

Consolidated financial statements
(1) Consolidated balance sheet

(Thousands of yen)

	As of December 31, 2022	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	2,245,438	2,255,963
Accounts receivable - trade	—	288
Supplies	88,421	55,186
Advance payments to suppliers	95,102	7,575
Prepaid expenses	13,090	22,777
Other	32,052	11,054
Total current assets	2,474,106	2,352,846
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings, net	5,256	4,891
Tools, furniture and fixtures, net	9,071	7,306
Total property, plant and equipment	14,328	12,197
Intangible assets		
Goodwill	125,343	120,428
Contract-related intangible assets	371,711	357,134
Other	820	711
Total intangible assets	497,875	478,273
Investments and other assets		
Long-term prepaid expenses	346	—
Guarantee deposits	6,037	6,037
Total investments and other assets	6,384	6,037
Total non-current assets	518,588	496,509
Total assets	2,992,694	2,849,356
Liabilities		
Current liabilities		
Accounts payable - other	59,197	25,224
Accrued expenses	23,787	18,859
Income taxes payable	19,390	9,799
Advances received	71,891	52,391
Other	1,421	2,679
Total current liabilities	175,688	108,954
Non-current liabilities		
Deferred tax liabilities	122,420	117,253
Total non-current liabilities	122,420	117,253
Total liabilities	298,109	226,208
Net assets		
Shareholders' equity		
Share capital	2,474,634	2,732,739
Capital surplus	2,917,337	497,272
Retained earnings	△2,700,067	△607,379
Treasury shares	△0	△0
Total shareholders' equity	2,691,903	2,622,633
Share acquisition rights	2,682	514
Total net assets	2,694,585	2,623,147
Total liabilities and net assets	2,992,694	2,849,356

(2) Consolidated statement of income (cumulative)

(Thousands of yen)

	Six months ended June 30, 2023
Business revenue	530
Business expenses	
Research and development expenses	※ 1 451,286
Other selling, general and administrative expenses	※ 2 171,827
Business expenses	623,114
Operating loss	△ 622,583
Non-operating income	
Interest income	11
Foreign exchange gains	2
Subsidy income	35,454
Other	40
Total non-operating income	35,509
Non-operating expenses	
Share issuance costs	2,250
Total non-operating expenses	2,250
Ordinary loss	△ 589,324
Loss before income taxes	△ 589,324
Income taxes - current	1,322
Income taxes - deferred	△ 5,166
Total income taxes	△ 3,843
Loss	△ 585,480
Loss attributable to owners of parent	△ 585,480

(3) Consolidated statement of Comprehensive Income

(Thousands of yen)

	Six months ended June 30, 2023
Loss	△585,480
Comprehensive income	△585,480
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	△585,480

(4) Consolidated statement of cash flows

(Thousands of yen)

	Six months ended June 30, 2023
Cash flows from operating activities	
Loss before income taxes	△589,324
Depreciation	16,816
Amortization of goodwill	4,915
Interest income	△11
Share issuance costs	2,250
Decrease (increase) in trade receivables	△288
Decrease (increase) in inventories	33,235
Increase (decrease) in advances received	△19,500
Decrease (increase) in advance payments to suppliers	87,526
Decrease (increase) in prepaid expenses	△9,339
Increase (decrease) in accounts payable - other	△33,972
Increase (decrease) in accrued expenses	△4,927
Increase (decrease) in income taxes payable - factor based tax	△7,492
Other, net	22,256
Subtotal	△497,857
Interest and dividends received	11
Income taxes paid	△3,422
Net cash provided by (used in) operating activities	△501,267
Cash flows from investing activities	
Net cash provided by (used in) investing activities	—
Cash flows from financing activities	
Proceeds from issuance of shares	511,792
Net cash provided by (used in) financing activities	511,792
Effect of exchange rate change on cash and cash equivalents	—
Net increase (decrease) in cash and cash equivalents	10,524
Cash and cash equivalents at beginning of period	2,245,438
Cash and cash equivalents at end of period	2,255,963