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Financial Results for the Three Months Ended December 31, 2025 [Japanese GAAP] (Non-consolidated)

February 9, 2026

Company name: Kringle Pharma, Inc.
Code number: 4884
Representative: Kiichi Adachi, President & CEO
Contact: Koichi Murakami, Member of the Board, Director of Corporate Planning Management
Phone: +81-7653-6728
Stock exchange listing: Tokyo Stock Exchange
URL: https://www.kringle-pharma.com/en/

Scheduled date of commencing dividend payments: —
Availability of supplementary explanatory materials on financial results: Available
Schedule of financial results briefing session: Scheduled

(Amounts of less than one million yen are rounded down.)

1. Financial Results for the Three Months Ended December 31, 2025 (October 1, 2025 - December 31, 2025)

(1) Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2025	18	2.2	(199)	–	(200)	–	(201)	–
December 31, 2024	18	(2.8)	(212)	–	(212)	–	(212)	–

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
December 31, 2025	(28.20)	–
December 31, 2024	(31.23)	–

(2) Financial Position

	Total assets	Net assets	Equity ratio
As of	Million yen	Million yen	%
December 31, 2025	1,990	1,220	59.7
September 30, 2025	2,079	1,309	61.5

Reference: Equity: As of December 31, 2025: ¥1,188 million As of September 30, 2025: ¥1,279 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 30, 2025	–	0.00	–	0.00	0.00
Fiscal year ending September 30, 2026	–				
Fiscal year ending September 30, 2026 (Forecast)		0.00	–	0.00	0.00

Note: Revision to the dividend forecast announced most recently: None

3. Financial Results Forecast for the Fiscal Year Ending September 30, 2026 (October 1, 2025 - September 30, 2026)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	72	(0.3)	(1,172)	–	(1,172)	–	(1,173)	–	(162.18)

Note: Revision to the financial results forecast announced most recently: None

*** Notes:**

(1) Accounting methods adopted particularly for the preparation of quarterly financial statements: None

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: None
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: None
4) Retrospective restatement: None

(3) Total number of issued and outstanding shares (common shares)
1) Total number of issued and outstanding shares at the end of the period (including treasury shares):

As of December 31, 2025:	7,158,504 shares
As of September 30, 2025:	7,018,200 shares

2) Total number of treasury shares at the end of the period:

As of December 31, 2025:	183 shares
As of September 30, 2025:	183 shares

3) Average number of shares during the period:

For the three months ended December 31, 2025:	7,158,321 shares
For the three months ended December 31, 2024:	6,810,564 shares

* Review of the accompanying quarterly financial statements by certified public accountants or audit corporations: None

* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable at the time of the release of these materials. Actual results may differ significantly from these forecasts due to various factors.

Table of Contents - Attachments

1. Overview of Financial Results

(1) Overview of Quarterly Business Performance

The forward-looking statements herein are based on the judgments of Kringle Pharma, Inc. (the "Company") as of the end of the first quarter under review.

In the Japanese pharmaceutical market, generic substitution increased in face of rising medical costs associated with population aging and drug prices declined significantly due to "off-year" NHI price revisions. Meanwhile, higher new drug development costs, reflecting the growing scale of clinical trials, accelerated alliances and M&As between pharmaceutical companies in Japan and overseas looking to expand their corporate scale. Companies focused their R&D efforts on priority therapeutic areas and actively sought in-licensing opportunities outside their organization.

In the development of new drugs, the target is shifting from so-called "blockbuster drugs," which have a large number of potential patients and can generate large, stable future profits, to drugs that can provide effective treatment to specific patient groups. Biotech companies are said to assume a greater role because they usually concentrate their resources on a certain specific field and make decisions quickly. In response to these trends, the Japanese government, primarily led by central ministries including the Ministry of Health, Labour and Welfare (MHLW) and the Ministry of Economy, Trade and Industry (METI), has launched the Medical Innovation Support Office (MEDISO) and compiled the "Ito Review 2.0: Biomedical Edition" as part of its efforts to proactively support Japan-based biotech companies. The Conditional Early Approval System and the SAKIGAKE Designation System for pioneering drugs have been legislated in order to promote drug discovery in Japan.

Amidst the above business environment, the Company continued to focus its managerial resources on the recombinant human hepatocyte growth factor (HGF) protein and developed the business activities outlined below, in the belief that development of recombinant human HGF protein (development code: KP-100) will lead to therapeutic innovation, creating business opportunities and maximizing the value of the Company.

1. Drug development activities

(a) Acute spinal cord injury (SCI)

The Company conducted a Phase I/II clinical trial with Professor Masaya Nakamura of the Department of Orthopaedic Surgery, Keio University School of Medicine as a coordinating investigator and obtained results that confirmed the safety and indicated the efficacy of the drug. The Company designed the Phase III clinical trial to verify the proof of concept (POC; a preliminary evidence of efficacy detected in humans with a new drug candidate under development) obtained in the Phase I/II clinical trial. On June 9, 2020, the Company submitted a clinical trial notification for the Phase III study to the Pharmaceuticals and Medical Devices Agency (PMDA).

In July 2020, the Company started the Phase III study at Spinal Injuries Center, Hokkaido Spinal Cord Injury Center, and Murayama Medical Center. A total of five medical facilities, with the addition of Japanese Red Cross Kobe Hospital and Aijinkai Rehabilitation Hospital in March 2021, which had conducted the Phase III clinical trial completed enrolling the last patients in April 2023 and the final follow-up for the last patient in October 2023. The Company received topline results of the Phase III clinical trial in February 2024, and was in the process of discussions with PMDA based on the results of the trial, with a view toward applying for approval to manufacture and market the drug in Japan. Based on the insights of PMDA gained through past discussions, the Company decided in July 2025 to conduct an additional study to verify the efficacy of the drug. The Company plans to propose a study with a high probability of success based on insights gained through the Phase I/II and the Phase III clinical trial conducted previously, and to file an application for approval upon obtaining the additional data on efficacy. Additionally, the Company issued share acquisition rights in August 2025, and decided to apply some of the proceeds to fund the additional clinical trial.

In the meantime, the Company started a preliminary consultation with the U.S. Food and Drug Agency (FDA) in September 2023 in preparation for clinical development in the U.S. and received a response from the FDA in November 2023 in relation to the meeting for Pre-Investigational New Drug (Pre-IND) application. The Company then established a collaborative network of key opinion leaders (KOLs) in North America and prepared for IND

submission[*1]. In June 2025, the Company received Orphan Drug Designation for the drug from the FDA. In November 2025, the Company established its subsidiary Kringle Pharma USA, Inc., to accelerate the development of treatments for acute spinal cord injuries (SCI) in the U.S.

*1 Clinical trial application filed with the U.S. Food and Drug Administration (FDA)

In order to submit marketing authorization application for the treatment of acute SCI, the Company is also conducting various tests related to the process of manufacturing recombinant human HGF. Trial manufacturing (process validation) of the drug substance using the same process as commercial manufacturing, as required for the submission, was completed in the fiscal year ended September 30, 2022. Process validation for manufacturing of the drug product was also completed in the fiscal year ended September 2023. In November 2024, the Company filed an application with the Osaka Prefectural Government for Type 1 Pharmaceuticals Manufacturing and Sales Business licenses needed for making applications for manufacturing and marketing approval and received the licenses on January 7, 2025. However, it decided to give them back for now. It will continue efforts to develop a treatment of acute SCI. As soon as there arises a prospect of its applications for manufacturing and marketing approval, it will again file an application with the Osaka Prefectural Government for the same licenses.

For the purpose of identifying more effective administration methods and timing with recombinant human HGF for SCI, the Company launched a joint research program with Keio University School of Medicine in February 2021. In this joint research program, the transplantation of human induced iPS cell-derived neural stem/progenitor cells (hiPSC-NS/PC) owned by Keio University, combined with the scaffold-mediated delivery of HGF developed by the Company, demonstrated improvement in recovery of motor function in animal model of chronic complete spinal cord injury. In March 2022, Keio University and the Company jointly filed a patent application, followed by the filing of an application claiming priority based on the said patent application in March 2023. Furthermore, confirming that HGF administration in the acute phase, followed by hiPSC-NS/PC transplantation in the sub-acute phase, significantly improved motor function in animal models of severe SCI compared to each single treatment group, Keio University and the Company jointly filed a second patent application in September 2022, and a priority claim based on this patent application in September 2023. As monotherapy of both HGF and hiPSC-NS/PCs already has advanced to clinical trials in humans, a next-generation regenerative therapy combining the HGF and iPS cell technologies is expected to be put into clinical use before long for the treatment of acute and sub-acute SCI.

In December 2021, the Company's patent was issued in Europe for an HGF preparation suitable for treatment of nervous diseases. It covers the Company's proprietary drug formulation used in clinical trials for acute spinal cord injury, amyotrophic lateral sclerosis and vocal fold scarring, being the basis of expanding the target indications for HGF treatment. The patent was already granted in the US, Japan, Canada and Korea, and adding Europe further created a favorable intellectual property environment for the Company to develop HGF drug business worldwide.

(b) Vocal fold scarring (VFS)

VFS is a condition in which vocal fold mucosa hardens and degenerates due to the formation of scar tissues (fibrosis). The investigator-initiated Phase I/II clinical trial confirmed the safety of intracordal administration of the recombinant human HGF and also detected signals of efficacy in some patients showing functional recovery of the vocal cord (J Tissue Eng Regen Med. 2018. 12:1031-1038.). Following a preliminary consultation with PMDA in July 2019 and subsequent discussions with Kyoto Prefectural University of Medicine, the Company submitted a clinical trial application for a Phase III study (placebo-controlled, double-blind trial) to PMDA in October 2022. In November 2022, the Company commenced the Phase III study at University Hospital, Kyoto Prefectural University of Medicine. In May 2023, Kurume University Hospital, Tohoku University Hospital, Kawasaki Medical School Hospital and Nihon University Hospital were added. In May 2024, Sanno Medical Center was added, followed by Fujita Health University Hospital and Fukuoka Sanno Hospital, both of which were added in January 2025. As a result, patient enrollment was continued at a total of eight facilities. During the first three months of the fiscal year under review, the target number of patient enrollment was achieved.[*2]

*2 The last patient enrollment was completed on January 9, 2026.

In May 2022, the Company initiated a collaborative research project with Kyoto Prefectural University of Medicine to investigate the molecular mechanisms behind the therapeutic effects of HGF on fibrotic diseases and to explore novel treatment approaches. This collaborative research project found that the combination of HGF developed by the Company and basic fibroblast growth factor (bFGF) enhanced both antifibrotic effects and hyaluronic acid production. In December 2025, Kyoto Prefectural University of Medicine and the Company filed a joint patent for a novel therapeutic agent targeting fibrotic diseases.

In order to raise funds to finance clinical trial expenses, manufacture the investigational drugs, and develop a commercial formulation, the Company issued share acquisition rights in November 2021. By July 2022, all of these rights had been exercised. In addition, the Company has been utilizing public funds since April 2022, with its VFS development being selected for the Cyclic Innovation for Clinical Empowerment (CiCLE) project operated by the Japan Agency for Medical Research and Development (AMED). Furthermore, the Company issued share acquisition rights in August 2025 for the purpose of partially financing the manufacture and development of a commercial formulation for VFS.

(c) Amyotrophic lateral sclerosis (ALS)

A phase II clinical trial (placebo-controlled, double-blind trial) was conducted at Tohoku University Hospital and Osaka University Hospital as an investigator-initiated trial that started in May 2016, led by Professor Masashi Aoki of the Department of Neurology, Tohoku University. In November 2020, the enrollment of patients was completed, and the final follow-up for the last patient was completed in December 2021. Subsequent data analysis at Tohoku University has shown no statistically significant differences between the active and placebo groups for the primary and secondary endpoints. On the other hand, there were cases in which progression was slow in the active drug group, suggesting that more detailed analysis is required to interpret the results of this study. Regarding safety, the incidence of adverse events was similar between the active drug group and the placebo group, confirming tolerability. In April 2024, the Company and Tohoku University signed a collaborative research agreement for biomarker testing of specimens as additional analysis for this phase II clinical trial. This collaboration is expected to provide important information for the design of the next clinical trial, including the identification of a patient population in which efficacy signals can be readily detected. The biomarker measurements have already been completed. A cross-sectional analysis with Phase II clinical data was conducted during the first three months of the fiscal year under review.

(d) Supply of drug substance to Claris Biotherapeutics, Inc.

The Company concluded a license and supply agreement with Claris Biotherapeutics, Inc. (Claris) of the U.S. in April 2020 to supply HGF drug substance for clinical development by Claris to treat ophthalmologic diseases in the U.S.

In the first three months of the fiscal year under review, the Company did not supply HGF drug substance to Claris. Claris filed an Investigational New Drug (IND) application in May 2021 to initiate a Phase I/II clinical trial for neurotrophic keratitis utilizing the various preclinical and clinical information related to HGF provided by the Company, and the first patient received treatment in August 2021. With this developmental milestone, the Company now receives a fixed annual technology access fee (royalty income), and recorded the fee for the applicable period in net sales. To initiate the clinical trial in Canada as well, Claris filed a clinical trial application to Health Canada in July 2022, which was approved. The clinical trial both in the U.S. and Canada has been completed. Claris is concurrently implementing Phase I studies for limbal stem cell deficiency and corneal scars.

Furthermore, the Company formed a business alliance with Claris in September 2023 to improve the efficiency of the manufacturing method for recombinant human HGF. The purpose of the alliance is to meet growing global demand in the future and to achieve stable worldwide supply of recombinant human HGF.

(e) Other collaborative research

In July 2022, the Company signed a collaborative research agreement with Kyoto University focused on applied research using HGF to create regenerative medicine products. The goal of this collaboration is to apply biomaterial

technology to conduct exploratory research on optimal and effective next-generation treatments for target diseases, and to expand indications for KP-100 to other intractable diseases.

In April 2024, the Company signed a collaborative research agreement with Gifu University focused on applied research using HGF to treat idiopathic osteonecrosis of the femoral head. HGF is involved in both angiogenesis and bone regeneration, and has potential as a new therapeutic agent for this intractable disease for which there are no existing drugs.

In June 2024, the Company signed a collaborative research agreement with Kanazawa University focused on applied research using HGF to treat idiopathic pulmonary fibrosis. The Company is currently conducting a phase III clinical trial in Japan for the treatment of vocal fold scar, one of the fibrotic diseases. If we succeed in developing an HGF protein drug for the treatment of vocal fold scar, it will lead to the possibility of expanding the indication to other chronic diseases caused by fibrosis. Based on the findings of this collaboration, the Company will actively consider expanding the indication to pulmonary fibrosis as the next target in fibrotic diseases.

In November 2024, the Company made a collaborative research agreement with Keio University focused on the search for a new acute-phase biomarker that predicts spontaneous recovery after spinal cord damage. Currently, the Company is preparing to make an application for approval of manufacturing and marketing recombinant human HGF for acute SCI. When a biomarker is discovered through the collaborative research and becomes available for use in determining treatment efficacy, predicting degrees of spontaneous recovery, etc. from acute SCI, it is expected to lead to better treatment for SCI subjects.

In June 2025, the Company signed a collaborative research agreement with Kobe University focused on applied research using HGF to treat Peyronie's disease, a condition in which fibrous scar tissue forms in the deeper tissues under the skin of the penis. The Company is currently conducting a Phase III clinical trial for vocal fold scarring, which is a fibrotic disorder, and has now decided to conduct a pharmacology study in an animal model of Peyronie's disease, aiming to expand the indications of HGF to include other fibrotic disorders. There is a need for drugs that directly treat fibrotic tissue in Peyronie's disease, and HGF, with its anti-fibrotic effects, could be a new therapeutic option.

In August 2025, the Company signed a collaborative research agreement with Keio University in association with the development of a new regenerative treatment of peripheral neuropathy with the use of HGF. HGF is reported to have multiple functions of accelerating the regeneration of peripheral nerves. It is also suggested that HGF has the therapeutic effects of easing neuropathic pain in the mice model. With a view to overcoming problems with surgery in peripheral nerve regeneration, the two parties will verify efficacy in using HGF and study methods of administration suited for practical application, aiming to achieve early practical application of a new therapeutic strategy.

In October 2025, the Company entered into a collaborative research agreement with Kyoto University to develop sustained-release wound healing agents utilizing HGF. In recent years, refractory chronic wounds, such as diabetic ulcers, venous leg ulcers, pressure ulcers, and healthcare-associated pressure injuries, have become a significant social concern due to population aging and the increasing number of patients with diabetes. By developing a new therapeutic agent that combines HGF with a sustained-release matrix, we aim to accelerate the practical implementation of a novel treatment strategy for refractory wounds.

2. Business development activities

During the three months ended December 31, 2025, the Company had business development discussion with potential business partners to expand development of acute SCI outside Japan. In June 2024, the Company gave an oral presentation at the 2nd Annual Spinal Cord Injury Investor Symposium in the U.S. and networked with the symposium participants. In addition, the Company issued share acquisition rights in September 2023, for the purpose of partially funding clinical development and manufacturing development (improvement of the efficiency of the manufacturing method for recombinant human HGF) for acute SCI in the U.S. The exercise of all share acquisition rights was completed in May 2024. With this move it expected to clarify the Company's development strategy in the U.S., the largest pharmaceutical market in the world, and accelerate business development activities.

In September 2021, oremepermin alfa was registered as the International Nonproprietary Name (INN) for recombinant human HGF protein (five amino acid-deleted, glycosylated; development code, KP-100), the drug substance of our development pipeline. Additionally, in May 2024, oremepermin alfa was registered as the Japanese Accepted Names for Pharmaceuticals (JAN), and this name can now be used officially in Japan in applications for manufacturing and marketing approval.

As a result of these efforts, during the three months ended December 31, 2025, net sales amounted to ¥18,570 thousand (a year-on-year increase of 2.2%), while the Company recorded an operating loss of ¥199,907 thousand (operating loss during the three months ended December 31, 2024 was ¥212,191 thousand), ordinary loss of ¥200,050 thousand (ordinary loss during the three months ended December 31, 2024 was ¥212,309 thousand) and loss of ¥201,850 thousand (loss during the three months ended December 31, 2024 was ¥212,682 thousand).
Since the Company operates in a single segment of pharmaceutical development business, segment information is omitted.

(2) Overview of Quarterly Financial Condition

Assets

Current assets as of December 31, 2025 decreased by ¥89,593 thousand from the end of the previous fiscal year to ¥1,965,900 thousand (a decrease of 4.4% from the end of the previous fiscal year). This was mainly due to a decrease of ¥107,469 thousand in cash and deposits as a result of the payment of R&D expenses including VFS clinical trial expenses. Non-current assets increased by ¥753 thousand to ¥24,622 thousand (an increase of 3.2% from the end of the previous fiscal year). This reflected an increase of ¥753 thousand in investments and other assets, which resulted from the purchase of shares of subsidiaries.
As a result, total assets decreased by ¥88,840 thousand from the end of the previous fiscal year to ¥1,990,523 thousand (a decrease of 4.3% from the end of the previous fiscal year).

Liabilities

Current liabilities as of December 31, 2025 decreased by ¥6,275 thousand from the end of the previous fiscal year to ¥103,072 thousand (a decrease of 5.7% from the end of the previous fiscal year). This was mainly due to a decrease of ¥18,570 thousand in advances received, which was partially offset by an increase of ¥8,199 thousand in accounts payable-other. Non-current liabilities increased by ¥5,726 thousand from the end of the previous fiscal year to ¥666,487 thousand (an increase of 0.9% from the end of the previous fiscal year). This was due to an increase in long-term accounts payable - other of ¥5,726 thousand.
As a result, total liabilities decreased by ¥548 thousand from the end of the previous fiscal year to ¥769,559 thousand (a decrease of 0.1% from the end of the previous fiscal year).

Net assets

Net assets as of December 31, 2025 decreased by ¥88,291 thousand from the end of the previous fiscal year to ¥1,220,963 thousand (a decrease of 6.7% from the end of the previous fiscal year). This primarily reflected a loss of ¥201,850 thousand, which was partially offset by an increase of ¥53,099 thousand in share capital and a rise of ¥58,174 thousand in capital surplus as a result of capital increase by way of execution of share acquisition rights, etc.
This resulted in share capital of ¥117,276 thousand, capital surplus of ¥2,946,256 thousand, and negative retained earnings of ¥1,874,599 thousand.

(3) Explanation of Financial Results Forecast and Other Forward-looking Information

The financial results forecast for the fiscal year ending September 30, 2026 (October 1, 2025 - September 30, 2026) is unchanged from the forecast announced in “Financial Results for the Fiscal Year Ended September 30, 2025” on November 12, 2025.

(4) Important Matters Related to Going Concern Assumption

The Company falls under the category of biotech companies. One of their characteristics is that a large amount of research and development expenses and a long period of time are required before the commercialization of a drug and the earning of revenue. The Company is striving to develop multiple pipelines in a bid to commercialize HGF drugs, but it has yet to earn any revenue.

With regard to the acute SCI pipeline, which is a principal pipeline, Phase I/II clinical trials and Phase III clinical trials finished, and the Company consulted with the PMDA with a view to filing an application for approval. In July 2025, it decided to file the application for approval after conducting an additional clinical trial.

Consequently, the Company's financing capacity declined, partly due to the continued occurrence of operating losses, the posting of negative cash flows from operating activities and delays in the timing of the application for approval from the initial schedule. Under these circumstances, the Company judges that the current situation leads to significant doubt about its going concern assumption.

To resolve this situation, the Board of Directors adopted a resolution at a meeting held on July 16, 2025 to issue the 16th series of share acquisition rights through a third-party allotment. Consequently, the third-party allotment took place on August 1, 2025. The Company judges that there is currently no material uncertainty on the going concern assumption, given that it is possible for it to secure funds for continuing its business operations with funds raised through the exercise of the aforementioned share acquisition rights and by reconsidering its own pipelines to cut research and development expenses and reduce general expenses as needed.

In addition, the Company will continue to conduct the drug development activities and business development activities stated below, as well as other efforts to strengthen its business and financial foundations and to remove and remediate the situation.

(i) Securing of sources of continuous revenue

In addition to sales revenue from Claris Biotherapeutics, Inc. in the form of sales from the supply of drug substances and technology access fees, the Company is carrying out collaborative research and development concerning HGF drugs in an effort to earn revenue from the sale of resulting drug substances.

(ii) Cultivation of collaboration partners for the existing pipelines

In association with the Company's acute SCI pipeline in Japan, it has already signed agreements on exclusive sales and wholesale rights with a pharmaceutical firm. For the VFS pipeline, ALS pipeline and the overseas acute SCI pipeline, no partnerships with any pharmaceutical or other company have been confirmed to date.

With respect to the domestic VFS pipeline, the Company seeks commercialization in the model of acquiring approval of pharmaceuticals through independent development and securing sales partners, as in the domestic acute SCI pipeline. For the overseas acute SCI and VFS pipelines and the global ALS pipeline, the Company seeks commercialization in the model of out-licensing and collaborative development. For the individual pipelines, the Company is working to reduce development and financial risks through swift negotiations for partnerships with pharmaceutical and other companies.

(iii) Financing

The Company is endeavoring to procure funds with the utilization of subsidies and other sources.

2. Quarterly Financial Statements and Principal Notes

(1) Quarterly Balance Sheets

(Thousand yen)

	As of September 30, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	1,619,088	1,511,619
Raw materials and supplies	250,342	250,096
Advance payments to suppliers	101,243	112,563
Consumption taxes receivable	60,707	72,153
Other	24,112	19,468
Total current assets	2,055,494	1,965,900
Non-current assets		
Property, plant and equipment	–	–
Investments and other assets	23,869	24,622
Total non-current assets	23,869	24,622
Total assets	2,079,363	1,990,523
Liabilities		
Current liabilities		
Accounts payable - other	20,315	28,514
Income taxes payable	1,490	372
Advances received	66,206	47,636
Other	21,334	26,548
Total current liabilities	109,347	103,072
Non-current liabilities		
Asset retirement obligations	2,176	2,176
Long-term accounts payable - other	30,792	36,519
Long-term deposits received	627,792	627,792
Total non-current liabilities	660,760	666,487
Total liabilities	770,107	769,559
Net assets		
Shareholders' equity		
Share capital	64,176	117,276
Capital surplus	2,888,081	2,946,256
Retained earnings	(1,672,709)	(1,874,559)
Treasury shares	(147)	(147)
Total shareholders' equity	1,279,402	1,188,824
Share acquisition rights	29,853	32,139
Total net assets	1,309,255	1,220,963
Total liabilities and net assets	2,079,363	1,990,523

(2) Quarterly Statements of Income

(Thousand yen)

	For the three months ended December 31, 2024	For the three months ended December 31, 2025
Net sales	18,161	18,570
Cost of sales	–	–
Gross profit	18,161	18,570
Selling, general and administrative expenses	230,353	218,477
Operating loss	(212,191)	(199,907)
Non-operating income		
Honoraria received	–	38
Other	–	0
Total non-operating income	–	39
Non-operating expenses		
Foreign exchange losses	117	181
Total non-operating expenses	117	181
Ordinary loss	(212,309)	(200,050)
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	–	1,428
Total extraordinary losses	–	1,428
Loss before income taxes	(212,309)	(201,478)
Income taxes - current	372	372
Total income taxes	372	372
Loss	(212,682)	(201,850)

(3) Notes to Quarterly Financial Statements

Notes on going concern assumption

Not applicable.

Notes on quarterly balance sheet

Collateral assets and loans pledged as collateral

Fixed deposits included in cash and deposits are collateral assets for long-term deposits received from Japan Agency for Medical Research and Development (AMED).

Collateral assets

	As of September 30, 2025	As of December 31, 2025
Cash and deposits	¥627,792 thousand	¥627,792 thousand

Loans pledged as collateral

	As of September 30, 2025	As of December 31, 2025
Long-term deposits received	¥627,792 thousand	¥627,792 thousand

Notes on quarterly statement of cash flows

For the three months ended December 31, 2024

The Group has not prepared a quarterly statement of cash flows for the first three months of the fiscal year under review. There is no depreciation (including amortization of intangible assets) for the first three months of the fiscal year under review.

For the three months ended December 31, 2025

The Group has not prepared a quarterly statement of cash flows for the first three months of the fiscal year under review. There is no depreciation (including amortization of intangible assets) for the first three months of the fiscal year under review.

Notes in case of significant changes in shareholders' equity

For the three months ended December 31, 2024

Not applicable.

For the three months ended December 31, 2025

On August 1, 2025, the Company allotted its 16th series of share acquisition rights to EVO FUND. Chiefly due to the exercise of share acquisition rights during the first three months of the fiscal year under review, share capital and capital surplus increased by ¥53,099 thousand each.

As a result, as of December 31, 2025, share capital and capital surplus amounted to ¥117,276 thousand and ¥2,946,256 thousand, respectively.

Notes on segment information, etc.

Segment information

For the three months ended December 31, 2024

Since the Company operates in a single segment of pharmaceutical development business, segment information is omitted.

For the three months ended December 31, 2025

Since the Company operates in a single segment of pharmaceutical development business, segment information is omitted.

Notes on significant subsequent events

Exercise of share acquisition rights

During the period between January 1, 2026 and February 9, 2026, the 16th series of share acquisition rights were exercised. An overview of the exercise of these share acquisition rights is shown below.

1. Number of share acquisition rights exercised: 370
2. Type and number of shares issued: 37,000 common shares
3. Increase in share capital: ¥7,706 thousand
4. Increase in legal capital surplus: ¥7,706 thousand