

Consolidated financial statements
(1) Consolidated balance sheet

(Thousands of yen)

	As of December 31, 2023	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	1,793,378	1,961,189
Supplies	25,541	40,184
Advance payments to suppliers	164,206	198,690
Prepaid expenses	21,091	22,170
Other	8,267	10,735
Total current assets	2,012,483	2,232,970
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings, net	4,525	4,212
Tools, furniture and fixtures, net	6,382	5,363
Total property, plant and equipment	10,907	9,575
Intangible assets		
Goodwill	115,512	110,597
Contract-related intangible assets	342,557	327,980
Other	602	493
Total intangible assets	458,672	439,071
Investments and other assets		
Long-term prepaid expenses	3,033	487
Guarantee deposits	6,037	6,037
Total investments and other assets	9,070	6,525
Total non-current assets	478,651	455,172
Total assets	2,491,134	2,688,143
Liabilities		
Current liabilities		
Accounts payable - other	18,329	56,765
Accrued expenses	19,099	18,841
Income taxes payable	5,587	10,453
Advances received	32,500	345,573
Other	1,039	1,594
Total current liabilities	76,554	433,228
Non-current liabilities		
Deferred tax liabilities	112,770	107,928
Total non-current liabilities	112,770	107,928
Total liabilities	189,325	541,156
Net assets		
Shareholders' equity		
Share capital	2,746,296	2,857,296
Capital surplus	510,829	621,829
Retained earnings	△955,314	△1,334,663
Treasury shares	△1	△1
Total shareholders' equity	2,301,809	2,144,459
Share acquisition rights	—	2,526
Total net assets	2,301,809	2,146,986
Total liabilities and net assets	2,491,134	2,688,143

(2) Consolidated statement of income (cumulative)

(Thousands of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Business revenue	530	530
Business expenses		
Research and development expenses	451,286	226,018
Other selling, general and administrative expenses	171,827	170,055
Business expenses	623,114	396,073
Operating loss	△622,583	△395,542
Non-operating income		
Interest income	11	9
Foreign exchange gains	2	—
Subsidy income	35,454	14,181
Other	40	15
Total non-operating income	35,509	14,207
Non-operating expenses		
Share issuance costs	2,250	1,335
Foreign exchange losses	—	197
Total non-operating expenses	2,250	1,533
Ordinary loss	△589,324	△382,868
Loss before income taxes	△589,324	△382,868
Income taxes - current	1,322	1,322
Income taxes - deferred	△5,166	△4,842
Total income taxes	△3,843	△3,519
Loss	△585,480	△379,349
Loss attributable to owners of parent	△585,480	△379,349

(3) Consolidated statement of Comprehensive Income

(Thousands of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Loss	△585,480	△379,349
Comprehensive income	△585,480	△379,349
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△585,480	△379,349

(4) Consolidated statement of cash flows

(Thousands of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Cash flows from operating activities		
Loss before income taxes	△589,324	△382,868
Depreciation	16,816	16,232
Amortization of goodwill	4,915	4,915
Interest income	△11	△9
Share issuance costs	2,250	1,335
Share-based payment expenses	—	2,526
Decrease (increase) in trade receivables	△288	—
Decrease (increase) in inventories	33,235	△14,643
Increase (decrease) in advances received	△19,500	313,073
Decrease (increase) in advance payments to suppliers	87,526	△34,484
Decrease (increase) in prepaid expenses	△9,339	1,465
Increase (decrease) in accounts payable - other	△33,972	38,436
Increase (decrease) in accrued expenses	△4,927	△258
Increase (decrease) in income taxes payable - factor based tax	△7,492	6,186
Other, net	22,256	△1,912
Subtotal	△497,857	△50,004
Interest and dividends received	11	9
Income taxes paid	△3,422	△2,642
Net cash provided by (used in) operating activities	△501,267	△52,637
Cash flows from investing activities		
Purchase of property, plant and equipment	—	△214
Net cash provided by (used in) investing activities	—	△214
Cash flows from financing activities		
Proceeds from issuance of shares	511,792	220,663
Purchase of treasury shares	—	△0
Net cash provided by (used in) financing activities	511,792	220,663
Effect of exchange rate change on cash and cash equivalents	—	—
Net increase (decrease) in cash and cash equivalents	10,524	167,811
Cash and cash equivalents at beginning of period	2,245,438	1,793,378
Cash and cash equivalents at end of period	2,255,963	1,961,189