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MEMBERSHIP
May 15, 2024

Summary of Consolidated Financial Results for the First Three Months of the Fiscal Year Ending December 31, 2024 (JGAAP)

Listed company's name: RaQualia Pharma Inc.
Listed on: Tokyo Stock Exchange (TSE)
Stock code: 4579
URL: <https://www.raqualia.com/en/index.html>
Representative: Hirobumi Takeuchi, President and CEO
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Scheduled date of filing of quarterly securities report: May 15, 2024
Scheduled date of dividend payment: —
Supplementary documents for quarterly results: Yes
Quarterly results briefing: Yes

(Amounts are rounded down to the nearest million yen.)

1. Consolidated financial results for the first three months of the fiscal year ending December 31, 2024 (January 1, 2024 to March 31, 2024)

(1) Consolidated operating results (cumulative)

(Percentage figures represent changes from the same period of the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
First three months ended March 31, 2024	648	75.1	44	—	(77)	—	(78)	—
March 31, 2023	370	9.2	(108)	—	(110)	—	(148)	—

Note: Comprehensive income Three months ended March 31, 2024: (122) million yen [–%]
Three months ended March 31, 2023: (51) million yen [–%]

	Earnings per share (Basic)	Earnings per share (Diluted)
First three months ended	yen	yen
March 31, 2024	(3.61)	—
March 31, 2023	(6.88)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	million yen	million yen	%
March 31, 2024	10,689	5,994	55.9
December 31, 2023	6,871	6,120	88.7

Reference: Equity As of March 31, 2024: 5,972 million yen As of December 31, 2023: 6,094 million yen

2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	yen	yen	yen	yen	yen
Fiscal year ended December 31, 2023	—	0.00	—	0.00	0.00
Fiscal year ending December 31, 2024	—				
Fiscal year ending December 31, 2024 (forecast)		0.00	—	0.00	0.00

Note: Revisions to the forecasts of dividends most recently announced: None

3. Forecasts of consolidated financial results for the fiscal year ending December 31, 2024 (January 1, 2024 to December 31, 2024)

(Percentage figures represent year-on-year changes)

Fiscal year ending December 31, 2024	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share (Basic)
	million yen	%	million yen	%	million yen	%	million yen	%	yen
	4,535	138.5	313	—	290	—	236	—	10.91

Note: Revisions to the forecasts of results most recently announced: None

* As the Company conducts performance management on an annualized basis, forecasts of results over a six-month period are not presented.

*** Notes**

(1) Changes in significant subsidiaries during the first three months ended March 31, 2024 (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Application of special accounting for preparing quarterly consolidated financial statements: Yes

Note: For more details, please refer to the section of“(4) Notes to quarterly consolidated financial statements (Application of special accounting for preparing quarterly consolidated financial statements)” of “2. Quarterly consolidated financial statements and significant notes thereto” on page 10 of the attached material.

(3) Changes in accounting policies, changes in accounting estimates, and restatements of prior financial statements

a. Changes in accounting policies due to the revisions to accounting standards and other regulations: None

b. Changes in accounting policies due to other reasons: None

c. Changes in accounting estimates: None

d. Restatements of prior financial statements: None

(4) Number of issued shares (common shares)

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

As of March 31, 2024	21,623,281 shares
As of December 31, 2023	21,623,281 shares

b. Total number of treasury shares at the end of the period

As of March 31, 2024	51 shares
As of December 31, 2023	51 shares

c. Average number of outstanding shares during the period (cumulative from the beginning of the fiscal year)

For the first three months ended March 31, 2024	21,623,230 shares
For the first three months ended March 31, 2023	21,574,786 shares

*** Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.**

*** Appropriate use of financial forecasts and other special remarks**

(Caution concerning forward-looking statements)

Forward-looking statements provided in this document, including financial forecasts, are based on the information currently available to the Company and certain assumptions considered reasonable. Such statements are included without any guarantee as to their future achievement. Actual results, etc. may differ materially from the forecasts depending on various factors.

(Method of accessing supplementary documents for financial results and details of financial results briefing)

The Company plans to hold a financial results briefing via live webcast for the first three months on Friday, May 17, 2024. The Company plans to post the documents used at the briefing on its website promptly after the briefing is held.

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1. Qualitative information regarding settlement of accounts for the first three months

(1) Qualitative information regarding consolidated operating results

1) Financial results

During the first three months of the fiscal year ending December 31, 2024, the recovery of the Japanese economy was at a standstill, although business confidence generally improved. According to the Bank of Japan's quarterly short-term economic survey (March 2024 survey), while business sentiment among large enterprises in the non-manufacturing sector rose for the eighth consecutive quarter on the back of a recovery in inbound demand and other factors, business sentiment among large enterprises in the manufacturing sector deteriorated for the first time in four quarters, mainly due to the suspension of automobile shipments caused by misconduct issues at some manufacturers. While corporate capital investment was strong overall, cost increases and changes in cost structures weighed on capital investment among small and medium-sized enterprises.

In the pharmaceutical industry, the Ministry of Health, Labour and Welfare has announced the NHI drug price revision for FY2024, which took place in April. The revision rate is -0.97% on a medical cost basis and -4.67% on a drug cost basis. In this revision, the rules for the "premium to promote the development of new drugs and eliminate off-label use," which is positioned as a measure to "eliminate drug lag/drug loss," have been changed. While the "company index," which differentiates premiums according to each company's new drug development track record, was abolished, a review was conducted to exclude items for which the discrepancy between the NHI drug price and the actual market price exceeds the average as well as items from companies that have not developed any new drugs in the past five years. As a result, a total of 506 items with 314 ingredients are subject to this premium. The pre-revision NHI drug prices will be maintained for these items, and the total amount of premiums is expected to be an estimated 31.4 billion yen.

Such industry trends as these had no small impact on the business development activities of drug discovery startups, like the Group, that operate a drug discovery business.

Under such conditions, the Group achieved the following financial results during the first three months.

Regarding human drug products that are already on the market, sales of K-CAB[®] (generic name: tegoprazan)—a drug for gastroesophageal reflux disease marketed by HK inno.N Corporation (headquarters: Osong, South Korea, "HK inno.N")—in South Korea continued to perform well from the previous year. External prescription data totaled 45.2 billion won (an increase of 26.8% year on year, equivalent to approximately 4.9 billion yen at 0.11 yen to the won) with contribution from the co-promotion with Boryung Pharm Group that started in January 2024. Tegoprazan's share in the South Korean gastric acid secretion inhibitor market grew to 14%, continuing to maintain the No. 1 share.

Global expansion of tegoprazan is also progressing well. The Company has executed exclusive license agreements with HK inno.N for the development, marketing, and manufacturing of tegoprazan with sublicensing rights. As of the end of the first three months ended March 31, 2024, companies that have entered into the license agreements with HK inno.N (the "sublicensees") are engaged in development, manufacturing, and marketing in 35 countries outside of South Korea. During the first three months ended March 31, 2024, sublicensee Laboratorios Carnot (headquarters: Mexico City, Mexico) received marketing approvals from local authorities in four countries: Chile, Dominican Republic, Honduras, and Nicaragua. As a result, the Company received a lump-sum payment from HK inno.N based on the agreement with HK inno.N. As of the end of the first three months ended March 31, 2024, tegoprazan are now being marketed in 8 countries: South Korea, China, Mongolia, the Philippines, Mexico, Indonesia, Singapore, and Peru.

With regard to pet drugs, sales were strong from last year for GALLIPRANT[®] (generic name: grapiprant), which is a drug for osteoarthritis in dogs, and ENTyce[®] (generic name: capromorelin), which has an indication for anorexia management for dogs, and ELURA[®] (generic name: capromorelin), which has an indication for weight loss management in cats with chronic kidney failure, all of which were licensed to Elanco Animal Health Inc. (headquarters: Indiana, U.S., "Elanco"). With regard to ELURA[®], in February 2024, Elanco received approval from the Ministry of Agriculture, Forestry and Fisheries to manufacture and market it in Japan. Preparations are underway by Elanco for the product launch, as in Europe, where it received manufacturing and marketing approval in 2023.

Other licensed programs are also in the pre-clinical development stage or later at licensee and sublicensee companies. During the first three months ended March 31, 2024, Xgene Pharmaceutical Pty Ltd., a subsidiary of Xgene Pharmaceutical Co., Ltd. (headquarters: Hong Kong, "Xgene") received approval from the local research ethics committee to conduct a Phase I clinical trial in Australia for the new TRPM8 blocker (RQ-00434739/XG2002) licensed to Xgene by the Company. As a result, the Company received a lump-sum payment from Xgene.

As for pre-licensing programs, pre-clinical studies progressed from the previous fiscal year during the fiscal year under review for a ghrelin receptor agonist, which is being developed in-house. For tegoprazan, the Company has the rights to develop, manufacture, and market the product in Japan, and has been in discussions with candidate partner companies since the previous year. For other pre-licensing programs, the Company conducted business development activities aimed at finding business partners through a flexible combination of face-to-face meetings and online conferences.

In the discovery research stage, the Company is focusing on discovery research programs to generate development compounds. Furthermore, from the four angles of “modality,” “drug target,” “disease area,” and “platform technology,” the Company is aiming to establish a next-generation in-house drug discovery value chain through synergy effects from existing technologies and new initiatives. In addition to its own independent research, it has been strengthening its collaboration with startups and drug discovery venture companies.

Clinical trials for the treatment of myelodysplastic syndrome (MDS) and acute myeloid leukemia (AML) are underway in the U.S. for a retinoic acid receptor alpha agonist (tamibarotene, TM-411/SY-1425), licensed by the Company’s consolidated subsidiary TMRC Co., Ltd. to Syros Pharmaceuticals Inc. (headquarters: Massachusetts, U.S., “Syros”). During the first three months ended March 31, 2024, Syros completed the enrollment of patients necessary for the analysis of the primary endpoint of the ongoing Phase III clinical trial (SELECT-MDS-1) in patients with high-risk myelodysplastic syndrome (HR-MDS) overexpressing the RARA gene.

In addition, during the first three months ended March 31, 2024, the Company made FIMECS, Inc. (headquarters: Fujisawa City, Kanagawa Prefecture, CEO: Yusuke Tominari, “FIMECS”) a subsidiary by acquiring all of its outstanding shares and stock acquisition rights (the “Shares, etc.”). FIMECS is a start-up company that aims to create innovative medicines for diseases for which the creation of treatments has been considered extremely difficult (undruggable) using targeted protein degraders, a new modality of drug discovery. With RaPPIDS™ (Rapid Protein Proteolysis Inducer Discovery System), a proprietary platform technology specialized for targeted protein degraders, at the core of its business, the company has a hybrid business model that combines a pipeline business model that generates revenue through the licensing of its own R&D pipeline with a platform business model that generates revenue through collaborations with pharmaceutical companies. With the conversion of FIMECS into a subsidiary (the “Conversion”), the Company expects to (i) strengthen its drug discovery value chain by acquiring platform technology, (ii) increase revenues by hybridizing its business model, and (iii) strengthen and expand its oncology area’s drug discovery.

The consideration for this Conversion consists of (i) an upfront payment upon acquisition of the Shares, etc. (the “Closing Consideration”) and (ii) a payment based on FIMECS’ future earnings (the “Earn Out Consideration”). The Closing Consideration was 4,500 million yen, which was paid to the seller upon the acquisition of the Shares, etc. on March 26, 2024. The Earn Out Consideration is an amount calculated by a predetermined method based on contract lump-sum revenue, milestone revenue, royalty revenue, and consignment-related revenue arising from contracts, etc. between FIMECS and other parties for each of the fiscal years (ending December 31) from 2024 to 2028. In connection with this Conversion, the Company raised 3,500 million yen through a loan from a syndicate with Mizuho Bank, Ltd. as arranger and The Shoko Chukin Bank, Ltd. as co-arranger.

Accordingly, financial results for the first three months, the reporting period, were as follows. Business revenue for the period was 648 million yen (up 75.1% year on year), operating profit totaled 44 million yen (compared with operating loss of 108 million yen a year earlier), ordinary loss totaled 77 million yen (compared with ordinary loss of 110 million yen a year earlier), and loss attributable to owners of parent was 78 million yen (compared with loss attributable to owners of parent of 148 million yen a year earlier).

Total business expenses were 604 million yen (up 26.0% year on year). This mainly consists of cost of business revenue of 60 million yen (up 1.9% year on year), research and development expenses of 359 million yen (up 33.8% year on year) and other selling, general and administrative expenses of 184 million yen (up 21.8% year on year).

2) Research and development

Research and development expenses of the entire Group during the first three months were 359 million yen. For the first three months, there were no material changes to the research and development activities.

(2) Qualitative information regarding consolidated financial position

1) Analysis of assets, liabilities and net assets

Assets

Total assets as of March 31, 2024 were 10,689 million yen, an increase of 3,818 million yen (up 55.6%) from the end of the previous fiscal year. This is mainly attributable to a decrease in cash and deposits of 536 million yen, an increase in accounts receivable - trade, and contract assets of 443 million yen, an increase in goodwill of 4,018 million yen, and a decrease in investment securities of 226 million yen.

Liabilities

Total liabilities as of March 31, 2024 were 4,695 million yen, an increase of 3,944 million yen (up 524.8%) from the end of the previous fiscal year. This is mainly attributable to increases in short-term borrowings of 200 million yen, current portion of long-term borrowings of 500 million yen, advances received of 138 million yen, and long-term borrowings of 2,996 million yen.

Net assets

Net assets as of March 31, 2024 were 5,994 million yen, a decrease of 126 million yen (down 2.1%) from the end of the previous fiscal year. This is mainly attributable to the recording of loss attributable to owners of parent of 78 million yen and a decrease in valuation difference on available-for-sale securities of 44 million yen.

Consequently, the equity ratio was 55.9% (down 32.8 percentage points from the end of the previous fiscal year).

2) Analysis of cash flows

The balance of cash and cash equivalents (“net cash”) as of March 31, 2024 amounted to 3,079 million yen (compared with 4,282 million yen a year earlier), a decrease of 585 million yen (down 16.0%) from the end of the previous fiscal year.

The respective cash flows in the first three months and the factors thereof are as follows.

Cash flows from operating activities

Net cash used in operating activities was 410 million yen (up 94.7% year on year). This is mainly attributable to the recording of loss before income taxes of 74 million yen, depreciation of 45 million yen, an increase in trade receivables of 443 million yen, and a cash outflow from a decrease in accounts payable - other of 54 million yen.

Cash flows from investing activities

Net cash used in investing activities was 3,746 million yen (compared with net cash of 33 million yen used a year earlier). This is mainly attributable to the purchase of property, plant and equipment of 20 million yen, proceeds from sale of investment securities of 155 million yen, and the purchase of shares of subsidiaries resulting in change in scope of consolidation of 3,879 million yen.

Cash flows from financing activities

Net cash provided by financing activities was 3,540 million yen (up 321.2% year on year). This is mainly attributable to proceeds from short-term borrowings of 200 million yen, proceeds from long-term borrowings of 3,360 million yen, and repayments of lease liabilities of 16 million yen.

(3) Qualitative information regarding consolidated earnings forecasts

At the present time, there are no changes to the full-year consolidated earnings forecasts for the fiscal year ending December 31, 2024 presented in “Summary of Consolidated Financial Results for the Fiscal Year Ended December 31, 2023 (JGAAP)” published on February 14, 2024.

2. Quarterly consolidated financial statements and significant notes thereto

(1) Consolidated balance sheet

(Thousands of yen)

	As of December 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	3,714,984	3,178,372
Accounts receivable - trade, and contract assets	603,196	1,047,159
Securities	49,754	935
Work in process	1,713	-
Supplies	146,226	169,516
Advance payments to suppliers	66,600	92,071
Prepaid expenses	188,128	206,624
Other	186,290	260,517
Total current assets	4,956,894	4,955,197
Non-current assets		
Property, plant and equipment		
Buildings, net	59,173	57,441
Tools, furniture and fixtures, net	208,814	206,460
Leased assets, net	305,620	289,249
Total property, plant and equipment	573,608	553,151
Intangible assets		
Goodwill	-	4,018,733
Trademark right	4,544	4,314
Software	25,570	22,655
Other	72	72
Total intangible assets	30,187	4,045,776
Investments and other assets		
Investment securities	1,231,458	1,005,123
Long-term prepaid expenses	63,501	53,011
Deferred tax assets	5,711	58,690
Other	10,610	19,042
Total investments and other assets	1,311,281	1,135,868
Total non-current assets	1,915,077	5,734,796
Total assets	6,871,972	10,689,994

(Thousands of yen)

	As of December 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	54,174	63,188
Short-term borrowings	-	200,000
Current portion of long-term borrowings	12,620	512,620
Lease liabilities	64,301	68,456
Accounts payable - other	158,888	207,224
Accrued expenses	54,197	69,594
Income taxes payable	19,687	8,642
Advances received	-	138,004
Deposits received	3,502	31,306
Other	21,941	55,353
Total current liabilities	389,313	1,354,389
Non-current liabilities		
Long-term borrowings	39,050	3,035,895
Lease liabilities	251,747	231,580
Asset retirement obligations	12,320	14,534
Provision for share awards	48,222	47,288
Provision for share awards for directors (and other officers)	10,875	12,232
Total non-current liabilities	362,215	3,341,530
Total liabilities	751,528	4,695,919
Net assets		
Shareholders' equity		
Share capital	2,667,649	2,667,649
Capital surplus	2,857,432	2,857,432
Retained earnings	449,358	371,251
Treasury shares	(22)	(22)
Total shareholders' equity	5,974,418	5,896,311
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	120,415	75,932
Total accumulated other comprehensive income	120,415	75,932
Share acquisition rights	25,610	21,830
Total net assets	6,120,443	5,994,074
Total liabilities and net assets	6,871,972	10,689,994

(2) Consolidated statement of income and consolidated statement of comprehensive income
Consolidated statement of income (cumulative)

(Thousands of yen)

	First three months ended March 31, 2023	First three months ended March 31, 2024
Business revenue	370,493	648,581
Business expenses		
Cost of business revenue	59,427	60,532
Research and development expenses	268,358	359,010
Other selling, general and administrative expenses	151,527	184,524
Total business expenses	479,313	604,067
Operating profit (loss)	(108,820)	44,514
Non-operating income		
Interest income	170	2,262
Interest on securities	1,398	1,548
Foreign exchange gains	6,391	42,027
Gain on valuation of compound financial instruments	5,270	–
Other	1,030	4,215
Total non-operating income	14,261	50,053
Non-operating expenses		
Interest expenses	1,506	1,944
Commitment fees	1,749	2,665
Commission for syndicated loans	–	140,000
Loss on valuation of compound financial instruments	–	540
Share issuance costs	3,635	120
Loss on valuation of derivatives	8,571	26,525
Other	0	–
Total non-operating expenses	15,464	171,794
Ordinary loss	(110,022)	(77,226)
Extraordinary income		
Gain on sale of investment securities	–	8,669
Total extraordinary income	–	8,669
Extraordinary losses		
Loss on sale of investment securities	–	5,600
Total extraordinary losses	–	5,600
Loss before income taxes	(110,022)	(74,156)
Income taxes	38,350	3,950
Loss	(148,373)	(78,107)
Profit attributable to non-controlling interests	–	–
Loss attributable to owners of parent	(148,373)	(78,107)

Consolidated statement of comprehensive income (cumulative)

(Thousands of yen)

	First three months ended March 31, 2023	First three months ended March 31, 2024
Loss	(148,373)	(78,107)
Other comprehensive income		
Valuation difference on available-for-sale securities	96,746	(44,482)
Total other comprehensive income	96,746	(44,482)
Comprehensive income	(51,627)	(122,589)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(51,627)	(122,589)
Comprehensive income attributable to non-controlling interests	–	–

(3) Consolidated statement of cash flows

(Thousands of yen)

	First three months ended March 31, 2023	First three months ended March 31, 2024
Cash flows from operating activities		
Loss before income taxes	(110,022)	(74,156)
Depreciation	30,979	45,143
Interest income	(170)	(2,262)
Interest income on securities	(1,398)	(1,548)
Interest expenses	1,506	1,944
Commitment fees	1,749	2,665
Commission for syndicated loans	–	140,000
Foreign exchange losses (gains)	(6,770)	(31,719)
Loss (gain) on valuation of compound financial instruments	(5,270)	540
Loss (gain) on valuation of derivatives	8,571	26,525
Share issuance costs	3,635	120
Loss (gain) on sale of investment securities	–	(3,069)
Decrease (increase) in trade receivables	209,173	(443,963)
Decrease (increase) in inventories	(68)	1,473
Increase (decrease) in trade payables	(66,451)	9,013
Decrease (increase) in advance payments to suppliers	(15,429)	8,029
Decrease (increase) in prepaid expenses	(28,266)	10,419
Decrease (increase) in long-term prepaid expenses	–	9,939
Decrease (increase) in consumption taxes refund receivable	(33,234)	(43,247)
Increase (decrease) in accounts payable - other	(101,567)	(54,661)
Increase (decrease) in accrued expenses	(10,090)	533
Increase (decrease) in income taxes payable - factor based tax	(11,828)	1,842
Increase (decrease) in deposits received	(13,301)	3,356
Increase (decrease) in provision for share awards	(10,389)	(933)
Increase (decrease) in provision for share awards for directors (and other officers)	(904)	1,357
Other, net	5,623	6,079
Subtotal	(153,923)	(386,579)
Interest and dividends received	1,748	4,941
Interest paid	(1,605)	(2,265)
Commitment fees paid	(7,000)	(7,019)
Income taxes paid	(49,893)	(19,267)
Net cash provided by (used in) operating activities	(210,674)	(410,190)
Cash flows from investing activities		
Purchase of property, plant and equipment	(26,932)	(20,531)
Purchase of intangible assets	(6,655)	–
Proceeds from sale of investment securities	–	155,997
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(3,879,637)
Other payments	–	(2,610)
Net cash provided by (used in) investing activities	(33,588)	(3,746,782)

(Thousands of yen)

	First three months ended March 31, 2023	First three months ended March 31, 2024
Cash flows from financing activities		
Proceeds from short-term borrowings	–	200,000
Proceeds from long-term borrowings	50,000	3,360,000
Repayments of long-term borrowings	(655)	(3,155)
Proceeds from issuance of shares	782,614	–
Proceeds from issuance of share acquisition rights	19,362	–
Proceeds from issuance of shares resulting from exercise of share acquisition rights	188	–
Repayments of lease liabilities	(10,954)	(16,012)
Net cash provided by (used in) financing activities	840,555	3,540,832
Effect of exchange rate change on cash and cash equivalents	6,769	30,709
Net increase (decrease) in cash and cash equivalents	603,062	(585,430)
Cash and cash equivalents at beginning of period	3,679,304	3,664,738
Cash and cash equivalents at end of period	4,282,366	3,079,308

(4) Notes to quarterly consolidated financial statements

Notes on premise of going concern

No items to report.

Notes on significant changes in the amount of shareholders' equity

No items to report.

Application of special accounting for preparing quarterly consolidated financial statements

(Calculation of tax expenses)

Tax expenses are calculated by multiplying the profit before income taxes by the reasonably estimated effective tax rates after the application of tax effect accounting to the profit before income taxes for the fiscal year including the quarter under review. However, in cases where calculations using said estimated effective tax rate yield a result that is notably lacking rationality, tax expenses are calculated by multiplying profit (loss) before income taxes by the statutory effective tax rate, taking into consideration the recoverability of deferred tax assets.

Income taxes is the amount inclusive of income taxes - deferred.

Segment information, etc.

[Segment information]

- I. For the first three months ended March 31, 2023 (January 1, 2023 to March 31, 2023)
This information is omitted because the Group consists of a single business segment dealing with research and development of pharmaceutical and related businesses.
- II. For the first three months ended March 31, 2024 (January 1, 2024 to March 31, 2024)
This information is omitted because the Group consists of a single business segment dealing with research and development of pharmaceutical and related businesses.

Significant subsequent event

No items to report.