changes during period	-	40,064	2,485,105	(34)	2,525,134
Balance at end of period	9,679,070	2,398,557	22,572,741	(780)	34,649,589

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	6,031,759	1,866,521	7,898,281	62,854	40,085,590
Changes during period					
Profit attributable to owners of parent					4,566,696
Dividends of surplus					(2,081,591)
Purchase of treasury shares					(34)
Change in ownership interest of parent due to transactions with non-controlling interests					40,064
Change in scope of consolidation					-
Net changes in items other than shareholders' equity	1,879,462	(1,306,575)	572,887	305,638	878,525
Total changes during period	1,879,462	(1,306,575)	572,887	305,638	3,403,660
Balance at end of period	7,911,222	559,946	8,471,168	368,492	43,489,251

**(4) Consolidated statement of cash flows**

(Thousands of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
<b>Cash flows from operating activities</b>		
Profit before income taxes	6,013,099	6,247,520
Depreciation	2,496,854	3,318,360
Impairment losses	78,132	11,598
Amortization of goodwill	114,238	113,592
Increase (decrease) in allowance for doubtful accounts	237,134	62,347
Interest and dividend income	(98,860)	(237,825)
Interest expenses	202,745	293,216
Foreign exchange losses (gains)	58,898	(245,407)
Loss (gain) on sale of non-current assets	(4,126)	(9,757)
Loss on retirement of non-current assets	232,928	446,608
Loss (gain) on valuation of investment securities	169,880	3,000
Loss (gain) on sale of investment securities	(21,919)	–
Share of loss (profit) of entities accounted for using equity method	(3,513,182)	(2,780,199)
Loss (gain) on change in equity	(17,075)	–
Decrease (increase) in trade receivables	(870,526)	(596,727)
Decrease (increase) in inventories	(149,009)	(2,408,127)
Increase (decrease) in advances received	1,399,280	3,764,219
Increase (decrease) in trade payables	(9,820)	(58,997)
Other, net	472,692	339,164
Subtotal	6,791,364	8,262,584
Interest and dividends received	2,474,071	2,447,181
Interest paid	(216,898)	(207,283)
Income taxes paid	(2,013,292)	(2,175,460)
Net cash provided by (used in) operating activities	7,035,243	8,327,022
<b>Cash flows from investing activities</b>		
Payments into time deposits	(188,150)	(10,000)
Proceeds from withdrawal of time deposits	–	29,950
Proceeds from redemption of securities	318,477	–
Purchase of property, plant and equipment	(10,853,565)	(5,173,955)
Proceeds from sale of property, plant and equipment	4,205	40,619
Purchase of intangible assets	(79,170)	(162,159)
Purchase of investment securities	(925,974)	(1,521,176)
Proceeds from sale of investment securities	24,000	–
Other, net	8,954	5,946
Net cash provided by (used in) investing activities	(11,691,221)	(6,790,775)

(Thousands of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,916,200	6,200,000
Proceeds from long-term borrowings	14,000,000	10,000,000
Repayments of long-term borrowings	(8,826,167)	(9,457,811)
Purchase of treasury shares	(325)	(34)
Proceeds from share issuance to non-controlling shareholders	79,075	–
Repayments of finance lease liabilities	(154,562)	(144,330)
Dividends paid	(2,100,072)	(2,083,667)
Net cash provided by (used in) financing activities	5,914,147	4,514,155
Effect of exchange rate change on cash and cash equivalents	369,805	(476,710)
Net increase (decrease) in cash and cash equivalents	1,627,974	6,527,114
Cash and cash equivalents at beginning of period	10,274,773	11,843,986
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(58,761)	–
Cash and cash equivalents at end of period	11,843,986	18,371,101

## **(5) Notes to consolidated financial statements**

### **(Notes on going concern assumption)**

Not applicable.

### **(Changes in the scope of consolidation)**

In the fiscal year ended March 31, 2026, one subsidiary was excluded from the scope of consolidation as they were liquidated while one equity-method affiliate was newly included.

### **(Changes in accounting policies)**

Not applicable.

### **(Notes to segment information)**

#### **(Segment information)**

#### **1. Overview of reportable segments**

The reportable segments of the Company are components of the Company for which discrete financial information is available and regularly reviewed by the CEO to make decisions about allocation of managerial resources and to assess their performance.

We organize our business units based on the drug development process and have four reportable segments: CRO business, TR business, Medipolis business (Social Benefits Generation Business), and US Property Management business.

In CRO business, we use laboratory animals, cells and bacteria to confirm the efficacy and safety of study substances created mainly by pharmaceutical companies and other consignors. TR business is a business to increase added value and to commercialize by development of nasal delivery formulations and discovery of promising seed technologies and new substances derived from basic research of universities, bio-ventures and research institutes, etc., through demonstrating the basic theory in a clinical setting while conducting nonclinical and clinical studies necessary for evaluation and approval of drugs, etc. Medipolis business consists of the operation of accommodation facilities and geothermal power generation business. US Property Management business involves the leasing of a multi-purpose industrial building constructed on a site owned by our U.S. subsidiary SNBL USA, Ltd.

#### **2. Method of calculating revenue, profit (loss), assets, liabilities, and other items by reportable segment**

The accounting method for reported business segments is generally the same as that described in basis of presenting consolidated financial statements.

Profits of reportable segments are based on operating profit.

Transactions with other segments are based on prevailing market prices.

3. Information on the amounts of revenue, profit (loss), assets, liabilities, and other items by reportable segment

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Thousands of yen)

	Reportable segments				
	CRO business	TR business	Medipolis business	US Property Management business	Subtotal
Revenue					
Revenue from external customers	31,514,523	54,161	470,398	45,980	32,085,063
Transactions with other segments	80,587	-	94,536	-	175,124
Total	31,595,111	54,161	564,934	45,980	32,260,188
Segment profit (loss)	7,257,733	(3,680,520)	(422,318)	(60,500)	3,094,393
Segment assets	43,916,452	3,114,273	2,087,360	6,223,891	55,341,979
Other items					
Depreciation	1,956,418	51,592	182,550	43,294	2,233,856
Share of profit of entities accounted for using equity method	3,512,519	-	-	-	3,512,519
Increase in property, plant and equipment and intangible assets	7,731,073	216,781	68,983	2,973,302	10,990,140

(Thousands of yen)

	Other (Note 1)	Total	Adjustments (Note 2)	Amount recorded on the consolidated statement of income (Note 3)
Revenue				
Revenue from external customers	328,743	32,413,807	-	32,413,807
Transactions with other segments	1,461,538	1,636,662	(1,636,662)	-
Total	1,790,281	34,050,470	(1,636,662)	32,413,807
Segment profit (loss)	(26,611)	3,067,781	(82,566)	2,985,215
Segment assets	3,046,649	58,388,629	34,027,878	92,416,508
Other items				
Depreciation	262,998	2,496,854	-	2,496,854
Share of profit of entities accounted for using equity method	663	3,513,182	-	3,513,182
Increase in property, plant and equipment and intangible assets	400,443	11,390,584	-	11,390,584

- (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 ¥82,566 thousand consist of ¥31,538 thousand in elimination of intersegment transactions and negative ¥114,105 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. The adjustment amount of ¥34,027,878 thousand for segment assets is corporate assets that are not allocated to each reportable segment. Corporate assets consist mainly of surplus operating funds (cash and deposits, etc.) and long-term investment funds (investment securities, etc.).
3. Segment profit (loss) has been calculated upon adjusting operating profit in the consolidated statement of income.

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Thousands of yen)

	Reportable segments				
	CRO business	TR business	Medipolis business	US Property Management business	Subtotal
Revenue					
Revenue from external customers	31,204,872	105,514	717,061	184,402	32,211,850
Transactions with other segments	72,558	2,685	87,246	-	162,489
Total	31,277,430	108,199	804,307	184,402	32,374,339
Segment profit (loss)	6,909,191	(4,028,787)	(65,892)	(1,490)	2,813,020
Segment assets	47,329,442	5,488,703	2,075,281	6,120,941	61,014,369
Other items					
Depreciation	2,608,657	55,224	200,624	175,647	3,040,153
Share of profit of entities accounted for using equity method	2,889,273	(83,213)	-	-	2,806,059
Increase in property, plant and equipment and intangible assets	4,750,399	14,318	55,630	-	4,820,194

(Thousands of yen)

	Other (Note 1)	Total	Adjustments (Note 2)	Amount recorded on the consolidated statement of income (Note 3)
Revenue				
Revenue from external customers	313,109	32,524,960	-	32,524,960
Transactions with other segments	1,652,150	1,814,639	(1,814,639)	-
Total	1,965,260	34,339,600	(1,814,639)	32,524,960
Segment profit (loss)	13,199	2,826,220	(172,314)	2,653,906
Segment assets	3,122,054	64,136,423	40,919,090	105,055,514
Other items				
Depreciation	269,917	3,310,070	8,289	3,318,360
Share of profit of entities accounted for using equity method	(25,860)	2,780,199	-	2,780,199
Increase in property, plant and equipment and intangible assets	403,309	5,223,658	80,361	5,304,020

- (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 ¥172,314 thousand consist of ¥12,011 thousand in elimination of intersegment transactions and negative ¥184,325 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. The adjustment amount of ¥40,919,090 thousand for segment assets is corporate assets that are not allocated to each reportable segment. Corporate assets consist mainly of surplus operating funds (cash and deposits, etc.) and long-term investment funds (investment securities, etc.).
3. Segment profit (loss) has been calculated upon adjusting operating profit in the consolidated statement of income.

(Related information)

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

1. Information about products and services

This information has been omitted, as identical information is disclosed in segment information.

2. Information about geographical areas

(1) Revenue

(Thousands of yen)

Japan	U.S.A.	Korea	Other	Total
21,524,370	6,372,363	4,018,865	498,206	32,413,807

(Note) Revenue is classified by country or region based on customers' location.

(2) Property, plant and equipment

(Thousands of yen)

Japan	U.S.A.	Other	Total
22,276,466	11,392,982	1,163,069	34,832,518

3. Information for each of main customers

This information is omitted as there are no customers that account for 10% or more of revenue on the consolidated statement of income among revenue from external customers.

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

1. Information about products and services

This information has been omitted, as identical information is disclosed in segment information.

2. Information about geographical areas

(1) Revenue

(Thousands of yen)

Japan	U.S.A.	Korea	Other	Total
21,076,813	8,515,359	1,589,477	1,343,309	32,524,960

(Note) Revenue is classified by country or region based on customers' location.

(2) Property, plant and equipment

(Thousands of yen)

Japan	U.S.A.	Other	Total
23,148,019	11,726,332	1,327,339	36,201,692

3. Information for each of main customers

This information is omitted as there are no customers that account for 10% or more of revenue on the consolidated statement of income among revenue from external customers.

(Disclosure of impairment losses on non-current assets for each reportable segment)

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Thousands of yen)

	Group total or entity total							
	Reportable segments					Other	Unallocated amounts and elimination	Total
CRO business	TR business	Medipolis business	US Property Management business	Subtotal				
Impairment losses	–	25,982	–	–	25,982	52,150	–	78,132

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Thousands of yen)

	Group total or entity total							
	Reportable segments					Other	Unallocated amounts and elimination	Total
	CRO business	TR business	Medipolis business	US Property Management business	Subtotal			
Impairment losses	–	3,205	–	–	3,205	8,393	–	11,598

(Amortization and unamortized balance of goodwill for each reportable segment)

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Thousands of yen)

	Group total or entity total							
	Reportable segments					Other	Unallocated amounts and elimination	Total
	CRO business	TR business	Medipolis business	US Property Management business	Subtotal			
Amortization during the period	74,741	39,497	–	–	114,238	–	–	114,238
Unamortized balance at end of the period	1,289,286	594,943	–	–	1,884,230	–	–	1,884,230

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Thousands of yen)

	Group total or entity total							
	Reportable segments					Other	Unallocated amounts and elimination	Total
	CRO business	TR business	Medipolis business	US Property Management business	Subtotal			
Amortization during the period	74,741	38,851	–	–	113,592	–	–	113,592
Unamortized balance at end of the period	1,214,545	548,239	–	–	1,762,784	–	–	1,762,784

(Information about gain on bargain purchase for each reportable segment)

Not applicable.

**(Business combinations)**

Not applicable.

**(Per share information)**

(Yen)

	Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)
Net assets per share	961.34	1,035.76
Basic earnings per share	118.29	109.69

(Notes) 1. Diluted earnings per share for the previous fiscal year and the fiscal year under review are not shown in the above table, as there are no dilutive shares.

2. The basis for calculation of net assets per share is as follows.

(Thousands of yen, unless otherwise noted)

	As of March 31, 2025	As of March 31, 2026
Total net assets	40,085,590	43,489,251
Net assets related to common shares at the end of the period	40,022,736	43,120,758
Breakdown of the difference		
Non-controlling interests	62,854	368,492
Number of shares of common shares used for calculation of net assets per share at the end of the period (thousand shares)	41,631	41,631

3. The basis for calculation of basic earnings per share is as follows.

(Thousands of yen, unless otherwise noted)

	Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)
Profit attributable to owners of parent	4,924,848	4,566,696
Amount not attributable to common shareholders	—	—
Profit attributable to owners of parent pertaining to common shares	4,924,848	4,566,696
Average number of shares of common shares during the period (thousand shares)	41,631	41,631

**(Subsequent events)**

Not applicable.