



August 4, 2025

Non-consolidated Financial Results for the Six Months Ended June 30, 2025 [Under Japanese GAAP]

Company name: Veritas In Silico Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 130A
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 Scheduled date to commence dividend payments: None
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (In Japanese Language Only)

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

1. Non-consolidated Financial Results for the Six Months Ended June 30, 2025 (from January 1, 2025 to June 30, 2025)

(1) Non-consolidated Business Results (cumulative)

(Percentages indicate year-on-year changes.)

	Business revenue		Operating profit		Ordinary profit		Net profit	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	43	(62.6)	(186)	-	(182)	-	(184)	-
June 30, 2024	115	-	(66)	-	(88)	-	(90)	-

	Earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2025	(28.43)	-
June 30, 2024	(14.41)	-

Notes: Diluted earnings per share are not shown in the above table, because, although there are residual shares, earnings per share were ultimately negative.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
June 30, 2025	2,070	2,025	97.8
December 31, 2024	2,248	2,209	98.2

Reference: Equity

As of June 30, 2025: 2,025 Million Yen

As of December 31, 2024: 2,209 Million Yen

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

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2024	-	0.00	-	0.00	0.00
Fiscal year ending December 31, 2025	-	0.00			
Fiscal year ending December 31, 2025 (Forecast)			-	0.00	0.00

Note: Revisions to the most recently announced forecasts: None

3. Forecasts for the Fiscal Year Ending December 31, 2025

(Percentages indicate year-on-year changes.)

	Business revenue		Operating profit		Ordinary profit		Net profit		Earnings per share
Fiscal year ending	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
December 31, 2025	788	305.1	163	-	170	-	168	-	26.39

Notes: Revisions to the most recently announced forecasts: None

* Notes

- (1) Adoption of accounting treatment specific to the preparation of semi-annual non-consolidated financial statements: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None
- (3) Number of issued shares (common shares)

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

As of June 30, 2025	6,487,114 shares
Fiscal year ended December 31, 2024	6,487,114 shares

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

As of June 30, 2025	- shares
Fiscal year ended December 31, 2024	- shares

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

Six months ended June 30, 2025	6,487,114 shares
Six months ended June 30, 2024	6,254,525 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other remarks
(Disclaimer Regarding Forward-Looking Statements, etc.)

The forecasts and other forward-looking statements contained in this document are based on information available to the Company at the time this document was released and on certain assumptions that the Company has regarded as reasonable.

Please refer to “1. Qualitative Information on Financial Results (3) Financial Forecasts and Other Forward-Looking Statements” on page 3 of the attached materials for matters related to earnings forecasts.

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1. Qualitative Information on Financial Results

(1) Explanation on Business Results

During the interim period of the fiscal year ending December 31, 2025 under review (January 1, 2025 - June 30, 2025), the global economy demonstrated robust growth, however, concerns regarding the future outlook persisted due to the implementation of tariff measures by the US government. In Japan, wage increases became established and inbound demand remained strong, but prices for daily necessities and other items continued to rise, causing the economic outlook to darken slightly.

In the mRNA-targeted small molecule drug discovery business, the Company is conducting joint drug discovery research with Toray Industries, Inc., Shionogi & Co., Ltd., RaQualia Pharma Inc., and Takeda Pharmaceutical Company Limited, utilizing its drug discovery platform, ibVIS®. In order to expand our network of joint drug discovery partners, the Company has introduced its platform technology to domestic and international pharmaceutical companies that show interest in mRNA-targeted small molecule drug discovery and continued negotiating with them toward the conclusion of contracts. During the current interim accounting period, the Company signed a new joint research agreement with Mitsubishi Gas Chemical Company, Inc.

With a view to diversifying its line of business in the future, the Company has been promoting initiatives to create its pipeline of mRNA-targeted pharmaceuticals, primarily focusing on nucleic acid drugs. In the creation of nucleic acid drugs, the Company has conducted in-house research to obtain more efficient and highly active antisense oligonucleotides (ASOs), a type of nucleic acid drugs. During the interim period, the Company decided to target ischemic acute renal failure induced after cardiovascular surgery as a target disease for drug discovery research, which will be the first pipeline for the Company to address.

During the interim period of the current fiscal year, joint drug discovery research for mRNA-targeted small molecule drugs with each partner has been progressed. In the joint drug discovery research with Shionogi & Co., Ltd., significant progress was made with the successful procurement of compounds that have the potential to become lead compounds, marking a crucial milestone. Furthermore, in the joint research with RaQualia Pharma Inc. aimed at developing cancer treatments, the scope of research on target genes was expanded, and multiple screenings were conducted on multiple genes by leveraging the expertise of both parties. Consequently, variety of small molecule compounds that could serve as starting points for drug discovery were obtained.

The Company's Business revenue in the period totaled 43,420 thousand yen (down 62.6% year-on-year) from research support funds received regularly under collaborative research agreements. Business expenses totaled 229,679 thousand yen, including R&D expenses of 94,123 thousand yen, resulting in an Operating loss of 186,259 thousand yen (Operating loss of 66,731 thousand yen in the same period of the previous year). Non-operating income totaled 3,404 thousand yen, including an Interest income of 3,149 thousand yen, resulting in an Ordinary loss of 182,854 thousand yen (Ordinary loss of 88,729 thousand yen in the same period of the previous year) and Net loss for the period of 184,448 thousand yen (Net loss of 90,154 thousand yen in the same period of the previous year).

(2) Explanation on Financial Position

(Assets)

Total assets at the end of the interim period of current fiscal year decreased by 178,023 thousand yen (7.9%) compared to the end of the previous fiscal year to 2,070,935 thousand yen. Current assets decreased by 174,503 thousand yen (7.8%) to 2,057,569 thousand yen, mainly due to a decrease of 149,399 thousand yen in Cash and deposits and a decrease of 21,019 thousand yen in Accounts receivable – trade. Non-current assets decreased by 3,519 thousand yen (20.9%) to 13,365 thousand yen, mainly due to a decrease of 4,696 thousand yen in property, plant and equipment resulting from depreciation and an increase of 1,310 thousand yen in Intangible assets in the form of new Patent rights and so on.

(Liabilities)

Liabilities at the end of the interim period of current fiscal year increased by 6,425 thousand yen (16.3%) compared to the end of the previous fiscal year to 45,835 thousand yen. This was mainly due to an increase of 13,750 thousand yen in Advances received and a decrease of 9,309 thousand yen in accounts payable under current liabilities.

(Net assets)

Net assets at the end of the interim period of current fiscal year decreased by 184,448 thousand yen (8.4%) compared to the end of the previous fiscal year to 2,025,099 thousand yen. This was due to a decrease of 184,448 thousand yen in retained earnings.

As a result of these factors, the Equity ratio decreased by 0.4 points from 97.8% at the end of the previous fiscal year to 98.2%.

(3) Overview of Cash Flows

Cash and cash equivalents (hereinafter referred to as “cash”) at the end of the interim period of current fiscal year increased by 350,600 thousand yen compared to the end of the previous fiscal year to 523,969 thousand yen. The status of cash flows during the interim period of current fiscal year is as follows.

(Cash flows from Operating activities)

Net cash used in Operating activities during the interim period of current fiscal year was 147,187 thousand yen. This was mainly due to a Loss before income taxes of 182,854 thousand yen, a decrease in trade receivable of 21,019 thousand yen, and an increase in Advances received of 13,750 thousand yen.

(Cash flows from Investing activities)

Net cash provided by Investing activities during the current fiscal year was 497,788 thousand yen. This was mainly due to Proceeds from withdrawal of time deposits of 500,000 thousand yen.

(Cash flows from Financing activities)

There were no changes in cash position from Financing activities during the interim period of current fiscal year.

(4) Financial Forecasts and Other Forward-Looking Statements

The financial forecast for the fiscal year ending December 31, 2025, remains unchanged from the previous announcement on February 13, 2025. At the point of submitting this document, there are no significant impacts on our business activities, business results, or financial position due to the tariff measures introduced by the U.S. government.

The forecasts and other forward-looking statements in this document are based on certain assumptions that the Company considers reasonable, using information available as of the date of this document. Please note that actual performance may differ significantly from these forecasts and statements due to various factors that may arise in the future.

2. Semi-annual Non-consolidated Financial Statements and Primary Notes

(1) Semi-annual Non-consolidated Balance Sheet

(Thousands of yen)

	As of December 31, 2024	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	2,173,358	2,023,959
Accounts receivable - trade	21,019	-
Supplies	13,350	13,565
Advance payments to suppliers	2,875	10,880
Prepaid expenses	1,662	1,901
Other current assets	19,806	7,262
Total current assets	2,232,073	2,057,569
Non-current assets		
Property, plant and equipment	14,115	9,418
Intangible assets		
Software	325	510
Patent right	758	1,884
Total intangible assets	1,084	2,394
Investments and other assets	1,685	1,552
Total non-current assets	16,885	13,365
Total assets	2,248,958	2,070,935

(Thousands of yen)

	As of December 31, 2024	As of June 30, 2025
Liabilities		
Current liabilities		
Accounts payable - others	33,664	24,355
Income taxes payable	2,850	1,425
Advances received	-	13,750
Other current liabilities	2,895	6,305
Total current liabilities	39,410	45,835
Total liabilities	39,410	45,835
Net assets		
Shareholders' equity		
Share capital	77,175	10,000
Capital surplus	2,335,766	2,402,941
Retained earnings	(203,393)	(387,842)
Total shareholders' equity	2,209,548	2,025,099
Total net assets	2,209,548	2,025,099
Total liabilities and net assets	2,248,958	2,070,935

(2) Semi-annual Non-consolidated Statement of Profit and Loss

(Thousands of yen)

	For the six months ended June 30, 2024	For the six months ended June 30, 2025
Business revenue	115,998	43,420
Business expenses		
Research and development expenses	70,240	94,123
Selling, general and administrative expenses	112,488	135,556
Total business expenses	182,729	229,679
Operating loss	(66,731)	(186,259)
Non-operating income		
Interest income	8	3,149
Lecture fee	166	135
Others	3	119
Total non-operating income	178	3,404
Non-operating expenses		
Listing expenses	12,820	-
Share issuance costs	9,351	-
Others	5	-
Total non-operating expenses	22,176	-
Ordinary loss	(88,729)	(182,854)
Loss before income taxes	(88,729)	(182,854)
Income taxes - current	1,425	1,594
Total income taxes	1,425	1,594
Loss	(90,154)	(184,448)

(3) Semi-annual Non-consolidated Statement of Cash Flows

(Thousands of yen)

	For the six months ended June 30, 2024	For the six months ended June 30, 2025
Cash flows from Operating activities		
Loss before income taxes	(88,729)	(182,854)
Depreciation	7,442	5,771
Interest income	(8)	(3,149)
Listing expenses	12,820	-
Share issuance costs	9,351	-
Decrease (increase) in trade receivables	(23,245)	21,019
Decrease (increase) in advance payments to suppliers	(11,612)	(8,005)
Increase (decrease) in accounts payable - others	(6,055)	(9,669)
Increase (decrease) in advances received	(12,393)	13,750
Others, net	(24,005)	17,864
Subtotal	(136,436)	(145,272)
Interest received	8	1,103
Income taxes paid	(2,850)	(3,019)
Net cash provided by (used in) operating activities	(139,278)	(147,187)
Cash flows from Investing activities		
Proceeds from withdrawal of time deposits	-	500,000
Purchase of property, plant and equipment	(1,760)	(702)
Other payments	-	(1,509)
Net cash provided by (used in) investing activities	(1,760)	497,788
Cash flows from Financing activities		
Proceeds from issuance of shares	860,999	-
Payments of listing expenses	(12,820)	-
Net cash provided by (used in) financing activities	848,179	-
Net increase (decrease) in cash and cash equivalents	707,141	350,600
Cash and cash equivalents at beginning of period	1,549,111	173,358
Cash and cash equivalents at end of period	2,256,253	523,959

(4) Notes to Semi-annual Non-consolidated Financial Statements

(Notes on going concern assumption)

Not applicable

(Notes in the case of significant changes in shareholders' equity)

Based on the resolution of the regular shareholders' meeting held on March 27, 2025, the Company's capital reduction took effect on May 1, 2025, and the capital stock of 67,175 thousand yen was transferred to other capital surplus.

As a result, as of the end of the interim accounting period, the capital stock is 10,000 thousand yen and the capital surplus is 2,402,941 thousand yen.

(Additional information)

(Impact of changes in corporate income tax and other related tax rates)

Following the enactment of the Act Partially Amending the Income Tax Act, etc. (Act No. 13 of 2025) by the National Diet on March 31, 2025, a Defense Special Corporate Tax will be imposed starting from fiscal years beginning on or after April 1, 2026. In line with this change, for deferred tax assets and deferred tax liabilities associated with temporary differences expected to be resolved in fiscal years beginning on or after January 1, 2027, we have revised the statutory effective tax rate from 34.59% to 35.43% for calculation purposes. The impact of this tax rate change is immaterial.

(Segment information, etc.)

Segment information is omitted as the Company operates in a single business segment of the drug discovery platform business.