SymBio Pharmaceuticals Limited

Summary of Consolidated Financial Statements for the First Three Months of Fiscal Year Ending December 31, 2024 [Japanese GAAP]

May 7, 2024

Company Name	**SymBio Pharmaceuticals Limited**	Listing: Tokyo Stock Exchange	
Securities Code	4582	URL: https://www.symbiopharma.com/	
Representative	Representative Director, President and Chief Executive Officer	Fuminori Yoshida	
Contact Person	Executive Vice President, Corporate Officer and Chief Financial Officer	Takaaki Fukushima	TEL +81-3-5472-1125
Scheduled Date to File Quarterly Report	May 8, 2024	Date of Dividend Payment (plan)	–

Supplementary materials for the quarterly financial statements: Yes ・ No

Holding of quarterly earnings performance review: Yes ・ No

(Amounts of less than one million yen are rounded down.)

1. Business Results for the First Three Months of FY 2024 (January 1, 2024 to March 31, 2024)

(1) Consolidated Operating Results (cumulative) (Percentages indicate year-on-year changes.)

	Net Sales		Operating Profit		Ordinary Profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Q1 FY 2024	597	(61.3)	(806)	–	(727)	–	(777)	–
Q1 FY 2023	1,544	(33.3)	51	(89.9)	48	(89.9)	4	(97.3)

(Note) Comprehensive income: Q1 FY 2024 (767) million yen [－%]
Q1 FY 2023 4 million yen [(97.2)%]

	Earnings per Share	Diluted Earnings per Share
	Yen	Yen
Q1 FY 2024	(18.03)	–
Q1 FY 2023	0.11	0.11

(Note) Diluted earnings per share is not stated due to recording of a net loss per share, despite the potential dilution of shares.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Millions of yen	Millions of yen	%
Q1 FY 2024 (as of March 31, 2024)	7,716	6,998	86.9
FY 2023 (as of December 31, 2023)	8,170	7,209	84.9

(Reference) Shareholders' equity: Q1 FY 2024 (as of March 31, 2024) 6,704 million yen
FY 2023 (as of December 31, 2023) 6,932 million yen

2. Dividends

	Annual Dividend per Share				
	1st Quarter	2nd Quarter	3rd Quarter	Fiscal Year End	Full Year
	Yen	Yen	Yen	Yen	Yen
FY 2023	–	0.00	–	0.00	0.00
FY 2024	–				
FY 2024 (Forecast)		0.00	–	0.00	0.00

(Note) Revision of dividend forecasts most recently announced: Yes ・ No

3. Earnings Forecast for FY 2024 (January 1, 2024 to December 31, 2024)

(Percentages indicate year-on-year changes.)

	Net Sales		Operating Profit (Loss)		Ordinary Profit (Loss)		Profit (Loss) attributable to owners of parent		Earnings (Loss) per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full Year	2,623	(53.1)	(3,702)	–	(3,524)	–	(3,628)	–	(84.15)

(Note) Revision of earnings forecasts most recently announced: Yes ・ No

Notes:

(1) Changes in significant subsidiaries during the period: Yes ・ No

(Transfer of specified subsidiary accompanying a change in the scope of consolidation)

New: None

Removed: None

(2) Application of special accounting treatment in preparing the quarterly financial statements: Yes ・ No

(3) Changes in accounting policies, changes in accounting estimates and restatements after error corrections

(a) Changes in accounting policies due to revision of accounting standards: Yes ・ No

(b) Changes in accounting policies due to other reasons: Yes ・ No

(c) Changes in accounting estimates: Yes ・ No

(d) Restatements after error corrections: Yes ・ No

(4) Number of issued shares (common stock)

(i) Total number of issued shares at the end of the period (including treasury shares)	Q1 FY 2024	44,840,531 shares	FY 2023	42,278,081 shares
(ii) Total number of treasury shares at the end of the period	Q1 FY 2024	89,229 shares	FY 2023	87,720 shares
(iii) Average number of shares during the period (cumulative)	Q1 FY 2024	43,113,722 shares	Q1 FY 2023	39,530,266 shares

* Summary of the quarterly financial statements is not subject to quarterly reviews by certified public accountants or accounting corporations.

* Explanation regarding the appropriate use of earnings forecasts and other matters

All forecasts presented in this document, including earnings forecasts, are based on the information currently available to the Company and assumptions determined by the Company to be reasonable. Actual results may differ substantially from these forecasts due to various factors. Regarding the assumptions on which the Company's earnings forecasts are based and their usage, please refer to "1. Qualitative Information on Quarterly Financial Results (3) Explanation of consolidated earnings forecast and other forward-looking information" on Page 4 of the Appendix.

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1. Qualitative Information on Quarterly Financial Results

(1) Business results

Progress of business of the Company and subsidiary ("the Group") for the first nine months of the fiscal year under review is as follows.

(i) Business results for the period under review

Currently, TREAKISYM® 100mg/4mL ready-to-dilute liquid formulation (TREAKISYM® RTD) is approved for rapid injection (RI) administration. RI shortens the infusion time from 60 to 10 minutes, benefitting both patients and healthcare providers. Compared to freeze-dried formulations, TREAKISYM® RTD eliminates the need for manual reconstitution and significantly reduces preparation time. RI administration has the further benefit of reduced infusion volume (from 250 ml to 50 ml), meaning a lower volume of saline solution is used.

As of the end of March 2024, more than 90% of medical institutions had converted to RI administration.

Sales were 597,865 thousand yen(a reduction of 61.3% year on year). Prescriptions for bendamustine continue to be impacted by concerns about the possibility of prolonged or severe infection during or after treatment. In addition, sales were impacted by the NHI drug price revision, which appears to be causing hospitals to reduce their inventories.

Selling, general and administrative expenses totaled 1,277,804 thousand yen (up 6.4% year on year). This amount includes research and development expenses of 691,410 thousand yen (up 23.97% year on year).

As a result, operating loss was 806,702 thousand yen (versus an operating profit of 51,246 thousand yen for the same period in FY 2023) and ordinary loss was 727,265 thousand yen (versus an ordinary profit 48,326 thousand yen for the same period in FY 2023). Loss attributable to owners of parent amounted to 777,397 thousand yen (versus a profit attributable to owners of parent of 4,455 thousand yen for the same period in FY 2023).

In February 2022, generic bendamustine products from four companies were approved for manufacturing and two of these products started to be sold in Japan. Given the potential infringement of the patents related to TREAKISYM® in Japan which are exclusively licensed to the Company from Eagle Pharmaceuticals, Inc (head office: New Jersey, U.S.; hereinafter "Eagle"), the Company in coordination with Eagle notified four generic makers of potential patent infringement and, in December 2022, commenced litigation against the makers of the generic products, Towa Pharmaceutical Co., Ltd. (head office: Osaka) and Pfizer Japan Inc. (head office: Tokyo), seeking an injunction against the manufacture and sale of the products and compensation for damages arising from the infringement. This proceedings in both cases are ongoing.

Segment information has been omitted as the Group operates within a single segment, which includes the research and development, manufacturing, and marketing of pharmaceutical drugs and other related activities.

(ii) Research and development activities

During the first three months of FY 2024, we conducted the following research and development activities.

(a) Antiviral drug: SyB V-1901 (intravenous formulation) (generic name: brincidofovir [BCV])

With a view to global expansion, the Group is developing brincidofovir (SyB V-1901, hereinafter "IV BCV" and "Oral BCV", respectively), an antiviral drug in-licensed from Chimerix, Inc. with their broad activity against double-stranded DNA viruses (dsDNA viruses). The Group is conducting joint research with leading research facilities in Japan and overseas. Global clinical trials will be considered and implemented based on the scientific findings of the research.

The Group is prioritizing the global development of BCV IV, focusing on Japan, the United States, and Europe, for the treatment of adenovirus infection in immunocompromised patients, such as those who have had hematopoietic stem cell transplantation or organ transplantation. In March 2021, the group submitted an Investigational New Drug (IND) Application to the U.S. Food and Drug Administration (FDA) to initiate a Phase II clinical trial for the treatment of adenovirus infection and infectious diseases, primarily in pediatric patients (including adults). in immunocompromised patients with adenovirus (AdV) infection

In April 2021, the program was granted Fast Track designation by the FDA, and in May 2023, this study established human POC for BCV. Positive data demonstrating the efficacy of the study was presented orally at the 65th Annual Meeting of the American Society of Hematology in December 2023, and subsequent oral presentations were given at other major conferences, including the 2024 U.S. Tandem Meetings in February 2024, and the 50th Annual Meeting of the European Society for Blood and Marrow Transplantation (EBMT) in April 2024. Additionally, a patent for the use of BCV for the treatment of adenovirus infection and

infectious diseases based on these results was granted and registered in Japan in January 2024.

The Group submitted clinical trial notifications for a Phase II study of IV BCV in patients with BK virus (BKV) infection after kidney transplantation to the Pharmaceuticals and Medical Devices Agency (PMDA) of Japan and the Therapeutic Goods Administration (TGA) of Australia, in May and August 2022. The investigational drug was administered to the first subject in December 2022. Although the trial was planned to be completed in 2025, due to enrollment delays, we will discuss modifications to the protocol will researchers.

The Group is also investigating the use of BCV to treat multiple sclerosis, an intractable disease that has recently been shown to be associated with Epstein-Barr virus (EBV). In August 2022, the Company entered into a collaboration agreement with the National Institute of Neurological Disorders and Stroke (NINDS), part of the U.S. National Institutes of Health (NIH), for the transfer of materials to evaluate the antiviral effect of BCV in EBV. In March 2023, the Company entered into a Cooperative Research and Development Agreement (CRADA) for BCV with NINDS for research to verify the efficacy of BCV as an anti-viral therapeutic for EBV in the treatment of multiple sclerosis, and to obtain necessary data with a view to future clinical trials. In October 2023 , the results of the research were presented by Dr. Maria Chiara Monaco at the 9th Joint ECTRIMS-ACTRIMS Meeting in Milan, Italy. In April 2023, the Company entered into a CRADA with the National Institute of Allergy and Infectious Diseases (NIAID), part of NIH in the U.S., to investigate the efficacy of BCV in the treatment of EBV associated lymphoproliferative diseases.

Among dsDNA viruses, polyomaviruses are known to cause serious diseases through their infection. As existing antiviral drugs show little efficacy, a high medical need exists for the development of an effective treatment. In November 2022, the Group entered into Material Transfer Agreement with Penn State College of Medicine whereby the Group will provide BCV for use in a non-clinical study to evaluate the efficacy of BCV in a mouse model of polyomavirus infection.

Some dsDNA viruses, such as herpes simplex virus type 1 (HSV1) and varicella zoster virus (VZV), are directed against cranial nerve tissues. Recent research has advanced on the involvement of the reactivation of those viruses in various serious diseases of the nervous system, including Alzheimer's disease. In December 2022, the Group entered into a Sponsored Research Agreement with Tufts University to conduct research to evaluate the efficacy of BCV in a HSV infection model using a 3D (three-dimensional) brain model developed by Tufts University.

In addition to its strong antiviral effect, BCV also is expected to have an antitumor effect, and the Group is exploring BCV's potential in indications such as EBV-positive lymphoma, refractory brain tumors, and other cancers, through research collaborations with the National Cancer Centre Singapore (NCCS) and the University of California San Francisco (UCSF) Brain Tumor Center. In December 2022, the results of collaborative research with NCCS on the therapeutic efficacy of BCV in the treatment of NK/T-cell lymphoma, for which no effective treatment is currently available, were presented by Dr. Jason Chan at the 64th American Society of Hematology (ASH) Annual Meeting in New Orleans. Additionally, in June 2023, the results of its research collaboration with NCCS on BCV were presented at the 17th International Conference on Malignant Lymphoma (ICML) in Lugano, Switzerland.

In April 2024, the anti-tumor effect of brincidofovir on B-cell lymphoma was presented orally at the AACR Annual Meeting 2024, held in San Diego, California.

In September 2022, Chimerix announced the close of the sale of its brincidofovir business to Emergent BioSolutions (headquartered in Maryland, USA). The sale does not affect our exclusive worldwide license of the rights for development, manufacturing, and marketing of BCV in all indications except orthopox diseases.

In March 2024, the group established a subsidiary, SymBio Pharma Ireland Limited (Dublin, Ireland), after which orphan drug designations for the prevention of adenovirus and cytomegalovirus infections in immunocompromised patients were transferred to the subsidiary from Emergent BioSolutions Ltd.

(b)Anticancer agents: SSyB L-1701 (RTD formulation), and SyB L-1702 (RI administration) (generic name: bendamustine hydrochloride or bendamustine hydrochloride hydrate, trade name: TREAKISYM®)

In February 2022, clinical trials on the safety of RI administration were completed and a partial change to our marketing authorization was approved to permit the use of RI injection for all indications approved for the RTD formulation.

The Group continues to actively conduct further research on TREAKISYM®, such as ongoing joint research with the University of Tokyo and Kyoto University, to explore new potential uses and development of the drug.

(c) Anticancer agents: SyB L-1101 (intravenous formulation) and SyB C-1101 (oral formulation) (generic name: rigosertib sodium)

Rigosertib is in-licensed from Onconova Therapeutics, Inc. (head office: Pennsylvania, U.S.), .The Group is collaborating with the University of Tokyo to conduct research to identify new potential indications or applications for the drug either alone or in combination with other existing drugs (including TREAKISYM®).

In April 2024, Onconova Therapeutics and Trawsfynydd Therapeutics, Inc. merged to form Traws Pharma, Inc. (head office: Pennsylvania, U.S.).

(iii) Business outside Japan

In April 2024, the Group appointed John Houghton as CEO and President of SymBio Pharma USA, Inc., to further strengthen the Group's global development structure and make SymBio Pharma USA, Inc. the driving force for our international clinical trials as we move forward with our global development plan for IV BCV, further accelerate development in Europe, the U.S., Japan, and the U.K., and develop activities to achieve commercialization.

(iv) Licensing of new drug candidates

As a biopharmaceutical company with profitability and growth potential, the Group will promote the global development of BCV, an antiviral drug introduced in 2019, and will continue to evaluate promising new drug candidates for in-licensing. Through these efforts, the Group aims to create medium-to long-term business value.

(2) Summary of financial position

Total consolidated assets at the end of the first quarter of the current fiscal year stood at 7,716,432 thousand yen. Current assets totaled 7,628,716 thousand yen, mainly consisting of cash and deposits of 6,545,897 thousand yen, accounts receivable of 472,730 thousand yen, and merchandise and finished goods of 172,540 thousand yen. Noncurrent assets totaled 87,716 thousand yen, mainly consisting of leasehold and guarantee deposits .

Total liabilities were 718,352 thousand yen. Current liabilities totaled 714,590 thousand yen, mainly consisting of 663,677 thousand yen in accounts payable-other. Non-current liabilities were 3,762 thousand yen, in liabilities for retirement benefits accounted.

Total net assets totaled 6,998,079 thousand yen. This includes 18,222,653 thousand yen in capital stock, 18,197,544 thousand yen in capital surplus, and 293,304 thousand yen in share acquisition rights.

As a result, the equity ratio was 86.9%.

(3) Explanation of consolidated earnings forecasts and other forward-looking information

The NHI price of TREAKISYM® has declined due to a reduction in the premium for new drug creation following the launch of generic drug products. As a result, sales in the first quarter were lower than expected due to the impact of inventory adjustments prior to the application of the new drug price which became effective in April 2024.

A downward trend in prescriptions per case of malignant lymphoma due to the epidemic in infectious diseases is expected to continue, and the market share of generic drug products is expected to gradually increase going forward. As it is expected to be difficult to recover the sales decline of the first quarter from the second quarter onward, the Company has lowered its sales forecast for the fiscal year ending December 31, 2024, by 1,018 million yen (a decrease of 28.0%) to 2,623 million yen.

Although R&D expenses are expected to be 3,409 million yen (up 201 million yen from the previous forecast) due to steady progress in clinical trials, selling, general and administrative expenses were generally in line with the forecast due to a review of other expenses. As a result of the impact of the significant decrease in gross profit due to the decline in net sales, the Company has revised its forecasts for operating loss of 3,702 million yen (a reduction of 865 million yen compared to the previous forecast), ordinary loss of 3,524 million yen (a reduction of 657 million yen compared to the previous forecast), and net loss attributable to owners of the parent of 3,628 million yen (a reduction of 758 million yen compared to the previous forecast).

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly consolidated balance sheet

(Unit: thousands of yen)

	FY 2023 (as of December 31, 2023)	Q1 FY 2024 (as of March 31, 2024)
Assets		
Current assets		
Cash and deposits	6,517,007	6,545,897
Accounts receivable–trade	913,094	472,730
Merchandise and finished goods	231,650	172,540
Prepaid expenses	119,271	133,678
Income taxes refund receivable	—	10,812
Other	301,504	293,055
Total current assets	8,082,526	7,628,716
Non-current assets		
Investments and other assets		
Leasehold and guarantee deposits	87,716	87,716
Total investments and other assets	87,716	87,716
Total non-current assets	87,716	87,716
Total assets	8,170,243	7,716,432
Liabilities		
Current liabilities		
Accounts payable	853,825	663,677
Provision for office transfer	16,784	—
Income taxes payable	18,474	—
Other	67,540	50,913
Total current liabilities	956,625	714,590
Non-current liabilities		
Liabilities for retirement benefits	3,709	3,762
Total non-current liabilities	3,709	3,762
Total liabilities	960,334	718,352

(Unit: thousands of yen)

	FY 2023 (as of December 31, 2023)	Q1 FY 2024 (as of March 31, 2024)
Net assets		
Shareholders' equity		
Share capital	17,952,692	18,222,653
Capital surplus	17,927,584	18,197,544
Retained earnings	(28,852,303)	(29,629,217)
Treasury shares	(89,122)	(89,450)
Total shareholders' equity	6,938,849	6,701,530
Accumulated other comprehensive income		
Foreign currency translation adjustment	(5,985)	3,244
Total accumulated other comprehensive income	(5,985)	3,244
Share acquisition rights	277,044	293,304
Total net assets	7,209,909	6,998,079
Total liabilities and net assets	8,170,243	7,716,432

(2) Quarterly consolidated statement of income and consolidated statement of comprehensive income

Quarterly consolidated statement of income for the first three months of FY 2024

(Unit: thousands of yen)

	Q1 FY 2023 (from January 1, 2023 to March 31, 2023)	Q1 FY 2024 (from January 1, 2024 to March 31, 2024)
Net sales	1,544,813	597,865
Cost of sales	301,555	126,763
Gross profit	1,243,257	471,101
Selling, general and administrative expenses	1,192,011	1,277,804
Operating profit (loss)	51,246	(806,702)
Non-operating income		
Interest income	142	770
Foreign exchange gains	2,992	84,398
Other	—	260
Total non-operating income	3,135	85,430
Non-operating expenses		
Commission expenses	5,712	2,548
Share issuance costs	343	3,443
Total non-operating expenses	6,055	5,992
Ordinary profit (loss)	48,326	(727.265)
Extraordinary income		
Gain on reversal of share acquisition rights	2,496	—
Total extraordinary income	2,496	—
Extraordinary loss		
Impairment loss	–	49,182
Total extraordinary loss	–	49,182
Profit (loss) before income taxes	50,823	(776,447)
Income taxes - current	3,547	950
Income taxes - deferred	42,820	—
Total income taxes	46,367	950
Profit (loss)	4,455	(777,397)
Profit attributable to non-controlling interests	–	–
Profit (loss) attributable to owners of parent	4,455	(777,397)

Quarterly consolidated statement of comprehensive income for the first three months of FY 2024

(Unit: thousands of yen)

	Q1 FY 2023 (from January 1, 2023 to March 31, 2023)	Q1 FY 2024 (from January 1, 2024 To March 31, 2024)
Profit (loss)	4,455	(777,397)
Accumulated other comprehensive income		
Foreign currency translation adjustment	75	9,713
Total other comprehensive income	75	9,713
Comprehensive income	4,531	(767,683)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,531	(767,683)
Comprehensive income attributable to non-controlling interests	–	–

(3) Notes to quarterly consolidated financial statements

(Notes to going concern assumptions)

None to be reported.

(Notes in case of significant changes to shareholders' equity)

In the first three months of FY 2024, the Company issued new shares due to the exercise of some of share acquisition rights pertaining to the 41rd, 49rd, 53rd and 55th warrants. As a result, share capital increased by 3,709 thousand yen and capital surplus increased by 3,709 thousand yen. The total value of treasury shares increased 327 thousand yen as a result of share repurchases. In addition, the Company received payment for the third-party allotment of new shares from EVO FUND on February 7 and March 18, 2024, increasing capital stock by 266,250 yen and capital surplus by 266,250 thousand yen.

As a result, as of March 31, 2024, consolidated share capital was 18,222,653 thousand yen, capital surplus was 18,197,544 thousand yen, and the total value of treasury shares was 89,450 thousand yen.

(Accounting policy changes)

None to be reported.

(Significant subsequent events)

1. Issuance of the 61th warrant (stock options)

On April 19, 2024, the Company issued and granted share acquisition rights in the form of stock options to six directors (excluding directors who are Audit & Supervisory Committee Members) as indicated below. This issuance of share acquisition rights was pursuant to a resolution approved by the Board of Directors on March 22, 2024.

Number of share acquisition rights	7,832 units
Class and number of shares to be issued upon the exercise of share acquisition rights	195,800 common shares
Issue price of share acquisition rights and total issue amount	Issue price: 4,325 yen Total issue amount: 33,873,400 yen
Amount to be paid in for share acquisition rights	Amount to be paid in per share: 173 yen As the amount to be paid for the stock acquisition rights is provided to the recipient in lieu of compensation, each recipient is required to waive his or her claim to the corresponding amount of compensation against the Company.
Exercise price of share acquisition rights	Exercise price per share: 1 yen
Exercise period of share acquisition rights	From March 23, 2027 to March 22, 2034
Conditions for the exercise of share acquisition rights	(1) Individuals to whom these share acquisition rights are granted must hold a position as a director or employee of the Company or with an affiliate to exercise these rights. However, this will not apply to directors at the Company or its affiliates who have left their positions due to expiry of their terms of offices, employees at the Company or its affiliates who have retired as a result of reaching retirement age or directors or employees at the Company or its affiliates who have been deemed to have left their positions or retired amicably by the Board of Directors. (2) Other conditions will be established in the Share Acquisition Rights Allocation Agreement concluded between the Company and the employees.
Increase in share capital in case of the issuance of shares through the exercise of share acquisition rights	Increase in share capital related to the issuance of shares through the exercise of share acquisition rights shall equal to one half of the maximum amount by which share capital can be increased as calculated in accordance with Article 17 of the Ordinance on Company Accounting. Any fraction less than one yen shall be rounded up to the nearest one yen.
Matters regarding transfer of share acquisition rights	Transfers will require approval from the Board of Directors.

2. Issuance of the 62th warrant (stock options)

On April 19, 2024, the Company issued and granted share acquisition rights in the form of stock options to 103 employees as indicated below. This issuance of share acquisition rights was based on a resolution by the Board of Directors on March 22, 2024.

Number of share acquisition rights	43,040 units
Class and number of shares to be issued upon the exercise of share acquisition rights	1,076,000 common shares
Issue price of share acquisition rights and total issue amount	Issue price: 4,325 yen Total issue amount: 186,148,000 yen
Amount to be paid in for share acquisition rights	Exercise price per share: 173 yen As the amount to be paid for the stock acquisition rights is provided to the recipient in lieu of compensation, each recipient is required to waive his or her claim to the corresponding amount of compensation against the Company.
Exercise price of share acquisition rights	Exercise price per share: 1 yen
Exercise period of share acquisition rights	From March 23, 2027 to March 22, 2034
Conditions for the exercise of share acquisition rights	(1) Individuals to whom these share acquisition rights are granted must hold a position as a director or employee of the Company or with an affiliate to exercise these rights. However, this will not apply to directors at the Company or its affiliates who have left their positions due to expiry of their terms of offices, employees at the Company or its affiliates who have retired as a result of reaching retirement age or directors or employees at the Company or its affiliates who have been deemed to have left their positions or retired amicably by the Board of Directors. (2) Other conditions will be established in the Share Acquisition Rights Allocation Agreement concluded between the Company and the directors.
Increase in share capital in case of the issuance of shares through the exercise of share acquisition rights	Increases in share capital related to the issue of shares through the exercise of share acquisition rights shall be equal to one half of the maximum amount by which share capital can be increased as calculated in accordance with Article 17 of the Ordinance on Company Accounting. Any fraction less than one yen shall be rounded up to the nearest one yen.
Matters regarding transfer of share acquisition rights	Transfers will require approval from the Board of Directors.

3. Execution of agreement establishing share issuance program and issuance of new shares by way of third-party allotment

On October 6, 2023 (the "Initial Press Release"), the Company announced that the Company's Board of Directors, at a meeting held on the same date, had resolved to enter into an agreement with EVO FUND (the "Allottee") to set up an equity issue program (the "Agreement to Set up an Equity Issue Program"), and based on the equity issue program established under the Agreement to Set up an Equity Issue Program (the "Program"), to issue new shares in five tranches (shares issued to the Allottee, whether individually or collectively, under the Program are referred to as the "Shares").

The Company is authorized to issue up to a total of 6,000,000 ordinary shares by way of third-party allotment to the allottees in the period from 25 October 2023 to 3 April 2024, with ordinary shares to be issued by way of a total of five allotments, from the first to the fifth allotment.

As at the date of submission, the new shares to be issued by way of third-party allotment are as follows.

(5th allotment)

Payment was completed on April 19, 2024

1	Class and Numbers Shares Offered	1,050,000 common shares
2	Issue Price	187 yen per share
3	Capital inclusion amount	93.5 yen per share
4	Total Issue Price	196,350,000 yen
5	Increases in Capital Stock and Legal Capital Surplus	98,175,000 yen
6	Allotment resolution date	April 3, 2024
7	Deadline for Application	April 19, 2024
8	Due Date of Payment	April 19, 2024
9	Allottee	EVO FUND
10	Specific uses	(1) Development funds for antiviral drug brincidofovir (direct expenses (2) Development funds for antiviral drug brincidofovir (indirect expenses) (3) Investment in new in-licensing and M&A for the purpose of securing long-term growth opportunities.