Consolidated Financial Results for the Three Months Ended March 31, 2026 (IFRS)

May 1, 2026

Company name: Nxera Pharma Co., Ltd — Listing: Tokyo Stock Exchange
Security code: 4565 — URL: https://www.nxera.life
Representative: Christopher Cargill, Representative Executive Officer, CEO
Contact person: Hironoshin Nomura, Executive Officer, CFO — Tel: +81-3-5962-5718
Scheduled date of dividend payments: -
Supplementary materials for financial results: None
Financial results briefing session: None

(Rounded million yen)

1. Consolidated Financial Results for the 3 month period ended March 31, 2026 (from January 1, 2026 to March 31, 2026)

(1) Consolidated Operating Results (cumulative)

(Percentages are shown as year-on-year changes)

	Revenue		Core operating profit		Operating profit		Profit before income taxes		Net profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
3 month period ended March 31, 2026	11,256	69.4	5,495	-	3,244	-	3,043	-	1,793	-
3 month period ended March 31, 2025	6,644	44.1	(625)	-	(2,193)	-	(2,156)	-	(760)	-

	Net profit attributable to owners of the parent		Total comprehensive income		Earnings per share – basic	Earnings per share – diluted
	Million yen	%	Million yen	%	Yen	Yen
3 month period ended March 31, 2026	1,793	-	2,239	-	19.82	17.13
3 month period ended March 31, 2025	(760)	-	(1,834)	-	(8.45)	(8.45)

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets
	Million yen	Million yen	Million yen	%
At March 31, 2026	133,338	63,686	63,686	47.8
At December 31, 2025	134,787	60,997	60,997	45.3

2. Dividends

	Dividends per share				
	End Q1	End Q2	End Q3	End Q4	Total
	Yen	Yen	Yen	Yen	Yen
FY2025	-	0.00	-	0.00	0.00
FY2026	-				
FY2026 (E)		0.00	-	0.00	0.00

(Note) There is no change in the dividend forecast from the previous disclosure.

3. Forecast for the year from January 1, 2026 to December 31, 2026

(Percentages are shown as year-on-year changes)

	Revenue		Core operating profit		Operating profit	
	Million yen	%	Million yen	%	Million yen	%
Year ended December 31, 2026	33,800 ～ 48,800	14.1 ～ 64.8	7,800 ～ 22,800	-	700 ～ 15,700	-

(Note) There is no change in the earnings forecast from the previous disclosure.

Core operating profit/loss is defined as IFRS Operating profit/loss + material non-cash costs + material non-recurring costs and highlights the underlying recurring cash generating capability of the business.

* Notes

(1) Significant changes in the scope of consolidation for the three month period ended March 31, 2026: None

(2) Changes in accounting policies, changes in accounting estimates

1) Changes in accounting policies required by IFRS: None
2) Changes due to changes in accounting policies other than those of item 1: None
3) Changes in accounting estimates: None

(3) Number of common shares issued

1) Number of shares issued at period end (including treasury shares)	At March 31, 2026	90,496,735 shares	At December 31, 2025	90,496,735 shares
2) Number of treasury shares at period end	At March 31, 2026	1,981 shares	At December 31, 2025	1,976 shares
3) Average number of shares in issue in period	3 month period ended March 31, 2026	90,494,756 shares	3 month period ended March 31, 2025	89,900,943 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

** Explanation regarding the appropriate use of forecasts of business results and other points to be noted*

Note concerning forward-looking statements:

The financial forecast is based on judgements and estimates that have been prepared on the basis of information available as of the time of disclosure of this material. The actual business results may differ materially from our forecasts due to various factors.

○ Contents of Attached Materials

1. Analysis of Operating Results and Financial Position

(1) Analysis of operating results

Nxera Pharma ("the Group" or "the Company") aims to deliver innovation from Japan to the world and to become a Japan-originated, internationally leading biopharmaceutical company. The Group engages in business from drug discovery to early clinical development in the UK, and from late-stage clinical development and product commercialization in Japan and South Korea, through its wholly owned subsidiaries, as well as late-stage clinical development in other Asia-Pacific (APAC, ex-China) markets through business partners.

In drug discovery conducted in the UK, the Group's NxWave™ platform technology, which leverages cutting-edge drug target structural analysis, IT and AI technology, has enabled the Group to establish a global leadership position in drug discovery mainly targeting G protein-coupled receptors (GPCRs) and to develop an extensive pipeline of over 30 programs in-house and with leading global pharmaceutical companies.

In late-stage clinical development and commercialization, the Group sells PIVLAZ® (clazosentan) for cerebral vasospasm and QUVIVIQ® (daridorexant) for insomnia in Japan, and daridorexant is in late-stage development for insomnia in South Korea and APAC.

In addition, the Group receives royalty revenues from the global sales of respiratory disease products Seebri® Breezhaler®, Ultibro® Breezhaler® and Enerzair® Breezhaler® from Novartis International AG ("Novartis").

The Group aims to achieve more advanced strategic growth by leveraging its NxWave™ platform technology, pipeline and discovery, development and commercialization capabilities. This strategy is based on two key strategic pillars:

(i) *Delivering Life-Changing Medicines to Patients in Japan and APAC*
Leveraging the Group's extensive experience in clinical development and commercialization in Japan to deliver new medicines developed in-house or in-licensed from other companies to patients in Japan and APAC.

(ii) *Progressing its Extensive Portfolio of Novel Drug Programs Designed using NxWave™ Platform Technology*
Advancing programs in-house and with partners targeting large and fast-growing disease areas with a significant need globally.

The Group's progress across these two key areas during the first three months of 2026 is as follows:

(i) Delivering Life-Changing Medicines to Patients in Japan and APAC

The Group forecasts PIVLAZ® sales in the range of JPY 13,800 to JPY 14,200 million, QUVIVIQ® revenue in the range of JPY 5,000 million to JPY 6,000 million, and anticipates the in-licensing of one or more late-stage clinical development assets for Japan and APAC in 2026.

On January 8, 2026, the Group announced that it had entered a licensing agreement for the development, manufacturing and commercialization of vamorolone for the treatment of Duchenne Muscular Dystrophy ("DMD") in Japan, South Korea, Australia and New Zealand with Santhera Pharmaceuticals Holding AG. Vamorolone is approved and marketed as AGAMREE® for the treatment of DMD, an inherited neuromuscular disease, in the US, European Union, UK and China. The addition of vamorolone brings into the Company's portfolio of innovative medicines for rare and specialty diseases, a late-stage development candidate with the potential to address significant unmet needs of patients in Japan and the Asia-Pacific ("APAC") region living with DMD.

On January 19, 2026, the Group announced that positive topline results had been obtained from a randomized, double-blind, placebo-controlled Phase 3 trial in South Korea evaluating daridorexant 50 mg, a dual orexin receptor antagonist, in adult and elderly patients diagnosed with insomnia disorder. On March 4, the Group announced that it had submitted a marketing authorization application to the Ministry of Food and Drug Safety (MFDS) in South Korea for daridorexant for the treatment of patients with insomnia disorder. Regulatory approval in South Korea is anticipated in 2027.

(ii) Progressing its Extensive Portfolio of Novel Drug Programs Designed using NxWave™ Platform Technology

The Group aims to achieve this objective through:

A) Executing new partnerships and licensing agreements with major pharmaceutical companies
B) Advancing clinical development of in-house assets
C) Executing partnerships and investment to further enhance and extend the capabilities of the NxWave™ platform technology

For 2026, the Group plans to execute at least one new major partnership and to have at least one partner-led Phase 2 study initiation:

On January 12, 2026, the Group reported on progress being made by Neurocrine Biosciences ("Neurocrine") regarding the clinical development of its partnered muscarinic agonist portfolio. These updates were presented by Neurocrine at the 44th Annual J.P. Morgan Healthcare Conference. The update presented by Neurocrine included the following information:

- Direclidine/NBI-1117568 (an M4 selective agonist): Phase 3 studies in schizophrenia are ongoing, with readouts expected in 2027 and 2028, and a Phase 2 study in bipolar mania is also ongoing.
- NBI-1117570 (a dual M1/M4 agonist): a Phase 2 study in schizophrenia is ongoing.
- NBI-1117567 (an M1-preferring agonist): a Phase 2 study targeting Alzheimer's cognition is expected to begin during 2026.
- NBI-1117569 (a dual M1/M4 agonist): results from a Phase 1 study targeting Alzheimer's psychosis are expected to be announced in 2027.

On January 13, 2026, the Group announced that, under its research and development collaboration with Centessa Pharmaceuticals Limited ("Centessa"), it had received a US$3.6 million milestone payment from Centessa. This was triggered by the achievement of an early development milestone for ORX142, the second novel OX2R agonist discovered using the Group's technology. On February 12, the Group announced that an early development milestone had been achieved for ORX489, an orexin receptor 2 (OX2R) agonist being developed for neuropsychiatric disorders, and that it had received a US$1.8 million milestone payment from Centessa. ORX489 is the third novel OX2R agonist discovered using the Group's technology. On March 5, the Group announced that an additional early development milestone had been achieved for ORX489 and that it had received a further US$3.0 million milestone payment.

On February 12, 2026, the Group announced that it had entered into a license agreement with a newly established venture company founded by a leading European venture capital firm regarding

a GPCR-targeted program discovered and developed by the Group. The Group acquired an equity stake in the venture company and is entitled to receive milestone payments based on the progress of development and commercialization, as well as tiered royalties on post-launch sales.

As of March 31 2026, the Group had 354 employees, a decrease of 28 compared to December 31 2025.

Operational highlights after the period under review (three month period ended March 31, 2026)

On April 1, 2026, the Group announced that its partner Centessa had announced that it had entered into an acquisition agreement with Eli Lilly and Company ("Lilly"). Centessa's orexin receptor 2 agonist series, cleminorexton/ORX750, ORX142 and ORX489, was jointly discovered by Centessa and the Group under a collaboration through which Centessa has access to the Group's proprietary NxStaR™ technology. For all of these orexin receptor 2 agonists, the Group remains entitled to receive certain milestone payments and royalties, and the contractual terms are unaffected by this transaction.

On April 9, 2026, the Group announced that it had achieved a development milestone under its multi-target collaboration and license agreement with Lilly targeting diabetes and metabolic diseases. As a result, the Group is entitled to receive a milestone payment, the amount of which is undisclosed. This revenue has been recognized in Q1 FY2026.

On April 13, 2026, the Group announced that its partner, Neurocrine, had initiated a Phase 2 clinical trial of NBI-1117570 in adults with schizophrenia and dosed the first patient. As a result of the initiation of this Phase 2 trial, the Group is entitled to receive a milestone payment of US$22.5 million from Neurocrine pursuant to the agreement. This milestone payment has been recognised in full as revenue in Q1 FY2026.

On April 14, 2026, the Group announced that its partner, Holling Bio-Pharma Corp. ("Holling"), the largest pharmaceutical distribution and sales company in Taiwan and headquartered in Taipei, Taiwan, had received marketing approval from the Taiwan Food and Drug Administration (TFDA) for QUVIVIQ® (daridorexant; Taiwan brand name: **科唯可®**) 25mg and 50mg for the treatment of insomnia in adult patients. QUVIVIQ® is expected to be launched in Taiwan during 2026.

On April 20, 2026, the Group announced that it had achieved a third important research milestone under its multi-target discovery collaboration with AbbVie focused on neurological diseases. As a result, the Group is entitled to receive US$10 million. The majority of this milestone payment will be recognised as revenue in 2026, with the remainder to be recognised in 2027 and beyond.

On April 2026, following its evaluation of development options after pausing the TMP-301 program in October 2025, Tempero Bio formally terminated the program and began winding down operations.

Financial Results

As a result of the above activities, the Group reported the following financial results for the three month period ended March 31, 2026:

- Revenue of JPY 11,256 million (an increase of JPY 4,612 million vs. the prior corresponding period)
- Core operating profit (alternative performance measure) of JPY 5,495 million (vs. a core operating loss of JPY 625 million in the prior corresponding period)
- IFRS operating profit of JPY 3,244 million (vs. an operating loss of JPY 2,193 million in the prior corresponding period)
- Profit before income taxes of JPY 3,043 million (vs. a loss before income taxes of JPY 2,156 million in the prior corresponding period)
- Net profit of JPY 1,793 million (vs. a net loss of JPY 760 million in the prior corresponding period)

	3 month period ended March 31, 2026 ¥m	3 month period ended March 31, 2025 ¥m	Change
Revenue	**11,256**	6,644	4,612
Cost of sales	**(1,118)**	(1,615)	497
Research and development expenses	**(3,028)**	(3,808)	780
Selling, general and administrative expenses	**(3,570)**	(3,701)	131
Operating expenses	**(7,717)**	(9,124)	1,407
Net other (expenses) income	**(295)**	287	(582)
Operating profit (loss)	**3,244**	(2,193)	5,437
Net finance (cost) income	**(144)**	37	(181)
Share of loss of associate	**(57)**	-	(57)
Profit (loss) before income taxes	**3,043**	(2,156)	5,199
Income tax (expense) benefit	**(1,250)**	1,396	(2,647)
Net profit (loss)	**1,793**	(760)	2,552
Alternative performance measure			
Core operating profit / loss (Note 1)			
Operating profit (loss) (as stated above)	**3,244**	(2,193)	5,437
Adjustments:			
Depreciation	**433**	387	46
Amortization	**669**	695	(26)
Share-based payments (Note 2)	**404**	388	16
Restructuring (Note 2)	**469**	-	469
Impairment (Note 3)	**277**	-	277
Integration costs (Note 4)	**-**	98	(98)
Core operating profit (loss)	**5,495**	(625)	6,120
Average exchange rate during period			
USD:JPY	**156.91**	152.57	4.34
GBP:JPY	**211.46**	192.04	19.42

Notes 1. Core operating profit/loss is defined as IFRS Operating profit/loss + material non-cash costs + material non-recurring costs and highlights the underlying recurring cash generating capability of the business.

2. Accelerated share-based payment expenses are included in Restructuring.
3. Impairment losses are non-cash costs incurred due to the impairment of goodwill.
4. Incremental one-off integration costs including IT system integration and corporate rebranding.

The Group operates as a single business segment and, therefore, segmental information has been omitted. Further explanation of the Group's financial performance is detailed below.

Revenue

	3 month period ended March 31, 2026 ¥m	3 month period ended March 31, 2025 ¥m	Change ¥m	Change %
Marketed Products	**4,681**	3,704	977	26.4
PIVLAZ®	**2,921**	2,409	512	21.3
QUVIVIQ®	**1,408**	647	761	117.6
Respiratory	**351**	648	(297)	(45.8)
Other	**(0)**	(0)	(0)	-
Research and Development	**6,575**	2,940	3,635	123.6
Upfront fee revenue	**81**	1,542	(1,461)	(94.7)
Milestone revenue	**5,772**	518	5,254	-
Deferred revenue releases	**721**	880	(159)	(18.1)
Other	**1**	-	1	-
	11,256	6,644	4,612	69.4

Revenue relating to Marketed Products in the three month period under review totaled JPY 4,681 million (an increase of JPY 977 million vs. the prior corresponding period). The breakdown is described below.

PIVLAZ®

The Group sells PIVLAZ® for the prevention of cerebral vasospasm in Japan using its in-house salesforce. PIVLAZ® revenue increased by 21.3% vs the prior corresponding period due to sales volume growth.

QUVIVIQ®

The Group earns royalty revenue on sales of QUVIVIQ® by Shionogi & Co., Ltd. ("Shionogi"), as well as product sales revenue on the supply of QUVIVIQ® to Shionogi. QUVIVIQ® revenue increased by 117.6% vs the prior corresponding period due to sales volume growth.

Respiratory

The Group earns royalty revenue on global sales of a portfolio of Respiratory products by Novartis[1]. This portfolio comprises Seebri®, Ultibro® and Enerzair®. Respiratory royalty revenue decreased by 45.8% vs the prior corresponding period primarily due to the inclusion of a non-recurring beneficial accounting adjustment in the comparative period, as well as a general decline in sales as the portfolio matures.

Revenue relating to Research and Development in the three month period under review totaled JPY 6,575 million (an increase of JPY 3,635 million vs. the prior corresponding period).

Upfront fee revenue

The Group earns upfront fees from entering R&D collaborations with new partners. Upfront fees decreased by JPY 1,461 million vs the prior year. In the three month period under review one new agreement was signed vs. two in the prior corresponding period.

[1] Seebri®, Ultibro® and Enerzair® are registered trademarks of Novartis AG.

Milestone revenue

The Group earns milestone revenue as a result of the progress of R&D with existing collaboration partners. Milestone revenue increased by JPY 5,254 million vs the prior corresponding period. The increase in milestone revenue in the three month period under review was due to the occurrence of seven R&D milestone events in the current three month period vs. one R&D milestone event in the prior corresponding period.

Deferred revenue releases

In some contracts, compensation for performing research and development services is included within upfront fees or milestone receipts, and recorded initially as deferred revenue in the balance sheet. Such income is transferred from deferred revenue to the revenue line in the income statement as a result of the performance of R&D activity in the three month period under review. Deferred revenue releases decreased by JPY 159 million vs. the prior corresponding period due to the stage of progression of relevant projects as at the end of the current year. Deferred revenue recorded in the balance sheet as at March 31, 2026 totaled JPY 5,463 million and will be transferred to revenue in the future as Research and development activity is completed.

Operating expenses

Cost of sales

Cost of sales in the three month period under review totaled JPY 1,118 million (a decrease of JPY 497 million vs. the prior corresponding period). This was primarily due to the inclusion of lower costs relating to active R&D collaborations.

Research and development expenses

Research and development ("R&D") expenses in the three month period under review totaled JPY 3,028 million (a decrease of JPY 780 million vs. the prior corresponding period). This was primarily due to the maturation of a number of clinical programs, together with the adoption of a more streamlined R&D focus. In the period under review, 87% of R&D spend related to the Group's UK operations.

Selling, general and administrative expenses

Selling, general and administrative ("G&A") expenses in the three month period under review totaled JPY 3,570 million (a decrease of JPY 131 million vs. the prior corresponding period). This decrease was primarily due to targeted cost reduction initiatives.

Net other expenses

Net other expenses in the three month period under review totaled JPY 295 million vs. net other income of JPY 287 million (a change of JPY 582 million). This was primarily due to the recognition of restructuring costs and impairment losses in the three month period under review.

Operating profit

Operating profit in the three month period under review totaled JPY 3,244 million (vs. an operating loss of JPY 2,193 million in the prior corresponding period). This improvement in profitability reflects the combined effect of all of the movements explained above.

Net finance cost

Net finance cost in the three month period under review totaled JPY 144 million vs. a net finance income of 37 million in the prior corresponding period (a change of JPY 181 million). This was primarily due to a decrease in interest income on cash deposits.

Profit before income taxes

Profit before income taxes in the three month period under review totaled JPY 3,043 million (vs. a loss before income taxes of JPY 2,156 million in the prior corresponding period). This improvement in profitability reflects the combined effect of all of the movements explained above.

Income tax expense

Income tax expense in the three month period under review totaled JPY 1,250 million (vs. an income tax benefit of JPY 1,396 million in the prior corresponding period). The tax expense reflects the application of the estimated full year effective tax rate to the year-to-date results for each taxable entity.

Net profit

Net profit in the three month period under review totaled JPY 1,793 million (vs. a net loss of JPY 760 million in the prior corresponding period). This improvement in profitability reflects the combined effect of all of the movements explained above.

Alternative performance measure: Core operating profit / loss

Core operating profit / loss is an alternative performance measure which adjusts for material non-cash costs and one-off costs in order to provide insights into the recurring cash generating capability of the core business.

Core operating profit in the three month period under review totaled JPY 5,495 million (vs. a core operating loss of JPY 625 million in the prior corresponding period). In calculating core operating loss, the following adjustments to the IFRS operating profit have been made:

- Depreciation totaled JPY 433 million (an increase of JPY 46 million vs. the prior corresponding period).
- Amortization totaled JPY 669 million (a decrease of JPY 26 million vs. the prior corresponding period).
- Share-based payments totaled JPY 404 million (an increase of JPY 16 million vs. the prior corresponding period).
- Restructuring totaled JPY 469 million (there was no restructuring in the prior corresponding period). These costs relate to restructuring programs implemented in the UK (including JPY 46 million of accelerated share-based payment expenses).
- Impairment losses totaled JPY 277 million (there was no impairment loss in the prior corresponding period). This was due to recording an impairment loss on goodwill.
- There were no integration costs in the three month period under review (vs. JPY 98 million in the prior corresponding period). Integration costs mainly related to IT system integrations which were completed in 2025.

(2) Analysis of financial position

1) Assets, liabilities and equity

Assets

Total assets as at March 31, 2026 were JPY 133,338 million (a decrease of JPY 1,449 million vs. December 31, 2025, the end of the prior financial year). This was primarily due to an increase in intangible assets as a result of the vamorolone in-license and an increase in trade and other receivables driven by the recognition of receivables related to milestone revenue, offset by a decrease in cash and cash equivalents due to the settlement of liabilities.

Liabilities

Total liabilities as at March 31, 2026 were JPY 69,653 million (a decrease of JPY 4,137 million vs. December 31, 2025, the end of the prior financial year). This decrease is primarily due to the repayment of bank borrowings and settlement of liabilities.

Equity

Total equity as at March 31, 2026 was JPY 63,686 million (an increase of JPY 2,689 million vs. December 31, 2025, the end of the prior financial year). This increase was primarily due to the net profit of JPY 1,793 million and an increase in capital surplus of JPY 450 million primarily relating to RSUs.

The ratios of Cash and cash equivalents, Interest-bearing debt and Equity attributable to the owners of the parent company to total assets were 8.7%, 41.9% and 47.8%, respectively.

2) Cash flows

Cash and cash equivalents as at March 31, 2026 decreased by JPY 8,767 million from the beginning of the year and amounted to JPY 11,597 million. The main drivers of each cash flow in the three month period ended March 31, 2026 were as follows:

Cash flows from operating activities

Net cash used in operating activities during the period under review totaled JPY 1,654 million. This was primarily due to cash outflows from operating activities exceeding cash inflows.

Cash flows from investing activities

Net cash used in investing activities during the period under review totaled JPY 5,461 million. This was primarily due to cash outflows relating to the vamorolone in-license.

Cash flows from financing activities

Net cash used in financing activities in the period under review totaled JPY 1,672 million. This was primarily due to the repayment of long-term bank borrowings.

Effects of exchange rate changes on cash and cash equivalents

The effect of exchange rate changes on cash and cash equivalents during the period under review was JPY 20 million. This positive impact was primarily due to the weakness of JPY against USD since December 31, 2025.

(3) Future outlook

The key points regarding the earnings forecast for the financial year ending December 31, 2026, are as follows:

- Revenue Forecast JPY 33,800 to JPY 48,800 million
- Core operating profit JPY 7,800 to JPY 22,800 million
- Operating profit JPY 700 to JPY 15,700 million
- Projected product revenue for PIVLAZ® is in the range of JPY 13,800 to JPY 14,200 million (FY2025: JPY 13,511 million)
- Projected product revenue for QUVIVIQ® is in the range of JPY 5,000 to JPY 6,000 million (FY2025: JPY 4,327 million)

Notes

1) In addition to the product revenues outlined above, our forecast assumes JPY 12,500 million in development milestone income that is reasonably expected at this time from our development partners but which is contingent upon the successful achievement of the relevant milestones, as well as a reduction in the cost base of JPY 3,500 million for R&D and SG&A. It should be noted that there can be no certainty that all of these assumptions will be achieved in the FY2026. The lower end of the forecast ranges for revenue, core operating profit and operating profit assume that there are no significant new business development deals in FY2026.
2) The assumed exchange rates are USD/JPY = 152 and GBP/JPY = 200.

2. Interim Condensed Consolidated Financial Statements and Primary Notes (IFRS)

1) Interim Condensed Consolidated Balance Sheet

	March 31, 2026 (Unaudited) ¥m	December 31, 2025 ¥m
Assets		
Non-current assets		
Property, plant and equipment	**7,250**	7,455
Goodwill	**25,556**	25,838
Intangible assets	**53,578**	49,230
Investments accounted for using equity method	**24**	-
Deferred tax assets	**4,014**	4,879
Other financial assets	**4,054**	2,881
Other non-current assets	**23**	38
Total non-current assets	**94,500**	90,322
Current assets		
Trade and other receivables	**11,599**	7,730
Inventories	**11,162**	11,294
Income taxes receivable	**2,464**	2,730
Other current assets	**2,016**	2,346
Cash and cash equivalents	**11,597**	20,365
Total current assets	**38,839**	44,465
Total assets	**133,338**	134,787
Liabilities and Equity		
Liabilities		
Non-current liabilities		
Deferred tax liabilities	**135**	0
Contingent consideration in business combinations	**1,948**	1,940
Corporate bonds	**26,156**	26,080
Bank borrowings	**19,664**	21,109
Lease liabilities	**3,314**	3,506
Provisions	**515**	510
Other non-current liabilities	**3,053**	3,145
Total non-current liabilities	**54,785**	56,290
Current liabilities		
Trade and other payables	**4,904**	7,494
Income taxes payable	**22**	193
Current portion of long-term bank borrowings	**5,798**	5,798
Lease liabilities	**898**	886
Other current liabilities	**3,245**	3,128
Total current liabilities	**14,867**	17,500
Total liabilities	**69,653**	73,790
Equity		
Capital stock	**47,450**	47,450
Capital surplus	**22,570**	22,120
Treasury stock	**(3)**	(3)
Retained earnings	**(15,081)**	(17,546)
Other components of equity	**8,750**	8,977
Equity attributable to owners of the parent	**63,686**	60,997
Total equity	**63,686**	60,997
Total liabilities and equity	**133,338**	134,787

2) Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Three month period ended March 31, 2026 (Unaudited) ¥m	Three month period ended March 31, 2025 (Unaudited) ¥m
Revenue	**11,256**	6,644
Cost of sales	**(1,118)**	(1,615)
Gross profit	**10,137**	5,029
Research and development expenses	**(3,028)**	(3,808)
Selling, general and administrative expenses	**(3,570)**	(3,701)
Other income	**423**	295
Other expenses	**(718)**	(8)
Operating profit (loss)	**3,244**	(2,193)
Finance income	**144**	286
Finance costs	**(287)**	(249)
Share of loss of associate accounted for using the equity method	**(57)**	-
Profit (loss) before income taxes	**3,043**	(2,156)
Income tax (expense) benefit	**(1,250)**	1,396
Net profit (loss)	**1,793**	(760)
Other comprehensive income:		
Items that will not be reclassified subsequently to profit or loss:		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	**507**	(363)
Total items that will not be reclassified subsequently to profit or loss	**507**	(363)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	**(61)**	(711)
Total items that may be reclassified subsequently to profit or loss	**(61)**	(711)
Total other comprehensive income	**445**	(1,074)
Total comprehensive income	**2,239**	(1,834)
Net profit (loss) for the period attributable to:		
Owners of the parent	**1,793**	(760)
	1,793	(760)
Total comprehensive income for the period attributable to:		
Owners of the parent	**2,239**	(1,834)
	2,239	(1,834)
Earnings per share (yen)		
Basic profit (loss) per share	**19.82**	(8.45)
Diluted profit (loss) per share	**17.13**	(8.45)

3) Interim Condensed Consolidated Statement of Changes in Equity

	Capital stock ¥m	Capital surplus ¥m	Treasury stock ¥m	Retained earnings ¥m	Other components of equity ¥m	**Equity attributable to owners of the parent ¥m**	**Total equity ¥m**
Balance at January 1, 2026	47,450	22,120	(3)	(17,546)	8,977	60,997	60,997
Net profit	-	-	-	1,793	-	1,793	1,793
Other comprehensive income	-	-	-	-	445	445	445
Total comprehensive income	-	-	-	1,793	445	2,239	2,239
Share-based payments	-	450	-	-	-	450	450
Purchases of treasury stock	-	-	(0)	-	-	(0)	(0)
Transfer from other components of equity to retained earnings	-	-	-	672	(672)	-	-
Total transactions with owners	-	450	(0)	672	(672)	450	450
Balance at March 31, 2026 (Unaudited)	47,450	22,570	(3)	(15,081)	8,750	63,686	63,686
Balance at January 1, 2025	47,172	35,074	(3)	(20,942)	7,217	68,518	68,518
Net loss	-	-	-	(760)	-	(760)	(760)
Other comprehensive income	-	-	-	-	(1,074)	(1,074)	(1,074)
Total comprehensive income	-	-	-	(760)	(1,074)	(1,834)	(1,834)
Share-based payments	-	387	-	-	-	387	387
Total transactions with owners	-	387	-	-	-	387	387
Balance at March 31, 2025 (Unaudited)	47,172	35,461	(3)	(21,702)	6,143	67,071	67,071

4) Interim Condensed Consolidated Statement of Cash Flows

	Three month period ended March 31, 2026 (Unaudited) ¥m	Three month period ended March 31, 2025 (Unaudited) ¥m
Cash flows from operating activities		
Profit (loss) before income taxes	**3,043**	(2,156)
Adjustments for:		
Receipt of non-cash consideration from customers	**(81)**	-
Depreciation and amortization	**1,101**	1,082
Share-based payments	**450**	388
Impairment loss	**277**	-
Share of loss of associate accounted for using the equity method	**57**	-
Change in fair value of contingent consideration	**(32)**	-
Net foreign exchange (gain) loss	**(8)**	28
Interest income	**(79)**	(286)
Interest expense	**280**	206
Research and development expenditure related tax credits	**(423)**	(288)
(Increase) decrease in trade and other receivables	**(3,890)**	2,143
Decrease in inventories	**132**	71
(Decrease) increase in trade and other payables	**(2,546)**	179
Increase (decrease) in deferred revenue	**110**	(880)
Other	**214**	(1,189)
Subtotal	**(1,394)**	(702)
Interest received	**107**	359
Interest paid	**(172)**	(102)
Income tax paid	**(196)**	(152)
Income tax refunded	**2**	1,210
Net cash (used in) provided by operating activities	**(1,654)**	613
Cash flows from investing activities		
Purchase of property, plant and equipment	**(304)**	(109)
Purchase of intangible assets	**(5,019)**	(153)
Proceeds from sale of investment securities	**1,146**	-
Purchase of investment securities	**(1,284)**	-
Proceeds from withdrawal of time deposits	**-**	3,841
Other	**0**	18
Net cash (used in) provided by investing activities	**(5,461)**	3,597
Cash flows from financing activities		
Repayments of long-term bank borrowings	**(1,450)**	(1,450)
Repayment of lease liabilities	**(215)**	(223)
Other	**(7)**	-
Net cash (used in) financing activities	**(1,672)**	(1,673)
Effects of exchange rate changes on cash and cash equivalents	**20**	(340)
Net (decrease) increase in cash and cash equivalents	**(8,767)**	2,197
Cash and cash equivalents at the beginning of the period	**20,365**	32,268
Cash and cash equivalents at the end of the period	**11,597**	34,465

5) Notes of Interim Condensed Consolidated Financial Statements

5.1 Notes related to going concern assumptions

Not applicable.

5.2 Operating segments

The Group operates a single business segment being the pharmaceutical business.

5.3 Significant subsequent events

Issuance of New Shares Under the RSU Plan, Determination of Payment Amount and Other matters relating to the Issuance of New Shares under the Previous Year's RSU Plan

In FY2019, the Company introduced a Restricted Stock Unit ("RSU") Plan with the intention of increasing the motivation and drive of the Directors, the Executive Officers and the eligible Employees of the Company and its wholly owned subsidiaries ("Executives and Employees") to realize the Company's vision and strategy. The Plan has also been designed to share the benefits and risks of share price fluctuations with shareholders and further encourage the Executives and Employees of the Company and its wholly owned subsidiaries to actively contribute to an increase in the share price and enhance the Company's corporate value.

On April 15, 2026 the Board of Directors adopted a resolution to issue new shares under the Restricted Stock Unit Plan as described below.

Details of Issuance

	26th RSU	27th RSU	28th RSU
1 Payment date	June 1, 2027	From May 1, 2028	From May 1, 2029
Payment period		To July 31, 2028	To July 31, 2029
2 Type and number of shares to be issued	Common shares 142,866 shares	Common shares 953,548 shares (planned)	Common shares 953,548 shares (planned)
3 Payment amount (Note)	1,011 yen per share	Representative Executive Officer will decide the payment amount hereafter	Representative Executive Officer will decide the payment amount hereafter
4 Total issue value	144,437,526 yen	Representative Executive Officer will decide the total issue value hereafter	Representative Executive Officer will decide the total issue value hereafter
5 Planned allottees	142,866 shares will be allotted among 6 Directors of the Company (excluding Directors who serve as Executive Officers concurrently)	3 Executive Officers of the Company 68 Directors Statutory Auditors of subsidiaries of the Company and Employees and advisors of the Company and its subsidiaries 953,548 shares to be allotted (planned)	3 Executive Officers of the Company 68 Directors Statutory Auditors of subsidiaries of the Company and Employees and advisors of the Company and its subsidiaries 953,548 shares to be allotted (planned)

(Note) Delivered in return for provision of contribution in kind of monetary compensation claims against the Company granted to the Executives and Employees of the Company and its wholly owned subsidiaries as the Planned Allottees.

Issuance of New Shares in Connection with the Introduction of Employee Stock Ownership Plan (J-ESOP)

Following a review of the RSU plan, the Company decided on November 19, 2025, to introduce a new incentive plan and transition employees residing in Japan to the Employee Stock Ownership Plan (J-ESOP) under which the Company's shares are granted to employees. This change was made in light of expected tax benefits for employees and to mitigate the concentration of share sales at specific points in time, which is often associated with RSU plans.

On April 15, 2026 the Board of Directors adopted a resolution to issue new shares under the Employee Stock Ownership Plan as described below.

Details of Issuance

	J-ESOP
1 Payment date	April 30, 2026
2 Type and number of shares to be issued	Common shares 1,236,400 shares
3 Payment amount (Note 1)	1,011 yen per share
4 Total issue value	1,250,000,400 yen
5 Planned allottees (Note 2)	Custody Bank of Japan, Ltd. (Trust E Account)

Notes

1 The J-ESOP Share Issuance is made for the purpose of allocating shares to the Trust for use in the operation of the J-ESOP in order to deliver shares to employees of Nxera Japan resident in Japan and does not result in any additional dilution beyond the share delivery previously contemplated in connection with any Outstanding Equity Awards being transitioned to the J-ESOP.

2 The Planned Allottee, Custody Bank of Japan, Ltd. (Trust E Account), is a trust account to be established by the conclusion of a trust agreement (the "Trust Agreement") between the Company as the settlor and Mizuho Trust & Banking Co., Ltd. as the trustee (with Custody Bank of Japan, Ltd. as the sub-trustee).