Consolidated Financial Results for the Six Months Ended June 30, 2026 (IFRS)

August 7, 2026

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Supplementary materials for financial results: Yes
Financial results briefing session: Yes

(Rounded million yen)

1. Consolidated Financial Results for the 6 month period ended June 30, 2026 (from January 1, 2026 to June 30, 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	%
6 month period ended June 30, 2026	18,910	25.3	6,494	-	1,881	-	1,399	-	1,591	-
6 month period ended June 30, 2025	15,094	18.7	364	(69.0)	(2,756)	-	(3,722)	-	(3,137)	-

	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
6 month period ended June 30, 2026	1,591	-	3,021	-	17.54	15.86
6 month period ended June 30, 2025	(3,137)	-	(3,502)	-	(34.82)	(34.82)

(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 June 30, 2026	132,381	64,803	64,803	49.0
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	-	0.00			
FY2026 (E)			-	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 six month period ended June 30, 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 June 30, 2026	92,614,159 shares	At December 31, 2025	90,496,735 shares
2) Number of treasury shares at period end	At June 30, 2026	1,238,381 shares	At December 31, 2025	1,976 shares
3) Average number of shares in issue in period	6 month period ended June 30, 2026	90,697,211 shares	month period ended June 30, 2025	90,055,141 shares

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

* *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.

The Company is scheduled to hold a webinar presentation for all existing and potential investors as well as sell-/buy-side analysts which will consist of a presentation followed by a Q&A session on August 7, 2026. Presentation slides will be made available on August 7, 2026 through the investor section of the Company's Home Page.

○ 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 half 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.

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 June 2, 2026, the Group announced that the Ministry of Food and Drug Safety (MFDS) of the Republic of Korea has granted Orphan Drug Designation (ODD) and Global Innovative Products on Fast Track (GIFT) designation to vamorolone for the treatment of Duchenne muscular dystrophy (DMD). Our Group plans to submit a Marketing Authorization Application (MAA) for vamorolone in South Korea during 2026.

(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.

- 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 was eligible to receive 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 would receive 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 would receive a further US$3.0 million milestone payment.

The Group entered into a license agreement with a newly established independent company created by a leading international life sciences investment firm to advance a GPCR-targeted program discovered and developed by the Group. Under the agreement, the Group received an equity stake in the new company and is eligible to receive up to US$275 million in milestone payments together with royalties on future sales, subject to the successful development and commercialization of the program.

On April 1, 2026, the Group announced that its partner Centessa 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 received a milestone payment, the amount of which is undisclosed.

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 received a milestone payment of US$22.5 million from Neurocrine pursuant to the agreement.

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 received US$10 million. The majority of this milestone payment will be recognised as revenue in 2026, with the remainder deferred and recognisable in 2027 and beyond.

In 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.

On May 11, 2026, the Group announced an investment in the company ("NewCo") that it had out-licensed a program to in Quarter 1 2026. A Series A financing round was executed whereby our Group and two leading healthcare-focused venture capital firms entered into investment agreements with NewCo.

On June 10, 2026, the Group announced that it had joined OpenFold, a non-profit AI research consortium that promotes the development of open-source AI software tools for biology and drug discovery. Technology companies including Amazon Web Services, Microsoft and NVIDIA

participate in OpenFold as Supporting Members, and the consortium has expanded into an international ecosystem comprising numerous pharmaceutical companies, biotechnology companies, technology companies and academic institutions, including Bristol Myers Squibb, Novo Nordisk, Bayer and Roche.

On June 30, 2026, the Group announced that it had reached a fourth R&D milestone under its multi-target drug discovery collaboration with AbbVie Inc. focused on neurological diseases, resulting in a US$10 million milestone payment to our Group. The majority of this milestone payment will be recognized as revenue in 2026, with the remaining portion deferred and recognisable in 2027 and thereafter.

Employees

As of June 30, 2026, the Group had a total of 322 employees (a decrease of 60 employees vs. the end of the prior year).

Financial Results

As a result of the above activities, the Group reported the following financial results for the six month period ended June 30, 2026:

- Revenue of JPY 18,910 million (an increase of JPY 3,815 million vs. the prior corresponding period)
- Core operating profit (alternative performance measure) of JPY 6,494 million (an increase of JPY 6,129 million vs. the prior corresponding period)
- IFRS operating profit of JPY 1,881 million (vs. an operating loss of JPY 2,756 million in the prior corresponding period)
- Profit before income taxes of JPY 1,399 million (vs. a loss before income taxes of JPY 3,722 million in the prior corresponding period)
- Net profit of JPY 1,591 million (vs. a net loss of JPY 3,137 million in the prior corresponding period)

	6 month period ended June 30, 2026 ¥m	6 month period ended June 30, 2025 ¥m	Change
Revenue	**18,910**	15,094	3,815
Cost of sales	**(3,281)**	(3,473)	192
Research and development expenses	**(6,000)**	(7,474)	1,474
Selling, general and administrative expenses	**(6,953)**	(7,566)	612
Operating expenses	**(16,234)**	(18,513)	2,279
Net other (expenses) income	**(795)**	663	(1,458)
Operating profit (loss)	**1,881**	(2,756)	4,636
Net finance cost	**(630)**	(966)	336
Share of result of associate	**148**	-	148
Profit (loss) before income taxes	**1,399**	(3,722)	5,121
Income tax benefit	**192**	585	(394)
Net profit (loss)	**1,591**	(3,137)	4,727
Alternative performance measure			
Core operating profit (loss) (Note 1)			
Operating profit (loss) (as stated above)	**1,881**	(2,756)	4,636
Adjustments:			
Depreciation	**856**	791	65
Amortization	**1,339**	1,386	(47)
Share-based payments (Note 2)	**737**	845	(108)
Restructuring (Note 2)	**467**	-	467
Impairment (Note 3)	**1,214**	-	1,214
Integration costs (Note 4)	**-**	98	(98)
Core operating profit (loss)	**6,494**	364	6,129
Average exchange rate during period			
USD:JPY	**158.15**	148.56	9.59
GBP:JPY	**212.64**	192.52	20.12

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 primarily due to the impairment of goodwill and leased assets.
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

	6 month period ended June 30, 2026 ¥m	6 month period ended June 30, 2025 ¥m	Change ¥m	Change %
Marketed Products	**10,854**	8,509	2,345	27.6
PIVLAZ®	**6,334**	5,805	529	9.1
QUVIVIQ®	**3,598**	1,586	2,012	126.9
Respiratory	**921**	1,053	(131)	(12.5)
Other	**(0)**	65	(64)	-
Research and Development	**8,056**	6,585	1,470	22.3
Upfront fee revenue	**82**	1,571	(1,489)	(94.8)
Milestone revenue	**6,535**	3,941	2,593	65.8
Deferred revenue releases	**1,438**	1,073	365	34.0
Other	**1**	0	1	988.7
	18,910	15,094	3,815	25.3

Revenue relating to Marketed Products in the six month period under review totaled JPY 10,854 million (an increase of JPY 2,345 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 9.1% 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 126.9% vs. the prior corresponding period primarily 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 12.5% vs. the prior corresponding period due to declining sales as the portfolio matures.

Revenue relating to Research and Development in the six month period under review totaled JPY 8,056 million (an increase of JPY 1,470 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 1,489 million vs. the prior corresponding period. In the six month period under review one agreement was signed vs. two in the prior corresponding period.

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 2,593 million vs. the prior corresponding period. The

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

increase in milestone revenue in the six month period under review was due to the occurrence of eight R&D milestone events in the current six month period vs. five R&D milestone events 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 period under review. Deferred revenue releases increased by JPY 365 million vs. the prior corresponding period due to the stage of progression of relevant projects as at the end of the reporting period. Deferred revenue recorded in the balance sheet as at June 30, 2026 totaled JPY 5,682 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 six month period under review totaled JPY 3,281 million (a decrease of JPY 192 million vs. the prior corresponding period). This was primarily due to the inclusion of lower costs relating to R&D collaborations.

Research and development expenses

Research and development ("R&D") expenses in the six month period under review totaled JPY 6,000 million (a decrease of JPY 1,474 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, 88% 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 six month period under review totaled JPY 6,953 million (a decrease of JPY 612 million vs. the prior corresponding period). This decrease was primarily due to targeted cost reduction initiatives.

Net other expenses

Net other expenses in the six month period under review totaled JPY 795 million vs. net other income of JPY 663 million (a change of JPY 1,458 million). The increase in cost in the six month period under review was primarily due to incurring restructuring costs and impairment charges relating primarily to goodwill and leased assets.

Operating profit

Operating profit in the six month period under review totaled JPY 1,881 million (vs. an operating loss of JPY 2,756 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 six month period under review totaled JPY 630 million (vs. a net finance cost of JPY 966 million in the prior corresponding period). This decrease was primarily due to recording a large fair value loss on contingent consideration in the prior corresponding period vs. a small gain in the current period. The impact of this was partially offset by reduced interest income on lower bank deposit balances.

Share of result of associate

Share of result of associate in the six month period under review totaled JPY 148 million (there was no share of result of associate in the prior corresponding period). This balance comprises an accounting gain arising from a fundraising round by the associate, partially offset by Nxera's share of the associate's after tax loss.

Profit before income taxes

Profit before income taxes in the six month period under review totaled JPY 1,399 million (vs. a loss before income taxes of JPY 3,722 million in the prior corresponding period). This improvement in profitability reflects the combined effect of all of the movements explained above.

Income tax benefit

Income tax benefit in the six month period under review totaled JPY 192 million (vs. an income tax benefit of JPY 585 million in the prior corresponding period). The tax amount 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 six month period under review totaled JPY 1,591 million (vs. a net loss of JPY 3,137 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 six month period under review totaled JPY 6,494 million (an increase of JPY 6,129 million). In calculating core operating profit, the following adjustments to the IFRS operating profit have been made:

- Depreciation totaled JPY 856 million (an increase of JPY 65 million vs. the prior corresponding period).
- Amortization totaled JPY 1,339 million (a decrease of JPY 47 million vs. the prior corresponding period).
- Share-based payments totaled JPY 737 million (a decrease of JPY 108 million vs. the prior corresponding period).
- Restructuring totaled JPY 467 million (there was no restructuring in the prior corresponding period). These costs relate to restructuring programs implemented in the UK (including JPY 49 million of accelerated share-based payment expenses).
- Impairment losses totaled JPY 1,214 million (there was no impairment loss in the prior corresponding period). This was primarily due to recording an impairment loss on goodwill and leased assets.
- There were no integration costs in the six 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 June 30, 2026 were JPY 132,381 million (a decrease of JPY 2,406 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, offset by a decrease in property, plant and equipment following the derecognition of certain right of use assets and a decrease in cash and cash equivalents for the reasons explained in the Cash flows section below.

Liabilities

Total liabilities as at June 30, 2026 were JPY 67,578 million (a decrease of JPY 6,212 million vs. December 31, 2025, the end of the prior financial year). This decrease was primarily due to the repayment of borrowings and the settlement of trade and other payables.

Equity

Total equity as at June 30, 2026 was JPY 64,803 million (an increase of JPY 3,806 million vs. December 31, 2025, the end of the prior financial year). This increase was primarily due to the net profit of JPY 1,591 million and an increase in capital surplus primarily relating to share-based payments.

The ratios of Cash and cash equivalents, Interest-bearing debt and Equity attributable to the owners of the parent company to total assets were 13.4%, 41.1% and 49.0%, respectively.

2) Cash flows

Cash and cash equivalents as at June 30, 2026 decreased by JPY 2,616 million from the beginning of the year and amounted to JPY 17,748 million. The main drivers of each cash flow in the six month period ended June 30, 2026 were as follows:

Cash flows from operating activities

Net cash provided by operating activities during the period under review totaled JPY 3,975 million. This was primarily due to revenue related cash inflows, which were significantly higher in the period under review, exceeding operating cash outflows.

Cash flows from investing activities

Net cash used in investing activities during the period under review totaled JPY 4,347 million. This was primarily due to cash outflows relating to the vamorolone in-license and an equity investment in an associated company, offset by proceeds received from the sale of investment securities.

Cash flows from financing activities

Net cash used in financing activities in the period under review totaled JPY 2,576 million. This was primarily due to routine long-term bank borrowing repayments.

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 331 million. This positive impact was primarily due to the weakness of JPY against GBP 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 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

	June 30, 2026 (Unaudited) ¥m	December 31, 2025 ¥m
Assets		
Non-current assets		
Property, plant and equipment	5,976	7,455
Goodwill	25,274	25,838
Intangible assets	53,042	49,230
Investments accounted for using equity method	1,093	-
Deferred tax assets	4,800	4,879
Other financial assets	2,005	2,881
Other non-current assets	16	38
Total non-current assets	92,206	90,322
Current assets		
Trade and other receivables	6,975	7,730
Inventories	10,071	11,294
Income taxes receivable	3,713	2,730
Other financial assets	1	-
Other current assets	1,666	2,346
Cash and cash equivalents	17,748	20,365
Total current assets	40,175	44,465
Total assets	132,381	134,787
Liabilities and Equity		
Liabilities		
Non-current liabilities		
Deferred tax liabilities	1	0
Contingent consideration in business combinations	2,008	1,940
Corporate bonds	26,233	26,080
Bank borrowings	18,218	21,109
Lease liabilities	2,489	3,506
Provisions	505	510
Other non-current liabilities	3,024	3,145
Total non-current liabilities	52,477	56,290
Current liabilities		
Trade and other payables	3,410	7,494
Income taxes payable	57	193
Short-term borrowings	777	-
Current portion of long-term bank borrowings	5,798	5,798
Lease liabilities	891	886
Other current liabilities	4,167	3,128
Total current liabilities	15,101	17,500
Total liabilities	67,578	73,790
Equity		
Capital stock	48,505	47,450
Capital surplus	23,100	22,120
Treasury stock	(1,253)	(3)
Retained earnings	(14,332)	(17,546)
Other components of equity	8,783	8,977
Equity attributable to owners of the parent	64,803	60,997
Total equity	64,803	60,997
Total liabilities and equity	132,381	134,787

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

	Six month period ended June 30, 2026 (Unaudited) ¥m	Six month period ended June 30, 2025 (Unaudited) ¥m
Revenue	**18,910**	15,094
Cost of sales	**(3,281)**	(3,473)
Gross profit	**15,628**	11,621
Research and development expenses	**(6,000)**	(7,474)
Selling, general and administrative expenses	**(6,953)**	(7,566)
Other income	**892**	672
Other expenses	**(1,686)**	(9)
Operating profit (loss)	**1,881**	(2,756)
Finance income	**141**	541
Finance costs	**(772)**	(1,507)
Share of result of associate accounted for using the equity method	**148**	-
Profit (loss) before income taxes	**1,399**	(3,722)
Income tax benefit	**192**	585
Net profit (loss)	**1,591**	(3,137)
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	**696**	(662)
Total items that will not be reclassified subsequently to profit or loss	**696**	(662)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	**734**	297
Total items that may be reclassified subsequently to profit or loss	**734**	297
Total other comprehensive income	**1,430**	(365)
Total comprehensive income	**3,021**	(3,502)
Net profit (loss) for the period attributable to:		
Owners of the parent	**1,591**	(3,137)
	1,591	(3,137)
Total comprehensive income for the period attributable to:		
Owners of the parent	**3,021**	(3,502)
	3,021	(3,502)
Earnings per share (yen)		
Basic profit (loss) per share	**17.54**	(34.82)
Diluted profit (loss) per share	**15.86**	(34.82)

(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	-	-	-	1,591	-	1,591	1,591
Other comprehensive income	-	-	-	-	1,430	1,430	1,430
Total comprehensive income	-	-	-	1,591	1,430	3,021	3,021
Issuance of new shares	1,055	195	-	-	-	1,250	1,250
Share-based payments	-	785	-	-	-	785	785
Purchases of treasury stock	-	-	(1,250)	-	-	(1,250)	(1,250)
Transfer from other components of equity to retained earnings	-	-	-	1,624	(1,624)	-	-
Total transactions with owners	1,055	980	(1,250)	1,624	(1,624)	785	785
Balance at June 30, 2026 (Unaudited)	**48,505**	**23,100**	**(1,253)**	**(14,332)**	**8,783**	**64,803**	**64,803**
Balance at January 1, 2025	47,172	35,074	(3)	(20,942)	7,217	68,518	68,518
Net loss	-	-	-	(3,137)	-	(3,137)	(3,137)
Other comprehensive income	-	-	-	-	(365)	(365)	(365)
Total comprehensive income	-	-	-	(3,137)	(365)	(3,502)	(3,502)
Issuance of new shares	278	(278)	-	-	-	-	-
Share-based payments	-	845	-	-	-	845	845
Purchases of treasury stock	-	-	(0)	-	-	(0)	(0)
Transfer from capital surplus to retained earnings	-	(14,621)	-	14,621	-	-	-
Total transactions with owners	278	(14,054)	(0)	14,621	-	845	845
Balance at June 30, 2025 (Unaudited)	47,450	21,020	(3)	(9,458)	6,852	65,861	65,861

(4) Interim Condensed Consolidated Statement of Cash Flows

	Six month period ended June 30, 2026 (Unaudited) ¥m	Six month period ended June 30, 2025 (Unaudited) ¥m
Cash flows from operating activities		
Profit (loss) before income taxes	**1,399**	(3,722)
Adjustments for:		
Receipt of non-cash consideration from customers	**(82)**	-
Depreciation and amortization	**2,196**	2,177
Share-based payments	**785**	845
Impairment loss	**1,214**	-
Share of result of associate accounted for using the equity method	**(148)**	-
Change in fair value of contingent consideration	**0**	996
Net foreign exchange loss	**30**	60
Interest income	**(141)**	(541)
Interest expense	**524**	422
Research and development expenditure related tax credits	**(846)**	(665)
Decrease (increase) in trade and other receivables	**798**	(148)
Decrease in inventories	**1,223**	120
(Decrease) increase in trade and other payables	**(4,099)**	504
Increase (decrease) in deferred revenue	**221**	(1,102)
Other	**1,281**	35
Subtotal	**4,354**	(1,019)
Grants received	**6**	-
Interest received	**165**	636
Interest paid	**(342)**	(244)
Income tax paid	**(209)**	(158)
Income tax refunded	**2**	1,218
Net cash provided by operating activities	**3,975**	433
Cash flows from investing activities		
Purchase of property, plant and equipment	**(356)**	(199)
Purchase of intangible assets	**(5,064)**	(153)
Proceeds from sale of investment securities	**3,290**	-
Purchase of investment securities	**(2,139)**	-
Proceeds from withdrawal of time deposits	**-**	3,850
Other	**(79)**	17
Net cash (used in) provided by investing activities	**(4,347)**	3,515
Cash flows from financing activities		
Net increase in short-term borrowings	**777**	-
Repayments of long-term bank borrowings	**(2,900)**	(2,900)
Repayment of lease liabilities	**(446)**	(450)
Other	**(7)**	(0)
Net cash used in financing activities	**(2,576)**	(3,350)
Effects of exchange rate changes on cash and cash equivalents	**331**	131
Net (decrease) increase in cash and cash equivalents	**(2,616)**	729
Cash and cash equivalents at the beginning of the period	**20,365**	32,268
Cash and cash equivalents at the end of the period	**17,748**	32,997

(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

Not applicable.