

Consolidated financial statements
(1) Consolidated balance sheet

(Thousands of yen)

As of December 31, 2022

Assets	
Current assets	
Cash and deposits	2,245,438
Supplies	88,421
Advance payments to suppliers	95,102
Prepaid expenses	13,090
Other	32,052
Total current assets	2,474,106
Non-current assets	
Property, plant and equipment	
Facilities attached to buildings	5,443
Accumulated depreciation	△186
Facilities attached to buildings, net	5,256
Tools, furniture and fixtures	17,927
Accumulated depreciation	△8,855
Tools, furniture and fixtures, net	9,071
Total property, plant and equipment	14,328
Intangible assets	
Goodwill	125,343
Contract-related intangible assets	371,711
Other	820
Total intangible assets	497,875
Investments and other assets	
Long-term prepaid expenses	346
Guarantee deposits	6,037
Total investments and other assets	6,384
Total non-current assets	518,588
Total assets	2,992,694

(Thousands of yen)

As of December 31, 2022

Liabilities	
Current liabilities	
Accounts payable - other	59,197
Accrued expenses	23,787
Income taxes payable	19,390
Advances received	71,891
Deposits received	1,421
Total current liabilities	175,688
Non-current liabilities	
Deferred tax liabilities	122,420
Total non-current liabilities	122,420
Total liabilities	298,109
Net assets	
Shareholders' equity	
Share capital	2,474,634
Capital surplus	2,917,337
Retained earnings	△2,700,067
Treasury shares	△0
Total shareholders' equity	2,691,903
Share acquisition rights	2,682
Total net assets	2,694,585
Total liabilities and net assets	2,992,694

(2) Consolidated statement of income

(Thousands of yen)

	Fiscal year ended December 31, 2022
Business revenue	1,067
Business expenses	
Research And Development Expenses	912,355
Other selling, general and administrative expenses	257,781
Total Business expenses	1,170,136
Operating loss	△1,169,069
Non-operating income	
Interest income	29
Subsidy income	254
Commission income	108
Other	38
Total non-operating income	430
Non-operating expenses	
Share issuance costs	2,232
Foreign exchange losses	4,088
Other	269
Total non-operating expenses	6,590
Ordinary loss	△1,175,229
Loss before income taxes	△1,175,229
Income taxes - current	3,271
Income taxes - deferred	△5,985
Total income taxes	△2,713
Loss	△1,172,515
Loss attributable to owners of parent	△1,172,515

(3) Consolidated statement of Comprehensive Income

(Thousands of yen)

	Fiscal year ended December 31, 2022
Loss	△1,172,515
Comprehensive income	△1,172,515
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	△1,172,515

(4) Consolidated statement of changes in equity

Fiscal year ended December 31, 2022

(Thousands of yen)

	Shareholders' equity					Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Balance at beginning of period	2,350,451	2,349,451	△1,527,552	—	3,172,349	3,689	3,176,039
Changes during period							
Issuance of new shares - exercise of share acquisition rights	124,183	124,183			248,366		248,366
Increase by share exchanges		443,703			443,703		443,703
Loss attributable to owners of parent			△1,172,515		△1,172,515		△1,172,515
Purchase of treasury shares				△0	△0		△0
Net changes in items other than shareholders' equity						△1,007	△1,007
Total changes during period	124,183	567,886	△1,172,515	△0	△480,446	△1,007	△481,454
Balance at end of period	2,474,634	2,917,337	△2,700,067	△0	2,691,903	2,682	2,694,585

(5) Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended December 31, 2022
Cash flows from operating activities	
Loss before income taxes	△1,175,229
Depreciation	11,449
Amortization of goodwill	2,457
Interest income	△29
Share issuance costs	2,232
Decrease (increase) in inventories	△37,515
Loss on retirement of non-current assets	269
Increase (decrease) in advances received	32,891
Decrease (increase) in advance payments to suppliers	166,377
Decrease (increase) in prepaid expenses	△2,495
Increase (decrease) in accounts payable - other	△39,135
Increase (decrease) in accrued expenses	△10,500
Increase (decrease) in income taxes payable - factor based tax	2,882
Increase (decrease) in deposits received	53
Other, net	△4,280
Subtotal	△1,050,571
Interest received	29
Income taxes paid	△2,610
Net cash provided by (used in) operating activities	△1,053,151
Cash flows from investing activities	
Purchase of property, plant and equipment	△12,978
Purchase of intangible assets	△230
Payments of guarantee deposits	△6,037
Proceeds from refund of guarantee deposits	104
Net cash provided by (used in) investing activities	△19,141
Cash flows from financing activities	
Proceeds from issuance of shares	245,125
Purchase of treasury shares	△0
Net cash provided by (used in) financing activities	245,125
Effect of exchange rate change on cash and cash equivalents	—
Net increase (decrease) in cash and cash equivalents	△827,168
Cash and cash equivalents at beginning of period	3,007,138
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	65,468
Cash and cash equivalents at end of period	2,245,438