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Updated: June 26, 2026

Shin Nippon Biomedical Laboratories, Ltd.
Ryoichi Nagata, Representative Chairman & CEO
Contact for inquiries: Corporate Communications Department, Tel: 03-5565-6216
Securities code: 2395
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The state of corporate governance of Shin Nippon Biomedical Laboratories, Ltd. ("the Company") is described below.

I Fundamental Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Key Information

1. Fundamental Views Update

The SNBL Group ("the Group") comprises the Company, its 26 consolidated subsidiaries and 7 equity method affiliates as of June 26th, 2026. The Group is engaged in a variety of businesses, including nonclinical trials commissioned by pharmaceutical companies and other entities, development support for pharmaceuticals through clinical trials and new drug approval applications, the development of proprietary drugs delivered transnasally, translational research projects that develop the fundamental knowledge and technologies of universities and bio-venture firms into businesses, the operation of accommodation facilities, and Medipolis projects that are aimed at contributing to the generation of social benefits involving power generation and fisheries.
The Company has adopted the fundamental policy of developing sound management practices, improving efficiency, enhancing transparency, strengthening its compliance framework and achieving effective corporate governance, in order to further enhance its corporate value.
Based on this fundamental policy, we have made our corporate mission "supporting drug discovery and improvements to medical technology to ease human suffering," and have sought to strengthen our corporate governance to become a "needed company" that earns a high level of trust from all stakeholders, including shareholders, investors, customers, employees and society as a whole.
The Board of Directors, which is the body responsible for making management decisions, comprises 14 directors (six of whom are external directors). The Board convenes once a month in principle and on an as-needed basis, during which all important matters concerning management are deliberated over and decided. Also note that directors serve for a term of one year, in order to improve agility in response to changes to the management environment.
In terms of management monitoring functions, corporate auditors conduct audits to monitor for legal compliance. There are three corporate auditors, two of whom are external corporate auditors. The corporate auditors attend Board of Auditors meetings and other important meetings, and audit directors in the execution of their duties by examining the state of business operations and finances. The company also commissions KPMG AZSA LLC to conduct accounting audits and receives full explanations of reports describing the audit results and findings. The corporate auditors and accounting auditors exchange information as needed and enhance mutual coordination, including holding regular meetings on annual audit schedules and other matters.

[Reasons for Non-compliance with Principles of Japan's Corporate Governance Code]

The Company implements each principle of the revised Japan's Corporate Governance Code effective from June 2021, including those for TSE Prime market listed companies.

[Disclosure Based on Principles of Japan's Corporate Governance Code] Update

Disclosure hereinafter is based on the revised Japan's Corporate Governance Code effective from June 2021.

[Principle 1-4]
Cross-Shareholdings
The Company currently holds no listed shares for the purpose of cross-shareholding.

Policy on Cross-Shareholding
The Company believes that cooperative ties with a variety of companies is essential for business expansion and sustainable development, and from that perspective, we take a medium-to-long-term view to enhancing corporate value. Accordingly, if we do make a determination that strategic holdings are necessary after comprehensively taking into account their importance to business strategy and business ties with partners, we may hold listed shares.
As for whether we continue to hold shares of individual stocks, we undertake meticulous and detailed examinations of the core business activities and management status of the companies predicated on the expectation of business tie-ups or improved business relations as the purpose for the holdings, and make determinations as to whether holdings need to be reduced from the perspective of whether the benefits of owning the shares are commensurate with the burden of doing so. Moreover, with regard to highly specialized areas, we consult with outside experts including attorneys, patent attorneys and other consultants and conduct objective assessments.
In the future, we plan to conduct even more meticulous and detailed examinations regarding the significance of acquiring and holding shares in light of the recent harsh economic conditions.

Standards for Exercising Voting Rights
Regarding the exercising of voting rights in relation to cross-shareholdings, the Company has established standards for comprehensively considering our shareholding policy, the soundness of management at the companies whose shares we hold, and the perspectives of sustainable growth and enhancement of corporate value. We exercise voting rights in accordance with these standards.

[Principle 1-7]
Procedures and Framework for Transactions between Related Parties

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The Company has established the following system to ensure that the common interests of the Company and its shareholders are not harmed when the Company conducts transactions with parties such as officers or major shareholders (transactions between related parties).
(1) We have established the Compliance Conduct Guideline of Shin Nippon Biomedical Laboratories, Ltd. and thoroughly disseminate information on the guidelines including the prohibition of conflicts of interest. The department responsible for compliance checks the status of compliance periodically and on an as-needed basis. The representative director receives reports on a case-by-case basis and engages in monitoring. In accordance with the Board of Directors Regulations, competitive transactions and transactions with a conflict of interest involving directors are specified as matters requiring Board of Directors resolutions. It is explicitly stated that a director with a conflict of interest is not allowed to participate in resolving a matter he or she is concerned, and that the Board of Directors exercises supervision on such transactions through a receipt of reports submitted without delay on the related important matters, from the director concerned, after the Board of Directors' approval.
(2) When there are Board of Directors resolutions regarding transactions between directors and other related parties, they are deliberated and resolved based on views such as whether the terms and conditions of the transactions are appropriate and whether the transactions bear any risk of causing damages to the Company, and where necessary, the information related to such transactions will be disclosed.

[Principle 2-3]
Initiatives Aimed at the Enhancement of Health and Productivity Management
As one of the strategic measures to materialize the corporate philosophy of "valuing the people", the Company has been proactively engaged in the enhancement of health and productivity management. Along with the Company's slogan "I'm happy, you are happy, and everyone is happy", the Representative Chairman who is a qualified medical doctor, took up a role as Chief Health Officer in August, 2020, in order to promote various initiatives related to the health and productivity management. The Company discloses the historical data and KPIs set for the fiscal year ending March 2026 on a dedicated page of the Company's website and its ESG Databook. Accordingly, the Company was selected as a Health & Productivity Management Outstanding Organization (large enterprise category (White 500)) jointly certified by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi for the tenth consecutive year.

[Principle 2-4]
Initiatives Aimed at the Advancement of Women
The Company has set a corporate philosophy stating that "we are a company that values the environment, life and people," and has established the Compliance Conduct Guideline of Shin Nippon Biomedical Laboratories, Ltd. (which went into effect in June 2004) to serve as the code of conduct expected of members of the Company. The guideline states that "we will not discriminate against people on the basis of gender, age, educational background, wealth, race, ethnicity, language, nationality, birthplace, physical appearance, physical or mental handicaps, religious or political beliefs, other thoughts or beliefs or otherwise, will respect the dignity of others, and work together in the interests of mutual understanding." Diversity at the Company is not limited to diversity of attributes such as race, religion, disability, gender or age; it also refers to respecting one another by adopting viewpoints in the second and third person, and striving toward mutual understanding. We have built an organization of mutual gratitude in which we can utilize each person's strengths and make up for their weaknesses. This has resulted in the ongoing creation of innovations and promoted sustainable management, which we believe in turn contributes to society.
Based on these ideas, we advance the development and promotion of employees based on their motivation and abilities. On a non-consolidated basis, the percentage of female employees is 55.0%, the female employee hiring rate is 63.5%, and the percentage of female managers is 23.7%.
The percentage of female employees in the assistant manager class, which is one step below the managerial level, has increased by more than 10 percentage points over the past few years to 49.2%, nearly reaching the 50% mark. This suggests a definite rise in the number of motivated female employees, and moving forward we will continue to develop and promote female employees while also increasing the number of female employees who are candidates for officer positions by encouraging female participation in tiered management training and through other measures.
In recognition of the Company's philosophy on respect for diversity and inclusion, its efforts to promote that philosophy and its organizational culture enabling employees to find success irrespective of attributes such as gender, the Company has received various awards. In 2018, as part of the 2018 Award for Leading Companies Where Women Shine organized by the Cabinet Office Gender Equality Bureau, the Company won the Prime Minister's Award. In March 2022 and March 2026, the Company was selected as a "Nadeshiko Brand 2022" and a "Nadeshiko Brand 2026," respectively, as a company that excels in promoting the advancement of women in the workplace. In 2023 the Company received the Platinum Eruboshi certification from the Ministry of Health, Labour and Welfare. In September 2024, the Company was awarded "Platinum Kurumin Plus" certification by the same ministry, recognizing its support for balancing work with both childcare and infertility

Eruboshi:
Eruboshi certification is a system based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace and is given to companies with excellent situations related to the promotion of women's participation that meet a certain standard.

Award for Leading Companies Where Women Shine:
The award was established for promoting a working environment where women can actively participate and is given to companies that have made distinguished achievements in terms of policy, initiatives and performance related to the promotion of women to officers and mangers, and the disclosure of information about them. The Prime Minister's Award is given to companies recognized as having made extremely distinguished achievements.

Equal Employment / Work-Life Balance Awards:
The award is given to companies that promote exemplary efforts regarding proactive initiatives to promote the full utilization of female workers' abilities and initiatives to help workers strike a balance between work, childcare and nursing care.

Nadeshiko Brand:
The Nadeshiko Brand initiative, jointly sponsored by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange, aims to introduce TSE-listed enterprises that are outstanding in terms of encouraging women's success in the workplace as attractive stocks to investors. An emphasis is put on improving corporate value in the mid- and long-term, thereby further raising investors' interest in such enterprises, and accelerating further the efforts for encouraging women's success in the workplace.

[Supplementary Principle 2-4(1)]
The Company has established "SNBL Academy", an independent educational body of in-house university-type programs where the Representative Chairman personally teaches and lectures on management principles and the mindset of managers with the aim of developing future management

personnel. The program consists of Nagata University, Nagata School (Nagata-juku) and Nagata Prep School (Nagata-juku Yoka). The Prep School is for candidate leaders around 30 years of age, while the Nagata School is for those around 40. For the Nagata University, candidate future managers are selected from among Director and Deputy Director level employees and above, with the aim of developing personnel who can lead the Group in the future. The program is not based on gender, nationality or employment timing such as mid-career hires, and equal opportunities for participation are provided.

[Principle 2-6]
The Company does not have a corporate pension fund plan.

[Principle 3-1]
(i) Company objectives, business strategies and business plans
Each and every employee of the Company takes pride in its mission, to "free patients from suffering by supporting drug development and improving medical technology." That corporate mission is the basis for all business activities across the SNBL Group and serves as the driving force behind continued rapid progress. Check the Company website to learn more about our corporate and management philosophy (https://en.snbl.com/about/management-philosophy).

(ii) Basic corporate governance policy
The Company has adopted the fundamental policy of developing sound management practices, improving efficiency, enhancing transparency, establishing a compliance framework and achieving effective corporate governance, in order to further enhance its corporate value. Based on this fundamental policy, we have set the corporate mission of "supporting drug discovery and improvements to medical technology to ease human suffering," and have strived to strengthen our corporate governance to become a "needed company" that earns a high level of trust from all stakeholders, including shareholders, investors, customers, employees and society as a whole. Please refer to I.1. Fundamental Views in this report for details.

(iii) Policies and procedures for determining remuneration for directors
Remuneration amounts for each director are determined in accordance with Company-designated procedures within the range of the total amount of remuneration for all directors set forth by resolution of the General Meeting of Shareholders. Specifically, the non-statutory Remuneration Committee prepares a draft which it submits to the Board of Directors. The President & CEO is delegated by the Board of Directors to determine the amount of remuneration for directors within the scope of the amount submitted by the Remuneration Committee. The remuneration of directors is determined after comprehensively taking various factors into account, including company business performance, economic conditions, and the responsibilities and achievements of each individual. Details are as listed in II.1. "Disclosure of policies for determining the amount of remuneration and methods for its calculation."

(iv) Policy on appointment of executive management and nomination of candidates for directors and auditors
For its executive management, the Company seeks persons of excellent character and insight from inside and outside the Company, regardless of nationality, personal history or gender. In addition, regarding directors responsible for the execution of business, we regard persons with a wealth of expert business knowledge and experience as candidates, and consider those with extensive knowledge and experience in their chosen field as candidate external directors. The Company deliberates the nomination for candidate directors deemed to possess these qualities during Board of Directors meetings, which are also attended by external auditors, and candidates for directors are ultimately determined by resolution of the Board of Directors. In terms of procedures, the non-statutory Corporate Governance and Nomination Committee prepares a draft of candidates list and the candidates are decided on by the Board of Directors and appointed at the General Meeting of Shareholders.
Also note that when it appears that a member of executive management is not fully performing their functions in light of the above appointment criteria, following deliberation by the Corporate Governance and Nomination Committee and Board of Directors as appropriate, the need to dismiss the individual will be considered, and if dismissal is deemed necessary, dismissal procedures are carried out in accordance with the Companies Act and internal regulations.

(v) Explanation of individual appointments and nominations related to above section
Please refer to the reasons for the appointment of directors and auditors disclosed in the Notice of Convocation of the 53rd General Meeting of Shareholders https://en.snbl.com/ir/ir-event/stockholders-meeting).
In addition, when a member of executive management is dismissed, the reason for dismissal is also disclosed in a timely fashion.

[Supplementary Principle 3-1(3)]
Company's initiatives on sustainability
At the Board of Directors meeting held on August 27, 2021, the Company resolved to establish the SDGs Committee as a non-statutory advisory body to the Board of Directors with the aim of systematically enhancing SNBL Group-wide sustainability management from a medium-to-long-term perspective. External director of the Company Keiko Toya is the chair of this committee, which meets to conduct lively discussions on a monthly basis. In October 2021, the Company established the "Environment Committee" as a subordinate body to the SDGs Committee, chaired by an executive officer in charge of sustainability. Through deliberations and discussions of these committees, the Company promotes SNBL Group-wide sustainability policy and initiatives. Company's sustainability/ESG-related achievements and policies are disclosed in the "ESG Databook" and dedicated pages of the Company's website. In addition, the Company is selected as a constituent of three stock indices adopted as passive investment benchmarks by Government Pension Investment Fund (GPIF), such as FTSE Blossom Japan Index, FTSE Blossom Japan Sector Relative Index, and S&P/JPX Carbon Efficient Index.

ESG Databook: https://en.snbl.com/esg/esgdata
ESG policies: https://en.snbl.com/esg/policies
Commitment, Evaluation and Recognition: https://en.snbl.com/esg/evaluation/

Impact of climate change-related risks and opportunities on Company's business activities and profits
The Company expressed its support for the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) in October 2020. The estimated impacts on its business activities and performances caused by climate-related opportunities and risks are reviewed every summer and disclosed on a dedicated page titled "TCFD's Recommended Disclosures" of the Company's website (https://en.snbl.com/esg/tcfd).

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Investments in human capitals, intellectual properties, etc.
We are willing to invest in human capital, based on the consideration that human resources are the source of our efforts to differentiate us from other companies and to increase our corporate value, and we focus on the development and improvement of workplace environments to enable each employee to improve independently and voluntarily. SNBL Academy, one of our corporate divisions specialized in training and development, provides employees with extensive education opportunities, runs multiple programs carefully planned to adequately satisfy the development needs of employees at any stage of their career, from new graduates to candidates for managerial-level positions and managers. SNBL particularly encourages younger employees to read books, and offers comprehensive guidance and unique initiatives, including writing book reports under mid-level employees' supervision. In addition, our Company actively supports employees who pursue advanced degrees at graduate schools.
Since becoming CEO in 1997, Representative Chairman has made a wide range of efforts to disseminate the corporate philosophy, through publishing books and essays, such as "Reading Nagata-ism" now accessible on Company's homepage, as well as company-wide distribution of 2,000 emails on topics related to developing a management mindset. Since the start of the Nagata-juku program in 2011, SNBL has provided training opportunities to about 20 selected younger employees every year where they can learn philosophy-based business management directly from the Representative Chairman who spends approx. 200 hours per year on such programs.
Placing the programs and activities above at the core of human capital development, the Company's management is actively involved in training and development of junior and mid-level employees, with the goal to cultivate human resources who can anticipate the changing social needs, and act and make decisions proactively to generate positive impacts on the organization, which the Company calls the "Transformation".
Regarding investments in intellectual properties, SNBL has been accumulating know-how in relation to new drug development and start-up businesses for 65 years, focusing on Translational Research Business, through close collaboration between the intellectual property department and external intellectual property management offices. In particular, two companies (one consolidated subsidiary and one key investee), including one that has raised funds through a listing on the Nasdaq Stock Market, have clinical-stage drug development pipelines.

[Supplementary Principle 4-1(1)]
Scope of matters delegated to management
The Board of Directors Regulations for the Company prescribe that the following matters must be resolved by the Board.
(1) Matters required by law, (2) Matters set forth in the Articles of Incorporation, (3) Matters concerning important business operations, and (4) Matters other than the preceding items deemed especially necessary
Of these matters, criteria for matters submitted for discussion that require special explanation are listed on the Company's website as "Criteria for Submission" (see https://en.snbl.com/ir/library/governance-report). Determinations and decisions regarding other matters are delegated to the non-statutory Corporate Governance and Nomination Committee, Remuneration Committee, various meeting bodies made up of executive management and to the officers in charge based on the purpose.

[Supplementary Principle 4-8(1)]
Meetings consisting only of independent external directors
The Company convenes a meeting fully attended by external directors and external corporate auditors once every three months in general, in an effort to exchange information and share recognition from an independent and objective standpoint.

[Principle 4-9]
Criteria for determining independence
In addition to the requirements set forth in the Companies Act, we have established independence criteria equivalent to the criteria for determining the independence of independent officers established by the Tokyo Stock Exchange. Based on these criteria, we appoint persons who can offer appropriate views to Company management from an objective viewpoint.

[Supplementary Principle 4-10(1)]
Independence, Authority, Role and the like of Corporate Governance and Nominating/Remuneration Committees
The Company has established the "Corporate Governance and Nominating Committee" and the "Remuneration Committee" which are voluntary committees of which independence is secured through a composition in which the majority of their members are composed of independent external directors. Since the Company believes that the participation of persons with a thorough understanding of the internal circumstances of the Company is beneficial to make the discussions in both committees viable, members of these committees include internal directors.
The Corporate Governance and Nominating Committee aims to deliberate on the appointment and removal of candidates for directors and corporate auditors and submit recommendations therefor to General Meeting of Shareholders, as well as to deliberate on the appointment and removal of candidates for CEO, executive officers and other management members, such as operating officers, administrative officers and directors of subsidiaries, and submit the recommendation thereof to the Board of Directors. It also assumes the responsibility for the appointment of successors of the CEO, decisions on policies and procedures for the selection of candidates for the management members, and matters related to evaluations of the effectiveness of the Board of Directors. All members of the Corporate Governance and Nominating Committee attended four of four committee meetings held in the fiscal year ended March 31, 2026.
The Remuneration Committee aims to deliberate on the remuneration of directors and corporate auditors and submit recommendations therefor to the General Meeting of Shareholders, as well as to deliberate on the remuneration of directors and other management members, such as operating officers and directors of subsidiaries, and submit the recommendation thereof to the Board of Directors. It also assumes the responsibility for decisions on policies related to the composition of the remuneration, as well as for decision-making processes for remuneration of directors. All members of the Remuneration Committee attended two of two committee meetings held in the fiscal year ended March 31, 2026

[Supplementary Principle 4-11(1)]
Approach to the Board of Directors
For its Board of Directors, the Company seeks persons of excellent character and insight from inside and outside the Company, regardless of nationality, personal history or gender. In addition, regarding directors responsible for the execution of business, we regard persons with a wealth of expert business knowledge and experience as candidates, and consider those with extensive knowledge and experience in their chosen field as candidate external directors. At the Company, the non-statutory Corporate Governance and Nominating Committee determines the policy on nominating the candidate directors deemed to possess these qualities and prepares drafts on specific candidates. Candidates for directors are ultimately determined by resolution of the Board of Directors.

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At the Company, 14 directors are appointed to the Board. To enhance the agility and flexibility of management regarding business execution other than matters for resolution, each of the eight directors who are not external directors and 14 executive officers are responsible for the execution of their respective business operations, and many of these directors and executive officers also serve as the managers of divisions under the organizational structure of the Company.
There are six external directors. We also recognize gender diversity as an important issue and actively consider the appointment of female directors from the perspective of effectiveness and appropriate size. At the 48th General Meeting of Shareholders held on June 29, 2021, Keiko Toya, who is an expert in business administration and possesses a wealth of management-related experience and knowledge, was appointed as an external director. At the 51st General Meeting of Shareholders held on June 24, 2024, Chizuru Matsueda, who is a certified public accountant and an expert in accounting and finance with a wealth of experience and knowledge, was appointed as an external director. And at the 52nd General Meeting of Shareholders held on June 27, 2025, Yumi Hirose, who is a certified tax accountant with a wealth of experience and knowledge in a field of tax administration, was appointed as an external director.
The Company has created a skill matrix which catalogues the expertise, experience and other qualities of each director. The skill matrix is included on the final page of this report.

[Supplementary Principle 4-11(2)]
Directors and auditors holding concurrent positions at other companies
Please refer to our securities report and the Notice of Convocation of the 53rd General Meeting of Shareholders (https://en.snbl.com/ir/ir-event/stockholders-meeting) where information about concurrent positions held by the Company's directors and corporate auditors is disclosed.

[Supplementary Principle 4-11(3)]
Effectiveness of the Board of Directors
The Company has introduced individual interviews with each director conducted yearly by the Representative Chairman regarding deliberations by the Board of Directors and the execution of business, in addition to the questionnaire survey to directors and corporate auditors which is drawn up and conducted by the non-statutory Corporate Governance and Nomination Committee. The results of the survey are deliberated on by the said committee, discussed at meetings exclusively consisting of independent external directors, and shared with the Board of Directors, which overall leads to improvements that help revitalize the deliberations conducted by the Board of Directors and consequently, to enhance its effectiveness. In addition, to encourage lively discussions between Board of Directors meeting attendees, "Matters for Discussion" were established in the Board of Directors Regulations (amended April 1, 2018), separate from the matters for resolution and reporting matters dealt with in Board of Directors meetings. This system allows directors and executive officers to submit these matters for discussion as matters that should be discussed before the stage of being submitted as a matter for resolution, or matters that should be brought up so that opinions can be heard. Using this system further promotes discussion during Board of Directors meetings.

Overview of the evaluation results for the fiscal year ended on March 31, 2026
1. Evaluation method
The method used to evaluate the effectiveness of the Board of Directors in the latest fiscal year is outlined below, together with a summary of the results. The Company's non-statutory Corporate Governance and Nomination Committee, which is made up of a majority of external directors and assumes the monitoring role of the Board of Directors, continued to lead the evaluation in the latest fiscal year.

(1) In April 2026, a survey ("FY 3/2026 survey") of all 12 directors and 3 auditors was prepared and conducted by a director serving as a member of the Corporate Governance and Nomination Committee. Topics covered included the composition and operations of the Board of Directors as well as the content of deliberations.

(2) The results of the survey were reviewed and discussed by internal directors, including directors serving as members of the Corporate Governance and Nomination Committee.

(3) Web-based interviews were conducted with an external director designated by the Chairperson of the Corporate Governance and Nomination Committee, together with directors serving as members of the Corporate Governance and Nomination Committee.

(4) At the Board of Directors meeting held on May 29, 2026, the Board of Directors acknowledged the evaluation of the effectiveness of the Board of Directors for the fiscal year ended in March 2026, and discussed progress made since the previous fiscal year as well as future issues to be addressed.

(5) Independent external directors held a discussion session to exchange views on the effectiveness of the Board of Directors on June 25, 2026, and the feedback from the meeting is to be shared at a subsequent meeting of the Board of Directors.

2. Items in the Survey
Questions in the FY 3/2026 survey were divided into the following major categories. For each question, participants were asked to provide a score using a four-point scale. Space was also provided for free comments on each item.

I. Composition of the Board of Directors
II. Discussion topics of the Board of Directors
III. Balance between business execution and monitoring
IV. Constructive communication with shareholders and investors
V. General

3. Outline of the results of the evaluation
Based on the results of the survey, discussions, and deliberations above, it was determined that the effectiveness of the Board of Directors was appropriately ensured in the fiscal year ended on March 31, 2026. All evaluation categories received high ratings (above 3.5 points on a four-point scale), and the effectiveness of the Board of Directors was considered to have improved over the previous year. However, it was also reaffirmed that the Company will need to continue taking actions in order to achieve further improvements in effectiveness, given the changing business circumstances that management needs to address.

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The following items were confirmed as the progress made during the fiscal year ended on March 31, 2026, and the matters to take further actions in order to achieve further improvement in effectiveness.

a. Strengthening the composition of the Board of Directors to enhance internationality, diversity, and expertise in advanced technologies.
- Enhanced the quality of deliberations and discussions among board members by proactively incorporating advice and knowledge provided by external directors specialized in global business and advisors well-experienced in corporate management through internal corporate strategy meetings, etc. In addition, the Board expanded its diversity by appointing three new directors, including two women, thereby strengthening its expertise and diversity in areas such as domestic and international corporate management, business strategy development, corporate governance including the promotion of women's empowerment, and taxation.

b. Enhancing the monitoring function of the Company's mid- and long-term management strategy.
- Worked for facilitation and enrichment of deliberation processes by creating opportunities for preliminary discussions on important matters at the Board of Directors meetings, as well as prior reports from each business division, individual briefing sessions, and study sessions. These initiatives enabled more accurate monitoring of the progress of the Company's management strategy and supported more informed decision-making.

c. Promoting a deeper understanding of highly specialized business areas and furthering discussions on sustainability.
- Achieved a furthering of discussions and a deeper understanding across the Board of Directors by holding biannual corporate business strategy meetings where executive officers responsible for each business participated in company-wide discussions and Q&A sessions. In addition, explanatory sessions and study sessions were conducted in advance for highly specialized business areas, contributing to a better understanding and higher-quality discussions among board members. Furthermore, feedback reflecting shareholders' and investors' perspectives was provided by an executive officer in charge of investor relations, while topics discussed by the SDGs Committee were shared by an external director serving as its chairperson. These initiatives helped bring external perspectives to the Board of Directors and promoted discussions on sustainability.

4. Initiatives toward Further Improvement of Effectiveness
It was determined that the Company will need to continue taking actions on the following issues in order to achieve further improvements in effectiveness:

a. Strengthening the composition of the Board of Directors to enhance internationality, diversity, and expertise in advanced technologies.
- Strengthening and optimizing the composition of the Board of Directors by appointing globally experienced business leaders capable of leading future global business expansion, as well as individuals with expertise and skills in advanced technologies such as IT and AI.

b. Strengthening discussions on the Company's mid- and long-term strategy and capital allocation, and improving the accuracy of progress monitoring.
- As the Company continues to pursue sustainable growth and enhance corporate value, it will be necessary to further expand opportunities for discussions on management strategy from medium- to long-term perspectives. In response to this, strengthening a system that enables more concrete, quantitative, and regular monitoring of the progress of management strategy, capital allocation, and risks, while facilitating more timely and flexible discussions for management decision-making.

c. Promoting an increased understanding of highly specialized business areas.
- Establishing systematic briefing sessions and study programs, as well as ensuring the early distribution of Board of Directors materials, in order to close the gap in understanding among directors regarding cross-disciplinary business areas such as drug discovery, pharmaceutical development, AI, and investment.

The Board of Directors will continue its efforts to achieve sustainable improvement in the Company's corporate value by taking measures to maintain and further enhance its effectiveness, including taking into consideration the aspects outlined above, and by providing effective supervision of the management.

[Supplementary Principle 4-14(2)]
Training of directors and auditors
The Company conducts necessary training and provides information for directors and corporate auditors to appropriately carry out their roles and responsibilities.
When a director or corporate auditor is newly appointed, they receive training on legal matters and corporate governance as needed. In addition, ongoing training is provided to the Board of Directors and other bodies regarding management issues. Specifically, efforts are made to follow-up on topics related to management and other areas through lectures given by external directors or other speakers around once every three months.
In addition to the above activities, when an external director or external corporate auditor is newly appointed, they receive an explanation of the Company's business activities and tour key Company sites, etc. as needed.
Necessary information is provided to external directors and external corporate auditors on the Company's business issues and other matters.

[Principle 5-1]
Dialogue with Shareholders
The Company has established a system where the Corporate Communications Department endeavors to coordinate organically with related departments and has set up a dedicated IR telephone number to provide feedback to top management on the details of dialogue between shareholders and investors via IR personnel. The Company also holds financial results briefings for shareholders and investors once every three months, and discloses information about the Group, which is the basis for dialogue, in a timely, accurate and fair manner. In the fiscal year ended on March 31, 2026, the Company had 271 meetings with investors and analysts (88 with Japanese institutional investors, 139 with overseas institutional investors, and 44 with sell-side analysts). The Company had 261 meetings in total in the same period last year. Also note that thorough control over insider information is implemented during these activities.

[Action to Implement Management That Is Conscious of Cost of Capital and Stock Price]

Content of Disclosure	Disclosure of Initiatives (Update)

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Availability of English Disclosure	Available
Date of Disclosure Update Update	26/6/2026

Explanation of Actions Update

In order to increase our corporate value, the Company places importance on profits generated by each business and aims to increase operating income and ordinary income and improve profit margins as one of key management objectives. As the Company considers ROE (return on equity) and ROIC (return on invested capital) as important capital profitability indicators, they are set as matters to be reported to the Board of Directors on a monthly basis. In order to actively practice management that is conscious of the cost of capital, the Company strives to maintain and enhance a high ROE that surpasses its cost of capital and to optimize the balance between our financial soundness and shareholder returns. Our management policies and strategies that enable these efforts are clearly disclosed in Integrated Report and other disclosure materials. The Company also conducts thorough explanations during shareholder meetings, financial results briefings, and other various explanatory IR sessions to ensure understanding of shareholders and investors, etc.

Policy / Target and Evaluation

In October 2022, the Company published its first Integrated Report, which introduced our long-term “2028Vision” plan and set revenue of 50 billion yen, ordinary income of 20 billion yen, ordinary profit margin of 40%, and dividend payout ratio of 30-40% as financial KPIs for the fiscal year 2028. Additionally, in our Integrated Report published in October 2023, targeting ROE and ROIC greater than 10% was also set as new financial KPIs for the fiscal year 2028.

Regarding the cost of capital, it is estimated based on the results for the fiscal year ended March 31, 2026 and recognized as 5.3% (using a β value of 0.94 calculated based on Company’s weekly stock price and financial market data of the latest five years). ROE and ROIC calculated based on the financial results for the fiscal year ended March 31, 2026 are 10.9% and 8.4%, respectively, both of which exceed the Company’s cost of capital. We will continue to review and calculate the cost of capital once a year, taking into account the latest market trends and the opinions of external professional bodies, and will continue to strengthen our system for investment decisions and business plans formulated based on the cost of capital. In particular, we are continuing to optimize our business portfolio, select adequate growth investments and improve capital efficiency with a view to our medium- to long-term target of ROIC level of at least 10%. The Company places importance on striking a balance between ensuring financial soundness and shareholder returns, and considers its capital policy, including dividend policy, with an awareness of the impact on the cost of capital and stock price. Such policies and initiatives are carefully explained in the Integrated Report, at the General Meeting of Shareholders, at financial results briefings, and at various IR meetings, in an effort to promote understanding through constructive dialogue with shareholders and investors.

Regarding “management that is conscious of cost of capital and stock price,” we also disclose the same perspective as mentioned above, together with figures and tables, in investor-oriented publications such as our Integrated Reports.

Integrated Report 2025 (page number 23): https://en.snbl.com/ir/library/ar/

2. Capital Structure

Percentage of Foreign Shareholders	Less than 10%

[Status of Major Shareholders] Update

Name	Number of Shares Owned (Shares)	Percentage (%)
Nagata Company Inc.	16,788,600	40.32
The Master Trust Bank of Japan, Ltd. (Trust account)	2,920,200	7.01
Custody Bank of Japan, Ltd. (Trust account)	2,175,200	5.22
Takahisa Nagata	1,840,000	4.41
BNP PARIBAS LUXEMBOURG/2S/JASDEC/FIM/LUXEMBOURG FUNDS/UCITS ASSETS	1,550,000	3.72
Medipolis Medical Research Institute	1,474,000	3.54
Rie Umehara	1,024,000	2.45
Nomura Securities Co., Ltd.	472,496	1.13
Mitsubishi UFJ Morgan Stanley Securities Co.,Ltd	398,978	0.95
Employee Stock Ownership Association	372,579	0.89

Controlling Shareholder (except for Parent Company)	None
Parent Company	None

Supplementary Explanation

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3. Corporate Attributes

Listed Exchange and Market Division	Tokyo Stock Exchange, Prime
Fiscal Year-End	March
Sector Classification	Services
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1,000
Revenue (consolidated) for the Previous Fiscal Year	From ¥10 billion to less than ¥100 billion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 10 subsidiaries to less than 50 subsidiaries

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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5. Special Circumstances which may have Material Impact on Corporate Governance

Not applicable.

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II Business Management Organization and Other Corporate Governance Systems regarding Decision Making, Execution of Business, and Oversight

1. Organizational Composition and Operation

Organization Form	Company with Auditors

[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	20
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board Update	Chairperson
Number of Directors Update	14
Appointment of Outside Directors	Appointed
Number of External Directors	6
Number of Independent Directors/Auditors Designated from among External Directors	6

Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Shinichi Fukumoto	Attorney-at-law											
Takashi Yamashita	CPA								△			
Tsuyoshi Hanada	Certified tax accountant											
Keiko Toya	Academic											
Chizuru Matsueda	CPA											
Yumi Hirose	Certified tax accountant											

* Categories for "Relationship with the Company"
* "○" indicates that the director currently falls under the category, or did so recently, and "△" indicates that the director fell under the category in the past.
* "●" indicates that a close relation falls under the category, or did so recently, and "▲" indicates that a close relation fell under the category in the past.

a. Executive (a person who executes business; hereinafter the same) of the Company or its subsidiaries
b. Non-executive director or executive of a parent company of the Company
c. Executive of a fellow subsidiary of the Company
d. A party whose major client or supplier is the Company or an executive thereof
e. Major client or supplier of the Company or an executive thereof
f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/auditor
g. Major shareholder of the Company (or an executive of said major shareholder if the shareholder is a corporation)
h. Executive of a client or supplier of the Company (which does not correspond to any of d., e., or f.) (the director himself/herself only)
i. Executive of a company, between which and the Company outside directors/auditors are mutually appointed (the director himself/herself only)
j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
k. Others

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Relationship with the Company (2)

Name	Designation as Independent Director/ Auditor	Supplementary Explanation of the Relationship	Reasons for Appointment
Shinichi Fukumoto	○	———	While Mr. Shinichi Fukumoto has no experience of being directly involved with corporate management other than as an External Director, the Company deems him capable of properly executing the duties of an External Director due to the insight and experience he possesses as a legal expert. He has been designated as an independent director as he is in a position independent of management in performing his duties as an External Director, and there is no risk of a conflict of interest with regular shareholders.
Takashi Yamashita	○	Mr. Takashi Yamashita was an employee of KPMG AZSA LLC, the Company's accounting auditor, from 1983 to 2014.	While Mr. Takashi Yamashita has no experience of being directly involved with corporate management other than as an External Director, the Company deems him capable of properly executing the duties of an External Director due to the insight and experience he possesses as an expert in finance, accounting and taxation matters. He has been designated as an independent director as he is in a position independent of management in performing his duties as an External Director, and there is no risk of a conflict of interest with regular shareholders.
Tsuyoshi Hanada	○	———	The Company deems Mr. Tsuyoshi Hanada capable of properly executing the duties of an External Director due to the insight and experience he possesses as an expert in finance, accounting and taxation matters. He has been designated as an independent director as he is in a position independent of management in performing his duties as an External Director, and there is no risk of a conflict of interest with regular shareholders.
Keiko Toya	○	———	The Company deems Professor Keiko Toya capable of properly executing the duties of an External Director due to the insight and experience she possesses as an expert in business administration. She has been designated as an independent director as she is in a position independent of management in performing her duties as an External Director, and there is no risk of a conflict of interest with regular shareholders.
Chizuru Matsueda	○	———	While Ms. Chizuru Matsueda has no experience of being directly involved with corporate management other than as an External Director, the Company deems her capable of properly executing the duties of an External Director due to the insight and experience she possesses as an expert in finance and accounting matters. She has been designated as an independent director as she is in a position independent of management in performing her duties as an External Director, and there is no risk of a conflict of interest with regular shareholders.
Yumi Hirose	○	———	While Ms. Yumi Hirose has no experience of being directly involved with corporate management other than as an External Director, the Company deems Ms. Yumi

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			Hirose capable of properly executing the duties of an External Director due to the high level expertise and abundant experience she possesses as an expert in tax administration and taxation matters. She has been designated as an independent director as she is in a position independent of management in performing her duties as an External Director, and there is no risk of a conflict of interest with regular shareholders.

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Yes

Status of Voluntary Committee Establishment, Committee Composition, and Attributes of Chairperson

	Committee Name	All Committee Members	Full-time Members	Internal Directors	External Directors	External Experts	Others	Chairperson
Committee Corresponding to a Nomination Committee	Corporate Governance and Nomination Committee	5	0	2	3	0	0	Internal Directors
Committee Corresponding to Remuneration Committee	Remuneration Committee	6	0	2	4	0	0	Internal Directors

Supplementary Explanation Update

The Company has established two voluntary advisory bodies with the aim of strengthening independence, objectivity and accountability regarding the nomination of executive management (Directors, Executive Officers, etc.) and the determination of their remuneration. One is the Corporate Governance and Nomination Committee, and another is the Remuneration Committee. Both are advisory bodies of which Independent External Directors make up a majority of committee members.
The Corporate Governance and Nomination Committee deliberates over the draft of items brought up for discussion at the General Meeting of Shareholders regarding the appointment and dismissal of Directors and Auditors, drafts concerning the appointment or dismissal of the Representative Director (CEO) and Executive Directors brought up for discussion at Board of Directors meetings, drafts of candidates for other executive management positions (Executive Officers, Senior General Managers, Directors of subsidiaries) brought up for discussion at Board of Directors meetings. The Committee also determines Director, Auditor and executive management selection policy and procedures, considers matters regarding successor plans, and examines matters concerning effectiveness assessments of the Board of Directors. All members of the Corporate Governance and Nominating Committee attended four of four committee meetings held in the fiscal year ended March 31, 2026.
The Remuneration Committee deliberates over matters concerning the remuneration of Directors and Auditors placed on the agenda of the General Meeting of Shareholders, and drafts on the amount of remuneration for Directors, Executive Officers, Senior General Managers and Directors of subsidiaries (including calculation methods). The Committee also determines policies including the composition of officer remuneration, as well as the procedures for determining officer remuneration. All members of the Remuneration Committee attended two of two committee meetings held in the fiscal year ended March 31, 2026.

[Auditors]

Establishment Board of Auditors	Established
Maximum number of Auditors stipulated in Articles of Incorporation	4
Number of Auditors	3

Cooperation among Auditors, Accounting Auditors and Internal Audit Departments

The auditors, accounting auditors and Internal Audit Departments at times exchange information on matters that need to be shared, including through regular discussions on matters such as annual schedules. Mutual coordination has been enhanced by establishing a system where auditors can request accounting auditors and the Internal Audit Departments to attend Board of Auditors meetings when required. Additionally, External Auditors perform auditing tasks in accordance with the auditing policies and plans set forth by the Board of Auditors, receive reports from each Auditor at Board of Auditors meetings and discuss them, and also attend Board of Directors meetings to express their opinions as appropriate.

Appointment of External Auditors	Appointed

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Number of External Auditors	2
Number of External Auditors Designated as Independent Officers	2

Relationship with the Company (1)

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Koshin Tatarano	Attorney-at-law													
Zenichi Shigehisa	CPA													

* Categories for "Relationship with the Company"
* "○" indicates that the director currently falls under the category, or did so recently, and "△" indicates that the director fell under the category in the past.
* "●" indicates that a close relation falls under the category, or did so recently, and "▲" indicates that a close relation fell under the category in the past.

a. Executive (a person who executes business; hereinafter the same) of the Company or its subsidiaries
b. Non-executive director or accounting advisor of the Company or its subsidiaries
c. Non-executive director or executive of a parent company of the Company
d. Auditor of a parent company of the Company
e. Executive of a fellow subsidiary of the Company
f. A party whose major client or supplier is the Company or an executive thereof
g. Major client or supplier of the Company or an executive thereof
h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/auditor
i. Major shareholder of the Company (or an executive of said major shareholder if the shareholder is a corporation)
j. Executive of a client or supplier of the Company (which does not correspond to any of f., g., or h.) (the director himself/herself only)
k. Executive of a company, between which and the Company external directors/auditors are mutually appointed (the director himself/herself only)
l. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
m. Others

Relationship with the Company (2)

Name	Designation as Independent Director/ Auditor	Supplementary Explanation of the Relationship	Reasons for Appointment
Koshin Tatarano	○	———	He has been designated as an independent officer as he is in a position independent of management and there is no risk of a conflict of interest with regular shareholders.
Zenichi Shigehisa	○	———	He has been designated as an independent officer as he is in a position independent of management and there is no risk of a conflict of interest with regular shareholders.

[Independent Directors/Auditors]

Number of Independent Directors/Auditors Update	8

Matters Related to Independent Directors/Auditors

Director Fukumoto, Director Hanada, Director Yamashita, Director Toya and Director Matsueda each attended all 13 (100% attendance rate) of the Board of Directors meetings, excluding five electronically-held meetings, convened in the latest fiscal year. Director Hirose attended all 10 (100% attendance rate) of the Board of Directors meetings, excluding 5 electronically-held meetings, after her appointment as an independent director of the Company. In addition, Auditor Tatarano and Auditor Shigehisa each attended all 13 (100% attendance rate) of the Board of Directors meetings, excluding five electronically-held meetings, convened in the latest fiscal year, and each attended all 14 (100% attendance rate) of the Board of Auditors meetings convened in the latest fiscal year.

[Incentives]

Implementation of Measures to Provide Incentives to Directors	Other

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Supplementary Explanation

The Shin Nippon Biomedical Laboratories Officers' Stock Ownership Association has been established for the Group's officers (Directors and Auditors) and those equivalent to officers.

Recipients of Stock Options	

Supplementary Explanation

———

[Remuneration for Directors]

Disclosure of Individual Directors' Remuneration	No individual disclosure

Supplementary Explanation Update

The remuneration of Directors of the Company in the latest fiscal year is as follows.
Remuneration paid to 12 Directors: JPY399,800,000
Note that there are no persons whose total amount of consolidated remuneration is JPY100 million or more.

Policy on Determining Remuneration Amounts and Calculation Methods	Yes

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

a. Basic policy
Regarding the remuneration, etc. of Company Directors (including External Directors in addition to Executive Directors; hereinafter the same), the monthly remuneration of Directors was set to no greater than JPY55,000,000 per month (not including the amount paid as employee salary for those Directors serving concurrently as employees) by resolution of the General Meeting of Shareholders held on June 27, 2025.
Based on this resolution, the Company's basic policy is to set an appropriate level based on each Director's duties when determining the remuneration, etc. of individual Directors.
Specifically, the remuneration of the Company's Directors consists of basic remuneration and performance-linked remuneration.
b. Policy for the determination of the amount of compensation (monetary compensation) for individual Directors (including a policy for the determination of time or conditions for giving compensation, etc.)
The remuneration of the Company's Directors is determined by comprehensively taking into account the basic remuneration and performance-linked remuneration based on Company's business performance, economic conditions and results, and is paid as a fixed monthly remuneration.
c. Matters concerning decisions on the details of the remuneration paid individually to Directors
Regarding amounts of remuneration, etc. for individual Directors, the Remuneration Committee, of which the majority of members are External Directors, receives consultation from the Board of Directors, reviews Company business performance, economic conditions and the responsibilities and achievements of each Director, prepares a draft and submits it to the Board of Directors.
The President and Representative Director is delegated by the Board of Directors to determine the amounts of remuneration, etc. for individual Directors, and makes the determination within the scope of the details submitted from the Remuneration Committee.

[Supporting System for External Directors (and External Auditors)]

Currently no sections or personnel designed to assist External Directors or External Auditors have been put in place, but personnel are assigned within reasonable limits when requested.
In addition, decisions on matters related to sections responsible for assisting External Auditors and personnel rights such as the appointment and transfer of their personnel are made after obtaining prior consent from the Board of Auditors, in order to ensure independence from Directors.

2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination, and Compensation Decisions (Overview of Current Corporate Governance System) Update

The Company has introduced an executive officer system to facilitate further revitalization of the Board of Directors, clearly separate the Board of Directors' decision-making and business execution supervisory functions from the business execution system of each business division, and to enhance management efficiency. In addition, management progress meetings are held once a month in principle for each business division including the Nonclinical Business and Translational Research Business. This system is in place to communicate and disseminate the decisions made by the Board of Directors to executive officers and other high-ranking staff, and to ensure prompt and accurate business execution.
The Company oversees business execution through the Board of Directors and Board of Auditors. The Board of Directors consists of 14 Directors (six of whom are External Directors). The Board makes decisions on important business execution and other matters prescribed by law, and also oversees business execution. The Board of Auditors consists of 3 Auditors (two of whom are External Auditors). Each Auditor follows the auditing policy and segregations of duties determined by the Board of Auditors and audits Directors' execution of business through attendance at Board of Directors meetings and investigations, etc. into the state of business and finance.
Regarding the nomination of Directors and Auditors, the non-statutory Corporate Governance and Nomination Committee, which is an advisory body to the Board of Directors with a majority of Independent External Directors as members, prepares a draft of agenda items for the General Meeting of Shareholders regarding the appointment of Directors and Auditors, which is resolved at a meeting of the Board of Directors. Regarding remuneration of Directors and Auditors, the non-statutory Remuneration Committee, which is an advisory body to the Board of Directors with a majority of

Independent External Directors as members, prepares a draft of agenda items for the General Meeting of Shareholders regarding the remuneration of Directors and Auditors and decides on the procedures for determining officer remuneration. In addition, regarding sustainability initiatives, the non-statutory SDGs Committee, which is an advisory body to the Board of Directors made up of Directors and Executive Officers including External Directors, has started to discuss and examine the Sustainable Development Goals (SDGs) the Company should tackle and the direction of those efforts from the perspective of the SNBL Group overall.

Regarding internal audits, the Internal Audit Departments conducts objective periodic audits of the Company and its consolidated subsidiaries in accordance with the Internal Audit Regulations from the perspectives of risk management, the effectiveness and efficiency of business operations, compliance and appropriate financial reporting.

The Company has selected KPMG AZSA LLC as its accounting auditor pursuant to the Companies Act and as its auditor pursuant to the Financial Instruments and Exchange Act. The three certified public accountants performing accounting auditing work are Taika Azuma and Yoshihiro Uehara, and each have been engaged in seven years or less of continuous auditing related to the Company. In addition, there are no particular conflicts of interest between the Company, KPMG AZSA LLC, and its managing partners engaged in the auditing of the Company. Additionally, assistants who are involved with the auditing work include 16 certified public accountants, 3 CPA exam passers, and 22 other people.

3. Reasons for Adoption of Current Corporate Governance System

The Company has adopted a system in which the Board of Directors coordinates with the Board of Auditors and other bodies from the two major aspects expected of corporate governance, namely the appropriate and efficient execution of business, and appropriate supervisory functions. On the aspect of the appropriate and efficient execution of business, the Company has determined that its efficiency is high in terms of the ability of the Board of Directors to make decisions swiftly. On the aspect of appropriate supervisory functions, in addition to Internal Auditors, by appointing Auditors with extensive knowledge as attorneys and Auditors with a wealth of experience as certified public accountants and certified public tax accountants each as External Auditors, the Company has determined that the supervisory functions are high in terms of functions to supervise organizations involved in business execution from the outside being sufficiently effective.

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III Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholders Meeting and Smooth Exercise of Voting Rights Update

	Supplementary Explanations
Early Notification of General Shareholders Meeting	In principle the Company sends out notifications at least three days prior to the deadline specified in the Companies Act.
Scheduling Annual General Meeting of Shareholders to Avoid Peak Days	The meeting is scheduled after giving consideration to the audit schedule and allowing a sufficient schedule to prepare for the General Meeting of Shareholders, and every effort is also made to avoid peak days.
Allowing Electronic Exercise of Voting Rights	Shareholders are given the opportunity to exercise their voting rights online from the 49th General Meeting of Shareholders in June 2022 and onwards.
Participation in Electronic Voting Platform	The Company has participated in the Tokyo Stock Exchange's electronic voting rights platform since December 2021 and such platform has become available to shareholders from the 49th General Meeting of Shareholders in June 2022 and onwards to provide nonresident investors and institutional investors with the opportunity to optimally exercise their voting rights.
Providing Convocation Notices in English	The summary of convocation notice including reference materials related to the General Meeting of Shareholders are provided in English from the 49th General Meeting of Shareholders in June 2022 and onwards, on the Company's website and on the voting platform of institutional investors.
Other	Before convocation notices are sent out, the information is disclosed on the Company website to facilitate the smooth exercise of voting rights. Regarding the operation of the General Meeting of Shareholders venue, the Company endeavors to make the details of the agenda easy for shareholders to understand, such as by delivering business reports visually through the use of video.

2. IR Activities Update

	Supplementary Explanations	Explanation by Representative
Preparation and Publication of Disclosure Policy	The Company has established a Disclosure Policy which is posted to the Company website, and makes every effort to disseminate this policy among stakeholders. The main details of the policy are (1) the Company's basic approach to information disclosure and its disclosure standards, (2) the methods of information disclosure, (3) disclosure quiet periods, and (4) cautionary information about the Company website.	
Regular Investor Briefings for Individual Investors	The Company held one investor briefing for sales representatives at a securities company with strengths in serving individual investors in the fiscal year ended March 31, 2026, with 10 participants in attendance. The Company plans to continue holding such briefing sessions in future fiscal year. Information on quarterly IR activity is available on the "Dialogue with Shareholders and Investors" page on the Company's website (https://en.snbl.com/ir/ir-information/dialogue).	No
Regular Investor Briefings for Analysts and Institutional Investors	Four financial results briefings were held for analysts, etc. in the fiscal year ended March 31, 2026 (Briefing took place every quarter). Two of the four briefings were conducted via web conferencing instead of the conventional teleconference format. The Company's priority initiatives were explained by the Representative Chairman, and business results were presented by executive directors in charge. The Company accommodates visits from institutional investors, etc., as needed. Information on quarterly IR activity is available on the "Dialogue with Shareholders and Investors" page on the Company's website (https://en.snbl.com/ir/ir-information/dialogue).	Yes
Posting of IR Materials on Website	Information materials for investors published on the Company's website are written in both Japanese and English, and they are disclosed simultaneously, in principle. These include financial results, briefing materials, timely disclosure information and related press releases. On November 5, 2024, we renewed our corporate website to further improve access to information, in addition to presenting financial and non-financial information in a structured and easy-to-understand manner.	

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Establishment of Department and/or Manager in Charge of IR	In June 2021, the Company created the Corporate Communications Department as a dedicated department related to IR activities. As of the date of this report, five employees are assigned to the department, two of whom are responsible for ESG under the supervision of the executive director in charge.
Other	A blog (https://snblir.blogspot.com/) run by the Head of the IR & Corporate Communications Department had 318 posts in the fiscal year ended March 31, 2026. Shareholder Newsletters are issued semiannually in Japanese and English and disclosed on a dedicated page of the Company's website (https://en.snbl.com/ir/ir-event/stockholders-meeting). LinkedIn is also used to provide Company's information for overseas clients and investors.

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	The Company has established the Compliance Conduct Guideline of Shin Nippon Biomedical Laboratories, Ltd, which stipulates standards of conduct for compliance with laws and regulations, respect for human rights, fair trade, management of Company assets, information disclosure and relationships with external groups.
Implementation of Environmental Activities, CSR Activities etc.	The Company owns a large tract of land of 340 hectares (840 acres) in the highlands of Ibusuki City, Kagoshima Prefecture called Medipolis Ibusuki. Making use of this natural asset (approximately 90% forest), the Company engages in various businesses which serve as environmentally friendly social enterprises. In October 2020, the Company expressed support for the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations. For details of the Company's TCFD-related disclosure and its achievements regarding initiatives for SDGs/ESG, please refer to the Company's website (https://en.snbl.com/esg).
Development of Policies on Information Provision to Stakeholders	Along with its corporate message of "Creating a cycle of happiness by always staying close to our stakeholders", the Company has established the Compliance Conduct Guideline of Shin Nippon Biomedical Laboratories, Ltd and has stipulated policies and other requirements regarding the provision of information to stakeholders.
Other	Integrated reports and shareholder newsletters are published on a regular basis to inform stakeholders of the company's financial and non-financial information in a timely and transparent manner. On November 5, 2024, we renewed our corporate website to improve accessibility, including visibility, operability, and searchability, so that all stakeholders can easily access necessary information in a fair manner.

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IV Matters Related to the Internal Control System

1. Fundamental Views on Internal Control System and the Progress of System Development

At a meeting of the Board of Directors held on May 15, 2006, the Board made the following resolution concerning the basic policy on the development of an internal control system (partially revised on June 25, 2015).

1. System to Ensure that Execution of Duties by Directors and Employees Conform to Laws, Regulations, and the Articles of Incorporation

- The Company promotes systems to ensure that Directors and employees comply with laws, regulations, the Articles of Incorporation, social norms and other requirements in accordance with the Compliance Conduct Guideline of Shin Nippon Biomedical Laboratories, Ltd.
- The Compliance Conduct Guideline of Shin Nippon Biomedical Laboratories, Ltd. established by the Company equally applies to the Group's domestic and overseas subsidiaries, in an effort to strengthen the Group-wide compliance system.
- The Company has created an Internal Audit Department as an organization directly under the jurisdiction of the President & CEO, which is independent of other operating departments.
- The Company has established an internal reporting system as a way to enable Directors and employees to provide information directly regarding conduct that is suspicious in terms of laws or regulations.
- The Company avoids all ties with antisocial forces. The entire organization will take a firm stance against unreasonable demands, in accordance with internal regulations.

2. System for the Storage and Management of Information on the Execution of Duties by the Directors

- Board of Directors meeting minutes, circular approval memos, various contractual documents and other documents related to the execution status of business affairs are appropriately stored and managed in accordance with internal regulations (document management regulations, circular approval regulations, etc.).

3. Regulations Concerning the Management of Risk of Loss and Other Systems

- Rule and guidelines are established for each department responsible with regard to risks (compliance, finance, the environment, natural disasters, business quality, import and export, etc.), training is conducted, and manuals are prepared and distributed, etc.
- Directors promptly inform the Board of Directors should any risk materialize, or a significant crisis or damage be expected.

4. Systems for Ensuring the Efficient Execution of Duties by Directors

- Internal rules are established based on Segregation of Duties Regulations and Administrative Authority Regulations, and the responsibilities of each responsible department, director and employee are clearly established.
- Regarding the execution of business, systems are in place to only move to implementation after obtaining the necessary approval from a person with authority based on Administrative Authority Regulations.

5. Systems Necessary to Ensure the Properness of Operations of the Corporate Group Consisting of the Company Concerned and Its Parent Company and Subsidiaries

- The departments responsible at the parent company provide guidance or supervision on the compliance systems and risk management systems at subsidiaries as needed, and systems to ensure appropriate transactions between the Company and its subsidiaries are established in accordance with Affiliate Company Management Regulations.
- When determining the operational policies of a subsidiary or making decisions about important research and development, capital expenditure, loans or investment, sufficient consideration is given to the purposes and risks in terms of business strategy at a business strategy meeting.
- Auditors and the Internal Audit Department audit and investigate subsidiaries as necessary.
- The Company endeavors to thoroughly disseminate its management philosophy and code of conduct at subsidiaries, and thoroughly ensures legal compliance and the observances of corporate ethics on the part of subsidiaries.
- Risks such as compliance, finance, the environment, natural disasters, business quality, imports and exports at subsidiaries are managed, and systems to properly deal with those risks are put in place.
- The Company shall request reports on the subsidiary directors' execution of duties as necessary.
- Regarding the execution of business at subsidiaries, systems are in place to only move to implementation after obtaining the necessary approval from a person with administrative authority based on the relevant regulations.

6. Matters concerning employees who are required by auditors to assist auditors in the performance of their duties

- When auditors require employees to assist in the performance of their duties, employees shall be put in place upon consultation with the Board of Directors.

7. Matters Concerning the Independence of the Employees Specified in the Preceding Item from the Board of Directors and Matters Intended to Ensure the Effectiveness of Instructions Given to Employees from Auditors

- The Board of Directors considers the independence of the employees specified in the preceding item and determines matters concerning the appointment, dismissal, reassignment, transfer or other employment conditions of the relevant employee after obtaining consent from the Board of Auditors.
- A relevant employee who has received the orders necessary to perform auditing work from an Auditor shall not receive orders or commends from a Director, the Internal Audit Department or otherwise.

8. Systems of Reporting to Auditors by Directors and Employees and Other Systems Regarding Reporting to Auditors

- Directors shall establish systems to report to Auditors about any violations of laws or regulations and for the Directors and employees of the Company or its subsidiaries (including those who have received reports from such persons; hereinafter the same in this section) to report any fact that may cause significant damage to the Company or its subsidiaries to Auditors. The timing and methods of reports are determined in consultation with the Board of Auditors.
- The Company does not permit the Directors or employees of the Company or its subsidiaries who have made reports to the Company's Auditors to be treated disadvantageously for having done so, and this is made widely known to the Directors and employees of the Company and its subsidiaries.

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9. Other Systems for Ensuring the Effectiveness of Audits Performed by Auditors

- Auditors may conduct individual interviews or other discussions with Directors or employees as necessary, and hold meetings with External Directors, the Internal Audit Department and accounting auditors to exchange opinions.
- The Company ensures that Auditors have opportunities to receive advice from lawyers, accountants and other professionals as necessary for auditing operations.
- Directors provide cooperation so that the exchange of information between Auditors and the Directors and Auditors of subsidiaries takes place appropriately so that Auditors can properly execute their duties.
- The Company promptly processes expenses that an Auditor requires in order to perform their duties.

2. Fundamental Approach to Eliminating Anti-Social Forces and State of Related Efforts Update

The basic policy on internal control systems established at the Board of Directors meeting held on May 15, 2006 (partially revised on June 25, 2015) prescribes that the Company "avoids all ties with antisocial forces. The entire organization will take a firm stance against unreasonable demands, in accordance with internal regulations." The Company has formulated regulations and manuals, and established systems to deal with antisocial forces on an organization-wide basis by appointing the Representative Chairman as the person responsible for the overall response to antisocial forces, assigning the General Affairs and Personnel Management Department to be the department in charge of responding to antisocial forces, and by establishing a cross-organizational compliance promotion committee. Additionally, as the department in charge of responding to antisocial forces, the General Affairs and Personnel Management Department makes efforts to collect and manage information regarding antisocial forces on a regular basis and works to strengthen its systems in the event of a situation by coordinating with governmental bodies such as police forces with jurisdiction and external professional entities such as attorneys.

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V Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not adopted

Supplementary Explanation

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2. Other Matters Concerning Corporate Governance System Update

Refer below for an overview of the Company's corporate governance and internal control systems.

[Overview of Timely Disclosure System]

1 Decision-making Facts

The Corporate Communications Department coordinates with the Finance and Accounting Department and Legal Department to analyze information reported from other Company departments and Group subsidiaries, and considers the need for, details of and method of disclosure while consulting Timely Disclosure Regulations and other materials. When a matter is determined to be an important matter falling under timely disclosure requirements as a result, the matter is promptly disclosed upon resolution by the Board of Directors.

2 Occurrence-type Facts

The Corporate Communications Department collects information from other Company departments and Group subsidiaries regarding occurrence-type facts, coordinates with the Finance and Accounting Department and Legal Department to carefully examine the contents of the information, and promptly discloses the matter after confirming with the President & CEO.

3 Information Concerning Financial Results

Regarding financial results information, the Finance and Accounting Department engages in discussions with accounting auditors and outside experts as needed, the Corporate Communications Department undertakes a detailed examination of the financial results materials to be disclosed, and prompt disclosure is made upon resolution of the Board of Directors.

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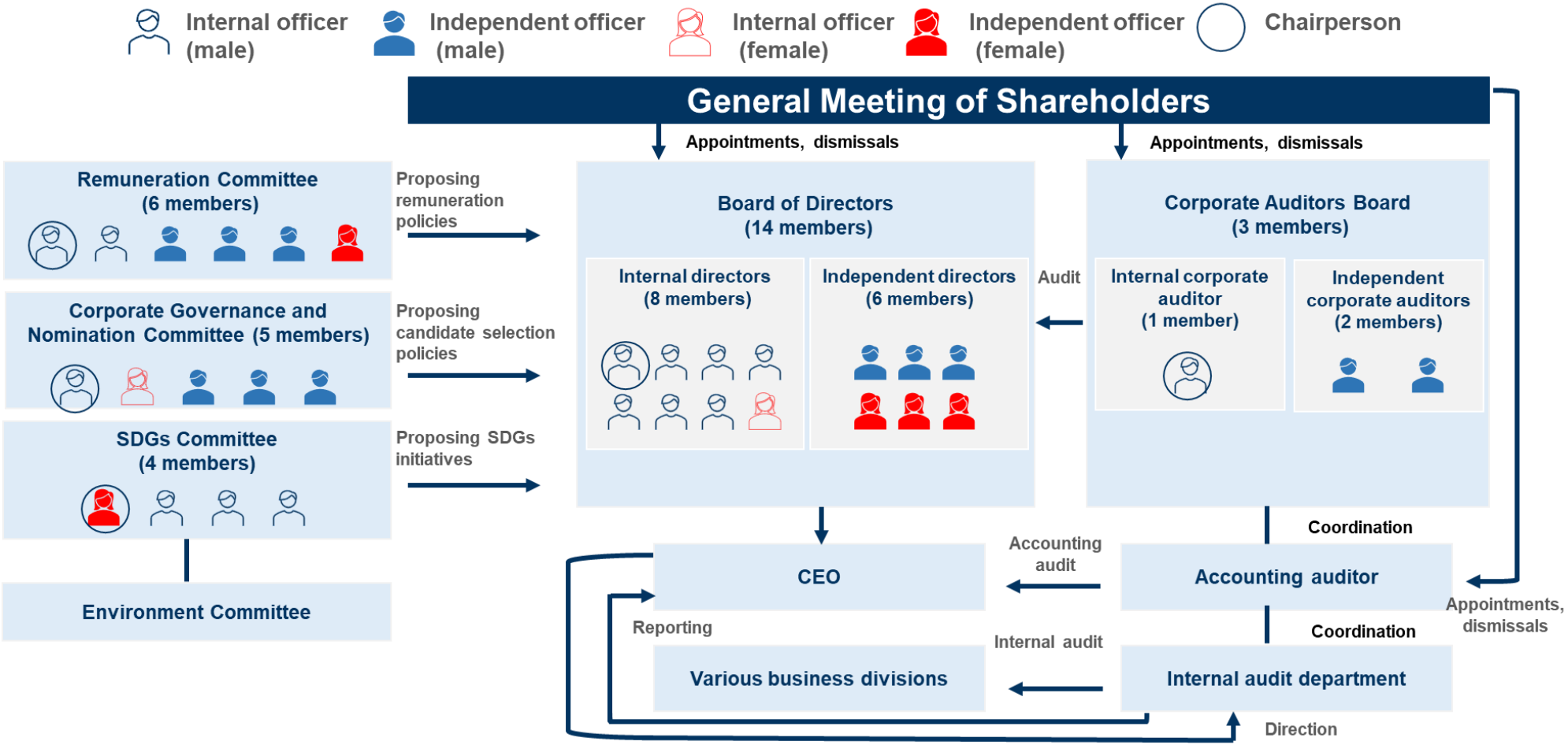
[SNBL's Sustainability and Governance System Overview]

Corporate Governance Structure



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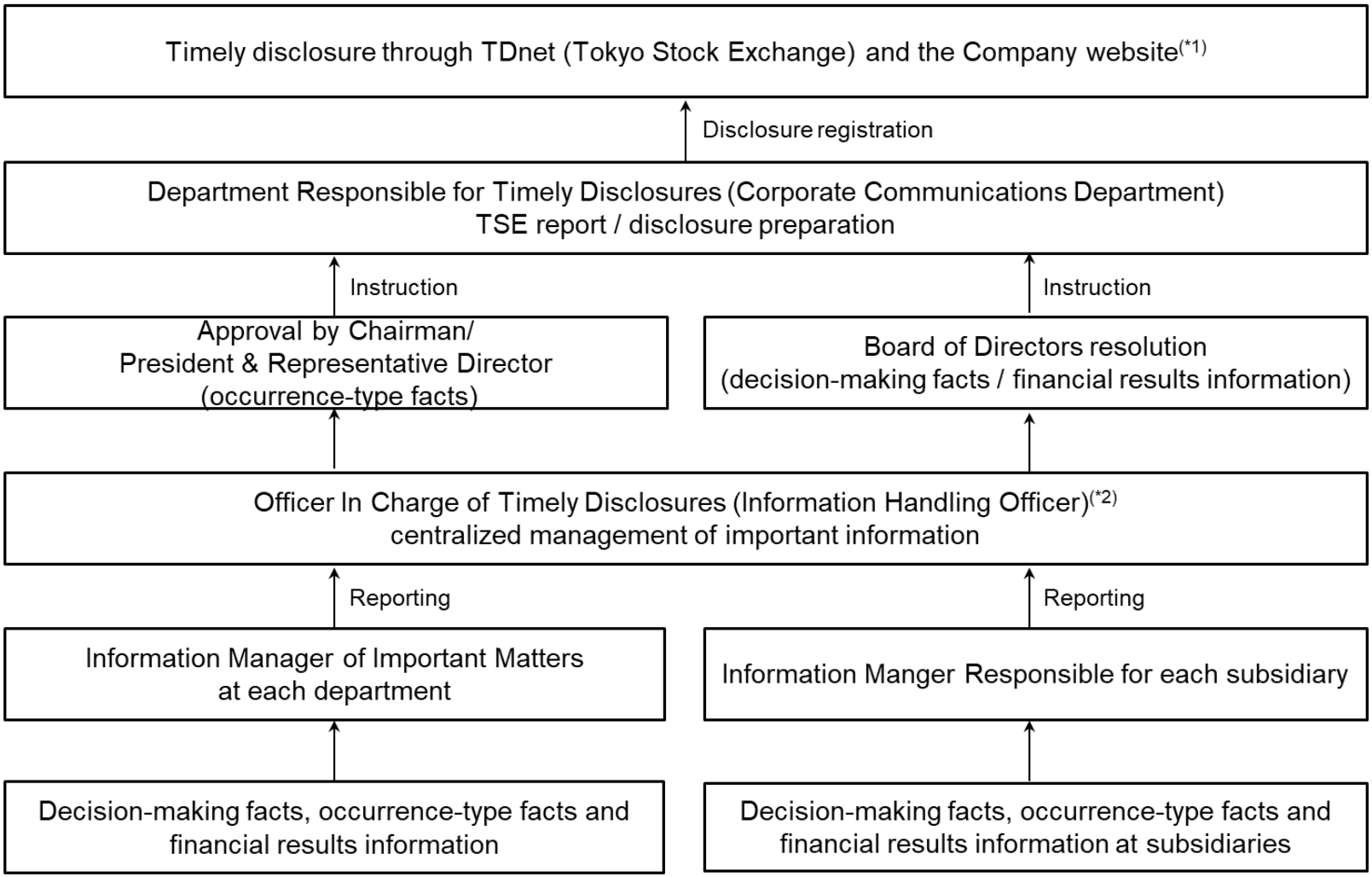
[Overview of Timely Disclosure System]

Overview of Timely Disclosure System



(*1) Press conferences and email distribution are also carried out depending on the contents.
(*2) The person registered with the Tokyo Stock Exchange

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[Expertise and Experience of Internal and External Directors (skills matrix)]

当社取締役のスキルマトリックス　Skills Matrix of Directors

取締役 Directors		スキル　Major skills									
		会社経営 Corporate Management	グローバルビジネス Global Business	技術・研究開発 Technology and research development	財務・会計 Financial affairs and accounting	人事・労務・人材開発 Human resources, labor and staff development	法務・リスク管理 Legal affairs and risk management	環境 Environment	社会 Social	内部統制・ガバナンス Internal control and governance	主な資格 Main qualifications
永田 良一 Ryoichi Nagata	代表取締役会長 CEO＆CHO Representative Director, Chairman of the Board, CEO＆CHO	○	○	○		○		○		○	医師 Physician
平間 英之 Hideyuki Hirama	代表取締役社長 Representative Director, President	○	○		○	○	○			○	MBA
永田 一郎 Ichiro Nagata	代表取締役副社長 Representative Director, Senior Executive Vice President	○	○	○		○				○	医師 Physician
高梨 健 Ken Takanashi	取締役副会長 Vice Chairman of the Board	○	○		○		○		○	○	米国公認会計士 U.S. Certified Public Accountant
角﨑 英志 Hideshi Tsusaki	専務取締役 Executive Managing Director	○	○	○				○		○	獣医師 Veterinarian
入山　隆 Takashi Iriyama	専務取締役 Executive Managing Director	○	○		○		○			○	MBA
長利　京美 Kyomi Nagatoshi	専務取締役 Executive Managing Director					○	○		○	○	鹿児島市女性活躍アドバイザー Advisor for Women's Empowerment in Kagoshima City
梅原　友樹 Tomoki Umehara	取締役 Board Director			○	○			○		○	MBA
福元 紳一 Shinichi Fukumoto	独立社外取締役 Independent Director					○	○		○	○	弁護士 Attorney-at-law
山下 隆 Takashi Yamashita	独立社外取締役 Independent Director				○	○	○			○	公認会計士 CPA
花田 強志 Tsuyoshi Hanada	独立社外取締役 Independent Director				○	○			○	○	税理士 Certified Tax Accountant
戸谷 圭子 Keiko Toya	独立社外取締役 Independent Director	○	○					○	○	○	学者（グローバルビジネス） Scholar (Global Business)
松枝　千鶴 Chizuru Matsueda	独立社外取締役 Independent Director				○	○			○	○	公認会計士 CPA 公認不正検査士 CFE
廣瀬　由美 Yumi Hirose	独立社外取締役 Independent Director				○	○	○			○	税理士 Certified Tax Accountant