

Consolidated financial statements
(1) Consolidated balance sheet

(Thousands of yen)

	As of December 31, 2022	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	2,245,438	1,793,378
Supplies	88,421	25,541
Advance payments to suppliers	95,102	164,206
Prepaid expenses	13,090	21,091
Other	32,052	8,267
Total current assets	2,474,106	2,012,483
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings	5,443	5,443
Accumulated depreciation	△186	△918
Facilities attached to buildings, net	5,256	4,525
Tools, furniture and fixtures	17,927	18,304
Accumulated depreciation	△8,855	△11,922
Tools, furniture and fixtures, net	9,071	6,382
Total property, plant and equipment	14,328	10,907
Intangible assets		
Goodwill	125,343	115,512
Contract-related intangible assets	371,711	342,557
Other	820	602
Total intangible assets	497,875	458,672
Investments and other assets		
Long-term prepaid expenses	346	3,033
Guarantee deposits	6,037	6,037
Total investments and other assets	6,384	9,070
Total non-current assets	518,588	478,651
Total assets	2,992,694	2,491,134

(Thousands of yen)

	As of December 31, 2022	As of December 31, 2023
Liabilities		
Current liabilities		
Accounts payable - other	59,197	18,329
Accrued expenses	23,787	19,099
Income taxes payable	19,390	5,587
Advances received	71,891	32,500
Deposits received	1,421	1,039
Total current liabilities	175,688	76,554
Non-current liabilities		
Deferred tax liabilities	122,420	112,770
Total non-current liabilities	122,420	112,770
Total liabilities	298,109	189,325
Net assets		
Shareholders' equity		
Share capital	2,474,634	2,746,296
Capital surplus	2,917,337	510,829
Retained earnings	△2,700,067	△955,314
Treasury shares	△0	△1
Total shareholders' equity	2,691,903	2,301,809
Share acquisition rights	2,682	—
Total net assets	2,694,585	2,301,809
Total liabilities and net assets	2,992,694	2,491,134

(2) Consolidated statement of income

(Thousands of yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Business revenue	1,067	530
Business expenses		
Research And Development Expenses	912,355	680,817
Other selling, general and administrative expenses	257,781	313,820
Total Business expenses	1,170,136	994,638
Operating loss	△1,169,069	△994,108
Non-operating income		
Interest income	29	23
Subsidy income	254	57,083
Other	146	113
Total non-operating income	430	57,219
Non-operating expenses		
Share issuance costs	2,232	2,830
Foreign exchange losses	4,088	588
Other	269	113
Total non-operating expenses	6,590	3,532
Ordinary loss	△1,175,229	△940,420
Loss before income taxes	△1,175,229	△940,420
Income taxes - current	3,271	2,645
Income taxes - deferred	△5,985	△9,649
Total income taxes	△2,713	△7,004
Loss	△1,172,515	△933,416
Loss attributable to owners of parent	△1,172,515	△933,416

(3) Consolidated statement of Comprehensive Income

(Thousands of yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Loss	△1,172,515	△933,416
Comprehensive income	△1,172,515	△933,416
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△1,172,515	△933,416

(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

Fiscal year ended December 31, 2023

(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	2,474,634	2,917,337	△2,700,067	△0	2,691,903	2,682	2,694,585
Changes during period							
Issuance of new shares - exercise of share acquisition rights	271,661	271,661			543,323		543,323
Deficit disposition		△2,678,169	2,678,169		—		—
Loss attributable to owners of parent			△933,416		△933,416		△933,416
Purchase of treasury shares				△1	△1		△1
Net changes in items other than shareholders' equity						△2,682	△2,682
Total changes during period	271,661	△2,406,507	1,744,753	△1	△390,094	△2,682	△392,776
Balance at end of period	2,746,296	510,829	△955,314	△1	2,301,809	—	2,301,809

(5) Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Cash flows from operating activities		
Loss before income taxes	△1,175,229	△940,420
Depreciation	11,449	33,734
Amortization of goodwill	2,457	9,830
Interest income	△29	△23
Share issuance costs	2,232	2,830
Decrease (increase) in inventories	△37,515	62,880
Loss on retirement of non-current assets	269	113
Increase (decrease) in advances received	32,891	△39,391
Decrease (increase) in advance payments to suppliers	166,377	△69,103
Decrease (increase) in prepaid expenses	△2,495	△10,686
Increase (decrease) in accounts payable - other	△39,135	△40,868
Increase (decrease) in accrued expenses	△10,500	△4,688
Increase (decrease) in income taxes payable - factor based tax	2,882	△13,024
Increase (decrease) in deposits received	53	△382
Other, net	△4,280	23,785
Subtotal	△1,050,571	△985,414
Interest received	29	23
Income taxes paid	△2,610	△3,423
Net cash provided by (used in) operating activities	△1,053,151	△988,815
Cash flows from investing activities		
Purchase of property, plant and equipment	△12,978	△1,055
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	△1,055
Cash flows from financing activities		
Proceeds from issuance of shares	245,125	538,212
Purchase of treasury shares	△0	△1
Other payments	—	△401
Net cash provided by (used in) financing activities	245,125	537,810
Effect of exchange rate change on cash and cash equivalents	—	—
Net increase (decrease) in cash and cash equivalents	△827,168	△452,060
Cash and cash equivalents at beginning of period	3,007,138	2,245,438
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	1,793,378