SymBio Pharmaceuticals Limited

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

October 29, 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	Acting CFO	Keiichi Fujiwara	TEL +81-3-5472-1125
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 Nine Months of FY 2026 (January 1, 2026 to September 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	%
Q3 FY 2026	722	(25.6)	(4,870)	—	(4,849)	—	(4,879)	—
Q3 FY 2025	970	(48.9)	(3,339)	—	(3,538)	—	(3,565)	—

(Note) Comprehensive income: Q3 FY 2026 (4,874) million yen [—%]
Q3 FY 2025 (3,570) million yen [—%]

	Earnings per Share	Diluted Earnings per Share
	Yen	Yen
Q3 FY 2026	(65.90)	—
Q3 FY 2025	(73.46)	—

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

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Millions of yen	Millions of yen	%
Q3 FY 2026 (as of September 30, 2026)	932	(1,295)	(165.1)
FY 2025 (as of December 31, 2025)	3,867	1,272	23.9

(Reference) Shareholders' equity: Q3 FY 2026 (as of September 30, 2026) (1,539 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 nine-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)	Q3 FY 2026	84,548,960 shares	FY 2025	59,567,080 Shares
(ii) Total number of treasury shares at the end of the period	Q3 FY 2026	91,394 shares	FY 2025	91,065 Shares
(iii) Average number of shares during the period (cumulative)	Q3 FY 2026	74,050,337 shares	Q3 FY 2025	48,541,507 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 nine months ended September 30, 2026 2
(2) Overview of financial position for the nine months ended September 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 nine months ended September 30, 2026 9
Quarterly consolidated statement of comprehensive income for the nine months ended September 30, 2026 10
(3) Notes to the quarterly consolidated financial statements 11
(Notes on segment information, etc.) 11
(Notes on significant changes in shareholders' equity) 11
(Notes to going concern assumptions) 12
(Notes on the consolidated statement of cash flows) 13
(Significant subsequent events) 14

1. Overview of business results

(1) Overview of business results for the nine months ended September 30, 2026

The progress of the Group's business during the nine months ended September 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.

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

Furthermore, the Group's 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 nine months ended September 30, 2026 (the current cumulative third-quarter period), the Group steadily advanced its initiatives toward the development of brincidofovir (BCV) and the commercialization of In Vitro Diagnostics (IVD), positioning its growth strategy as the core focus.

Regarding the global Phase III clinical trial of injectable brincidofovir ("IV BCV") for the treatment of adenovirus infections following hematopoietic stem cell transplantation, clinical trials were initiated in six countries—Austria, Belgium, Denmark, the Netherlands, Portugal, and Sweden—in addition to major EU countries and the United States. As of October 22, 2026, the number of enrolled patients reached 41. Also, with respect to BCV for the treatment of adenovirus infections post-HSCT, the Group has appointed MTS Health Partners (headquartered in New York) as its advisor and has begun the process of selecting strategic partners, primarily in Europe, where early approval and commercialization are anticipated.

Furthermore, regarding BCV for the treatment of multiple sclerosis (MS), the Group was granted an exclusive license from the U.S. Department of Health and Human Services (HHS) for a novel therapeutic method currently under patent application, which is the result of joint research with the National Institutes of Health (NIH). Consequently, the Group has fully commenced partnering activities for this program. This therapeutic approach is a breakthrough method that specifically targets the Epstein-Barr virus (EBV), distinguishing it from conventional treatments aimed at depleting B-cell lymphocytes.

In the area of neurodegenerative diseases, patient enrollment in the Phase II clinical trial for progressive multifocal leukoencephalopathy (PML) led by the National Institutes of Health (NIH) reached 11 cases as of October 15.

Regarding intellectual property rights, the Group secured method-of-use patents for multiple indications of IV BCV (adenovirus infection in the U.S. and Europe in February and May 2026, respectively; malignant lymphoma in Japan in March 2026). Through the acquisition of these exclusive rights, the Group will strive to further strengthen its future business foundation.

In the IVD business, the Group is pursuing commercialization based on the patent for an ultra-high sensitivity immunochromatographic system jointly acquired by the Company and Nippon Steel Chemical & Material Co., Ltd. Currently, the Group is engaged in discussions with domestic and international companies regarding the development of readers for specimen measurement and partnering for business expansion. Furthermore, an application for a research and development grant related to the detection of Leishmaniasis antibodies is currently pending with the Global Health Innovative Technology Fund (GHIT Fund).

During the reporting period, Sales of TREAKISYM® Intravenous Solution 100mg/4mL [RTD (Ready-To-Dilute) formulation] were 722,099 thousand yen, a 25.6% 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 3,968,642 thousand yen (61.9% increase year-on-year), totaled 5,397,023 thousand yen (33.8% increase year-on-year).

As a result, the Group recorded an operating loss of 4,870,788 thousand yen (compared to an operating loss of 3,339,421 thousand yen in the same period of the previous fiscal year), an ordinary loss of 4,849,508 thousand yen (compared to an ordinary loss of 3,538,974 thousand yen), and a net loss attributable to owners of parent of 4,879,997 thousand yen (compared to a net loss of

3,565,655 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 nine months ended September 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 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 in the U.S. for the Global Phase III clinical trial in March 2026. Patient recruitment is currently progressing smoothly, with 41 cases enrolled as of October 22. 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. At the Annual Meeting of the UK Pediatric BSBMTCT held in October 2026, Dr. Beki James of Leeds Children's Hospital presented a case in which IV BCV demonstrated an extremely potent and rapid antiviral effect against adenovirus infection in an immunocompromised pediatric patient whose infection had not been controlled by existing antiviral drugs.
- **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 treatment histories, a reduction in CMV viremia and favorable tolerability (tolerance to adverse events) were demonstrated, suggesting the potential for a new treatment option for patients with CMV infection who have limited therapeutic alternatives. However, to focus on development for adenoviral infection, development has been temporarily suspended.

Hematologic and solid tumors

In addition to its strong antiviral activity, BCV has also demonstrated antitumor effects, and the Group 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 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 multiple international and domestic conferences. Currently, preparations are underway to initiate an investigator-initiated clinical trial for the Phase II study.
- **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. Currently, preparations are underway to initiate an investigator-initiated clinical trial for the Phase II study.
- **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. Currently, preparations are underway to initiate an investigator-initiated clinical trial.

  Regarding the three types of solid tumors mentioned above, the Group has commenced partnering negotiations with pharmaceutical companies in Japan, the United States, and Europe to accelerate future development.

- **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. While the Group believes this trial has provided valuable insights for the oncology development of IV BCV, development has been temporarily suspended to concentrate management resources on solid tumors.
- **EBV associated Lymphoproliferative Diseases:** The Group has extended its Cooperative Research and Development Agreement (CRADA) for another three years, originally concluded in 2023 with the National Institute of Allergy and Infectious

Diseases (NIAID), part of the U.S. National Institutes of Health (NIH), for the treatment of lymphoproliferative diseases (LPD). Following the successful creation of an animal model involving the reactivation of the Epstein-Barr virus (EBV) using humanized mice, the objective of the future collaborative research is to verify the therapeutic efficacy of BCV using this model and to accumulate findings in preparation for the initiation of 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. Recent progress for each disease is described below.

- **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 Institutes of Health (NIH). Under this agreement, a Phase II clinical trial for PML—a rare disease caused by the reactivation of the JCV—was initiated at the NIH Clinical Center using IV BCV. The first patient was enrolled in June 2026, and as of October 15, enrollment has progressed to 11 cases. Furthermore, in addition to filing patent applications based on research findings obtained through preclinical studies in collaboration with academia, the Group intends to pursue the future development and commercialization of this program on an exclusive basis under a license agreement.
- **Multiple sclerosis (MS):** In recent years, evidence has suggested that the reactivation of the Epstein-Barr virus (EBV) latent in lymphocytes may be a primary cause of multiple sclerosis (MS), an intractable disease. In March 2023, the Group entered into a Cooperative Research and Development Agreement (CRADA) with the National Institute of Neurological Disorders and Stroke (NINDS) and commenced joint research aimed at developing a novel therapeutic method that directly targets the Epstein-Barr virus (EBV). The results were published in the *Journal of Clinical Investigation* in January 2026. These findings strongly suggest the potential for developing a breakthrough treatment for MS, distinct from conventional therapies aimed at depleting B-cell lymphocytes. In March 2026, the CRADA was extended for an additional three years, and research will proceed with a focus on potential human application. Furthermore, in September, the Group entered into a licensing agreement with the U.S. Department of Health and Human Services (HHS) regarding the grant of an exclusive license to the Group for inventions arising from the research conducted under the CRADA, for which patent applications have been filed. This license agreement will enable the Group to utilize the patents exclusively once the novel therapy based on the aforementioned patent applications is commercialized in the future. As described above, this has enabled the Group to fully launch its partnering activities for MS as a target indication.

- **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. 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. The Group is pursuing the development and commercialization of BCV in this disease area on an exclusive basis, supported by patent applications based on preclinical research conducted with academic institutions and by licensing agreements.

(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). 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. The Group's proprietary "Picomolar (pM) High-Sensitivity Engine" addresses the clinical need for ultra-high sensitivity and quantification at the point of care (POCT), enabling the early detection of viruses. This technology serves as a platform to fill the "diagnostic gap." Furthermore, the potential applications of this testing system extend beyond the medical field; it is highly versatile and can be deployed in non-medical sectors, including crop disease testing in agriculture, infectious disease testing in livestock, and safety inspections in the food industry. Accordingly, the Group's fundamental strategy is to form business alliances with highly specialized companies with proven track records. Currently, several domestic and international companies are conducting due diligence. Additionally, the Group has submitted a grant application to the Global Health Innovative Technology Fund (GHIT Fund) for the research and development of leishmaniasis antibody detection.

(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 nine months ended September 30, 2026

As of September 30, 2026, total consolidated assets stood at 932,356 thousand yen. Current assets totaled 891,533 thousand yen, mainly consisting of 253,989 thousand yen in cash and deposits, 181,845 thousand yen in accounts receivable, and 56,797 thousand yen in merchandise and finished goods. Non-current assets totaled 40,822 thousand yen, mainly consisting of 37,349 thousand yen in leasehold and guarantee deposits.

Total liabilities were 2,228,051 thousand yen. Current liabilities totaled 2,222,783 thousand yen, mainly consisting of 1,199,652 thousand yen in other accounts payable and 800,000 thousand yen in the current portion of convertible bonds with share acquisition rights. Non-current liabilities were 5,268 thousand yen, consisting of 5,268 thousand yen in retirement benefit liability.

Net assets amounted to (1,295,695) thousand yen, mainly due to retained earnings of (42,341,975) thousand yen resulting from the recording of net loss attributable to owners of parent for the current period, among other factors. Share capital was 20,449,378 thousand yen, capital surplus was 20,424,205 thousand yen, and stock acquisition rights were 243,907 thousand yen.

As a result, the equity ratio was (165.1%).

(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 third quarter of the current fiscal year was 4,879 million yen. This exceeds the full-year forecast of net loss attributable to owners of parent of 4,331 million yen by 548 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. The Group is 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 "unmet medical needs." The Group focuses 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 its core platform, the Group is driving its business forward under an R&D-oriented model, aiming to grow as a global specialty pharmaceutical company.

Given its broad-spectrum activity, the Group is 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. The Group plans to strictly select programs that can transition to clinical development and steadily commercialize them for the global market.

As a result, during the nine months ended September 30, 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, the Group recognized that events or conditions existed that cast significant doubt on the going concern assumption.

In the nine months ended September 30, the Group continued to record operating, ordinary, and net losses, and resulted in a capital deficit at the end of the period. Consequently, the Group recognizes 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

The Group 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. The Group also aims to preserve its 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, the Group continues 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 its financial base.

3. Fundraising through collaboration and strategic alliances

The Group is advancing partnership negotiations with pharmaceutical and global companies:

1.Licensing of Commercialization Rights for BCV: Engaging MTS Health Partners to facilitate the licensing of commercialization rights for BCV in the U.S. and European markets.

2.Partnering for Multiple Sclerosis (MS): Commencing full-scale partnering activities to advance the development and future commercialization of MS treatments.

3.Collaborative Development in Oncology: Pursuing joint development opportunities with other pharmaceutical companies in the oncology field by granting options for commercialization rights.

4.Strategic Alliances in IVD: Securing funding through upfront payments and milestone payments by negotiating alliances with IVD-related companies. Through these partnerships, the Group aims to realize business value at an early stage and accelerate development activities by sharing future R&D expenses to reduce the Group's overall financial burden.

4. Improving business profitability

The Group is working to improve its operating results by reducing costs to control its burn rate and also to improve cash flow by reviewing payment terms.

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. Since September 2026, the Company has resumed fundraising through the issuance of moving strike warrants (warrants with exercise price amendment clauses); however, the amount of funds raised has not yet reached the initially planned levels. Furthermore, while the Group continues its diligent efforts to secure other forms of financing and establish business alliances, the timing for resolving the capital deficit status remains undetermined at this time. Therefore, the Group recognizes that a material uncertainty related to the going concern assumption exists.

The consolidated quarterly financial statements have been prepared on the assumption that the Group 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)	Q3 FY 2026 (as of September 30, 2026)
Assets		
Current assets		
Cash and deposits	2,883,503	253,989
Accounts receivable–trade	259,676	181,845
Merchandise and finished goods	152,551	56,797
Supplies	136,396	41,830
Advance payments to suppliers	259,963	170,136
Prepaid expenses	60,276	157,038
Other	71,681	29,896
Total current assets	3,824,049	891,533
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	3,457
Total investments and other assets	43,267	40,822
Total non-current assets	43,267	40,822
Total assets	3,867,316	932,356
Liabilities		
Current liabilities		
Accounts payable – other	468,270	1,199,652
Income taxes payable	118,550	129,864
Current portion of convertible-bond-type bonds with share acquisition rights	-	800,000
Current portion of bonds payable	682,500	-
Other	21,045	93,266
Total current liabilities	1,290,365	2,222,783
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	1,300,000	-
Retirement benefit liability	4,911	5,268
Total non-current liabilities	1,304,911	5,268
Total liabilities	2,595,276	2,228,051

(Unit: thousands of yen)

	FY 2025 (as of December 31, 2025)	Q3 FY 2026 (as of September 30, 2026)
Net assets		
Shareholders' equity		
Share capital	19,244,128	20,449,378
Capital surplus	19,218,965	20,424,205
Retained earnings	(37,461,978)	(42,341,975)
Treasury shares	(89,870)	(89,888)
Total shareholders' equity	911,244	(1,558,281)
Accumulated other comprehensive income		
Foreign currency translation adjustment	12,925	18,678
Total accumulated other comprehensive income	12,925	18,678
Share acquisition rights	347,869	243,907
Total net assets	1,272,040	(1,295,695)
Total liabilities and net assets	3,867,316	932,356

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

Quarterly consolidated statement of income for the nine months ended September 30, 2026

(Unit: thousands of yen)

	Q3 FY 2025 (from January 1, 2025 to September 30, 2025)	Q3 FY 2026 (from January 1, 2026 to September 30, 2026)
Net Sales	970,808	722,099
Cost of sales	275,361	195,865
Gross profit	695,447	526,234
Selling, general and administrative expenses	4,034,868	5,397,023
Operating profit (loss)	(3,339,421)	(4,870,788)
Non-operating income		
Interest income	3,347	3,525
Insurance claim income	16,939	-
Foreign exchange gains	-	16,524
Other	3,318	95,255
Total non-operating income	23,604	115,305
Non-operating expenses		
Commission expenses	9,821	7,506
Share issuance costs	5,912	10,969
Bond issuance costs	110,177	32,653
Interest expenses on bonds	27,702	36,959
Foreign exchange losses	69,474	-
Other	68	5,936
Total non-operating expenses	223,157	94,025
Ordinary loss	(3,538,974)	(4,849,508)
Extraordinary income		
Gain on reversal of share acquisition rights	8,536	9,172
Total extraordinary income	8,536	9,172
Extraordinary losses		
Impairment losses	27,100	16,282
Total extraordinary losses	27,100	16,282
Loss before income taxes	(3,557,538)	(4,856,619)
Income taxes – current	14,759	20,882
Income taxes – deferred	(6,643)	2,495
Total income taxes	8,116	23,377
Loss	(3,565,655)	(4,879,997)
Loss attributable to non-controlling interests	-	-
Loss attributable to owners of parent	(3,565,655)	(4,879,997)

Quarterly consolidated statement of comprehensive income for the nine months ended September 30, 2026

(Unit: thousands of yen)

	Q3 FY 2025 (from January 1, 2025 to September 30, 2025)	Q3 FY 2026 (from January 1, 2026 to September 30, 2026)
Loss	(3,565,655)	(4,879,997)
Other comprehensive income		
Foreign currency translation adjustment	(5,072)	5,752
Total other comprehensive income	(5,072)	5,752
Comprehensive income	(3,570,728)	(4,874,244)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(3,570,728)	(4,874,244)
Comprehensive income attributable to non-controlling interests	-	-

(3) Notes to the quarterly consolidated financial statements

(Notes on segment information, etc.)

Segment information

For the nine months ended September 30, 2025 (January 1, 2025–September 30, 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 nine months ended September 30, 2026 (January 1, 2026–September 30, 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 nine months ended September 30, 2026, the Company issued new shares following the exercise of a portion of the 44th, 49th, 53rd, 54th, 55th, 56th, 57th, 59th, 60th, 65th, 66th, and 70th series of share acquisition rights, and the conversion of convertible-bond-type bonds with share acquisition rights. As a result, share capital increased by 1,205,250 thousand yen and capital surplus increased by 1,205,239 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 4,879,997 thousand yen, resulting in an equivalent decrease in retained earnings.

As a result of these factors, as of September 30, 2026, share capital was 20,449,378 thousand yen, capital surplus was 20,424,205 thousand yen, and treasury shares were (89,888) thousand yen, resulting in total shareholders' equity of (1,558,281) thousand yen.

(Notes to going concern assumptions)

The Group is engaged in the new drug development business specializing in "unmet medical needs." The Group focuses 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 its core platform, the Group is driving its business forward under an R&D-oriented model, aiming to grow as a global specialty pharmaceutical company.

Given its broad-spectrum activity, the Group is 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. The Group plans to strictly select programs that can transition to clinical development and steadily commercialize them for the global market.

As a result, during the nine months ended September 30, 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, the Group recognized that events or conditions existed that cast significant doubt on the going concern assumption.

In the nine months ended September 30, the Group continued to record operating, ordinary, and net losses, and resulted in a capital deficit at the end of the period. Consequently, the Group recognizes 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

The Group 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. The Group also aims to preserve its 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, the Group continues 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 its financial base.

3. Fundraising through collaboration and strategic alliances

The Group is advancing partnership negotiations with pharmaceutical and global companies:

1.Licensing of Commercialization Rights for BCV: Engaging MTS Health Partners to facilitate the licensing of commercialization rights for BCV in the U.S. and European markets.

2.Partnering for Multiple Sclerosis (MS): Commencing full-scale partnering activities to advance the development and future commercialization of MS treatments.

3.Collaborative Development in Oncology: Pursuing joint development opportunities with other pharmaceutical companies in the oncology field by granting options for commercialization rights.

4.Strategic Alliances in IVD: Securing funding through upfront payments and milestone payments by negotiating alliances with IVD-related companies. Through these partnerships, the Group aims to realize business value at an early stage and accelerate development activities by sharing future R&D expenses to reduce the Group's overall financial burden.

4. Improving business profitability

The Group is working to improve its operating results by reducing costs to control its burn rate and also to improve cash flow by

reviewing payment terms.

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. Since September 2026, the Company has resumed fundraising through the issuance of moving strike warrants (warrants with exercise price amendment clauses); however, the amount of funds raised has not yet reached the initially planned levels. Furthermore, while the Group continues its diligent efforts to secure other forms of financing and establish business alliances, the timing for resolving the capital deficit status remains undetermined at this time. Therefore, the Group recognizes that a material uncertainty related to the going concern assumption exists.

The consolidated quarterly financial statements have been prepared on the assumption that the Group 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 nine months ended September 30, 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)

(Borrowings from Related Parties)

On October 15, 2026, the Group borrowed short-term funds from related parties as follows:

Category	Name	Location	Capital or investment (thousand JPY)	Business or occupation	Share of voting rights(%) as of July 29, 2026	Relationship to related party	Nature of transaction	Transaction amount (thousand JPY)
Director	Fuminori Yoshida	—	—	Representative Director and President of the Company	Direct Ownership 5.75	Director	Borrowing of funds	340,000
Family member of Director	Ikuko Yoshida	—	—	Family member of the Representative Director and President of the Company	—	Family member of Director	Borrowing of funds	175,000

Note: Terms and conditions of transactions and policy for determining such terms

The terms of the borrowing were determined through negotiations.