

I feel that measures to establish a competitive advantage, which we have taken based on our unique growth strategy, are bearing fruit.



MD, PhD, Representative Chairman,
President, CEO & CHO

Ryoichi Nagata

Q Could you explain the financial results for the fiscal year ended March 31, 2022?

In the fiscal year ended March 31, 2022, our mainstay CRO business was the driving force behind the achievement of double-digit growth of revenue and profit.

As in the previous fiscal year, all of the profit figures achieved record highs. We have been praised for our framework for breeding and supplying large laboratory animals within the SNBL Group, the only such framework that has been built by a contract research organization (CRO), and for our evaluation system that is useful for the evaluation of new modalities in drug discovery. This has led to orders for large-scale studies from customers all over the world.

Orders received in the preclinical CRO business increased 46.6% year on year, to ¥22,390 million, which is a new record high. Above all, orders received from overseas countries, where the development of new modalities in drug discovery is progressing, almost doubled year on year, to ¥6,140 million (Europe and North America: ¥4,390 million, Asia: ¥1,750 million), and the ratio of overseas orders received out of total orders received grew significantly year on year, from 20.5% to 27.5%.

For more than 30 years since I became the president in 1991, I have implemented various measures based on our unique growth strategy. I feel that some of those measures are bearing fruit. In the fiscal year ended March 31, 2022, we paid dividends of ¥40 per share, a record high.

Q Do CROs contribute to the development of COVID-19 vaccines and therapeutic agents as well?

New drug development is a long journey. It takes at least ten years to proceed from the basic research phase of preclinical studies to clinical trials. It is important to achieve a balance between speed, certainty, and economic rationality in this process. In recent years, there has been a growing trend among pharmaceutical companies, including overseas companies, to outsource the studies that are necessary for research and development to CROs with a wealth of experience and an extensive track record. CROs have built high-quality evaluation systems with reliable technologies, which they have cultivated through their experience in many pharmaceutical development projects. With a wealth of human resources, they can conduct studies quickly and efficiently. COVID-19 vaccines and therapeutic agents could not have been developed without the cooperation of CROs.

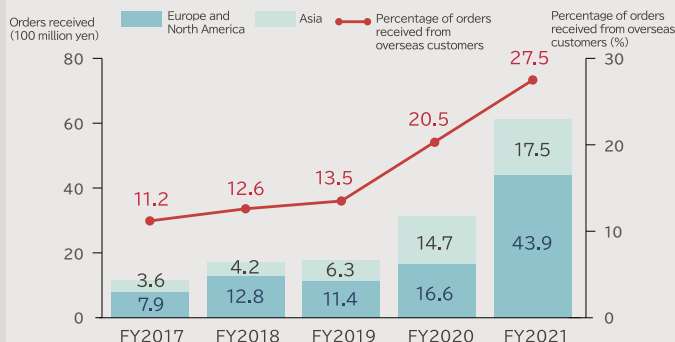
Q Could you explain the forecasts for the new fiscal year ending March 31, 2023 and future direction of the company?

We expect that the environment surrounding our mainstay CRO business will remain favorable in the fiscal year ending March 31, 2023. We expect both revenue and operating profit to grow by double digits. Ordinary profit is also forecast to increase, excluding the impact of exchange rates. In the CRO business, we will expand facilities and increase research staff. At the same time, we will focus our efforts on

Preclinical (CRO) business FY2021
Status of orders received



Preclinical (CRO) business FY2021
Orders received from overseas customers



the robotization and digital transformation (DX) of our operations, aiming to maximize customer value. Thus, we will create the value of time for customers.

At the same time, in the Translational Research business (TR business), we are fully leveraging our unique intranasal drug delivery technology to move forward with drug formulation development. We have been working on the technology for 25 years since we established this business in 1997. In March this year, SNLD, our consolidated subsidiary, started a phase 1 clinical trial. The phase 3 clinical trial being conducted by Satsuma Pharmaceuticals, a new drug discovery venture and a licensee of our intranasal drug delivery technology, will be completed within the year, and a New Drug Application (NDA) is planned to be submitted to US FDA early next year.

Regarding our facilities, we will expand our laboratories this fiscal year, investing around ¥5.0 billion to accelerate our sustainable growth. We also plan to increase R&D expenses in the TR business by approx. ¥400 million compared to the previous fiscal year. Regarding dividends, as we disclosed when we announced our financial results on May 6, the Board of Directors passed a resolution to aim for a consolidated dividend payout ratio between 30% and 40%, starting with the current fiscal year.

Q You are also proactive regarding ESG and the SDGs. What specific activities are you carrying out?

In our Corporate Principle, the environment is the first of the things that we value that we list. This was inherited from my father, who is our founder. Since long before the world began to focus on ESG and the SDGs, we have understood that providing public benefit through social activities is important for the increase of our corporate value. To describe our specific activities, we own a 3,400,000m² forest (Medipolis Ibusuki Forest) in Ibusuki-shi, Kagoshima, where we do forest thinning and plant trees to help protect biodiversity and reduce greenhouse gas emissions (by approx. 1,800 tons per year) and generate power (approx. 14 million kWh) using renewable geothermal energy that enables stable power generation. Further, we are helping people to achieve wellbeing by supporting the operations of the Medipolis Proton Therapy and Research Center, a facility within the property that provides proton therapy for cancer treatment.

Major facilities supporting the CRO business



Kagoshima HQ/Drug Safety Research Laboratories (Kagoshima-shi)



Pharmacokinetics and Bioanalysis Center (Kainan-shi, Wakayama)



SNBL Cambodia (Phnom Penh, Kingdom of Cambodia)

Q Could you share a message for the shareholders?

We have been proactively developing human resources and empowering women since long before these issues began to attract significant attention from society.

To develop internal human resources, we have established the SNBL Academy, an independent internal division specializing in training management. We have an internal training program in which I myself teach management philosophy and business leader mindset.

We began to improve the workplace environment for women more than 15 years ago. As a result, the majority of our employees are women, the number of women in managerial positions has increased, and there are virtually no women who leaves the company to give birth to children or care for their children. In March this year, SNBL was selected by the Ministry of Economy, Trade and Industry as a Nadeshiko Brand for the outstanding promotion of the participation of women in the workplace. We have also been recognized as a Certified Health & Productivity Management Outstanding Organization (White 500) for six consecutive years. Companies with a good track record in the promotion of health and productivity management are recognized under this program.

We have set the slogan, "I'm happy, you are happy, and everyone is happy." Under this slogan, we aim to develop a corporate climate that enables all employees and related people to achieve personal development while working successfully and demonstrate their capabilities to the full with a broad perspective.

In June last year, we established the new IR & Corporate Communication Department and enhanced our information disclosure activities. Moving forward, we will disclose even more information by publishing integrated reports (including English versions). I appreciate that our shareholders follow our sustainable development and continue to support us.

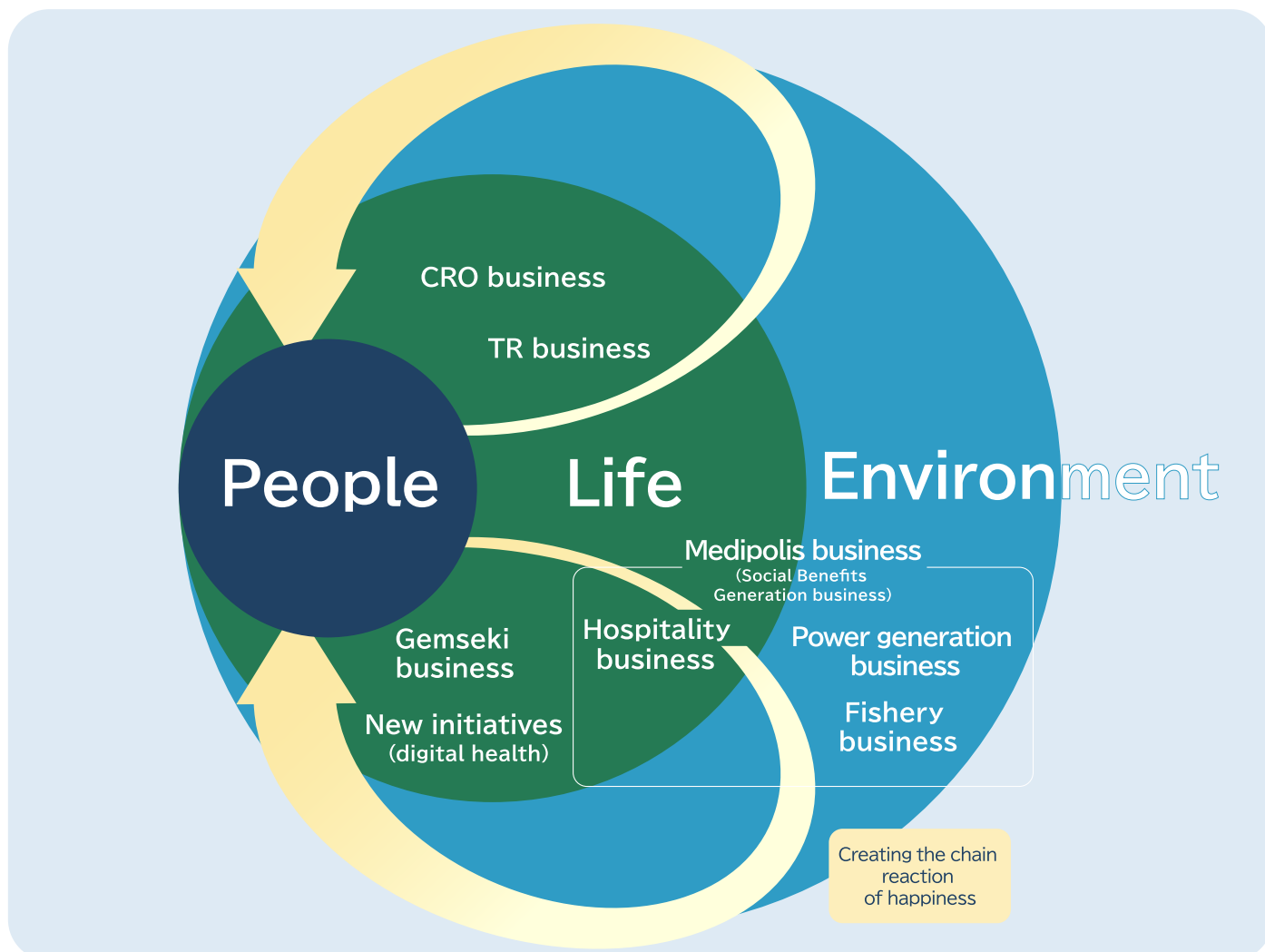
Full-year Earnings Forecasts for the Fiscal Year Ending March 31, 2023 (100 million of yen)

	FY2020	FY2021	FY2022		
			Full-year earnings forecast	YoY	
Revenue	151.1	177.4	196.0	+18.5	10.4%
Operating Profit	25.2	41.9	50.0	+8.0	19.2%
Ordinary Profit	36.4	70.7	60.0	Δ10.7	-15.2%
Ordinary Profit <small>(Excluding the impact of foreign exchange losses/gains)</small>	34.0	57.0	60.0	+2.9	5.1%
Profit Attributable to Owners of Parent	36.6	71.2	43.0	Δ28.2	-39.7%

Businesses of SNBL

At SNBL, we operate businesses in the following domains, aiming to work closely with all stakeholders related to us and create a chain reaction of happiness, under our corporate principle, “We will continue to be a company that values the environment, life and people.”

SNBL's business domains



■ CRO business

For new drug development, we conduct preclinical studies to research the efficacy and safety of the drug using cells, laboratory animals, and others, and clinical studies for confirming efficacy and safety with human subjects.

■ TR business

We discover promising seeds and new technologies created through basic research at universities, bio-venture firms, and other institutions all over the world, increase their added value, and commercialize them. In addition, we are pushing formulation development forward by applying the intranasal drug delivery technology that we have developed on our own.

■ Gemseki business

Gemseki Inc. operates a licensing brokerage business for drug discovery seeds and technologies on a global basis. The company has also formed a fund, with itself being an unlimited liability partner, and operates investment business.

■ Medipolis business (Social Benefits Generation business)

We own a large 340-hectare (840-acre) tract of land called Medipolis Ibusuki in the highlands of Ibusuki-shi, Kagoshima. Making use of this natural capital, we engage in businesses generating social benefit.

▶ Hospitality business

We operate a business under the main concept of wellbeing.

▶ Power generation business

We engage in geothermal power generation using renewable energy.

▶ Fishery business

We are conducting research to produce artificial breeders for Japanese eels in their juvenile stage (glass eels), which are listed as endangered on the IUCN Red List.

■ New initiatives (digital health)

Using medical data gathered in daily clinical practice (real-world data: RWD), we correctly understand medical services and their results and use the data to implement preventive measures and for other purposes.

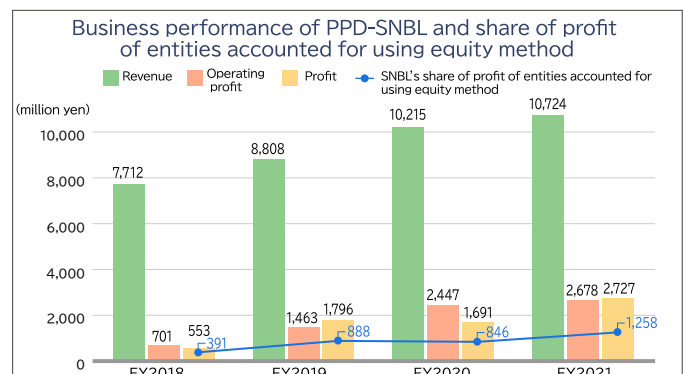
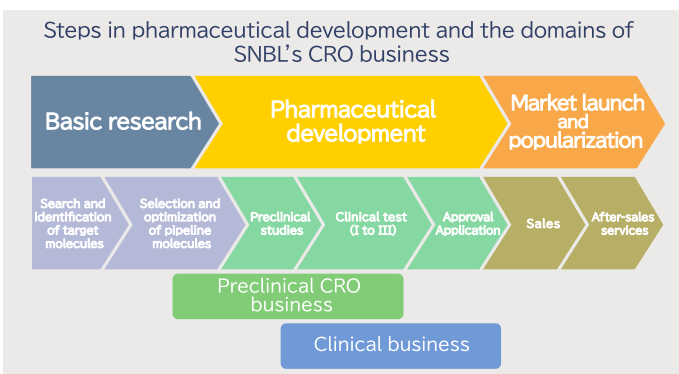


New drug development by a pharmaceutical company starts with the identification of the cause of a disease. Then, it strives to find as many substances as possible that act on the target molecule that is the cause of the disease. These substances are narrowed down through repeated screening, and finally, a candidate compound is selected. Next, the process of finishing the candidate compound into a pharmaceutical product is started. An international rule in the development of pharmaceuticals is that safety tests using laboratory animals, etc. shall be conducted before tests involving the administration of a candidate compound to human subjects. These tests are called preclinical (non-clinical) studies, and they include toxicity tests, pharmacological tests, and pharmacokinetics tests. It is only after the safety and efficacy of the medical agent have been confirmed through these tests that clinical studies, which involve the administration of the candidate compound to human subjects, are permitted.

In the CRO business, which is the mainstay business of SNBL, we conduct these preclinical and clinical studies that are outsourced to us by pharmaceutical companies. Previously, pharmaceutical companies would conduct preclinical and clinical studies on their own. Currently, however, they develop new drugs in cooperation with companies that possess specialized knowledge, expertise and a track record from the perspective of streamlined management. Companies to which studies are outsourced from pharmaceutical companies are called contract research organizations (CROs), and SNBL is Japan's first CRO. Our CRO business encompasses the preclinical CRO business, in which we undertake preclinical studies, and the clinical business, in which we undertake clinical studies.

Due to our high level of expertise and unprecedented, extensive track record, our CRO business has led us to become the partner of pharmaceutical companies in the development of pharmaceuticals. This has led to high profit from this business. Our strength is that we have built a global brand that conducts preclinical studies using experiments with non-human primates (NHPs), which are said to be the most advantageous laboratory animals due to their high similarity to humans. We are the only company that has built a framework for breeding and supplying NHPs within our Group, which differentiates us from other companies. We are also establishing an extensive track record of conducting studies for various modalities in drug discovery. Since research and development of bio-pharmaceuticals applying human biogenic substances began in the 1980s, there have been a growing number of cases where the safety and efficacy of those drugs cannot be confirmed without using NHPs. Since the 2010s, the research and development of new modalities in drug discovery has been in full swing, particularly in relation to next-generation therapeutic antibodies, nucleic acid medicine, gene therapy and regenerative medicine. NHPs have been essential for the development of these new types of pharmaceuticals.

We operate our clinical business through PPD-SNBL K.K., a joint venture with PPD International Holdings, LLC (Thermo Fisher Scientific Group/ hereafter, "PPD"), an international clinical CRO based in the United States. PPD-SNBL's mainstay business is the implementation of global studies (studies conducted simultaneously in multiple countries and regions) that are outsourced to PPD in Japan. Demand for global studies has been increasing because they accelerate the global launch of new drugs. This has enabled this business to perform steadily. PPD-SNBL is our equity method affiliate (equity stake: 40%), and the profits (dividends) from this company are recorded as share of profit of entities accounted for using equity method under non-operating income. In FY2021, the share of profit of entities accounted for using equity method from PPD-SNBL was ¥1,250 million. Partly because of the contribution of this share of profit, our ordinary profit has been greater than operating profit since the fiscal year ended March 31, 2019.



02

Businesses

TR
Business

Development of therapeutic agents under way in Japan and the United States through the application of our proprietary intranasal drug delivery technology



The Translational Research business (hereafter, the “TR business”) is based on a strategy to change the earnings structure by making use of our infrastructure, accumulated technologies and experience, in addition to the CRO business for supporting pharmaceutical development. Specifically, we discover promising seeds and new technologies created through the basic research performed at Japanese and overseas universities, bio-venture companies, research institutes, and other organizations, and increase their added value to develop them for commercialization, the initial public offering, or a merger or acquisition. In addition to aiming for the development of new technologies and drug discovery, we develop drug formulations based on an intranasal drug delivery technology that we have developed internally on our own.

It has been 25 years since we launched the TR business in 1997. We have established Wave Life Sciences Ltd. (“Wave”) in Boston, jointly with Harvard University professors, and Satsuma Pharmaceuticals, Inc. (“Satsuma”) in San Francisco, and both of them are listed on the NASDAQ.

Wave develops nucleic acid medicines through multiple pipelines. It has signed business partnerships with Pfizer Inc. and Takeda Pharmaceutical Co., Ltd. and acquired significant funding for research and development. Satsuma is developing an intranasal migraine therapeutic agent, conducting a phase 3 clinical trial at present. It plans to submit a New Drug Application (NDA) to the US FDA in the Jan-Mar quarter of 2023. If development continues to progress steadily and the therapeutic agent is launched, we will gain license revenue (royalty on sales).

SNLD, Ltd., a consolidated subsidiary that we established in March this year, conducted a domestic phase 1 clinical trial of an intranasal rescue medication (development code: TR-012001) for treating a neurodegenerative disease. A rescue medication is not used for the fundamental treatment for a disease. It caters to needs for quick relief from a severe symptom. We believe that the strength of our intranasal drug formulations, which feature immediate effects, can be fully demonstrated in this domain.

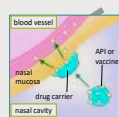
The intranasal drug delivery technology in the TR business is a platform technology combining a powdered formulation technology and a uniquely designed delivery device (medical device) based on a proprietary carrier. It is characterized by the rapid onset of action based on absorbability through the nasal mucosa. It also has the advantage of being easier to administer than injection and allowing the formulation to be stored at room temperature.

In addition to the above, we have started to develop nasal vaccines which are expected to have a mucosal immune effect that more effectively protects people from infection. At the same time, we are conducting research related to a unique adjuvant drug for increasing the effectiveness of nasal vaccines. We also engage in the advanced research and development of a delivery technology (Nose-to-Brain technology) that enhances drug delivery to the brain through intranasal delivery.

Gemseki Inc., our subsidiary supporting drug discovery, globally operates a licensing brokerage business for drug discovery seeds and technologies. The company has formed a fund, with itself being an unlimited liability partner, and operates an investment business.

TR Business: SNBL Nasal Drug Delivery Platform Technology and Its Applications

SNBL's Proprietary Nasal Drug Delivery System



- Nasal Delivery Device**
- ✓ User-friendly
 - ✓ Light-weight and compact
 - ✓ Complete and consistent delivery
 - ✓ Low cost
 - ✓ Specific design for each nasal application

- Nasal Drug Carrier Technology**
- ✓ Muco-adhesive powder carrier and specific optimizations for each drug characteristic
 - ✓ Multiple options of formulation technology relevant to characteristics of active pharmaceutical ingredients (APIs)
 - ✓ Clinical and non-clinical experiences with candidate products for the systemic absorption

Nasal Absorption for Systemic Action

- Drug absorption via the dense microvascular network
- Beneficial for any treatment requiring fast onset of action or bypass of first-pass metabolism, and for patients with difficulty swallowing oral medication
- Excellent clinical safety profile in thousands of subjects
- Out-licensed the nasal migraine drug to Satsuma Pharm (P3 clinical study ongoing in US)
- P1 study underway for the candidate rescue drug for neurodegenerative disorder by SNLD, Ltd. a spin-out subsidiary

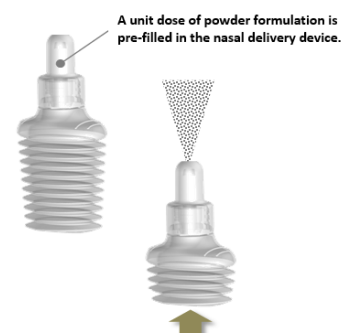
Nasal Vaccine for Mucosal Immunity

- First-line defense with mucosal immunity
- Second-line defense with systemic immunity
- Cross protection (protection against mutant strains)
- R&D and application of adjuvants into vaccine formulations
- Aiming to demonstrate ideal application to respiratory infectious diseases. Such as COVID-19 and influenza.

For Nose-to-Brain Delivery

- Drug delivery directly from the olfactory region to the brain
- Beneficial technology for drugs which are not or difficult to pass the BBB
- Reduce systemic toxicity
- Exploring drug candidates for development
- Special nasal administration devices under development

Nasal Rescue Medication for Neurodegenerative Diseases (the prototype under development)



03

Businesses

Medipolis
(businesses of generating social benefit)
Business

Businesses generating social benefit using the vast natural capital of Ibusuki-shi, Kagoshima



We own a large 340-hectare (840 acres or 77 times the area of the Tokyo Dome) tract of land named Medipolis Ibusuki in the highlands of Ibusuki-shi, Kagoshima. Using the natural capital of this property (with approx. 90% of the land being a forest), we operate the Medipolis business (operating businesses that generate social benefit). We named this land Medipolis Ibusuki based on the term “Medipolis,” which we coined by combining “medical” and “polis” for city. On the premises there are a geothermal power plant, hotels whose main concept is the wellbeing of people (hospitality business), and a proton therapy facility for cancer treatment (Medipolis Proton Therapy and Research Center). We are engaged in comprehensive initiatives for the health of people (including mental health) at Medipolis Ibusuki. It has been 18 years since we began this initiative in 2004. We can say that it is a precursor of what is called “wellbeing.”

The power generation business at Medipolis Ibusuki has steadily continued to generate power since the geothermal plant was started up in February 2015. A record high amount of power was generated in the fiscal year ended March 31, 2022 (10,750,000 kWh). This is equivalent to the amount of power consumed by approx. 2,500 general households in a year. Geothermal power generation is deemed a promising base-load power source, which enables the stable generation of power day and night throughout the year without being affected by the weather. We sell the generated power under the feed-in tariff (FIT) scheme, a fixed-price purchase scheme for renewable energy. In the fiscal year ended March 31, 2022, revenue from our power generation business was ¥430 million. In the fiscal year ending March 31, 2023, we launched a new power generation project. A hot spring power plant (with an annual output of 4 million kWh), utilizing the surplus steam from the source of a hot spring used for baths and heating the floors of the hotels, began operating in June this year.

In the hospitality business, we have divided our accommodation facilities (total number of rooms: 74) into three hotels by building and by function to meet the diverse needs of guests. They are the Amafuru Oka healing resort hotel, the Ibusuki Bay Hills Hotel & Spa, which is a facility for medium- to long-term stays, and the HOTEL Freesia, which is an accommodation facility for the patients of the Medipolis Proton Therapy and Treatment Center.

The forest on premises of Medipolis Ibusuki is a reservoir of biodiversity. With the cooperation of a local forestry cooperative, we are conserving biodiversity through forest thinning and continuous tree planting.

Natural capital of Medipolis Ibusuki	
Japanese cedar	Approx. 157,100 trees
Sawtooth oak	Approx. 3,000 trees
Japanese cypress	Approx. 1,500 trees
Cherry tree	Approx. 500 trees
Maple	Approx. 300 trees
Ginkgo	Approx. 300 trees
Japanese apricot	Approx. 300 trees
Azalea	Approx. 10,000 trees
Hydrangea	Approx. 4,500 trees
Coconut palm	Approx. 40 trees
Cockspur coral tree	Approx. 40 trees
Camellia	Approx. 100 trees
Sasanqua	Approx. 150 trees
Miscellaneous trees	Approx. 53,375 trees



Amafuru Oka

Hello, everyone. I am Senior Director Iwata of the IR& Corporate Communication Department. Our department was newly established in June 2021. A new member joined in April 2022, and the department now has four members (50% are women). Our motto is “speedy implementation.” Here, we will report our activities in the fiscal year ended March 31, 2022.



1. Initiatives for building infrastructure for dialogue with investors that is up to the global standard

The Corporate Communication Department first focused our efforts on building infrastructure for dialogue with investors that is up to the global standard within 2021 assuming that we would be listed on the Prime Section of the Tokyo Stock Exchange. First, regarding financial results, we began to create English versions of the consolidated financial results and financial results presentation materials in the first quarter. In the consolidated financial results, we began to disclose figures for orders received and the order backlog in the preclinical CRO business, which is our mainstay business. Orders received is important information that is a leading indicator for the business, and investors praised this disclosure. Regarding ESG initiatives, we newly created the Sustainability Report (ESG report) and an English version of the Corporate Governance Report. At the same time, we summarized the expertise and experience of our directors, which companies listed on the Prime Section are required to disclose, in a list called a skills matrix. We also disclosed the impact of climate-related risks and revenue-generating opportunities on our business activities, profits, etc. by summarizing them in our TCFD’s Recommended Disclosures.

On our official website, we have added a “To the NEWS list” link on the top page, facilitating users’ searches for past news releases. We have also posted all consolidated financial results and securities reports that we have published since the fiscal year ended March 31, 2004, when we were listed. We have also created ESG pages, where we post various policies and other related information. In addition, we posted a link to our corporate communication blog, where we share short news stories, on the top page of our website in July 2021. During the nine months until the end of March, 2022, we posted 121 stories, which means that we updated the blog almost every other day. We hope you will take a look.

2. Initiatives to increase meetings with investors

While our 2021 goal was to build infrastructure for dialogue with investors that is up to global standards, we had a total of 101 meetings with investors in the fiscal year ended March 31, 2022. We had 49 meetings with domestic institutional investors and 52 with overseas institutional investors. We had 20 meetings with analysts. Including these 20 meetings, we met a total of 121 times with institutional investors and analysts, a significant increase from the previous fiscal year (15 meetings). As of March 31, 2022, the percentage of shares held by institutional investors was 27.6%, up 14.6 percentage points from a year earlier.

We held two company information sessions for individual investors only because there was virtually no period when we could say that the COVID-19 pandemic had abated. However, thanks to the cooperation of securities companies, we participated in an online information session hosted by SMBC Nikko Securities in November 2021. The session was viewed by 225 people. We had a face-to-face meeting with 40 investors at the Kagoshima Branch of Nomura Securities in December 2021. Due to the COVID-19 pandemic, Nomura Securities refrained from holding face-to-face seminars for investors at its branches all over Japan for nearly two years. Our company information session for individual investors was the first face-to-face session after this period of voluntary restraint, which made it a commemorative event. We plan to hold company information sessions for individual investors in all 47 prefectures of Japan.



Company information session for individual investors (Kagoshima-shi)

Number of dialogues with institutional investors (including analysts)

121



Result for the fiscal year ended March 31, 2022

Percentage of shares held by institutional investors

27.6%



As of March 31, 2022 (Up 14.6 percentage points from 13.0% on March 31, 2021)

Percentage of shares held by overseas investors

13.5%



As of March 31, 2022 (Up 11.1 percentage points from 2.4% on March 31, 2021)

Company information sessions for individual investor

2 times



Result for the fiscal year ended March 31, 2022



Praised Regarding Women’s Empowerment and Health and Productivity Management!

In October 2021, we defined eight material issues which are important for the increase of our corporate value. Accordingly, we encourage activities for solving problems related to each material issue in pursuit of sustained growth. For the promotion of diversity and the development of a good working environment, one of the material issues, we have focused on the practice of health and productivity management which was mentioned in the last Shareholders’ Newsletter, and women’s empowerment. These efforts have been praised. Recently, we were chosen as a FY2021 Nadeshiko Brand and were selected under the Certified Health & Productivity Management Outstanding Organizations Recognition Program (White 500).

Selected as a Nadeshiko Brand, evidence that we are a company empowering women!

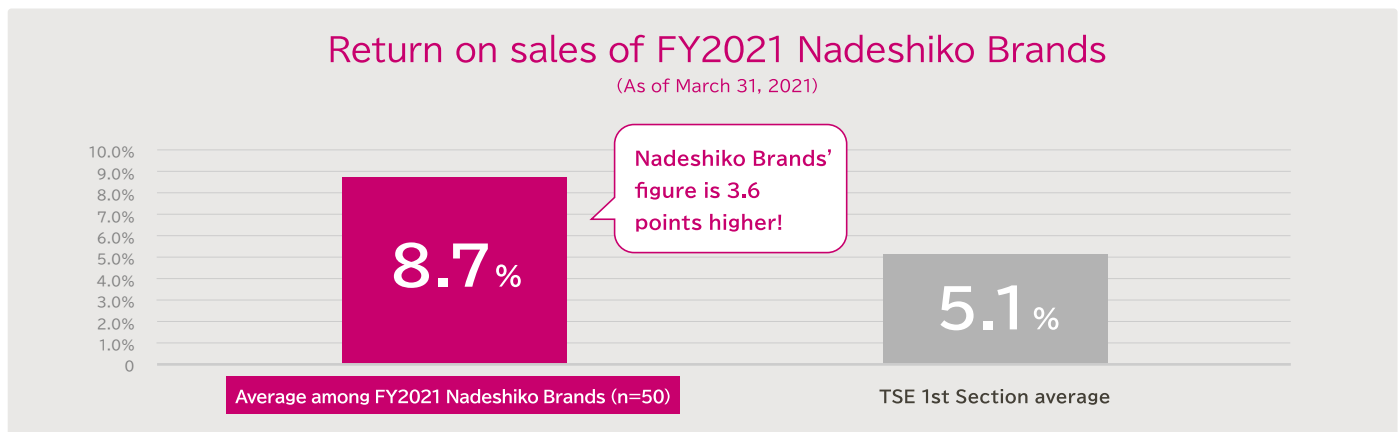


The Nadeshiko Brand system of the Tokyo Stock Exchange and the Ministry of Economy, Trade and Industry selects listed companies that are engaging in excellent efforts to encourage women’s success in the workplace. By introducing stocks that would be attractive to investors who value the importance of increasing corporate value over the medium to long term, the Nadeshiko Brand system aims to encourage investment in companies and accelerate the companies’ initiatives. Companies with the highest score in the different business categories (and also those with the second-highest score in categories with a relatively large number of companies) are

selected as Nadeshiko Brands. In FY2021, 50 of all of the listed companies were selected as Nadeshiko Brands. We were selected in the service industry category.

According to a report published by the Tokyo Stock Exchange and the Ministry of Economy, Trade and Industry, the performance of the 50 companies selected as **Nadeshiko Brands (return on sales) are 3.6 points higher** than the average value of stocks in the first section of the Tokyo Stock Exchange (currently the Prime Market of the Tokyo Stock Exchange). **The report shows that the companies excellence in relation to the empowerment of women also tends to enable them to perform well in the sustainable increase of corporate value.** (Source of the table: FY2021 Nadeshiko Brand report)

In addition to the empowerment of women, we actively encourage diversity and continue to be committed to the improvement of our corporate value through the development of a corporate climate that enables all employees and stakeholders to happily and energetically shine and improve and enables each individual to demonstrate their capabilities to the full.



Practicing health and productivity management! Certified White 500 company six years in a row!



The Certified Health & Productivity Management Organization Recognition Program honors large-scale and small- and medium-scale companies that are conducting excellent health and productivity management based on the initiatives for regional health problems and the health promotion initiatives noted by Nippon Kenko Kaigi. Companies are expected to think about health and productivity management from a manager’s perspective and strategically implement it based on the idea that efforts to maintain and promote health of employees, etc. are an investment that increases profitability, etc. in the future.

According to research conducted by Nikkei Inc. and the Japan Center for Economic Research, **engaging in health and productivity management may increase both ROA (return on asset) and ROS (return on sales) over the medium term.** An active commitment to health and productivity management is expected to lead to the improvement of a company’s performance and increase of corporate value.

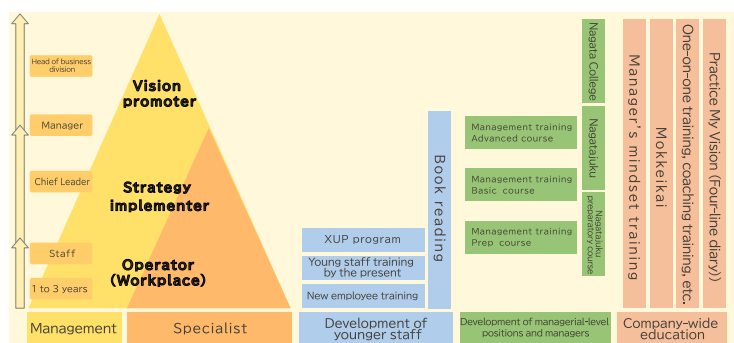
We have been **selected as a White 500 company six years in a row, since FY2017. This means that we are one of the 500 highest rated companies in the Large Enterprise Category of the White 500.** Under the slogan “I’m happy, you are happy, and everyone is happy,” we support the maintenance and promotion of employee health and seek to increase our corporate value through the implementation of health and productivity management.

SNBL Academy, our original human resource development system

In recent years, the disclosure of sustainability information mainly from the perspective of ESG (environment, society and governance) and non-financial information that leads to the increase of medium- and long-term corporate value has become increasingly important around the world. In particular, the Japanese government is discussing a framework for the disclosure of human capital information. Companies are expected to disclose specific information about how their human resources and human resource strategies may lead to the achievement of business strategies and the increase of corporate value in an easy-to-understand manner. The topics in this issue related to ESG and the SDGs are focused on the SNBL Academy and Nagata-juku, our own institutions for human resource development, and the XUP program for the improvement of young employees' business skills.

About the SNBL Academy

We consider 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. Established in 2002, SNBL Academy provides our employees with a unique in-house education with the goals of enabling the dissemination of the company's corporate philosophy and achieving transformation. SNBL Academy runs multiple programs for the development of a wide range of human resources from new employees to candidates for managerial-level positions and managers. Here, we will share information about Nagata-juku and the XUP program. Nagata-juku engages in our original education activities, including the development of future managerial-level positions and managers, and the XUP Program encourages young employees' independent and voluntary improvement.



SNBL Academy's educational system

Dissemination of Corporate Philosophy

First-class managerial talent embodying the corporate philosophy and manager candidates are developed through friendly competition.

Transformation

The company has produced employees who are able to be ahead of the changes of the times and can change an organization with a sense of ownership.

Nagata-juku

Nagata-juku welcomes its tenth class of students this year. President Nagata directly provides training to about a dozen selected mid-level employees every year with the goal of developing future managerial talent. The president's training program focuses on fostering a manager's mindset and disseminating our corporate philosophy. This is our original one-year program increasing the awareness of our manager candidates. Each of the four- to six-member teams receives an assignment, and based on this assignment, the students stay up to date on current facts and propose and implement improvement measures. Further, they join President Nagata at a three-day camp every three months to learn philosophy-based management directly from the president. A graduation ceremony is held in mid-June every year at the Fugen-in temple on Koyasan. To date, there are 125 graduates of Nagata-juku. Each graduate takes the initiative in practicing and spreading our corporate philosophy and manager's mindset.



Nagata-juku

XUP program

Started in 2003, the XUP program develops young employees modeled after the goju education of the former Satsuma Domain in which younger people were taught by their seniors. Employees in the first to third year at the company are divided into groups of around eight people. Each group engages in activities to achieve the goal set by its leader. The XUP program produces and develops independent future leaders by encouraging them to think and act independently. The aim of the XUP program is to enable young employees to engage in group activities and acquire many different skills such as skills related to communication, decision making, problem solving, acting, insight, far-sightedness and commitment to the improvement of the company. They have an annual presentation in June and report their activities to the officers. Teams that perform excellently are commended. To date, the XUP program has led to the implementation of recommendations and improvements such as the creation of guidance related to new employee training and video materials for teaching experimentation techniques, sharing near-miss accidents (prevention of mistakes and work injuries) and reporting specific examples of energy conservation. In fact, the program contributes to enhancement of the company's productivity and employees' healthy work-life balances.



The XUP program

The goal of these in-house training programs is to achieve our corporate philosophy, valuing human resources by considering them to be an asset of society. The programs are characterized most by the closeness between the president and employees and the fact that the president is one of the people nearest to our employees and supporting their improvement. We will continue to pursue the sustained growth of the company and enable each employee to be fulfilled through the strategic development of human resources.

Corporate Data

(as of March 31, 2022)

SHIN NIPPON BIOMEDICAL LABORATORIES, LTD. (SNBL)

Capital	9,679,070,000 yen
Year of Foundation	September 1957 (Established: May 1973)
Number of Employees	994
Headquarters	St. Luke's Tower 28F 8-1 Akashi-cho, Chuo-ku, Tokyo 104-0044, Japan
(Location of main branch: 2438 Miyanouracho, Kagoshima-shi, Kagoshima)	
Business	CRO business to support the development of pharmaceutical products



Tokyo Headquarters
(Chuo-ku, Tokyo)

Board of Directors

(as of March 31, 2022)

MD, PhD, Representative Chairman, President, CEO & CHO	Ryoichi Nagata
USCPA, Executive Vice President	Ken Takanashi
Senior Managing Executive Officer	Shinji Nitanda
DVM, PhD, Senior Executive Director, President of Preclinical Business and Global BD	Hideshi Tsusaki
MD, PhD, MMH, MBA, Executive Director, Vice President of Preclinical Business	Ichiro Nagata
Attorney-at-Law, Director (part-time)	Shinichi Fukumoto
CPA, Director (part-time)	Takashi Yamashita
Certified Tax Accountant, Director (part-time)	Tsuyoshi Hanada
PhD, Director (part-time)	Keiko Toya

Shares Status

(as of March 31, 2022)

Total Number of Shares Issued	41,632,400 shares
Number of Shareholders	9,841

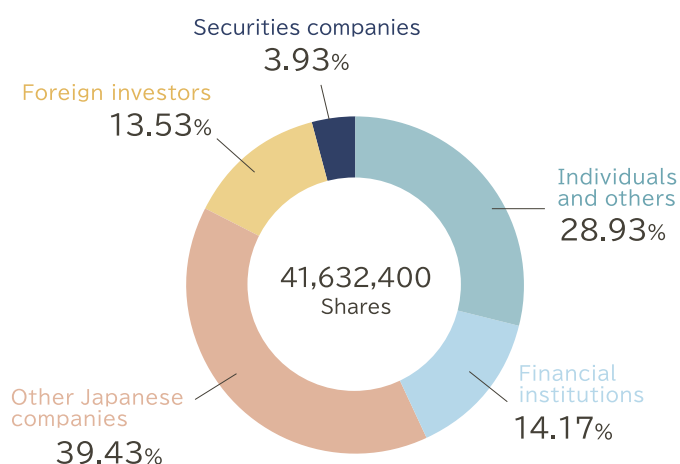
Major Shareholders

(Ten largest shareholders)

Name	Number of Shares held (thousands)	Shareholding ratio(%)
Nagata and Company Inc.	14,690	35.28
The Master Trust Bank of Japan, Ltd. (Trust account)	3,209	7.70
Takahisa Nagata	2,080	4.99
Medipolis Medical Research Institute	1,474	3.54
Goldman Sachs Japan Co., Ltd. BNYM	1,194	2.86
Custody Bank of Japan, Ltd. (Trust account)	1,086	2.60
Ikue Nagata	1,024	2.45
Ichiro Nagata	1,024	2.45
Rie Umehara	1,024	2.45
The KAGOSHIMA BANK, LTD.	1,000	2.40

Distribution of shares by type

(as of March 31, 2022)



【Security code: 2395】

We were listed on TSE Mothers on March 8, 2004 and transitioned to the first section of the TSE on March 11, 2008. We transitioned to the TSE's Prime Market on April 4, 2022 following the Tokyo Stock Exchange's revision of their market segments. We will continue to achieve outstanding CRO in the industry, in pursuit of the global growth of the business. Our code number is 2395. SNBL's mission dating back to its foundation is to free patients from suffering by supporting drug development and improving medical technology. Our code number, 2395, was decided to reference the Japanese phrase, "minasan kyugo," which means saving people suffering from disease.



【Our website】



<https://www.snbl.co.jp>

Shin Nippon Biomedical Laboratories

Search



SHIN NIPPON BIOMEDICAL LABORATORIES, LTD. (SNBL)

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<https://www.snbl.co.jp>

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見やすく読みまちがいにくいユニバーサル
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