SymBio Pharmaceuticals Limited

Summary of Consolidated Financial Statements for the Three Months ended March 31, 2026 [Japanese GAAP]

May 7, 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	Chief Financial Officer and Head of Corporate Communication Department	Keigo Masuda	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 Three Months of FY 2026 (January 1, 2026 to March 31, 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	%
Q1 FY 2026	233	(11.6)	(2,341)	—	(2,390)	—	(2,401)	—
Q1 FY 2025	264	(55.8)	(1,169)	—	(1,288)	—	(1,321)	—

(Note) Comprehensive income: Q1 FY 2026 (2,393) million yen [—%]
Q1 FY 2025 (1,329) million yen [—%]

	Earnings per Share	Diluted Earnings per Share
	Yen	Yen
Q1 FY 2026	(35.89)	—
Q1 FY 2025	(27.95)	—

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

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Millions of yen	Millions of yen	%
Q1 FY 2026 (as of March 31, 2026)	2,946	231	(1.7)
FY 2025 (as of December 31, 2025)	3,867	1,272	23.9

(Reference) Shareholders' equity: Q1 FY 2026 (as of March 31, 2026) (51 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	—				
FY 2026 (Forecast)		0.00	—	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 three-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)	Q1 FY 2026	72,238,910 shares	FY 2025	59,567,080 Shares
(ii) Total number of treasury shares at the end of the period	Q1 FY 2026	91,169 shares	FY 2025	91,065 Shares
(iii) Average number of shares during the period (cumulative)	Q1 FY 2026	66,910,755 shares	Q1 FY 2025	47,273,558 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.

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1. Overview of business results

(1) Overview of business results for the three months ended March 31, 2026

The progress of the Group's business during the three months ended March 31, 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 quarter 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. In the field of neurodegenerative diseases, an NIH-led Phase II clinical trial for PML (progressive multifocal leukoencephalopathy) commenced in February 2026.

Furthermore, we secured method-of-use patents for multiple indications of IV BCV, including adenovirus infection in the U.S. (February 2026) and malignant lymphoma in Japan (March 2026). By securing these exclusive rights, we will continue to strengthen our future business foundation.

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 233,463 thousand yen, an 11.6% 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 1,991,841 thousand yen (143.1% increase year-on-year), totaled 2,513,949 thousand yen (83.3% increase year-on-year).

As a result, the Group recorded an operating loss of 2,341,115 thousand yen (compared to an operating loss of 1,169,171 thousand yen in the same period of the previous fiscal year), an ordinary loss of 2,390,608 thousand yen (compared to an ordinary loss of 1,288,197 thousand yen), and a net loss attributable to owners of parent of 2,401,405 thousand yen (compared to a net loss of 1,321,481 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 three months ended March 31, 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:** The Group achieved first patient enrollment (FPI) in March 2026 in the U.S. in its global Phase III clinical trial of IV BCV for adenovirus infection following hematopoietic stem cell transplantation. This study plans to enroll 180 patients across a total of 80 sites, primarily in the U.S. and Europe, with a new drug application in the EU targeted for the second half of 2028. BCV for treatment of adenovirus infection following hematopoietic stem cell transplantation received orphan drug designation from the European Commission in July 2016, Fast Track designation from the U.S. Food and Drug

Administration in April 2021, and orphan drug designation from Japan's Ministry of Health, Labour and Welfare in September 2025. In addition, the pediatric investigation plan, required for initiating the global Phase III trial, has been approved by both the European Medicines Agency (EMA) and the U.K. Medicines and Healthcare products Regulatory Agency (MHRA). In February 2026, a use patent for IV BCV targeting adenovirus infection was granted by the U.S. Patent and Trademark Office. A corresponding patent has also been allowed in Europe.

- **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 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.
- **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 has been accepted for presentation at the **ASCO (American Society of Clinical Oncology)** annual meeting to be held 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.
- **EBV associated Lymphoproliferative Diseases:** In April 2023, the Group entered into a Cooperative Research and Development Agreement (CRADA) with the National Institute of Allergy and Infectious Diseases (NIAID), part of the U.S. National Institutes of Health (NIH), to evaluate the efficacy of BCV against EBV-associated lymphoproliferative diseases.

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, an NIH-led clinical trial using IV BCV is being conducted at the NIH Clinical Center, targeting PML, a rare disease caused by reactivation of JCV.
- **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.
- **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 October 2025, we were granted a joint patent in Japan for an immunoassay method and device capable of high-sensitivity virus detection—boasting a sensitivity 1,000 times greater than that of conventional nano-level systems.

This new testing system developed by both companies addresses the critical measurement need for simple, ultra-high sensitivity, and quantitative rapid virus detection at the point of care. It serves as a technological foundation to fill "diagnostic gaps" in the medical field. The system enables immediate sharing of test results with medical institutions from various testing locations, including the patient's bedside. The Group anticipates its broad application across the healthcare continuum—from early screening and diagnosis (including emergencies) to treatment decision-making and subsequent follow-up care.

Furthermore, the application of this testing system extends beyond the medical field. It holds significant potential for diverse non-medical sectors, such as disease testing in agriculture, infectious disease monitoring in livestock, and safety inspections in the food industry. To support our global expansion, we completed a joint PCT (Patent Cooperation Treaty) application with NSC&M in October 2025.

(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 three months ended March 31, 2026

As of March 31, 2026, total consolidated assets stood at 2,946,915 thousand yen. Current assets totaled 2,907,574 thousand yen, mainly consisting of 1,897,922 thousand yen in cash and deposits, 192,992 thousand yen in accounts receivable, and 123,162 thousand yen in merchandise and finished goods. Non-current assets totaled 39,341 thousand yen, mainly consisting of 37,349 thousand yen in leasehold and guarantee deposits.

Total liabilities were 2,715,226 thousand yen. Current liabilities totaled 2,610,318 thousand yen, mainly consisting of 1,477,541 thousand yen in accounts payable-other, 700,000 thousand yen in current portion of convertible-bond-type bonds and 227,500 thousand yen in current portion of bonds payable. Non-current liabilities were 104,908 thousand yen, mainly consisting of 100,000 thousand yen in convertible-bond-type bonds with share acquisition rights.

Net assets amounted to 231,688 thousand yen. This mainly included 19,952,895 thousand yen in capital stock, 19,927,722 thousand yen in capital surplus, and 283,162 thousand yen in share acquisition rights.

As a result, the equity ratio was (1.7%). 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.

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

The Group is engaged in new drug development focused on expanding unmet medical needs amid structural changes in the pharmaceutical industry, with a focus on rare diseases in the areas of oncology, hematology, and viral infectious diseases, fields that are challenging for major pharmaceutical companies to enter from a profitability perspective.

Under an R&D-focused business model with BCV at its core, the Group aims to transform into a specialty pharmaceutical company in the global market. However, the drug development business is characterized by the need for substantial R&D expenditures and a long development period before products can be commercialized and generate revenue.

Sales of the Group's main product, TREAKISYM®, have been declining due to the impact of drug price revisions and the penetration of generic drugs. In addition, the Group's research and development activities, primarily for BCV, have a business model with a long-term investment recovery period. As a result, the Group recorded an operating loss, an ordinary loss, and a net loss attributable to owners of the parent for three consecutive fiscal years through the fiscal year ended December 31, 2025. Furthermore, as the loss for the consolidated fiscal year ended December 31, 2025 was deemed material, the Group recognized that there are events or conditions exist that may cast significant doubt on the Group's ability to continue as a going concern.

In the consolidated fiscal year under review, the Group recorded an operating loss, an ordinary loss, and net loss attributable to owners of the parent, and events or conditions exist that may cast significant doubt on the Group's ability to continue as a going concern.

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

1. Enhancing business value

The Group positions BCV as the core pipeline of its business and is conducting development activities centered on the global Phase III clinical trial targeting adenovirus infection following hematopoietic stem cell transplantation, with a view to filing marketing authorization applications and bringing the product to market.

In addition to adenovirus infection, the Group is also pursuing R&D on BCV for multiple indications, including PML and oncology-related diseases, thereby seeking to expand its pipeline value without relying on a single indication. Through these efforts, the Group aims to realize multifaceted business value centered on BCV.

As this therapeutic area has limited treatment options and extremely high unmet medical needs, the Group believes the steady execution of the clinical development of BCV will be a key factor in qualitatively transforming its business value.

In the first quarter, regarding adenovirus infections following hematopoietic stem cell transplantation—the core indication for

BCV—the Group achieved progress in development by receiving the decision for the grant of subsidies for orphan drug testing and research, and by achieving the first patient enrollment in the global Phase III clinical trial. Furthermore, efforts toward expanding BCV indications have progressed through the implementation of the NIH-led Phase II clinical trial for PML and the extension of a joint R&D agreement for multiple sclerosis. The Group is also strengthening its intellectual property base by acquiring use patents in the United States and Japan.

Regarding the IVD (In Vitro Diagnostics) business, which is positioned as a future growth driver, the Group is working toward early commercialization based on pico-level ultra-sensitive POCT (Point of Care Testing) technology. The Group aims to address unmet diagnostic needs in the medical field as well as expand into diverse applications including non-medical fields, thereby enhancing the value of its overall business portfolio.

2. Securing funds

Considering the characteristics of its R&D-focused business, the Group utilizes financing methods such as equity financing to secure the funds necessary for business operations.

In the first quarter, the exercise of the 65th series of share acquisition rights was completed, and the Group decided to accelerate the exercise of the 66th series of share acquisition rights, establishing a flexible financing system responsive to funding needs. Furthermore, a portion of the proceeds from the exercise of share acquisition rights was used for the early redemption of straight bonds, and the reduction of interest-bearing debt balances progressed through the conversion of convertible bonds with share acquisition rights.

The Group will execute such financing in accordance with funding requirements, while taking into consideration R&D progress and market conditions, and will continue its efforts to secure sufficient funding.

3. Fundraising and business alliances through collaboration with other companies

In promoting the development of BCV and the IVD business, the Group is continuously considering the possibility of fundraising and business alliances through collaboration with other companies, and is advancing discussions with potential partners.

These initiatives are positioned not only as means to diversify R&D risks and reduce financial burdens, but also as one of the measures to accelerate the realization of the Group’s business value.

4. Improving business profitability

Regarding research results generated from in-house research and joint research with domestic and overseas research institutions, the Group is working to establish intellectual property rights and create revenue opportunities through out-licensing and other arrangements.

At the same time, the Group will continue to thoroughly manage costs and reduce expenses, taking into consideration progress in R&D activities, and will seek to improve operational efficiency and business profitability by optimizing its fixed-cost structure.

Although these measures are being implemented, the Company’s cash flow may be significantly affected by future business progress and the status of additional funding activities. Accordingly, the Company recognizes that material uncertainty exists regarding the going concern assumption at this time.

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)	Q1 FY 2026 (as of March 31, 2026)
Assets		
Current assets		
Cash and deposits	2,883,503	1,897,922
Accounts receivable–trade	259,676	192,992
Merchandise and finished goods	152,551	123,162
Supplies	136,396	59,991
Advance payments to suppliers	259,963	272,467
Prepaid expenses	60,276	284,551
Other	71,681	76,486
Total current assets	3,824,049	2,907,574
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	1,976
Total investments and other assets	43,267	39,341
Total non-current assets	43,267	39,341
Total assets	3,867,316	2,946,915
Liabilities		
Current liabilities		
Accounts payable – other	468,270	1,477,541
Income taxes payable	118,550	69,036
Current portion of convertible-bond-type bonds with share acquisition rights	-	700,000
Current portion of bonds payable	682,500	227,500
Other	21,045	136,240
Total current liabilities	1,290,365	2,610,318
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	1,300,000	100,000
Retirement benefit liability	4,911	4,908
Total non-current liabilities	1,304,911	104,908
Total liabilities	2,595,276	2,715,226

(Unit: thousands of yen)

	FY 2025 (as of December 31, 2025)	Q1 FY 2026 (as of March 31, 2026)
Net assets		
Shareholders' equity		
Share capital	19,244,128	19,952,895
Capital surplus	19,218,965	19,927,722
Retained earnings	(37,461,978)	(39,863,383)
Treasury shares	(89,870)	(89,873)
Total shareholders' equity	911,244	(72,639)
Accumulated other comprehensive income		
Foreign currency translation adjustment	12,925	21,165
Total accumulated other comprehensive income	12,925	21,165
Share acquisition rights	347,869	283,162
Total net assets	1,272,040	231,688
Total liabilities and net assets	3,867,316	2,946,915

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

Quarterly consolidated statement of income for the three months ended Mar 31, 2026

(Unit: thousands of yen)

	Q1 FY 2025 (from January 1, 2025 to March 31, 2025)	Q1 FY 2026 (from January 1, 2026 to March 31, 2026)
Net sales	264,022	233,463
Cost of sales	61,611	60,629
Gross profit	202,410	172,834
Selling, general and administrative expenses	1,371,582	2,513,949
Operating profit (loss)	(1,169,171)	(2,341,115)
Non-operating income		
Interest income	1,092	2,247
Other	7	-
Total non-operating income	1,099	2,247
Non-operating expenses		
Commission expenses	4,808	2,465
Share issuance costs	921	3,789
Bond issuance costs	51,679	3,660
Interest expenses on bonds	5,523	12,969
Foreign exchange losses	57,193	28,855
Total non-operating expenses	120,125	51,741
Ordinary loss	(1,288,197)	(2,390,608)
Extraordinary income		
Gain on reversal of share acquisition rights	-	3,672
Total extraordinary income	-	3,672
Extraordinary losses		
Impairment losses	21,524	499
Total extraordinary losses	21,524	499
Loss before income taxes	(1,309,721)	(2,387,436)
Income taxes – current	13,650	9,991
Income taxes – deferred	△1,890	3,976
Total income taxes	11,759	13,968
Loss	(1,321,481)	(2,401,405)
Loss attributable to non-controlling interests	-	-
Loss attributable to owners of parent	(1,321,481)	(2,401,405)

Quarterly consolidated statement of comprehensive income for the three months ended Mar 31, 2026

(Unit: thousands of yen)

	Q1 FY 2025 (from January 1, 2025 to March 31, 2025)	Q1 FY 2026 (from January 1, 2026 to March 31, 2026)
Loss	(1,321,481)	(2,401,405)
Other comprehensive income		
Foreign currency translation adjustment	(7,710)	8,239
Total other comprehensive income	(7,710)	8,239
Comprehensive income	(1,329,191)	(2,393,165)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,329,191)	(2,393,165)
Comprehensive income attributable to non-controlling interests	-	-

(3) Notes to the quarterly consolidated financial statements

(Notes on segment information, etc.)

Segment information

For the three months ended March 31, 2025 (January 1, 2025–March 31, 2025)

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

For the three months ended March 31, 2026 (January 1, 2026–March 31, 2026)

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

(Notes on significant changes in shareholders' equity)

During the three months ended March 31, 2026, the Company issued new shares following the exercise of a portion of the 49th, 53rd, 54th, 55th, 56th, 57th, 59th, 60th, and 65th series of share acquisition rights, and the conversion of convertible-bond-type bonds with share acquisition rights. As a result, capital stock increased by 708,767 thousand yen and capital surplus increased by 708,757 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 2,401,405 thousand yen, resulting in an equivalent decrease in retained earnings.

As a result of these factors, as of March 31, 2026, capital stock was 19,952,895 thousand yen, capital surplus was 19,927,722 thousand yen, and treasury shares were 89,873 thousand yen, resulting in total shareholders' equity of (72,639) thousand yen.

(Notes to going concern assumptions)

The Group is engaged in new drug development focused on expanding unmet medical needs amid structural changes in the pharmaceutical industry, with a focus on rare diseases in the areas of oncology, hematology, and viral infectious diseases, fields that are challenging for major pharmaceutical companies to enter from a profitability perspective.

Under an R&D-focused business model with BCV at its core, the Group aims to transform into a specialty pharmaceutical company in the global market. However, the drug development business is characterized by the need for substantial R&D expenditures and a long development period before products can be commercialized and generate revenue.

Sales of the Group's main product, TREAKISYM®, have been declining due to the impact of drug price revisions and the penetration of generic drugs. In addition, the Group's research and development activities, primarily for BCV, have a business model with a long-term investment recovery period. As a result, the Group recorded an operating loss, an ordinary loss, and a net loss attributable to owners of the parent for three consecutive fiscal years through the fiscal year ended December 31, 2025. Furthermore, as the loss for the consolidated fiscal year ended December 31, 2025 was deemed material, the Group recognized that there are events or conditions exist that may cast significant doubt on the Group's ability to continue as a going concern.

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The Group positions BCV as the core pipeline of its business and is conducting development activities centered on the global Phase III clinical trial targeting adenovirus infection following hematopoietic stem cell transplantation, with a view to filing marketing authorization applications and bringing the product to market.

In addition to adenovirus infection, the Group is also pursuing R&D on BCV for multiple indications, including PML and oncology-related diseases, thereby seeking to expand its pipeline value without relying on a single indication. Through these efforts, the Group aims to realize multifaceted business value centered on BCV.

As this therapeutic area has limited treatment options and extremely high unmet medical needs, the Group believes the steady execution of the clinical development of BCV will be a key factor in qualitatively transforming its business value.

In the first quarter, regarding adenovirus infections following hematopoietic stem cell transplantation—the core indication for BCV—the Group achieved progress in development by receiving the decision for the grant of subsidies for orphan drug testing and research, and by achieving the first patient enrollment in the global Phase III clinical trial. Furthermore, efforts toward expanding BCV indications have progressed through the implementation of the NIH-led Phase II clinical trial for PML and the extension of a joint R&D agreement for multiple sclerosis. The Group is also strengthening its intellectual property base by acquiring use patents in the United States and Japan.

Regarding the IVD (In Vitro Diagnostics) business, which is positioned as a future growth driver, the Group is working toward early commercialization based on pico-level ultra-sensitive POCT (Point of Care Testing) technology. The Group aims to address unmet diagnostic needs in the medical field as well as expand into diverse applications including non-medical fields, thereby enhancing the value of its overall business portfolio.

2. Securing funds

Considering the characteristics of its R&D-focused business, the Group utilizes financing methods such as equity financing to secure the funds necessary for business operations.

In the first quarter, the exercise of the 65th series of share acquisition rights was completed, and the Group decided to accelerate the exercise of the 66th series of share acquisition rights, establishing a flexible financing system responsive to funding needs. Furthermore, a portion of the proceeds from the exercise of share acquisition rights was used for the early redemption of straight bonds, and the reduction of interest-bearing debt balances progressed through the conversion of convertible bonds with share acquisition rights.

The Group will execute such financing in accordance with funding requirements, while taking into consideration R&D progress and market conditions, and will continue its efforts to secure sufficient funding.

3. Fundraising and business alliances through collaboration with other companies

In promoting the development of BCV and the IVD business, the Group is continuously considering the possibility of fundraising and business alliances through collaboration with other companies, and is advancing discussions with potential partners.

These initiatives are positioned not only as means to diversify R&D risks and reduce financial burdens, but also as one of the measures to accelerate the realization of the Group's business value.

4. Improving business profitability

Regarding research results generated from in-house research and joint research with domestic and overseas research institutions, the Group is working to establish intellectual property rights and create revenue opportunities through out-licensing and other arrangements.

At the same time, the Group will continue to thoroughly manage costs and reduce expenses, taking into consideration progress in R&D activities, and will seek to improve operational efficiency and business profitability by optimizing its fixed-cost structure.

Although these measures are being implemented, the Company's cash flow may be significantly affected by future business progress and the status of additional funding activities. Accordingly, the Company recognizes that material uncertainty exists regarding the going concern assumption at this time.

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.

(Notes on the consolidated statement of cash flows)

A consolidated statement of cash flows for the three months ended March 31, 2026, has not been prepared. There were no depreciation expenses (including amortization of intangible assets other than goodwill) recorded for the period.

(Significant subsequent events)

1. Issuance of the 68th share acquisition rights (stock options)

On April 17, 2026, the Company issued and granted share acquisition rights in the form of stock options to five directors (excluding directors who are Audit & Supervisory Committee Members) as indicated below. This issuance of share acquisition rights was pursuant to a resolution approved by the Board of Directors on March 24, 2026.

Number of share acquisition rights	8,943 units
Class and number of shares to be issued upon the exercise of share acquisition rights	223,575 common shares
Issue price of share acquisition rights and total issue amount	Issue price: 2,400 yen Total issue amount: 21,463,200 yen
Amount to be paid in for share acquisition rights	Amount to be paid in per share: 96 yen As the amount to be paid for the stock acquisition rights is provided to the recipient in lieu of compensation, each recipient is required to waive his or her claim to the corresponding amount of compensation against the Company.
Exercise price of share acquisition rights	Exercise price per share: 1 yen
Exercise period of share acquisition rights	From March 25, 2029 to March 24, 2036
Conditions for the exercise of share acquisition rights	(1) Individuals to whom these share acquisition rights are granted must hold a position as a director or employee of the Company or with an affiliate to exercise these rights. However, this will not apply to directors at the Company or its affiliates who have left their positions due to expiry of their terms of offices, employees at the Company or its affiliates who have retired as a result of reaching retirement age or directors or employees at the Company or its affiliates who have been deemed to have left their positions or retired amicably by the Board of Directors. (2) Other conditions will be established in the Share Acquisition Rights Allocation Agreement concluded between the Company and the employees.

Increase in share capital in case of the issuance of shares through the exercise of share acquisition rights	Increase in share capital related to the issuance of shares through the exercise of share acquisition rights shall equal to one half of the maximum amount by which share capital can be increased as calculated in accordance with Article 17 of the Ordinance on Company Accounting. Any fraction less than one yen shall be rounded up to the nearest one yen.
Matters regarding transfer of share acquisition rights	Transfers will require approval from the Board of Directors.

2. Issuance of the 69th share acquisition rights (stock options)

On April 17, 2026, the Company issued and granted share acquisition rights in the form of stock options to 77 employees as indicated below. This issuance of share acquisition rights was based on a resolution by the Board of Directors on March 24, 2026.

Number of share acquisition rights	30,827 units
Class and number of shares to be issued upon the exercise of share acquisition rights	770,675 common shares
Issue price of share acquisition rights and total issue amount	Issue price: 2,400 yen Total issue amount:73,984,800 yen
Amount to be paid in for share acquisition rights	Amount to be paid in per share: 96 yen As the amount to be paid for the stock acquisition rights is provided to the recipient in lieu of compensation, each recipient is required to waive his or her claim to the corresponding amount of compensation against the Company.
Exercise price of share acquisition rights	Exercise price per share: 1 yen
Exercise period of share acquisition rights	From March 25, 2029 to March 24, 2036
Conditions for the exercise of share acquisition rights	(1) Individuals to whom these share acquisition rights are granted must hold a position as a director or employee of the Company or with an affiliate to exercise these rights. However, this will not apply to directors at the Company or its affiliates who have left their positions due to expiry of their terms of offices, employees at the Company or its affiliates who have retired as a result of reaching retirement age or directors or employees at the Company or its affiliates who have been deemed to have left their positions or retired amicably by the Board of Directors. (2) Other conditions will be established in the Share Acquisition Rights Allocation Agreement concluded between the Company and the employees.
Increase in share capital in case of the issuance of shares through the exercise of share acquisition rights	Increases in share capital related to the issue of shares through the exercise of share acquisition rights shall be equal to one half of the maximum amount by which share capital can be increased as calculated in accordance with Article 17 of the Ordinance on Company Accounting. Any fraction less than one yen shall be rounded up to the nearest one yen.
Matters regarding transfer of share acquisition rights	Transfers will require approval from the Board of Directors.