Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

August 5, 2026

Consolidated Financial Results for the Three Months Ended June 30, 2026 (Under Japanese GAAP)

Company name: Shin Nippon Biomedical Laboratories, Ltd.
Listing: Prime Market, Tokyo Stock Exchange
Securities code: 2395
URL: https://en.snbl.com
Representative: Ryoichi Nagata, Representative Chairman, CEO
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Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for analysts and institutional investors)

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

1. Consolidated financial results for the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	7,868	21.5	521	–	1,433	177.9	1,064	308.6
June 30, 2025	6,477	16.7	(340)	–	515	50.8	260	113.1

Note: Comprehensive income For the three months ended June 30, 2026: ¥(115) million [–%]
For the three months ended June 30, 2025: ¥(3,309) million [–%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	25.55	–
June 30, 2025	6.25	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2026	100,208	42,265	41.6	1,002.40
March 31, 2026	105,055	43,489	41.0	1,035.76

Reference: Equity
As of June 30, 2026: ¥41,731 million
As of March 31, 2026: ¥43,120 million

2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	–	20.00	–	30.00	50.00
Fiscal year ending March 31, 2027	–				
Fiscal year ending March 31, 2027 (Forecast)		20.00	–	30.00	50.00

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

3. Consolidated earnings forecasts for the year ending March 31, 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	17,154	16.1	1,240	–	2,988	83.6	1,917	80.6	48.56
Fiscal year ending March 31, 2027	38,000	16.8	3,000	13.0	6,000	2.9	3,500	(23.4)	84.07

Note: Revisions to the forecast of consolidated financial results most recently announced: Yes

*** Notes**

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

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of June 30, 2026	41,632,400 shares
As of March 31, 2026	41,632,400 shares

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

As of June 30, 2026	586 shares
As of March 31, 2026	586 shares

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

Three months ended June 30, 2026	41,631,814 shares
Three months ended June 30, 2025	41,631,836 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None

* Proper use of earnings forecasts, and other special matters

(The forecast of financial results and forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual financial results may differ significantly from the forecasts for various reasons. For more information regarding our suppositions that form the assumptions for the earnings forecasts, please see page 9 of the attachment, "1. Qualitative information on quarterly consolidated financial results for the three months ended June 30, 2026, (3) Explanation of consolidated earnings forecasts and other forward-looking statements."

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

Financial results 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 Wednesday, August 5, 2026, from 3 p.m. 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.

Attached Material

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1. Qualitative information on quarterly consolidated financial results for the three months ended June 30, 2026

(1) Explanation of operating results

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

Under such circumstances, revenue for the first quarter of the fiscal year ending March 31, 2027 (from April 1, 2026 to June 30, 2026; hereinafter, "the first quarter under review") increased by ¥1,391 million (up 21.5%) compared to the first quarter of the fiscal year ended March 31, 2026 (hereinafter, "the previous first quarter") to ¥7,868 million, a record high for the first quarters, driven by the mainstay CRO business. Operating profit was ¥521 million, an increase of ¥862 million relative to operating loss of ¥340 million for the previous first quarter. This significant increase in operating profit is primarily attributable to the recognition of revenue in the CRO business in the first quarter under review for several large-scale projects whose completion, originally expected during the fiscal year ended March 31, 2026, was delayed and carried over into the fiscal year ending March 31, 2027. Operating loss due to 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, amounted to ¥593 million for the first quarter under review (for the previous first quarter: ¥746 million) at Satsuma. Ordinary profit increased by ¥917 million (up 177.9%) year on year to ¥1,433 million. The share of profit of entities accounted for using equity method for the first quarter under review from PPD-SNBL K.K., which promotes the clinical business within the CRO business was ¥718 million (the previous first quarter: ¥700 million). As for foreign exchange losses (gains), foreign exchange gains of ¥172 million were recorded, contributing to an increase in ordinary profit by ¥51 million (up 42.6%) compared with foreign exchange gains of ¥120 million for the previous first quarter. Profit attributable to owners of parent increased by ¥803 million (up 308.6%) year on year to ¥1,064 million.

As of June 30, 2026, the SNBL Group had 1,680 employees on a consolidated basis excluding part-time and hourly employees, as a result of the 150 new employees (including 90 female employees) who joined the Company in April 2026, resulting in an increase of 158 employees compared to the end of the previous fiscal year. In addition, the ratio of female employees on a consolidated basis, including temporary employees, was 54.6%.

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 laboratory non-human primates (NHPs), considered as one of the industry's second-top tier nonclinical CROs globally. The nonclinical business achieved steady results for the first quarter under review. The following initiatives implemented by the Company have shown positive results.

- The importance of the Company-established framework for lab animal supply, comprising inhouse NHP breeding facilities and study labs set in close proximity, 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 completed our 5-year plan to strengthen framework for breeding NHPs in Japan since the fiscal year ended March 31, 2021 to reduce import risks and improve quality by constructing new large-scale breeding facility with the total investment of ¥8.5 billion. 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 inhouse NHP supply. 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 underway 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 multiple contracts. In July 2026, the Company gave a presentation on MPS at the 53rd Annual Meeting of the Japanese Society of Toxicology. Interest from both domestic and overseas pharmaceutical companies is high, and multiple inquiries are ongoing.
- Our Drug Safety Research Laboratory, Medipolis NHP Center, and SNBL INA Ltd. have received notification of full reaccreditation from AAALAC International. AAALAC International is the sole international, independent accreditation organization (and private, nonprofit organization) that conducts assessments of the humane and responsible care and use of animals in facilities for laboratory animals. Following accreditation, reassessments are carried out every three years by way of on-site visits to facilities. For many pharmaceutical companies, especially those in Europe and the U.S., holding AAALAC International accreditation is a key prerequisite to allow the subcontracting of work to a CRO.
- 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 aiming at completion in fall 2027.
- With the objective of improving quality and reducing the time taken from study completion to submission of the draft final report, we are working on the development of AI-based systems to automate preparation of study reports. In the fiscal year ended March 31, 2026, we conducted a PoC from which we obtained satisfactory results. We began full-fledged implementation in May 2026, and plan to launch this framework by March 2027, with the intention of providing new services to customers.

As a result of the aforementioned initiatives, contracts received in the nonclinical business for the first quarter under review increased by ¥1,866 million (up 23.0%) year on year to ¥9,961 million, setting a record high for the first quarters. The main factor for the increase in orders received is an increase in orders received from customers in Europe and the U.S., in which we have strengthened strategic initiatives, and such orders received for the first quarter under review grew significantly by 39.8% year on year to ¥4,280 million. Overseas orders received in the first quarter under review increased by 68.8% year on year to ¥5,301 million, accounting for 53.2% of total orders received (the previous first quarter: 38.8%). The order

backlog as of the end of June 2026 is at a record high level at ¥44,060 million, an increase of ¥7,939 million (up 22.0%) from the end of June 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 share of profit of entities accounted for using equity method from PPD-SNBL's contribution for the first quarter under review was ¥718 million (¥700 million in the previous first quarter).

Revenue in the CRO business for the first quarter under review increased by ¥1,355 million (up 22.0%) year on year to ¥7,537 million, setting a record high for the first quarters. Operating profit of the CRO business increased by ¥769 million (up 200.0%) year on year to ¥1,538 million, and ratio of operating profit to revenue was 20.4% (the previous first quarter: 12.4%).

(ii) Translational Research business (TR business)

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

The Company's proprietary intranasal drug delivery platform technology (SMART: Simple MucoAdhesive Release Technology Platform, hereinafter, "SMART"), which has been a focus of inquiry as the core of the TR business since the business's launch in 1997, is a platform technology that combines an intranasal powder formulation technology using a carrier composition as the base with an intranasal 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. With its sights set on a U.S. market launch in the second half of the fiscal year ending March 2027, Satsuma is currently implementing a wide range of business development initiatives, including the establishment of strategic partnerships, while taking the lead in building out its commercial infrastructure. In regions outside the U.S. (such as the Middle East, Asia, and Europe), Satsuma is negotiating to license the product to local sales partners. In June 2026, Satsuma presented a poster on the results of the clinical trial of STS101 at the American Headache Society (AHS).

The TR Business Headquarters within parent SNBL includes a department that conducts research into creating fundamental technologies such as formulations and devices, a department that manages clinical trials of Parkinson's disease treatment drugs, and one that manages the acquisition of Proof of Concept (hereinafter, "POC") 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 TR-012001 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, as well as the results of additional analysis at the International Congress of Parkinson's Disease and Movement Disorders in July 2026. Additionally, at the Annual Meeting of the Japanese Society of Neurology held in May 2025, the congress of the Movement Disorder Society of Japan in July, and the 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. At an interim evaluation recently conducted by AMED, we were deemed to have achieved nonclinical POC 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 set for the development.

We have been developing the CRO and TR businesses since 1999, mainly centered on SNBL USA, Ltd. established in Washington State, USA, and have built a strong network with academic institutions, investors, pharmaceutical companies, 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 cultivated through the U.S. business to expand the SNBL Global Gateway (SGG) business, which holistically drives investment activities and business incubation support.

In April 2026, we reorganized the Gemseki business department, which had been operating the licensing brokerage business related to drug discovery seeds and technologies, to establish the SGG Division. As a result, we have developed a comprehensive support system for the creation and development of pharmaceuticals and medical devices by adding licensing support, including search for business partners, to the existing investment and business incubation functions.

The SGG Division provides support in both Japan and the U.S. for Japanese biotech companies and startups aiming to enter the U.S. market, and U.S. companies and startups aiming to enter the Japanese market or build alliances with Japanese companies, through the three functions of investment, business incubation, and licensing support.

For the investment function, we invest in startups in Japan and North America, primarily through our consolidated subsidiary, Gemseki Investment Inc. We continued to conduct investment activities through the Gemseki Fund No. 2 Investment Limited Partnership that we formed in 2024, and in the first quarter under review we took stakes in one startup in Japan. In addition, we are engaged in investment activities focused primarily on North America through the SBI US Gateway Fund, a joint fund established by the SBI Group, which has an extensive track record in the global investment field, and Plug and Play, an innovation platform provider headquartered in Silicon Valley, USA.

For the business incubation function, we are leveraging the network and business infrastructure we have developed in the U.S. to support Japanese companies entering the U.S. market and U.S. companies entering the Japanese market. More specifically, we offer fully integrated support, including market analysis, developing market entry strategies and business plans, regulatory/intellectual property strategy, establishing local offices, and business plan execution support. In the first quarter under review, we provided U.S. market analysis services, advisory services on the form of U.S. market entry to take, and consulting on nonclinical studies to multiple Japanese biotech companies and venture capital firms in the initial stages of considering entry to the U.S. market. In addition, one of our partner venture capital firms has opened an office at the business incubation facility we operate in Washington State. Membership at this facility is growing, primarily among Japanese biotech companies, and it continues to create opportunities for exchange and business alliances among Japanese and U.S. venture capital companies, pharmaceutical companies, biotech companies, research institutions, and others.

In collaboration with the Seattle Children's Research Institute and the City of Kobe, we co-hosted a two-day life sciences event titled "Life Science Gateway 2026 Seattle and Japan" in Washington State in May 2026. At this event, we discussed the investment environment and joint research landscape in the life sciences sector and the drug discovery ecosystem, including CDMO, in both Japan and the U.S. We also featured presentations by startups from both countries and provided networking opportunities. The event attracted approximately 190 participants. We also participated in the "Plug and Play Silicon Valley May Summit 2026," which was held by Plug and Play in the same month, where we held meetings and exchanged information with startups, businesses, and investors. Through these activities, we are working to increase points of contact between Japanese and U.S. life sciences professionals and to create opportunities for business collaboration and investment.

For the licensing support function, guided by our mission of "Striving to support the best development of drug candidates and technologies for society," we leverage our global network and information on drug discovery seeds and technologies accumulated through our Gemseki business to provide licensing and partnering support to drug discovery startups, research institutions, and other entities that possess drug discovery seeds and technologies. This support includes formulating out-licensing strategies, identifying

potential licensees, arranging meetings, and supporting contract negotiations. In the first quarter under review, we participated in "BIO International Convention 2026" held in San Diego in June 2026. Through meetings with pharmaceutical startups, research institutions, and pharmaceutical companies, we pressed forward with identifying and securing contracts with new customers possessing promising drug discovery seeds and technologies. We also supported existing clients by introducing their drug discovery seeds and technologies and helping to create licensing and business partnership opportunities.

Through these initiatives, we foster the development of the global drug discovery ecosystem by connecting startups, academic institutions, investors, pharmaceutical companies, and drug discovery support firms in Japan and the U.S., while providing comprehensive support for investment, business incubation, and licensing.

Amid these circumstances, the TR business posted revenue of ¥59 million for the first quarter under review (for the previous first quarter: ¥47 million). For the first quarter under review, operating loss was ¥966 million (for the previous first quarter: ¥1,101 million), partly as a result of a decrease in operating loss related to Satsuma from ¥746 million for the previous first quarter to ¥593 million for the first quarter under review.

(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 2015. Geothermal power generation produces hardly any CO_2 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, achieving generation of 4 million kWh a year (roughly equivalent to the annual electricity consumption of 1,000 average households). As in the previous fiscal year, we maintained stable power generation throughout the first quarter under review. The estimated annual power generation from both power plants 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. To further enhance guest satisfaction, we carried out a major renovation of the spa facility in June 2026 (to be reopened in July 2026). The Medipolis Proton Therapy and Research Center has treated more than 8,000 cancer patients with proton therapy since it began treatments in January 2011.

The Medipolis business posted revenue of ¥237 million for the first quarter under review, an increase of ¥27 million (up 12.8%) from ¥210 million for the previous first quarter. Operating profit was ¥16 million (for the previous first quarter: ¥33 million) mainly due to an increase in depreciation in the power generation business.

(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 business posted revenue of ¥49 million for the first quarter under review (for the previous first quarter: ¥43 million), due to the land and house rent received from tenants. Operating loss was ¥28 million (for the previous first quarter: ¥23 million).

(v) Initiatives for SDGs/ESG

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

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

In the Integrated Report, we have provided our 2028Vision "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 5.3%, estimated based on the earnings results for the fiscal year ended March 31, 2026. 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, 2026, ROE was 10.9%, and ROIC was 8.4%. In addition, the Company updated its Corporate Governance Report in June 2026, 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 June 30, 2026 was 28.5% (four out of 14 Directors).

The Company has been highly evaluated by various rating agencies for its continuous efforts for SDGs/ESG.

The Company has been selected for two consecutive years as a component stock in the FTSE JPX Blossom Japan Index, and for five consecutive years in the FTSE JPX Blossom Japan Sector Relative Index, both of which are constructed by global index provider FTSE Russell in the UK. Additionally, we were selected for the "Nadeshiko Brand" in FY2021 and FY2025. This program, jointly organized by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange, recognizes companies that excel in promoting women's participation in the workplace.

As for the results of dialogue with shareholders and investors during the first quarter under review, the Company conducted 58 meetings with institutional investors and analysts (the previous first quarter: 76 meetings). The IR and Corporate Communications blog was updated with 63 posts to provide information in a timely way.

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 2019, we established our research facility in Wadomari-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. Using our proprietary artificial feed and a new type of breeding tank (Kuroshio Tank™), we are progressing toward mass production with the goal of establishing a production system capable of producing one million juvenile eels within five years.

(2) Explanation of financial position

Total assets as of June 30, 2026 decreased by ¥4,846 million (down 4.6%) compared to the balance as of the end of the previous fiscal year, to ¥100,208 million. Current assets decreased by ¥2,842 million (down 6.6%) compared to the balance as of the end of the previous fiscal year, to ¥40,146 million due mainly to a decrease in cash and deposits of ¥4,202 million and an increase in inventories of ¥2,093 million. Non-current assets decreased by ¥2,003 million (down 3.2%) compared to the balance as of the end of the previous fiscal year, to ¥60,062 million due mainly to a decrease in investment securities of ¥2,289 million.

Liabilities decreased by ¥3,623 million (down 5.9%) compared to the balance as of the end of the previous fiscal year, to ¥57,942 million. Current liabilities increased by ¥168 million (up 0.4%) compared to the balance as of the end of the previous fiscal year, to ¥39,494 million due mainly to an increase in advances received of ¥2,019 million and a decrease in income taxes payable of ¥883 million. Non-current liabilities decreased by ¥3,792 million (down 17.0%) compared to the balance as of the end of the previous fiscal year, to ¥18,448 million due mainly to a decrease in long-term borrowings of ¥3,834 million.

Net assets decreased by ¥1,223 million (down 2.8%) compared to the balance as of the end of the previous fiscal year, to ¥42,265 million due mainly to the posting of ¥1,064 million in profit attributable to owners of parent, dividends paid of ¥1,248 million, and a decrease in valuation difference on available-for-sale securities of ¥1,896 million.

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

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

We express our deepest sympathies to all those affected by the earthquakes that struck Kumamoto areas in Japan on July 28, 2026. There is no impact on our business operations reported to date, and we will continue to closely monitor developments. Should there be any new and material changes to the assumed business environment, we will promptly disclose them in a timely manner.

Business performance for the first quarter of the fiscal year ending March 31, 2027 has been strong, and we have revised our consolidated earnings forecast for the second quarter (cumulative) of the fiscal year ending March 31, 2027, which was previously announced on May 11. For details, please refer to the "Notice Concerning Revisions of Consolidated Financial Forecasts for the First Six Months of the Fiscal Year Ending March 31, 2027" announced today.

The assumed exchange rate is US$1 = ¥150.00, as set at the beginning of the fiscal year.

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

[Orders received in the nonclinical business]

(Millions of yen)

	Results for the three months ended June 30, 2023	Full-year results for the fiscal year ended March 31, 2024	Results for the three months ended June 30, 2024	Full-year results for the fiscal year ended March 31, 2025	Results for the three months ended June 30, 2025	Full-year results for the fiscal year ended March 31, 2026	Results for the three months ended June 30, 2026	Full-year plan for the fiscal year ending March 31, 2027
Orders received	8,398	27,411	7,170	32,109	8,095	35,728	9,961	37,800
Of which, Japan	6,208	20,359	4,001	19,769	4,955	20,223	4,660	19,200
Of which, overseas	2,189	7,052	3,169	12,340	3,140	15,505	5,301	18,600
Order backlog	33,329	33,212	36,051	34,394	36,120	40,920	44,060	

(Notes) 1. For calculation of orders received (overseas), an average exchange rate for each fiscal year is applied.
2. 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)

	Results for the three months ended June 30, 2023	Full-year results for the fiscal year ended March 31, 2024	Results for the three months ended June 30, 2024	Full-year results for the fiscal year ended March 31, 2025	Results for the three months ended June 30, 2025	Full-year results for the fiscal year ended March 31, 2026	Results for the three months ended June 30, 2026	Full-year plan for the fiscal year ending March 31, 2027
Capital expenditures	1,408	8,525	4,273	11,390	2,049	5,304	1,127	11,086
Depreciation	411	1,774	482	2,496	715	3,318	760	3,948
R&D expenses	294	1,741	617	2,217	748	2,400	691	2,435
Number of employees at period-end (people)	1,360	1,341	1,445	1,436	1,541	1,522	1,680	1,676

(Note) Satsuma Pharmaceuticals is included from October 1, 2024.

2. Quarterly consolidated financial statements and significant notes thereto

(1) Quarterly consolidated balance sheet

(Thousands of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	18,536,325	14,334,226
Notes and accounts receivable - trade, and contract assets	7,304,856	7,173,582
Inventories	15,114,090	17,207,150
Other	2,205,775	1,603,674
Allowance for doubtful accounts	(172,270)	(172,581)
Total current assets	42,988,777	40,146,051
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,799,105	23,445,924
Land	5,033,176	5,072,688
Other, net	7,369,410	8,119,472
Total property, plant and equipment	36,201,692	36,638,085
Intangible assets		
Goodwill	1,762,784	1,745,531
Other	359,685	383,542
Total intangible assets	2,122,470	2,129,074
Investments and other assets		
Investment securities	21,373,107	19,083,433
Other	2,566,688	2,434,505
Allowance for doubtful accounts	(197,220)	(222,233)
Total investments and other assets	23,742,575	21,295,704
Total non-current assets	62,066,737	60,062,864
Total assets	105,055,514	100,208,916

(Thousands of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	406,866	263,591
Short-term borrowings	19,669,996	19,569,996
Income taxes payable	966,195	82,364
Advances received	14,705,860	16,725,830
Other	3,576,392	2,852,239
Total current liabilities	39,325,311	39,494,021
Non-current liabilities		
Long-term borrowings	21,121,025	17,286,245
Lease liabilities	468,120	727,399
Other	651,805	435,281
Total non-current liabilities	22,240,951	18,448,926
Total liabilities	61,566,263	57,942,948
Net assets		
Shareholders' equity		
Share capital	9,679,070	9,679,070
Capital surplus	2,398,557	2,426,054
Retained earnings	22,572,741	22,334,488
Treasury shares	(780)	(780)
Total shareholders' equity	34,649,589	34,438,832
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,911,222	6,014,443
Foreign currency translation adjustment	559,946	1,278,547
Total accumulated other comprehensive income	8,471,168	7,292,991
Non-controlling interests	368,492	534,142
Total net assets	43,489,251	42,265,967
Total liabilities and net assets	105,055,514	100,208,916

(2) Quarterly consolidated statement of income and consolidated statement of comprehensive income

Quarterly consolidated statement of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Revenue	6,477,677	7,868,873
Cost of revenue	3,408,391	3,821,039
Gross profit	3,069,286	4,047,834
Selling, general and administrative expenses	3,410,221	3,526,098
Operating profit (loss)	(340,934)	521,735
Non-operating income		
Interest income	6,662	11,245
Dividend income	1,020	1,170
Foreign exchange gains	120,802	172,225
Share of profit of entities accounted for using equity method	725,577	830,970
Other	61,244	57,351
Total non-operating income	915,307	1,072,962
Non-operating expenses		
Interest expenses	57,816	106,938
Commission expenses	312	1
Other	490	54,473
Total non-operating expenses	58,618	161,413
Ordinary profit	515,754	1,433,284
Extraordinary income		
Gain on sale of non-current assets	2,751	1,127
Total extraordinary income	2,751	1,127
Extraordinary losses		
Loss on retirement of non-current assets	178,781	26,031
Impairment losses	6,219	0
Total extraordinary losses	185,001	26,031
Profit before income taxes	333,504	1,408,380
Income taxes - current	39,605	57,899
Income taxes - deferred	37,398	287,470
Total income taxes	77,003	345,369
Profit	256,500	1,063,010
Loss attributable to non-controlling interests	(3,924)	(1,031)
Profit attributable to owners of parent	260,425	1,064,042

Quarterly consolidated statement of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Profit	256,500	1,063,010
Other comprehensive income		
Valuation difference on available-for-sale securities	166,447	(1,896,778)
Foreign currency translation adjustment	(3,661,075)	665,526
Share of other comprehensive income of entities accounted for using equity method	(71,504)	52,282
Total other comprehensive income	(3,566,132)	(1,178,969)
Comprehensive income	(3,309,632)	(115,959)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(3,300,538)	(117,489)
Comprehensive income attributable to non-controlling interests	(9,093)	1,530

(3) Notes to quarterly consolidated financial statements

(Notes on going concern assumption)

Not applicable.

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

Not applicable.

(Notes to quarterly consolidated statement of cash flows)

No quarterly consolidated statement of cash flows was prepared for the three months ended June 30, 2026. Amounts of depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill are as follows.

(Thousands of yen)

	Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)	Three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)
Depreciation	715,987	760,556
Amortization of goodwill	28,491	28,830

(Notes to segment information)

(Segment information)

I. Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

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

(Thousands of yen)

	Reportable segments					Other (Note 1)	Total	Adjustments (Note 2)	Amount recorded on the quarterly consolidated statement of income (Note 3)
	CRO business	TR business	Medipolis business	US Property Management business	Subtotal				
Revenue									
Revenue from external customers	6,171,699	14,319	169,797	43,313	6,399,129	78,547	6,477,677	–	6,477,677
Transactions with other segments	11,050	32,762	40,375	–	84,188	76,364	160,552	(160,552)	–
Total	6,182,749	47,081	210,173	43,313	6,483,318	154,912	6,638,230	(160,552)	6,477,677
Segment profit (loss)	769,071	(1,101,160)	33,945	(23,782)	(321,925)	3,824	(318,100)	(22,833)	(340,934)

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

2. Segment profit (loss) adjustments amounting to negative ¥22,833 thousand consist of ¥9,064 thousand in elimination of intersegment transactions and negative ¥31,897 thousand in corporate expenses not allocated to a reportable segment. Corporate expenses are mainly general and administrative expenses, which are not attributable to the reportable segments.

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

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

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

II. Three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

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

(Thousands of yen)

	Reportable segments					Other (Note 1)	Total	Adjustments (Note 2)	Amount recorded on the quarterly consolidated statement of income (Note 3)
	CRO business	TR business	Medipolis business	US Property Management business	Subtotal				
Revenue									
Revenue from external customers	7,530,526	59,755	183,374	49,245	7,822,900	45,972	7,868,872	-	7,868,872
Transactions with other segments	6,829	–	53,795	–	60,624	68,594	129,218	(129,218)	–
Total	7,537,355	59,755	237,169	49,245	7,883,524	114,566	7,998,090	(129,218)	7,868,872
Segment profit (loss)	1,538,121	(966,010)	16,442	(28,761)	559,792	23,627	583,419	(61,684)	521,735

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

2. Segment profit (loss) adjustments amounting to negative ¥61,684 thousand consist of ¥3,579 thousand in elimination of intersegment transactions and negative ¥65,263 thousand in corporate expenses not allocated to a reportable segment. Corporate expenses are mainly general and administrative expenses, which are not attributable to the reportable segments.

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

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

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