February 13, 2026

Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2025 [Japanese GAAP]

Company name: TMS Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 4891
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Scheduled date of annual general meeting of shareholders: March 27, 2026
Scheduled date to commence dividend payments: –
Scheduled date to file annual securities report: March 30, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Non-consolidated financial results for the fiscal year ended December 31, 2025 (from March 1, 2025 to December 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating income		Ordinary income		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2025	–	–	(696)	–	(711)	–	(716)	–
February 28, 2025	–	–	(907)	–	(633)	–	(660)	–

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
Fiscal year ended	Yen	Yen	%	%	%
December 31, 2025	(16.08)	–	(25.9)	(24.1)	–
February 28, 2025	(16.38)	–	(21.2)	(19.2)	–

Reference: Share of income (loss) of entities accounted for using equity method
Fiscal year ended December 31, 2025 ¥– million
Fiscal year ended February 28, 2025 ¥– million

Notes 1. The fiscal year ended December 31, 2025 is a transitional period for the change in fiscal year-end, and the Company will have an irregular 10-month accounting period from March 1, 2025 to December 31, 2025. Therefore, the year-on-year changes are not shown.
2. Diluted earnings per share is not stated because, although potential shares existed, a basic loss per share was recorded.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2025	2,865	2,771	95.5	60.14
February 28, 2025	3,032	2,815	92.1	69.23

Reference: Equity
As of December 31, 2025 ¥2,735 million
As of February 28, 2025 ¥2,791 million

(3) Non-consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2025	(779)	(2)	640	2,781
February 28, 2025	(493)	(30)	0	2,922

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio	Ratio of dividends to net assets
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended February 28, 2025	–	0.00	–	0.00	0.00	–	–	–
Fiscal year ended December 31, 2025	–	0.00	–	0.00	0.00	–	–	–
Fiscal year ending December 31, 2026 (Forecast)	–	0.00	–	0.00	0.00		–	

Note: The fiscal year ending December 31, 2025 is an irregular 10-month period, from March 1, 2025, to December 31, 2025.

3. Forecast of non-consolidated financial results for the fiscal year ending December 31, 2026 (from January 1, 2026 to December 31, 2026)

The forecast of non-consolidated financial results for the fiscal year ending December 31, 2026 has not been presented as it is difficult to reasonably calculate the forecast for financial results. For details concerning the reasons, business policy, estimated costs, etc. for the fiscal year ending December 31, 2026, please refer to “(4) Future Outlook” under “1. Overview of Operating Results” on page 5 of the attached material.

*** Notes**

(1) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(2) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2025	45,485,767 shares
As of February 28, 2025	40,330,067 shares

(ii) Number of treasury shares at the end of the period

As of December 31, 2025	10 shares
As of February 28, 2025	10 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended December 31, 2025	44,524,697 shares
Fiscal year ended February 28, 2025	40,318,372 shares

* These non-consolidated financial results are outside the scope of audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

Caution regarding forward-looking statements and others

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual financial results may differ significantly from the forecasts for various reasons. For the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof, please refer to “(4) Future Outlook” of “1. Overview of Operating Results” on page 5 of the attached material.

Attached Material

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1. Overview of Operating Results

The current fiscal year is a 10-month period from March 1, 2025 to December 31, 2025, due to the transitional period for the change in fiscal year-end. Therefore, comparisons with the previous fiscal year are not shown.

(1) Overview of Operating Results for Period Under Review

During the fiscal year under review (March 1, 2025 to December 31, 2025), the Company worked to make steady progress in the development of its pipeline and expand it using both internal and external sources. The Company's most advanced clinical-stage pipeline product, TMS-007 (JX10), entered a global Phase 2/3 clinical trial, titled "ORION" (Optimizing Reperfusion to Improve Outcomes and Neurologic Function), which is being conducted by Corxel Pharmaceuticals Hong Kong Limited ("CORXEL"). In May 2025, the first patient was dosed (First Patient In; FPI) in this global trial. Since then, patient enrollment has progressed smoothly. In Japan, the Company submitted a Clinical Trial Plan Notification as the trial sponsor and registered the study in the Japan Registry of Clinical Trials (jRCT). In addition, with regard to TMS-008, which is also at the clinical development stage, the Company completed the Phase 1 clinical trial and proceeded with consideration of the design for the next-phase clinical trial (Phase 2a clinical trial).

A. Overview of the pipeline

(i) TMS-007 (JX10)-related activities

TMS-007 (JX10), a small-molecule compound targeting acute ischemic stroke, was solely developed by the Company up to the Phase 2a clinical trial. It was derived along with other SMTP compound families. Currently, a global Phase 2/3 clinical trial "ORION" is being led by CORXEL. The Company retains the exclusive rights to develop and commercialize TMS-007 in Japan, along with the rights to receive upfront milestone payments and royalties associated with the development and commercialization of TMS-007 in all regions outside Japan through its agreement with CORXEL.

TMS-007 (JX10) has two mechanisms of actions: blood flow restoration through thrombolysis via conformational changes in plasminogen, and suppression of ischemia-reperfusion injury through inhibition of soluble epoxide hydrolase (sEH), which mediates anti-inflammatory effects. This dual mechanism makes TMS-007 a promising drug candidate capable of addressing both therapeutic strategies of blood flow restoration and ischemia-reperfusion injury suppression as a single-agent therapy. As a result, it may offer advantages over existing drugs such as t-PA and other candidate compounds.

In the Phase 2a clinical trial conducted by the Company in Japan, TMS-007 (JX10) demonstrated favorable results. The only thrombolytic agent currently approved for the treatment of acute ischemic stroke, t-PA, is known to carry a risk of adverse effects such as promoting intracranial hemorrhage. Because of the hemorrhagic risk, the use of t-PA is, in principle, limited to within 4.5 hours of symptom onset. In contrast, the Company's Phase 2a clinical trial of TMS-007 enrolled patients up to 12 hours after onset (with a mean of 9.5 hours in the TMS-007 group). As a result, the incidence of symptomatic intracranial hemorrhage accompanied by a worsening of four or more points on the National Institutes of Health Stroke Scale (NIHSS) was 2.6% (1/38) in the placebo group, compared with 0% (0/52) in the TMS-007 group, suggesting a favorable safety profile. In terms of efficacy, TMS-007 also showed statistically significant improvement over placebo group in the rate of patients achieving a score of 0 (no symptoms) or 1 (symptoms present but no significant disability) on the modified Rankin Scale (mRS), a measure of functional independence.

During the fiscal year under review, the Company participated in the global Phase 2/3 clinical trial "ORION," being led by CORXEL. In May 2025, the first patient was dosed in China. The study was registered on ClinicalTrials.gov, the clinical trial database in the United States, and the study design was made publicly available. In participating countries, regulatory submissions and preparations at medical institutions for patient dosing have progressed, and patient enrollment has continued smoothly. In Japan, the Company submitted a Clinical Trial Plan Notification to the Pharmaceuticals and Medical Devices Agency (PMDA) in April 2025, and registered the study in the Japan Registry of Clinical Trials (jRCT) in August 2025, and prepared for patient dosing.

In addition, the paper reporting the results of the Phase 1 clinical trial of TMS-007 (JX10), published in 2023 in the *British Journal of Clinical Pharmacology*, an internationally recognized journal in clinical pharmacology, was selected by Wiley, the publisher of the journal, as a "Top Viewed Article" in April

2025. Furthermore, the paper detailing the results of the Phase 2a clinical trial, published in November 2024 in *Stroke*, a journal published by the American Heart Association (AHA) and the American Stroke Association (ASA), was featured on *Blogging Stroke*, the journal's official outreach platform, in May 2025.

(ii) TMS-008-related activities

TMS-008 is one of the SMTP family compounds that exhibits anti-inflammatory effects by inhibiting sEH with little thrombolytic activity, and is being developed for acute kidney injury and cancer cachexia. TMS-008 has the potential to treat a wide range of inflammatory diseases.

The exclusive worldwide rights for development, manufacturing, and commercialization have been granted by CORXEL for certain TMS-008 indications.

During the fiscal year under review, the Company conducted a data readout of the Phase 1 clinical trial in healthy volunteers in April 2025, and finalized the Clinical Study Report (CSR) in June 2025, thereby successfully concluding the Phase 1 clinical trial. Subsequently, the Company proceeded with consideration of the design for the next-phase clinical trial (Phase 2a clinical trial).

(iii) JX09-related activities

JX09 is an oral, small-molecule aldosterone synthesis inhibitor indicated for the treatment of patients with treatment-resistant or poorly controlled hypertension. For aldosterone synthase inhibitors, it is considered essential to selectively inhibit CYP11B2, the enzyme responsible for aldosterone synthesis, without affecting CYP11B1, the structurally similar enzyme involved in cortisol synthesis. Given that JX09 has demonstrated high selectivity for CYP11B2, it is considered to have the potential to become a best-in-class compound.

The Company has been granted the exclusive rights to develop and market JX09 in Japan from CORXEL. The Phase 1 clinical trial is currently being conducted by CORXEL in Australia. The Company is considering a role in future global trials by conducting clinical studies in Japan.

(iv) TMS-010-related activities

TMS-010 is a drug candidate targeting spinal cord injury, originally discovered by Hokkaido University. After entering into an option agreement in July 2022 with Hokkaido University to evaluate the asset, the Company concluded a license agreement with the university on July 3, 2024, and added the candidate to its pipeline as TMS-010. Under this license agreement, the Company has obtained exclusive worldwide rights for the development, manufacturing, and commercialization of TMS-010.

Spinal cord injury is a serious disease that can lead to motor paralysis, sensory paralysis, and urinary and defecation disorders, and more importantly there are yet no effective drugs available to treat this condition. The candidate therapeutic compound discovered by Hokkaido University is expected to have neuroprotective effects by preventing the breakdown of the blood-brain spinal cord barrier (BBSCB), thereby suppressing secondary damage to the spinal cord.

During the fiscal year under review, the Company advanced the selection of a supplier for the active pharmaceutical ingredient (API), while also evaluating the formulation at the GMP manufacturing level and conducting non-clinical studies required to initiate clinical trials. The Company has also continued to formulate the clinical trial plan.

(v) Pipeline expansion-related activities

In the fiscal year under review, the Company made substantial efforts in research and development to expand its pipeline through internal and external initiatives.

In terms of internal initiatives, the Company has continued efforts to discover novel sEH inhibitors by leveraging its accumulated knowledge and experience with sEH inhibition gained through the development of SMTP compounds. Multiple approaches were employed to identify novel candidate compounds, including the design of inhibitors through the use of AI for compound generation and the screening of natural product libraries. From these activities, the Company discovered promising candidate compounds and proceeded with pharmacological and efficacy evaluations as well as toxicity testing. The

Company also explored the possibility of adding new indications for the development of TMS-008. Regarding external initiatives, the Company continued its efforts to identify and evaluate early-stage programs under development at academic institutions and drug discovery companies. In addition to TMS-010 described in section (iv) above, the Company introduced, in November 2025, a novel stabilized analog of the bioactive lipid resolvin, which had also been under exclusive evaluation in collaboration with Hokkaido University.

B. Strengthening of the organizational structure

Naohisa Yokota, Senior Director of Clinical Development, was appointed as Director in charge of development. Under the leadership of Mr. Yokota, who has extensive experience in global clinical development as a research and development executive at multinational pharmaceutical companies, the Company aims to accelerate the progress of its clinical development activities. In addition, within the Business Development Department established in the previous fiscal year, the Company advanced initiatives aimed at the commercialization of its assets.

As a result of these activities, operating expenses for the fiscal year ended December 31, 2025 totaled ¥696,973 thousand, which included ¥456,945 thousand in research and development expenses mainly for TMS-007 and TMS-008, and ¥240,028 thousand in other selling, general and administrative expenses. Operating expenses were lower than the forecast announced on April 11, 2025, mainly because some of the expenses related to the next-phase clinical trial of TMS-008 were shifted to the following fiscal year as a result of considerations for the trial, and the expenses for internal and external exploratory and research activities were controlled.

Based on these results, operating loss for the fiscal year ended December 31, 2025 was ¥696,973 thousand, ordinary loss was ¥711,557 thousand due to the recording of ¥10,557 thousand in share acquisition rights issuance costs as non-operating expenses, and net loss was ¥716,058 thousand due to the recording of ¥3,709 thousand in impairment losses on non-current assets as extraordinary losses.

As the Company operates a single segment of drug development business, operating results by segment are omitted.

(2) Overview of Financial Position for the Fiscal Year Ended December 31, 2025

Assets

Total assets as of the end of the fiscal year ended December 31, 2025 were ¥2,865,277 thousand, a decrease of ¥166,991 thousand from the end of the previous fiscal year.

This was mainly due to a decrease of ¥141,917 thousand in cash and deposits, which was a result of payments for operating expenses such as research and development expenses, despite exercise of the share acquisition rights.

Liabilities

Total liabilities as of the end of the fiscal year ended December 31, 2025 were ¥94,146 thousand, a decrease of ¥122,634 thousand from the end of the previous fiscal year.

This was mainly due to decreases of ¥74,584 thousand in accounts payable - other and ¥31,336 thousand in accrued expenses, resulting from payments for expenses accrued in the previous fiscal year.

Net assets

Net assets as of the end of the fiscal year ended December 31, 2025 were ¥2,771,131 thousand, a decrease of ¥44,356 thousand from the end of the previous fiscal year.

This was mainly due to the recording of ¥716,058 thousand in net loss, despite an increase of ¥329,735 thousand each in share capital and legal capital surplus, resulting from the exercise of share acquisition rights.

In July 2025, the Company reduced share capital and legal capital surplus by ¥702,327 thousand and ¥702,327 thousand, respectively, and transferred the same amount to other capital surplus, and transferred

the said other capital surplus of ¥1,404,655 thousand to retained earnings brought forward to cover the loss.

As a result, as of December 31, 2025, share capital amounted to ¥1,137,611 thousand, capital surplus amounted to ¥2,313,754 thousand, and retained earnings amounted to negative ¥716,058 thousand.

(3) Overview of Cash Flows for the Fiscal Year Ended December 31, 2025

Cash and cash equivalents ("cash") as of the end of the fiscal year ended December 31, 2025 were ¥2,781,032 thousand, a decrease of ¥141,917 thousand from the end of the previous fiscal year. The respective cash flows for the fiscal year ended December 31, 2025 and factors thereof are as follows.

Cash flows from operating activities

Net cash used in operating activities totaled ¥779,890 thousand (compared to ¥493,756 thousand used in the previous fiscal year). This was mainly due to the recording of ¥715,267 thousand in loss before income taxes as a result of investment in research and development, including the development of TMS-007 and TMS-008.

Cash flows from investing activities

Net cash used in investing activities totaled ¥2,544 thousand (compared to ¥30,843 thousand used in the previous fiscal year). This was due to purchase of property, plant and equipment.

Cash flows from financing activities

Net cash provided by financing activities totaled ¥640,516 thousand (compared to ¥919 thousand provided in the previous fiscal year). This was mainly due to proceeds from the exercise of share acquisition rights.

(4) Future Outlook

The Company's policy for future outlook is to postpone the disclosure of its earnings forecasts for the time being. It is difficult to carry out earnings forecasts right now, since the Company is presently at a stage of implementing upfront investment to advance research and development without having products brought to market, and its financial results are influenced significantly by milestone revenue and other external events. Once the Company is in the position of being able to forecast stable revenue from royalty and other recurrent revenue, it will disclose its earnings forecasts.

In the fiscal year ending December 31, 2026, the Company will work to advance the development of each pipeline by promoting two clinical trials: the ORION clinical trial of TMS-007 (JX10) in Japan and the planned next-phase clinical trial of TMS-008. In addition, it will work to expand its pipeline by 1) conducting research activities for novel sEH inhibitors, leveraging its drug discovery expertise, and 2) searching for early-stage programs from academia, research institutions, and biopharma companies.

In light of this, operating expenses for the fiscal year ending December 31, 2026 are expected to be as follows.

- Research and development expenses are expected to be in the range of ¥600 million to ¥900 million.
- Other selling, general and administrative expenses are expected to be in the range of ¥300 million to ¥400 million.

2. Basic Rationale for Selection of Accounting Standards

As the Company does not prepare consolidated financial statements, it has prepared financial statements in accordance with Japanese GAAP, giving consideration to the burden of structural adjustments for preparing financial statements in accordance with the International Financial Reporting Standards (IFRS) and other factors.

3. Financial Statements and Significant Notes Thereto

(1) Balance Sheet

(Thousands of yen)

	As of February 28, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	2,922,950	2,781,032
Supplies	405	123
Advance payments to suppliers	45,888	29,265
Prepaid expenses	13,061	18,742
Consumption taxes refund receivable	46,549	34,367
Other	240	–
Total current assets	3,029,096	2,863,532
Non-current assets		
Property, plant and equipment		
Buildings	3,943	3,943
Tools, furniture and fixtures	94,848	97,392
Accumulated depreciation	(98,791)	(101,335)
Total property, plant and equipment	0	0
Investments and other assets		
Other	3,172	1,745
Total investments and other assets	3,172	1,745
Total non-current assets	3,172	1,745
Total assets	3,032,269	2,865,277
Liabilities		
Current liabilities		
Accounts payable - other	90,935	16,351
Accrued expenses	100,338	69,001
Income taxes payable	12,201	5,020
Provision for bonuses	4,200	–
Other	9,106	3,774
Total current liabilities	216,781	94,146
Total liabilities	216,781	94,146
Net assets		
Shareholders' equity		
Share capital	1,510,203	1,137,611
Capital surplus		
Legal capital surplus	1,759,702	1,387,110
Other capital surplus	926,643	926,643
Total capital surplus	2,686,346	2,313,754
Retained earnings		
Other retained earnings		
Retained earnings brought forward	(1,404,655)	(716,058)
Total retained earnings	(1,404,655)	(716,058)
Treasury shares	(2)	(2)
Total shareholders' equity	2,791,891	2,735,304
Share acquisition rights	23,596	35,826
Total net assets	2,815,487	2,771,131
Total liabilities and net assets	3,032,269	2,865,277

(2) Statement of Income

(Thousands of yen)

	Fiscal year ended February 28, 2025	Fiscal year ended December 31, 2025
Operating revenue	–	–
Operating expenses		
Research and development expenses	621,099	456,945
Other selling, general and administrative expenses	286,692	240,028
Total operating expenses	907,791	696,973
Operating loss	(907,791)	(696,973)
Non-operating income		
Dividend income	342,613	–
Interest on tax refund	27	14
Miscellaneous income	14	11
Other	0	0
Total non-operating income	342,654	26
Non-operating expenses		
Share issuance costs	–	2,594
License fees	67,862	–
Share acquisition rights issuance costs	–	10,557
Other	26	1,459
Total non-operating expenses	67,889	14,610
Ordinary loss	(633,026)	(711,557)
Extraordinary losses		
Impairment losses	26,572	3,709
Total extraordinary losses	26,572	3,709
Loss before income taxes	(659,598)	(715,267)
Income taxes - current	950	791
Total income taxes	950	791
Net loss	(660,548)	(716,058)

(3) Statement of Changes in Equity

Fiscal year ended February 28, 2025

(Thousands of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings: Retained earnings brought forward	Total retained earnings		
Balance at beginning of period	1,506,650	1,756,149	926,643	2,682,793	–	(744,106)	(744,106)	(2)	3,445,335
Changes during period									
Issuance of new shares	3,552	3,552		3,552					7,105
Net loss						(660,548)	(660,548)		(660,548)
Net changes in items other than shareholders' equity									–
Total changes during period	3,552	3,552	–	3,552	–	(660,548)	(660,548)	–	(653,443)
Balance at end of period	1,510,203	1,759,702	926,643	2,686,346	–	(1,404,655)	(1,404,655)	(2)	2,791,891

	Share acquisition rights	Total net assets
Balance at beginning of period	11,729	3,457,065
Changes during period		
Issuance of new shares		7,105
Net loss		(660,548)
Net changes in items other than shareholders' equity	11,866	11,866
Total changes during period	11,866	(641,577)
Balance at end of period	23,596	2,815,487

Fiscal year ended December 31, 2025

(Thousands of yen)

	Shareholders' equity								
		Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
	Share capital	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at beginning of period	1,510,203	1,759,702	926,643	2,686,346	–	(1,404,655)	(1,404,655)	(2)	2,791,891
Changes during period									
Issuance of new shares	329,735	329,735		329,735					659,471
Capital reduction	(702,327)	(702,327)	1,404,655	702,327					–
Deficit disposition			(1,404,655)	(1,404,655)		1,404,655	1,404,655		–
Net loss						(716,058)	(716,058)		(716,058)
Net changes in items other than shareholders' equity									–
Total changes during period	(372,591)	(372,591)	–	(372,591)	–	688,596	688,596	–	(56,587)
Balance at end of period	1,137,611	1,387,110	926,643	2,313,754	–	(716,058)	(716,058)	(2)	2,735,304

	Share acquisition rights	Total net assets
Balance at beginning of period	23,596	2,815,487
Changes during period		
Issuance of new shares		659,471
Capital reduction		–
Deficit disposition		–
Net loss		(716,058)
Net changes in items other than shareholders' equity	12,230	12,230
Total changes during period	12,230	(44,356)
Balance at end of period	35,826	2,771,131

(4) Statement of Cash Flows

(Thousands of yen)

	Fiscal year ended February 28, 2025	Fiscal year ended December 31, 2025
Cash flows from operating activities		
Loss before income taxes	(659,598)	(715,267)
Depreciation	3,709	262
Interest and dividend income	(342,613)	0
Impairment losses	26,572	3,709
Increase (decrease) in provision for bonuses	1,244	(4,200)
Share-based payment expenses	18,052	18,033
Share issuance costs	–	2,594
Issuance cost of share acquisition rights	–	10,557
Decrease (increase) in inventories	(405)	281
Decrease (increase) in advance payments to suppliers	(13,230)	16,622
Decrease (increase) in consumption taxes refund receivable	8,375	12,182
Increase (decrease) in accrued expenses	61,132	(31,336)
Increase (decrease) in accounts payable - other	58,642	(7,410)
Increase/decrease in other assets/liabilities	2,699	(17,795)
Subtotal	(835,419)	(711,766)
Payment of license fees	–	(67,173)
Interest and dividends received	342,613	0
Income taxes paid	(950)	(950)
Net cash provided by (used in) operating activities	(493,756)	(779,890)
Cash flows from investing activities		
Purchase of property, plant and equipment	(30,843)	(2,544)
Net cash provided by (used in) investing activities	(30,843)	(2,544)
Cash flows from financing activities		
Proceeds from issuance of shares resulting from exercise of share acquisition rights	919	649,714
Payments for issuance of share acquisition rights	–	(9,197)
Net cash provided by (used in) financing activities	919	640,516
Net increase (decrease) in cash and cash equivalents	(523,679)	(141,917)
Cash and cash equivalents at beginning of period	3,446,630	2,922,950
Cash and cash equivalents at end of period	2,922,950	2,781,032

(5) Notes to Financial Statements

Notes on Premise of Going Concern

Not applicable.

Income (Loss) of Entities Accounted for Using Equity Method

Not applicable.

Notes on Segment Information

[Segment information]

Segment information is omitted as the Company operates a single segment of drug development business.

Per Share Information

(Yen)

	Fiscal year ended February 28, 2025	Fiscal year ended December 31, 2025
Net assets per share	69.23	60.14
Basic loss per share	(16.38)	(16.08)

Notes: 1. Diluted earnings per share is not stated because, although potential shares exist, a basic loss per share was recorded.

2. Basis for calculation of basic loss per share is as follows:

	Fiscal year ended February 28, 2025	Fiscal year ended December 31, 2025
Net loss (Thousands of yen)	(660,548)	(716,058)
Value not attributable to shareholders of common shares (Thousands of yen)	–	–
Net loss related to common shares (Thousands of yen)	(660,548)	(716,058)
Average number of common shares outstanding during the period (Shares)	40,318,372	44,524,697
Overview of potential shares not included in the calculation of the diluted earnings per share because of the lack of dilution effects	6 types of share acquisition rights (Number of share acquisition rights: 55,806 units, potential shares: 2,344,080 shares)	8 types of share acquisition rights (Number of share acquisition rights: 84,714 units, potential shares: 5,242,380 shares)

3. Basis for calculation of net assets per share is as follows:

	As of February 28, 2025	As of December 31, 2025
Total net assets (Thousands of yen)	2,815,487	2,771,131
Amount deducted from total net assets (Thousands of yen)	23,596	35,826
[of which, share acquisition rights (Thousands of yen)]	[23,596]	[35,826]
Net assets related to common shares (Thousands of yen)	2,791,891	2,735,304
Number of common shares used to calculate net assets per share (Shares)	40,330,057	45,485,757