

Consolidated financial statements
(1) Consolidated balance sheet

(Thousands of yen)

	As of December 31, 2023	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	1,793,378	2,346,111
Merchandise and finished goods	—	4,700
Supplies	25,541	74,904
Advance payments to suppliers	164,206	194,802
Prepaid expenses	21,091	12,131
Other	8,267	13,921
Total current assets	2,012,483	2,646,571
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings	5,443	5,443
Accumulated depreciation	△918	△1,544
Facilities attached to buildings, net	4,525	3,898
Tools, furniture and fixtures	18,304	19,169
Accumulated depreciation	△11,922	△14,623
Tools, furniture and fixtures, net	6,382	4,545
Total property, plant and equipment	10,907	8,444
Intangible assets		
Goodwill	115,512	105,681
Contract-related intangible assets	342,557	313,403
Other	602	384
Total intangible assets	458,672	419,470
Investments and other assets		
Investment securities	—	29,970
Long-term prepaid expenses	3,033	162
Guarantee deposits	6,037	6,037
Total investments and other assets	9,070	36,170
Total non-current assets	478,651	464,084
Total assets	2,491,134	3,110,655

(Thousands of yen)

	As of December 31, 2023	As of December 31, 2024
Liabilities		
Current liabilities		
Accounts payable - other	18,329	51,079
Accrued expenses	19,099	42,835
Income taxes payable	5,587	17,076
Advances received	32,500	347,926
Deposits received	1,039	1,168
Total current liabilities	76,554	460,087
Non-current liabilities		
Deferred tax liabilities	112,770	103,089
Total non-current liabilities	112,770	103,089
Total liabilities	189,325	563,177
Net assets		
Shareholders' equity		
Share capital	2,746,296	3,308,957
Capital surplus	510,829	1,073,490
Retained earnings	△955,314	△1,844,406
Treasury shares	△1	△1
Total shareholders' equity	2,301,809	2,538,038
Share acquisition rights	—	9,439
Total net assets	2,301,809	2,547,478
Total liabilities and net assets	2,491,134	3,110,655

(2) Consolidated statement of income

(Thousands of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Business revenue	530	6,127
Business expenses		
Business cost	—	1,457
Research And Development Expenses	680,817	540,252
Other selling, general and administrative expenses	313,820	366,175
Total Business expenses	994,638	907,885
Operating loss	△994,108	△901,758
Non-operating income		
Interest income	23	170
Subsidy income	57,083	16,066
Other	113	127
Total non-operating income	57,219	16,364
Non-operating expenses		
Share issuance costs	2,830	5,018
Foreign exchange losses	588	5,716
Other	113	—
Total non-operating expenses	3,532	10,734
Ordinary loss	△940,420	△896,128
Loss before income taxes	△940,420	△896,128
Income taxes - current	2,645	2,645
Income taxes - deferred	△9,649	△9,681
Total income taxes	△7,004	△7,036
Loss	△933,416	△889,092
Loss attributable to owners of parent	△933,416	△889,092

(3) Consolidated statement of Comprehensive Income

(Thousands of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Loss	△933,416	△889,092
Comprehensive income	△933,416	△889,092
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△933,416	△889,092

(4) Consolidated statement of changes in equity**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

Fiscal year ended December 31, 2024

(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	2,746,296	510,829	△955,314	△1	2,301,809	—	2,301,809
Changes during period							
Issuance of new shares	99,999	99,999			199,999		199,999
Issuance of new shares - exercise of share acquisition rights	462,661	462,661			925,322		925,322
Loss attributable to owners of parent			△889,092		△889,092		△889,092
Purchase of treasury shares				△0	△0		△0
Net changes in items other than shareholders' equity						9,439	9,439
Total changes during period	562,660	562,660	△889,092	△0	236,229	9,439	245,669
Balance at end of period	3,308,957	1,073,490	△1,844,406	△1	2,538,038	9,439	2,547,478

(5) Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Cash flows from operating activities		
Loss before income taxes	△940,420	△896,128
Depreciation	33,734	32,699
Amortization of goodwill	9,830	9,830
Interest income	△23	△170
Share issuance costs	2,830	5,018
Share-based payment expenses	—	9,439
Decrease (increase) in inventories	62,880	△54,063
Loss on retirement of non-current assets	113	—
Increase (decrease) in advances received	△39,391	315,426
Decrease (increase) in advance payments to suppliers	△69,103	△30,596
Decrease (increase) in prepaid expenses	△10,686	11,830
Increase (decrease) in accounts payable - other	△40,868	32,750
Increase (decrease) in accrued expenses	△4,688	23,736
Increase (decrease) in income taxes payable - factor based tax	△13,024	11,512
Increase (decrease) in deposits received	△382	129
Other, net	23,785	△5,654
Subtotal	△985,414	△534,238
Interest received	23	170
Income taxes paid	△3,423	△2,667
Net cash provided by (used in) operating activities	△988,815	△536,735
Cash flows from investing activities		
Purchase of property, plant and equipment	△1,055	△864
Purchase of investment securities	—	△29,970
Net cash provided by (used in) investing activities	△1,055	△30,834
Cash flows from financing activities		
Proceeds from issuance of shares	538,212	1,116,783
Proceeds from issuance of share acquisition rights	—	3,520
Purchase of treasury shares	△1	△0
Other payments	△401	—
Net cash provided by (used in) financing activities	537,810	1,120,303
Effect of exchange rate change on cash and cash equivalents	—	—
Net increase (decrease) in cash and cash equivalents	△452,060	552,733
Cash and cash equivalents at beginning of period	2,245,438	1,793,378
Cash and cash equivalents at end of period	1,793,378	2,346,111