SymBio Pharmaceuticals Limited

Summary of Consolidated Financial Statements for the Six Months ended June 30, 2026 [Japanese GAAP]

August 10, 2026

Company Name	**SymBio Pharmaceuticals Limited**	Listing: Tokyo Stock Exchange	
Securities Code	4582	URL: https://www.symbiopharma.com/	
Representative	Representative Director, President and Chief Executive Officer	Fuminori Yoshida	
Contact Person	Head of Corporate Communication Department	Keiichi Fujiwara	TEL +81-3-5472-1125
Scheduled Date to File Quarterly Report	None	Date of Dividend Payment (plan)	—

Supplementary materials for the quarterly financial statements: Yes・No

Holding of quarterly earnings performance review: Yes・No

(Amounts below one million yen are rounded down.)

1. Business Results for the First Six Months of FY 2026 (January 1, 2026 to June 30, 2026)

(1) Consolidated Operating Results (cumulative) (Percentages indicate year-on-year changes.)

	Net Sales		Operating Profit		Ordinary Profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Q2 FY 2026	469	(27.3)	(3,635)	—	(3,608)	—	(3,619)	—
Q2 FY 2025	646	(49.7)	(2,154)	—	(2,340)	—	(2,369)	—

(Note) Comprehensive income: Q2 FY 2026 (3,614) million yen [—%]
Q2 FY 2025 (2,382) million yen [—%]

	Earnings per Share	Diluted Earnings per Share
	Yen	Yen
Q2 FY 2026	(50.89)	—
Q2 FY 2025	(49.35)	—

(Note) Diluted earnings per share is not stated because, although potential shares exist, the Company recorded a net loss per share for the six-month period under review.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Millions of yen	Millions of yen	%
Q2 FY 2026 (as of June 30, 2026)	1,907	(582)	(44.6)
FY 2025 (as of December 31, 2025)	3,867	1,272	23.9

(Reference) Shareholders' equity: Q2 FY 2026 (as of June 30, 2026) (850 million yen)
FY 2025 (as of December 31, 2025) 924 million yen

2. Dividends

	Annual Dividend per Share				
	1st Quarter	2nd Quarter	3rd Quarter	Fiscal Year End	Full Year
	Yen	Yen	Yen	Yen	Yen
FY 2025	—	0.00	—	0.00	0.00
FY 2026	—	0.00			
FY 2026 (Forecast)			—	0.00	0.00

(Note) Revision of dividend forecasts most recently announced: Yes・No

3. Earnings Forecasts for FY 2026 (January 1, 2026 to December 31, 2026)

(Percentages indicate year-on-year changes.)

	Net Sales		Operating Profit		Ordinary Profit		Profit attributable to owners of parent		Earnings per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full Year	3,891	197.5	(4,231)	—	(4,291)	—	(4,331)	—	(72.81)

(Note) Revision of earnings forecasts most recently announced: Yes・No

Notes:

(1) Significant changes in the scope of consolidation during the six-month period under review: Yes・No

(2) Application of special accounting treatment in preparing the quarterly financial statements: Yes・No

(3) Changes in accounting policies, changes in accounting estimates and restatements after error corrections

(a) Changes in accounting policies due to revision of accounting standards: Yes・No

(b) Changes in accounting policies due to other reasons: Yes・No

(c) Changes in accounting estimates: Yes・No

(d) Restatements after error corrections: Yes・No

(4) Number of issued shares (common stock)

(i) Total number of issued shares at the end of the period (including treasury shares)	Q2 FY 2026	76,434,210 shares	FY 2025	59,567,080 Shares
(ii) Total number of treasury shares at the end of the period	Q2 FY 2026	91,219 shares	FY 2025	91,065 Shares
(iii) Average number of shares during the period (cumulative)	Q2 FY 2026	71,125,601 shares	Q2 FY 2025	48,005,009 Shares

* The quarterly consolidated financial statements have not been audited or reviewed by certified public accountants or audit firms.

* Explanation regarding the appropriate use of earnings forecasts and other matters

All forecasts presented in this document, including earnings forecasts, are based on the information currently available to the Company and assumptions determined by the Company to be reasonable. Actual results may differ substantially from these forecasts due to various factors. Regarding the assumptions on which the Company's earnings forecasts are based and their usage, please refer to "1. Overview of business results (3) Explanation of consolidated earnings forecasts and other forward-looking information" on Page 5 of the Appendix.

Appendix

Index

1. Overview of business results 2
(1) Overview of business results for the six months ended June 30, 2026 2
(2) Overview of financial position for the six months ended June 30, 2026 5
(3) Explanation of consolidated earnings forecasts and other forward-looking information 5
(4) Significant events or conditions related to the going concern assumption 5
2. Quarterly Consolidated Financial Statements and Primary Notes 7
(1) Quarterly consolidated balance sheet 7
(2) Quarterly consolidated statement of income and consolidated statement of comprehensive income 9
Quarterly consolidated statement of income for the six months ended June 30, 2026 9
Quarterly consolidated statement of comprehensive income for the six months ended June 30, 2026 10
(3) Quarterly consolidated statement of cash flows 11
(4) Notes to the quarterly consolidated financial statements 12
(Notes to going concern assumptions) 12
(Notes on significant changes in shareholders' equity) 14
(Significant subsequent events) 15

1. Overview of business results

(1) Overview of business results for the six months ended June 30, 2026

The progress of the Group's business during the six months ended June 30, 2026, is as follows.

(i) Business results for the reporting period

The Group aims to become a global specialty pharmaceutical company by achieving its "50:50 in 2030" goal, which seeks a 50:50 ratio between domestic and overseas sales by 2030.

Our core business asset, Brincidofovir (BCV), possesses broad-spectrum and potent antiviral and anticancer activities. Given its transformative potential, we are working toward its commercialization across multiple therapeutic areas. The Group is currently advancing global development in three priority areas: post-transplant viral infections, hematologic/solid tumors, and neurodegenerative diseases.

Furthermore, our In-Vitro Diagnostics (IVD) business, built on a patented immunochromatography system that achieves ultra-high sensitivity at the pico-level, enables early diagnosis through immediate on-site testing via Point-of-Care Testing (POCT). The technology has potential industry applications beyond the healthcare field.

During the first half of the fiscal year ending December 31, 2026, the Group steadily advanced initiatives centered on this growth strategy, promoting the development of BCV and the commercialization of the IVD business. In March 2026, the Group achieved First Patient In (FPI) in the global Phase III clinical trial of IV BCV (brincidofovir injection) for the treatment of adenovirus infection following hematopoietic stem cell transplantation (HSCT). In the field of neurodegenerative diseases, FPI was achieved in June 2026 for an NIH-led Phase II clinical trial targeting PML. Additionally, we secured use patents for IV BCV across multiple indications: adenovirus infections in the U.S. (February 2026) and Europe (May 2026), and malignant lymphoma in Japan (March 2026). We aim to reinforce and continue strengthening our future business foundation by securing these exclusive rights.

Regarding the IVD business, we are proceeding with commercialization based on the patented ultra-high sensitivity immunochromatography system jointly developed by the Company and Nippon Steel Chemical & Material Co., Ltd. We are currently engaged in discussions regarding partnering for business expansion.

During the reporting period, Sales of TREAKISYM® Intravenous Solution 100mg/4mL [RTD (Ready-To-Dilute) formulation] were 469,964 thousand yen, a 27.3% decrease year-on-year. The decrease was due to competition from generic products and mandatory drug price revisions.

SG&A expenses, which included R&D expenses of 2,997,228 thousand yen (89.5% increase year-on-year), totaled 3,973,229 thousand yen (50.1% increase year-on-year).

As a result, the Group recorded an operating loss of 3,635,081 thousand yen (compared to an operating loss of 2,154,055 thousand yen in the same period of the previous fiscal year), an ordinary loss of 3,608,419 thousand yen (compared to an ordinary loss of 2,340,948 thousand yen), and a net loss attributable to owners of parent of 3,619,930 thousand yen (compared to a net loss of 2,369,190 thousand yen).

As the Group operates a single business engaged in the research, development, manufacturing, and sales of pharmaceuticals and related businesses, segment information has been omitted.

(ii) Research and development activities

During the six months ended June 30, 2026, the progress in R&D for each development pipeline program is as follows.

SyB V-1901 (generic name: brincidofovir [BCV])

Post-transplant viral infections

- **Adenovirus infection:** Regarding the clinical development of IV BCV for adenovirus (AdV) infections following hematopoietic stem cell transplantation (HSCT), following the achievement of Proof of Concept (POC) in the Phase II trial, the first patient was enrolled (FPI) in the U.S. for the Global Phase III clinical trial in March 2026. Patient recruitment is currently progressing smoothly, with 22 cases enrolled as of July 2026. The trial plans to enroll 180 patients across approximately 80 sites, primarily in the U.S. and Europe, with the submission of a Marketing Authorization Application (MAA) in the EU scheduled for the second half of 2028.

This development program has already been granted Orphan Drug Designation in Japan and Europe, Pediatric Investigation Plan (PIP) approval in Europe, and Fast Track Designation in the U.S. In May 2026, the method-of-use patent for IV BCV was granted in Europe, completing the securing of use patents across Japan, the U.S., and Europe. By combining these regulatory incentives with a robust intellectual property portfolio, we have established a framework to maximize the business value of IV BCV over the medium to long term.

- **Cytomegalovirus infection:** The Group conducted a Phase II clinical trial in the U.S. targeting CMV infection in immunocompromised patients. The results of this study were presented as a Late-Breaking Abstract at the Tandem Meetings held in Utah, U.S., in February 2026. In patients with multiple prior lines of therapy, the study demonstrated reductions in CMV viremia as well as favorable tolerability, suggesting the potential of IV BCV as a new treatment option for patients with CMV infection who have limited therapeutic alternatives. BCV for the prevention of CMV infection received orphan drug designation from the European Commission in April 2016.

Hematologic and solid tumors

In addition to its strong antiviral activity, BCV has also demonstrated antitumor effects, and the Company is conducting clinical trials in the oncology field. Through joint research with research institutions internationally, the Group is exploring new indications in the fields of hematologic and solid tumors.

- **Malignant Brain Tumor (Glioblastoma)**: Since 2021, the Group has been conducting joint research with the Brain Tumor Center at the University of California, San Francisco (UCSF) on the antitumor effects of BCV in brain tumors. The research results have been presented at several international conferences, and the Group is currently discussing the potential for clinical trials in this therapeutic area with key opinion leaders.
- **EBV associated Gastric Carcinoma**: An abstract regarding preclinical trial results was presented at the ASCO (American Society of Clinical Oncology) annual meeting in June 2026.
- **Head and Neck Cancer:** Preclinical study results on the therapeutic effects of BCV in head and neck cancer, including a marked synergistic effect when administered in combination with immune checkpoint inhibitors (anti-human PD-1 antibodies), were presented at the European Society for Medical Oncology Congress (ESMO Congress 2025, held in Berlin, Germany) on October 20, 2025.

Regarding the three types of solid tumors mentioned above, we are currently evaluating the implementation of clinical trials in collaboration with leading domestic and international institutions. Furthermore, to accelerate future development, we are also exploring potential partnerships with other pharmaceutical companies.

- **Malignant lymphoma**: Regarding the global Phase Ib clinical trial for patients with malignant lymphoma, which is currently suspended, a partial response (PR, an indicator of tumor shrinkage) was observed in one patient with relapsed or refractory malignant lymphoma. This result suggests that the anticancer activity of this drug, previously observed in animal studies, may also be demonstrated in humans. We believe this trial has provided valuable insights for the oncology development of IV BCV, and we will continue to evaluate our future development strategy, including the selection of target cancer types.

  In preclinical research, the Group is conducting a joint research with the National Cancer Centre Singapore to investigate the antitumor effects and underlying mechanisms of BCV in EBV-positive lymphoma. In February 2026, research findings regarding the antitumor effects, mechanisms of action, and sensitivity biomarkers of BCV for malignant lymphoma were published in the journal *BMC Medicine*. Based on these findings, a use patent for IV BCV concerning malignant lymphoma was registered with the Japan Patent Office in March 2026. The Group filed a PCT application for this matter in August 2023 and will continue to expand its global intellectual property portfolio for IV BCV.
- **EBV associated Lymphoproliferative Diseases:** The Group extended the CRADA for an additional three years. Having successfully developed animal models using humanized mice to demonstrate EBV reactivation, the Group aims to verify the therapeutic effects of BCV and accumulate data toward clinical trials.

Neurodegenerative diseases

Recently, multiple viral infections have been identified as risk factors for neurodegenerative diseases. In particular, a history of viral encephalitis has been shown to be strongly associated with Alzheimer's disease, and Epstein-Barr virus (EBV) has been linked to multiple sclerosis (MS). Preclinical studies using cultured cells have demonstrated that BCV inhibits these viruses, and the Group has therefore positioned virus-associated neurodegenerative diseases as the third pillar of BCV development.

Since February 2026, an NIH-led Phase II clinical trial targeting progressive multifocal leukoencephalopathy (PML) has been underway at the NIH Clinical Center. In addition, based on findings from preclinical studies conducted in collaboration with academia, the Group plans to file patent applications and enter into license agreements to exclusively advance development and commercialization in this disease area.

- **Progressive multifocal leukoencephalopathy (PML) :** JC virus (JCV), a polyomavirus and a member of the double-stranded DNA (dsDNA) virus family, is known to cause PML, a severe demyelinating disease of the brain. Existing antiviral therapies have shown limited efficacy, and there remains a significant unmet need for effective treatments. In February 2026, the Company entered into a Cooperative Research and Development Agreement (CRADA) with the National Institute of Neurological Disorders and Stroke (NINDS) of the U.S. National Institute of Health (NIH). Under this agreement, a clinical trial using IV BCV for PML—a rare disease caused by the reactivation of JCV—has commenced at the NIH Clinical Center, and case analysis is steadily progressing. Furthermore, the group has filed patent applications based on findings from preclinical studies conducted through joint research with academia. By entering into licensing agreements, we intend to exclusively proceed with the future development and commercialization of treatments in this disease area.
- **Multiple sclerosis (MS):** In recent years, it has been suggested that the reactivation of Epstein-Barr virus (EBV) latent in lymphocytes is one of the primary causes of multiple sclerosis (MS), an intractable disease. Since BCV exhibits higher antiviral activity against EBV compared to other antivirals, we entered into a Cooperative Research and Development Agreement (CRADA) with NINDS in March 2023 to initiate joint research focused on developing a novel therapy targeting EBV.

  This collaborative research has confirmed that BCV significantly suppresses EBV activity at low doses. Furthermore, experiments using cells derived from MS patients demonstrated that BCV selectively targets only B-cell lymphocytes in which EBV is latent. These findings, published in the Journal of Clinical Investigation in January 2026, strongly suggest the potential to develop a breakthrough MS treatment—one that differs fundamentally from conventional therapies aimed at broad B-cell depletion. In March 2026, we extended the CRADA for an additional three years, and we will continue our research with a view toward clinical application in humans. Furthermore, regarding the patents filed for inventions resulting from research under the CRADA, negotiations for a license agreement to grant the Company an exclusive license are in the final stages between the Company and the U.S. Department of Health and Human Services. This license agreement would enable the Company to exclusively utilize said patents if a new treatment method based on these filed patents is commercialized in the future. Accordingly, there is no impact on the consolidated financial forecast for the fiscal year ending December 31, 2026. We will promptly announce the conclusion of said license agreement if and when it occurs.
- **Alzheimer's disease:** Among double-stranded DNA (dsDNA) viruses, certain viruses such as herpes simplex virus type 1 (HSV-1) and varicella-zoster virus (VZV) exhibit neurotropism. Recent studies have suggested that reactivation from latent infection with these viruses may contribute to the development of various neurodegenerative disorders, including Alzheimer's disease, and research in this area is advancing. The Group will advance the development of BCV for Alzheimer's disease and Mild Cognitive Impairment (MCI), building on insights gained through joint research with Tufts University in the United States.

(iii) New business (business development based on a patent for a novel immunoassay method)

The Group is pursuing the commercialization of an In-Vitro Diagnostics (IVD) platform based on a jointly-filed patent resulting from collaborative research with Nippon Steel Chemical & Material Co., Ltd. (NSC&M). In May 2026, we established a stable supply chain for this system by partnering with Nippon Steel C&M for the supply of foundational nanocomposite particles, and with Nippon Gene Co., Ltd. for the manufacturing of ultra-high sensitivity test kits.

Existing measurement technologies in In Vitro Diagnostics (IVD) are currently hindered by the "nanomolar (nM) barrier," where limitations in sensitivity and precision restrict the growth potential of the IVD business. Our proprietary "Picomolar (pM) High-Sensitivity Engine" addresses the critical need for rapid virus detection by providing ultra-high sensitivity and quantification—1,000 times greater than existing technologies—at the point of care. This technology serves as a platform to fill the "diagnostic white space."

This system enables immediate sharing of test results with medical institutions from various locations, including the patient's bedside. It is expected to be utilized across a wide range of medical processes, from early screening and diagnosis to treatment decision-making and subsequent follow-up, including emergency situations.

Furthermore, the applications of this testing system extend beyond the medical field to non-medical sectors, such as crop disease testing in agriculture, infectious disease testing in livestock, and safety testing in the food industry. Consequently, our core strategy is to form business alliances with highly specialized companies that have proven track records, and negotiations are currently underway.

(iv) Licensing of new drug candidates

The Group will continue to advance the global development of BCV, in-licensed in 2019, while also pursuing multiple ongoing licensing opportunities and evaluating new development candidates. Through these initiatives, the Group aims to create medium- to long-term corporate value as a biopharmaceutical company combining profitability with growth potential.

(2) Overview of financial position for the six months ended June 30, 2026

As of June 30, 2026, total consolidated assets stood at 1,907,458 thousand yen. Current assets totaled 1,865,798 thousand yen, mainly consisting of 977,184 thousand yen in cash and deposits, 150,164 thousand yen in accounts receivable, and 91,908 thousand yen in merchandise and finished goods. Non-current assets totaled 41,660 thousand yen, mainly consisting of 37,349 thousand yen in leasehold and guarantee deposits.

Total liabilities were 2,490,306 thousand yen. Current liabilities totaled 2,485,317 thousand yen, mainly consisting of 1,499,594 thousand yen in accounts payable-other, 800,000 thousand yen in current portion of convertible-bond-type bonds with share acquisition rights. Non-current liabilities were 4,989 thousand yen, consisting of 4,989 thousand yen in retirement benefit liability.

Net assets amounted to (582,847 thousand yen). This mainly included 20,163,737 thousand yen in capital stock, 20,138,564 thousand yen in capital surplus, and 268,137 thousand yen in share acquisition rights.

As a result, the equity ratio was (44.6%). However, the Group expects total net assets to increase and the equity ratio to improve as the exercise of share acquisition rights progresses.

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

No change has been made to the consolidated earnings forecast for the fiscal year ending December 31, 2026, announced on February 5, 2026. Net loss attributable to owners of parent for the cumulative second quarter of the current fiscal year was 3,619 million yen, representing approximately 83.6% of the full-year net loss forecast of 4,331 million yen. This is primarily due to the fact that partnering revenue, which is anticipated for the full fiscal year, has not yet been recognized as of the present time. We are currently in negotiations with multiple potential partners regarding said partnering revenue.

(4) Significant events or conditions related to the going concern assumption

The Group is engaged in the new drug development business specializing in "diagnostic and therapeutic white spaces." We focus on global drug development for rare and intractable diseases with high development difficulty—primarily viral infections, oncology, and neurodegenerative diseases—which are often underserved by major pharmaceutical companies. Utilizing Brincidofovir (BCV) as our core platform, we are driving our business forward under an R&D-oriented model, aiming to grow as a global specialty pharmaceutical company.

Given its broad-spectrum activity, we are working to expand the BCV pipeline to maximize corporate value. This includes targeting multiple indications such as adenovirus (AdV) infections following hematopoietic stem cell transplantation (HSCT),

progressive multifocal leukoencephalopathy (PML)—a rare neurodegenerative disease with no existing treatments—and rare cancers. These areas have limited treatment options and extremely high unmet medical needs. We plan to strictly select programs that can transition to clinical development and steadily commercialize them for the global market.

As a result, during the current interim consolidated accounting period, Patient enrollment for the Global Phase III clinical trial for AdV infections following HSCT commenced in March 2026 and is currently ongoing, and the NIH-led Phase II clinical trial for PML has commenced, with patient enrollment starting in June 2026 and currently progressing.

However, R&D-oriented businesses are characterized by the requirement for significant R&D expenditures and long lead times before products can be commercialized and generate revenue. Due to a business structure where investments in BCV and other activities require a certain period before recovery, the Group recorded operating losses, ordinary losses, and net losses attributable to owners of parent for three consecutive fiscal years through the previous fiscal year. Since the loss amount for the previous fiscal year was material, we recognized that events or conditions existed that cast significant doubt on the going concern assumption.

In the current interim period, the Group continued to record operating, ordinary, and interim net losses, and resulted in a capital deficit at the end of the period. Consequently, we recognize that a material uncertainty exists regarding the going concern assumption.

In response to these circumstances, the Group is implementing the following measures:

1. Enhancing business value

We will steadily advance development toward New Drug Applications (NDA) and commercialization by continuing the Global Phase III trial for AdV and the Phase II trial for PML. We also aim to preserve our intellectual property foundation by securing regulatory exclusivity (Orphan Drug Designation) and obtaining method-of-use patents in Europe, the U.S., and Japan. For the IVD business, we continue development activities for early commercialization, addressing "diagnostic white spaces" via ultra-high sensitivity POCT technology and expanding into non-medical fields.

2. Securing funds

The Group is continuing discussions and evaluations for equity financing and other methods to ensure flexible fundraising based on R&D progress and capital needs. This aims to secure the liquidity necessary for business continuity and stabilize our financial base.

3. Fundraising through collaboration and strategic alliances

We are advancing partnership negotiations with pharmaceutical and global companies:

(i) Licensing commercialization rights for BCV (AdV) in the U.S. and European markets.

(ii) Granting options for commercialization rights in North America for the oncology field, targeting joint development based on favorable preclinical results.

(iii) Negotiating alliances involving technology transfers with global IVD companies to secure upfront payments and milestone income, while reducing development costs through expense-sharing.

4. Improving business profitability

The Group is trying to improve our business balance by controlling the burn rate through cost reductions and enhance cash flow by reviewing payment terms with suppliers.

Although these measures are being implemented, uncertainties remain regarding the progress of BCV development, the success of specific partnerships, and the amount of funds raised. While we continue our efforts, no facts have been finalized, and the timing for resolving the negative net worth remains undetermined. Therefore, we recognize that a material uncertainty related to the going concern assumption exists.

The consolidated quarterly financial statements have been prepared on the assumption that the Company will continue as a going concern and therefore do not reflect the effects of this material uncertainty.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly consolidated balance sheet

(Unit: thousands of yen)

	FY 2025 (as of December 31, 2025)	Q2 FY 2026 (as of June 30, 2026)
Assets		
Current assets		
Cash and deposits	2,883,503	977,184
Accounts receivable–trade	259,676	150,164
Merchandise and finished goods	152,551	91,908
Supplies	136,396	58,386
Advance payments to suppliers	259,963	294,444
Prepaid expenses	60,276	260,439
Other	71,681	33,269
Total current assets	3,824,049	1,865,798
Non-current assets		
Investments and other assets		
Shares of subsidiaries and associates	15	15
Leasehold and guarantee deposits	37,349	37,349
Deferred tax assets	5,902	4,294
Total investments and other assets	43,267	41,660
Total non-current assets	43,267	41,660
Total assets	3,867,316	1,907,458
Liabilities		
Current liabilities		
Accounts payable – other	468,270	1,499,594
Income taxes payable	118,550	132,011
Current portion of convertible-bond-type bonds with share acquisition rights	-	800,000
Current portion of bonds payable	682,500	32,500
Other	21,045	21,210
Total current liabilities	1,290,365	2,485,317
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	1,300,000	-
Retirement benefit liability	4,911	4,989
Total non-current liabilities	1,304,911	4,989
Total liabilities	2,595,276	2,490,306

(Unit: thousands of yen)

	FY 2025 (as of December 31, 2025)	Q2 FY 2026 (as of June 30, 2026)
Net assets		
Shareholders' equity		
Share capital	19,244,128	20,163,737
Capital surplus	19,218,965	20,138,564
Retained earnings	(37,461,978)	(41,081,909)
Treasury shares	(89,870)	(89,877)
Total shareholders' equity	911,244	(869,485)
Accumulated other comprehensive income		
Foreign currency translation adjustment	12,925	18,500
Total accumulated other comprehensive income	12,925	18,500
Share acquisition rights	347,869	268,137
Total net assets	1,272,040	(582,847)
Total liabilities and net assets	3,867,316	1,907,458

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

Quarterly consolidated statement of income for the six months ended June 30, 2026

(Unit: thousands of yen)

	Q2 FY 2025 (from January 1, 2025 to June 30, 2025)	Q2 FY 2026 (from January 1, 2026 to June 30, 2026)
Net sales	646,638	469,964
Cost of sales	153,071	131,816
Gross profit	493,567	338,147
Selling, general and administrative expenses	2,647,622	3,973,229
Operating profit (loss)	(2,154,055)	(3,635,081)
Non-operating income		
Interest income	1,620	2,247
Insurance claim income	16,939	-
Other	212	93,449
Total non-operating income	18,772	95,697
Non-operating expenses		
Commission expenses	7,301	4,986
Share issuance costs	3,758	8,671
Bond issuance costs	92,609	9,730
Interest expenses on bonds	16,234	24,861
Foreign exchange losses	85,693	20,781
Other	69	3
Total non-operating expenses	205,665	69,034
Ordinary loss	(2,340,948)	(3,608,419)
Extraordinary income		
Gain on reversal of share acquisition rights	8,536	9,172
Total extraordinary income	8,536	9,172
Extraordinary losses		
Impairment losses	25,003	2,299
Total extraordinary losses	25,003	2,299
Loss before income taxes	(2,357,416)	(3,601,546)
Income taxes – current	17,593	16,602
Income taxes – deferred	(5,819)	1,781
Total income taxes	11,773	18,383
Loss	(2,369,190)	(3,619,930)
Loss attributable to non-controlling interests	-	-
Loss attributable to owners of parent	(2,369,190)	(3,619,930)

Quarterly consolidated statement of comprehensive income for the six months ended June 30, 2026

(Unit: thousands of yen)

	Q2 FY 2025 (from January 1, 2025 to June 30, 2025)	Q2 FY 2026 (from January 1, 2026 to June 30, 2026)
Loss	(2,369,190)	(3,619,930)
Other comprehensive income		
Foreign currency translation adjustment	(12,954)	5,574
Total other comprehensive income	(12,954)	5,574
Comprehensive income	(2,382,145)	(3,614,355)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(2,382,145)	(3,614,355)
Comprehensive income attributable to non-controlling interests	-	-

(3)Quarterly consolidated statement of cash flows

(Unit: thousands of yen)

	Q2 FY 2025 (from January 1, 2025 to June 30,2025)	Q2 FY 2026 (from January 1, 2026 to June 30,2026)
Cash flows from operating activities		
Loss before income taxes	(2,357,416)	(3,601,546)
Impairment Loss	25,003	2,299
Increase (decrease) in provision for retirement benefits	244	78
Share-based payment expenses	57,105	43,551
Interest income	(1,620)	(2,247)
Insurance claim income	(16,939)	-
Interest expenses on bonds	16,234	24,861
Foreign exchange losses (gains)	96,501	892
Share issuance costs	3,758	8,671
Bond issuance costs	92,609	9,730
Commission expenses	7,301	4,986
Gain on reversal of share acquisition rights	(8,536)	(9,172)
Decrease (increase) in trade receivables	218,131	109,511
Decrease (increase) in inventories	(35,982)	138,652
Decrease (increase) in prepaid expenses	(97,105)	(200,709)
Increase/decrease in consumption taxes payable /consumption taxes refund receivable	(1,240)	38,472
Decrease (increase) in other current assets	(193,981)	(34,841)
Increase (decrease) in accounts payable–other	(297,152)	1,011,940
Increase (decrease) in other current liabilities	3,111	229
Other	181	-
Subtotal	(2,489,792)	(2,454,639)
Interest and dividends received	1,620	2,247
Proceeds from insurance income	16,939	-
Interest paid	(16,234)	(12,969)
Commitment fees paid	(10,372)	(5,041)
Income taxes refund(paid)	(12,783)	(3,620)
Net cash provided by (used in) operating activities	(2,510,623)	(2,474,022)
Cash flows from investing activities		
Purchase of intangible assets	-	(299)
Proceeds from refund of leasehold and guarantee deposits	6,571	-
Purchase of shares of subsidiaries	(15)	-
Net cash provided by (used in) investing activities	6,555	(299)
Cash flows from financing activities		
Proceeds from issuance of shares resulting from exercise of share acquisition rights	32	1,225,106
Proceeds from issuance of bonds with share acquisition rights	1,707,390	-
Payments for issuance of shares	(3,758)	(8,671)
Payments for redemption of bonds	-	(653,636)
Purchase of treasury shares	(12)	(21)
Proceeds from disposal of treasury shares	-	4

(Unit: thousands of yen)

	Q2 FY 2025 (from January 1, 2025 to June 30,2025)	Q2 FY 2026 (from January 1, 2026 to June 30,2026)
Net cash provided by (used in) financing activities	1,703,651	562,780
Effect of exchange rate change on cash and cash equivalents	(109,315)	5,222
Net increase (decrease) in cash and cash equivalents	(909,732)	(1,906,318)
Cash and cash equivalents at beginning of period	3,963,580	2,883,503
Cash and cash equivalents at end of period	3,053,848	977,184

(4) Notes to the quarterly consolidated financial statements

(Notes to going concern assumptions)

The Group is engaged in the new drug development business specializing in "diagnostic and therapeutic white spaces." We focus on global drug development for rare and intractable diseases with high development difficulty—primarily viral infections, oncology, and neurodegenerative diseases—which are often underserved by major pharmaceutical companies. Utilizing Brincidofovir (BCV) as our core platform, we are driving our business forward under an R&D-oriented model, aiming to grow as a global specialty pharmaceutical company.

Given its broad-spectrum activity, we are working to expand the BCV pipeline to maximize corporate value. This includes targeting multiple indications such as adenovirus (AdV) infections following hematopoietic stem cell transplantation (HSCT), progressive multifocal leukoencephalopathy (PML)—a rare neurodegenerative disease with no existing treatments—and rare cancers. These areas have limited treatment options and extremely high unmet medical needs. We plan to strictly select programs that can transition to clinical development and steadily commercialize them for the global market.

As a result, during the current interim consolidated accounting period. AdV (HSCT): Patient enrollment for the Global Phase III clinical trial commenced in March 2026 and is currently ongoing. PML: The NIH-led Phase II clinical trial commenced, with patient enrollment starting in June 2026 and currently progressing.

However, R&D-oriented businesses are characterized by the requirement for significant R&D expenditures and long lead times before products can be commercialized and generate revenue. Due to a business structure where investments in BCV and other activities require a certain period before recovery, the Group recorded operating losses, ordinary losses, and net losses attributable to owners of parent for three consecutive fiscal years through the previous fiscal year. Since the loss amount for the previous fiscal year was material, we recognized that events or conditions existed that cast significant doubt on the going concern assumption.

In the current interim period, the Group continued to record operating, ordinary, and interim net losses, and resulted in a capital deficit at the end of the period. Consequently, we recognize that a material uncertainty exists regarding the going concern assumption.

In response to these circumstances, the Group is implementing the following measures:

1. Enhancing business value

We will steadily advance development toward New Drug Applications (NDA) and commercialization by continuing the Global Phase III trial for AdV and the Phase II trial for PML. We also aim to preserve our intellectual property foundation by securing regulatory exclusivity (Orphan Drug Designation) and obtaining method-of-use patents in Europe, the U.S., and Japan. For the IVD business, we continue development activities for early commercialization, addressing "diagnostic white spaces" via ultra-high sensitivity POCT technology and expanding into non-medical fields.

2. Securing funds

The Group is continuing discussions and evaluations for equity financing and other methods to ensure flexible fundraising based on R&D progress and capital needs. This aims to secure the liquidity necessary for business continuity and stabilize our financial base.

3. Fundraising through collaboration and strategic alliances

We are advancing partnership negotiations with pharmaceutical and global companies:

(i) Licensing commercialization rights for BCV (AdV) in the U.S. and European markets.

(ii) Granting options for commercialization rights in North America for the oncology field, targeting joint development

based on favorable preclinical results.

(iii) Negotiating alliances involving technology transfers with global IVD companies to secure upfront payments and milestone income, while reducing development costs through expense-sharing.

4. Improving business profitability

The Group is trying to improve our business balance by controlling the burn rate through cost reductions and enhance cash flow by reviewing payment terms with suppliers.

Although these measures are being implemented, uncertainties remain regarding the progress of BCV development, the success of specific partnerships, and the amount of funds raised. While we continue our efforts, no facts have been finalized, and the timing for resolving the negative net worth remains undetermined. Therefore, we recognize that a material uncertainty related to the going concern assumption exists.

The consolidated quarterly financial statements have been prepared on the assumption that the Company will continue as a going concern and therefore do not reflect the effects of this material uncertainty.

The Group is engaged in the new drug development business specializing in "diagnostic and therapeutic white spaces." We focus on global drug development for rare and intractable diseases with high development difficulty—primarily viral infections, oncology, and neurodegenerative diseases—which are often underserved by major pharmaceutical companies. Utilizing Brincidofovir (BCV) as our core platform, we are driving our business forward under an R&D-oriented model, aiming to grow as a global specialty pharmaceutical company.

Given its broad-spectrum activity, we are working to expand the BCV pipeline to maximize corporate value. This includes targeting multiple indications such as adenovirus (AdV) infections following hematopoietic stem cell transplantation (HSCT), progressive multifocal leukoencephalopathy (PML)—a rare neurodegenerative disease with no existing treatments—and rare cancers. These areas have limited treatment options and extremely high unmet medical needs. We plan to strictly select programs that can transition to clinical development and steadily commercialize them for the global market.

As a result, during the current interim consolidated accounting period, Patient enrollment for the Global Phase III clinical trial for AdV infections following HSCT commenced in March 2026 and is currently ongoing, and the NIH-led Phase II clinical trial for PML has commenced, with patient enrollment starting in June 2026 and currently progressing.

However, R&D-oriented businesses are characterized by the requirement for significant R&D expenditures and long lead times before products can be commercialized and generate revenue. Due to a business structure where investments in BCV and other activities require a certain period before recovery, the Group recorded operating losses, ordinary losses, and net losses attributable to owners of parent for three consecutive fiscal years through the previous fiscal year. Since the loss amount for the previous fiscal year was material, we recognized that events or conditions existed that cast significant doubt on the going concern assumption.

In the current interim period, the Group continued to record operating, ordinary, and interim net losses, and resulted in a capital deficit at the end of the period. Consequently, we recognize that a material uncertainty exists regarding the going concern assumption.

In response to these circumstances, the Group is implementing the following measures:

1. Enhancing business value

We will steadily advance development toward New Drug Applications (NDA) and commercialization by continuing the Global Phase III trial for AdV and the Phase II trial for PML. We also aim to preserve our intellectual property foundation by securing regulatory exclusivity (Orphan Drug Designation) and obtaining method-of-use patents in Europe, the U.S., and Japan. For the IVD business, we continue development activities for early commercialization, addressing "diagnostic white spaces" via ultra-high sensitivity POCT technology and expanding into non-medical fields.

2. Securing funds

The Group is continuing discussions and evaluations for equity financing and other methods to ensure flexible fundraising based on R&D progress and capital needs. This aims to secure the liquidity necessary for business continuity and stabilize our financial base.

3. Fundraising through collaboration and strategic alliances

We are advancing partnership negotiations with pharmaceutical and global companies:

(i) Licensing commercialization rights for BCV (AdV) in the U.S. and European markets.

(ii) Granting options for commercialization rights in North America for the oncology field, targeting joint development based on favorable preclinical results.

(iii) Negotiating alliances involving technology transfers with global IVD companies to secure upfront payments and milestone income, while reducing development costs through expense-sharing.

4. Improving business profitability

The Group is trying to improve our business balance by controlling the burn rate through cost reductions and enhance cash flow by reviewing payment terms with suppliers.

Although these measures are being implemented, uncertainties remain regarding the progress of BCV development, the success of specific partnerships, and the amount of funds raised. While we continue our efforts, no facts have been finalized, and the timing for resolving the negative net worth remains undetermined. Therefore, we recognize that a material uncertainty related to the going concern assumption exists.

(Notes on significant changes in shareholders' equity)

During the six months ended June 30, 2026, the Company issued new shares following the exercise of a portion of the 49th, 53rd, 54th, 55th, 56th, 57th, 59th, 60th, 65th, and 66th series of share acquisition rights, and the conversion of convertible-bond-type bonds with share acquisition rights. As a result, capital stock increased by 919,608 thousand yen and capital surplus increased by 919,598 thousand yen.

On the other hand, research and development expenses increased as R&D activities intensified for the global Phase III clinical trial targeting adenovirus infections following hematopoietic stem cell transplantation. Consequently, the Group recorded a net loss attributable to owners of parent of 3,619,930 thousand yen, resulting in an equivalent decrease in retained earnings.

As a result of these factors, as of June 30, 2026, capital stock was 20,163,737 thousand yen, capital surplus was 20,138,564 thousand yen, and treasury shares were 89,877 thousand yen, resulting in total shareholders' equity of (869,485) thousand yen.

(Significant subsequent events)

(Exercise of Share Acquisition Rights and Acquisition of Shares by Related Party)

Regarding the 66th series of Share Acquisition Rights issued by the Company on August 12, 2025, 28,540 units(2,854,000 shares) were exercised on July 29, 2026. On the same day, 2,854,000 shares were purchased from the allottee (EVO FUND) by Fuminori Yoshida, the Representative Director and President of the Company. Details are as follows:

1. Details of the Exercise of Share Acquisition Rights

(1) Number of share acquisition rights exercised: 28,540 units

(2) Class and number of shares issued: 2,854,000 shares of the Company’s common stock (Exercise price: 84 yen per share)

(3) Amount of increase in share capital: 119,868,000 yen, Amount of increase in capital surplus: 119,868,000 yen

2. Details of Transactions with Related Parties

Category	Name	Location	Capital or investment (thousand JPY)	Business or occupation	Share of voting rights(%) as of July 29th	Relationship to related party	Nature of transaction	Transaction amount (thousand JPY)	Account item	Ending balance (thousand JPY)
Director	Fuminori Yoshida	—	—	Representative Director and President of the Company	(Owned by him) Direct 5.75	—	Acquisition of shares(Note)	239,736 (2,854,000 shares)	—	—

(Note): Fuminori Yoshida, Representative Director and President of the Company, purchased 2,854,000 shares of the Company from EVO FUND, the allottee of these share acquisition rights. As a result, his shareholding ratio increased from 2.30% to 5.75%. Additionally, a Large Shareholding Report was filed by Fuminori Yoshida on August 5, 2026. While this transaction was a direct transfer between the parties and the Company was not a party to the transaction, it is disclosed here due to its significance to the Company's financial condition.