February 12 2026

Summary of Consolidated Financial Results for 3Q of the Fiscal Year Ended March 31, 2026 (Extracted from Japanese version)

[Japanese GAAP]

Company name: Kidswell Bio Corporation
Listing: Tokyo Stock Exchange
Stock code: 4584
URL: https://www.kidswellbio.com/en/
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Preparation of supplementary materials for financial results: Yes
Holding of financial result meeting: No

(All amounts are rounded down to the nearest million yen)

1. Consolidated financial results for the six months ended December 31, 2025 (from April 1, 2025, to December 31, 2025)

(1) Results of operations (Cumulative) (Percentages shown for net sales and incomes represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2025	5,018	65.3	84	-	(134)	-	(142)	-
December 31, 2024	3,036	-	(137)	-	(161)	-	(187)	-

(Note) Comprehensive income
For the three months ended December 31, 2025: (174) million yen (-%), For the nine months ended December 31, 2024: 49 million yen (-%)

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
December 31, 2025	(2.94)	-
December 31, 2024	(4.69)	-

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
December 31, 2025	6,319	1,926	29.7
March 31, 2025	7,008	1,410	19.1

(Reference) Shareholders' equity As of December 31, 2025: 1,879 million yen, As of March 31, 2025: 1,338 million yen

2. Cash Dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	0.00	-	0.00	0.00
Fiscal year ending March 31, 2026	-				
Fiscal year ending March 31, 2026 (Forecast)		0.00	-	0.00	0.00

Note: Revisions to the forecast of cash dividends most recently announced：None

3. Consolidated financial forecast for the fiscal year ending March 31, 2026 (from April 1, 2025, to March 31, 2026)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2026	6,000 ～6,500	18.1 ～27.9	(100) ～100	-	-	-	-	-

(Note) For the fiscal year ending March 31, 2026, the Company will disclose its consolidated earnings forecast only for net sales and operating profit in the form of a range. For details, please refer to the attached document, page 5. "Future Outlook."

*** Notes**

(1) Significant changes in the scope of consolidation during the period：None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements：None

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

a. Changes in accounting policies due to 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. Restatement ：None

(4) Number of issued shares (common shares)

a. Number of issued and outstanding shares at the period end (including treasury stock)
As of December 31, 2025, 2025: 49,604,719shares
As of March 31, 2025: 43,881,013 shares

b. Number of treasury shares at the end of period
As of December 31, 2025: 94 shares
As of March 31, 2025: 94 shares

c. Average number of shares outstanding during the period
Three months ended December 31, 2025: 48,528,290 shares
Three months ended December 31, 2024: 40,029,004 shares

*This summary report on Kidswell Bio's financial statements is not subject to audit procedures.

*Cautionary statement with respect to forward-looking statements, and other special items

(Notes to information regarding future)
Forecasts regarding future performance in these materials are based on assumptions judged to be valid and the information available to the Company at the time these materials were made. These materials on future performances are not promises by the Company. Actual performance may differ significantly from these forecasts for several reasons. Please refer to "III. Future Outlook" on page 5 for the details.

(How to obtain supplemental financial information)
Materials for the supplemental financial information are available on the Company's website (https://www.kidswellbio.com/en/).

○Table of Contents of the Attachment

I. Business updates and financial results for the current second quarter in FY 2025

Kidswell Bio Corporation (the “Kidswell”) and its consolidated subsidiaries (collectively, the “Group”) are engaged in two businesses: the biosimilar business, which involves the development and the supply of biosimilar active pharmaceutical ingredients etc., (“Biosimilars”), and the cell therapy (regenerative medicine) business, in which our wholly owned subsidiary, S-Quatre Corporation (“S-Quatre”), aims to commercialize cell-based therapies utilizing SQ-SHED, proprietarily developed by S-Quatre.
Note: SHED stands for Stem cells from Human Exfoliated Deciduous teeth.

During the cumulative third quarter of the fiscal year, the Group recorded consolidated net sales of 5,018,817 thousand yen, representing a significant increase of 65.29％ from 3,036,304 thousand yen in the same period of the previous fiscal year. This growth was driven by steady demand and the delivery of Biosimilars in accordance with the planned schedule. As a result, operating profit reached 84,076 thousand yen (compared with an operating loss of 137,904 thousand yen in the previous interim period) with the continued efforts toward operational efficiency improvements. On the other hand, non-operating expenses were recorded, primarily consisting of fees associated with the arrangement of a syndicated loan and losses on disposal of inventories arising from the manufacturing process of Biosimilars incurred during the interim period. As a result, ordinary loss totaled 134,922 thousand yen (compared with an ordinary loss of 161,196 thousand yen in the same quarter of the previous fiscal year), and quarterly net loss attributable to owners of the parent amounted to 142,801 thousand yen (compared with 187,773 thousand yen in the same quarter of the previous fiscal year).

As for the full-year financial outlook for the future, discussions and coordination with relevant parties have progressed, and the factors forming the basis of the earnings forecast have become clearer to a certain extent, continuing from the second quarter. Specifically, in addition to adjustments to the manufacturing and delivery plans for Biosimilars and a review of the research and development investment plan, supply prices for certain Biosimilars were revised during the third quarter. Accordingly, the earnings forecast for fiscal year 2025 has been revised as follows.
With respect to fiscal year 2026, no revision has been made, as adjustments to the manufacturing and delivery plans for Biosimilars, as well as the impact of changes in the market environment for the biosimilar business described below, continue to be reviewed and discussed with relevant parties. In addition, investment policies and plans based on the progress of research and development remain under review.

FY2025: Net sales: 6,000,000 - 6,500,000 thousand yen | Operating income/loss: ▲100,000 - 100,000 thousand yen
FY2026: Net sales: 5,500,000 - 6,000,000 thousand yen | Operating income: 100,000 - 1,000,000 thousand yen

The progress of each business segment during the cumulative third quarter is as follows.

1) Biosimilar Business

- Subsidy Program for the Development of Domestic Manufacturing Facilities for Biosimilars
  With the aim of establishing a domestic supply system to ensure a stable supply of biosimilars in Japan, Kidsewell is working to build Japan’s first integrated supply chain covering development, manufacturing, and distribution. In May 2025, the project was selected under the Ministry of Health, Labour and Welfare’s (MHLW) subsidy program for manufacturing facility development (“Subsidy Program for the Development of Domestic Manufacturing Facilities for Biosimilars”, the “Program”). Under the Program, Alfresa Holdings Corporation (“Alfresa”), Kidswell, and Chiome Bioscience Inc. (“Chiome”), together with Mycenax Biotech Inc. (“Mycenax”), an important strategic partner in the project, are jointly proceeding with the establishment of manufacturing facilities for biosimilar active pharmaceutical ingredients and drug products in Japan.
  Furthermore, in October 2025, as part of the business development under the Program, the four companies reached a basic agreement regarding the establishment of a joint venture company to engage in contract development and manufacturing (CDMO) services for biosimilars and related products, as well as the framework for constructing manufacturing facilities on the premises of Alfresa Fine Chemical Corporation, a subsidiary of Alfresa. In November, the four parties executed an agreement concerning the establishment of the joint venture company. The joint venture is planned to be named Alfenax Biologics, with initial capital of 900 million yen (the Group’s equity interest: 7%). Further details will be determined through discussions among the relevant parties going forward.

- Joint Development of New Biosimilars
  In May 2025, Kidswell and Chiome entered into a Master Service Agreement for the joint development of new biosimilars and have begun cell line development with Mycenax for multiple biosimilar candidates previously prioritized for selection. Additionally, in October 2025, Alfresa, Kidswell, and Chiome executed a basic agreement for future joint development of new biosimilars, as well as a basic contract to advance joint development for products already undergoing cell line development. Through these initiatives, each participating company, including Alfresa, will leverage its respective strengths

to pursue the creation of new biosimilars assuming commercial production at the aforementioned domestic manufacturing facilities, while also aiming to accumulate manufacturing track records and achieve stable operations at such facilities.
In addition, pursuant to the agreement among the three parties, Kidswell and Chiome are expected to recognize as revenue consideration to be received from Alfresa in connection with this development, in accordance with the progress of cell line development going forward.

2) Cell Therapy Business

- Clinical Research on the Treatment of Cerebral Palsy

With respect to cerebral palsy, based on the results of joint research conducted with Nagoya University, a clinical research study using autologous SQ-SHED (stem cells derived from the patient's own deciduous teeth) has been underway since June 2023. As part of its progress, administration to the third and final pediatric patient was completed in June 2025 and in October 2025, the Data Safety Monitoring Board (DSMB)—an independent body distinct from the research institution reviewed all three cases and concluded that there were "no safety concerns observed up to four weeks after administration."
In addition, in November, a paper summarizing the interim analysis - including an evaluation of efficacy based on data up to 12 weeks after administration for all three cases — was released as a preprint prior to peer review by an academic journal. The paper reported that safety and tolerability after administration were confirmed and that marked improvements in motor function (primarily gross movements in daily activities and muscle tone affecting the ease of bending and extending the limbs) were observed.
Final safety and efficacy evaluations (52 weeks) for the first and second pediatric patients have already been completed, while the final evaluation for the third patient is scheduled for June 2026. Upon completion, the final analysis results of this clinical study are expected to be published by Nagoya University within 2026.
Furthermore, in January 2026, a joint research paper with Nagoya University was published in a leading international academic journal. This study represents the world's first demonstration of therapeutic effects from intervention during the chronic phase in an animal model of cerebral palsy and elucidates part of the underlying mechanism. These findings provide fundamental evidence supporting the interim analysis results of the aforementioned clinical study targeting cerebral palsy and serve as scientific rationale underpinning the validity of future clinical development of SQ-SHED.

- Progress Toward Clinical Trial Application for the Treatment of Cerebral Palsy

Regarding allogeneic SQ-SHED for the treatment of cerebral palsy (development code: GCT-103), preparations for initiating clinical trials in Japan are currently underway following the joint business development agreement executed with Mochida Pharmaceutical Co., Ltd. ("Mochida") in March 2025. Under this agreement, Mochida will primarily be responsible for clinical development, while S-Quatre will focus on manufacturing and related activities.
For the overseas clinical trials, S-Quatre held a Pre-IND meeting with the U.S. Food and Drug Administration (FDA) in October 2025.
In preparation for overseas clinical trials, S-Quatre is currently proceeding independently. In October 2025, a Pre-IND Meeting was held with the U.S. Food and Drug Administration (FDA). As a result, agreement and advice were obtained from the FDA regarding the clinical trial plan for company-sponsored trials of allogeneic SQ-SHED targeting cerebral palsy, and preparations toward the future submission of an investigational new drug application (IND) are being advanced based on such agreement and advice.

- Development of the SQ-SHED Manufacturing Technology

Regarding next-generation large-scale manufacturing technology for future commercial production, S-Quatre has developed a proprietary manufacturing technology optimized for the characteristics of SQ-SHED, in collaboration with Corning Life Sciences (U.S.), a global leader in cell culture equipment. This technology enables large-area cell culture in a low-stress and uniform environment through a multilayer structure that circulates culture medium, thereby allowing mass production and cost reduction while maintaining equivalence to cells cultured using conventional multilayer flasks. This manufacturing method is scheduled to be presented at the 25th Annual Meeting of the Japanese Society for Regenerative Medicine, to be held in March 2026. Furthermore, for the purpose of establishing the manufacturing process for late-stage clinical trials and subsequent commercial production, S-Quatre is currently promoting with Nipro Corporation under a joint development agreement for CDMO-related activities.

- Other Research and Development Activities

As a result of our collaborative research with Nagoya University on the treatment of peripheral nerve injury, a research paper describing the therapeutic effects and underlying mechanisms of SQ-SHED in a peripheral nerve injury model was published in August 2025. This achievement has received significant international recognition, including the selection of Nagoya University for an oral presentation at the 75th Congress of Neurological Surgeons (CNS 2025), one of the world's largest neurosurgical congresses, held in October 2025.
In addition, in October 2025, S-Quatre initiated joint research with LYMPHOGENiX (UK) with the aim of developing a new treatment for infertility using SQ-SHED. By combining the respective technologies of both parties, S-Quatre seeks to

explore a novel cell therapy approach for cases in which conventional treatments yield limited efficacy. This technology is also being explored for potential application in various fibrotic diseases in addition to infertility, and related research is progressing in parallel.

Furthermore, S-Quatre commenced joint research with Tokyo Institute of Science on a novel immune cell therapy that combines SQ-SHED with regulatory T cells (Tregs). Tregs attracted global attention as the subject of the 2025 Nobel Prize in Physiology or Medicine, and this research aims to establish a curative treatment approach for autoimmune diseases and rejection reactions following organ transplantation.

Moreover, in November, S-Quatre initiated a co-creation project to explore new indications for next-generation (functionally enhanced) SHED currently under development, utilizing the AI-driven drug discovery support service, "Drug Discovery AI Factory," owned by FRONTEO, Inc.

These research initiatives expand the therapeutic potential of SQ-SHED across multiple disease areas. S-Quatre will continue to strengthen collaborations with leading research institutions and corporate partners in Japan and overseas, as S-Quatre advances efforts to create new value in regenerative medicine.

II. Future Outlook

1. Management Policys

The Group pursues its business activities under the corporate philosophy of "Biotech Engineering Company, Striving for Value Creation – For Comprehensive Healthcare System for Children as well as Families and Society –," and upholds the management vision of "Empowering children and enabling children to empower others." Leveraging expertise and know-how in biopharmaceutical research and development accumulated through past business activities, the Group promotes R&D initiatives in two business areas.

In the biosimilars business, the objective is to create an environment in which more patients can receive continuous and reliable treatment. To date, Kidswell has contributed to the launch of four biosimilar products and currently generate revenue through the supply of Biosimilars to our partner pharmaceutical companies, as well as royalty income based on the sales performance of those products by our partners. Going forward, in addition to strengthening the stable supply structure and enhancing profitability of existing products, Kidswell intends to actively pursue the development of new biosimilars to support further revenue growth. In promoting this business, Kidswell maintains a management policy that emphasizes balancing development investments and earnings, with the goal of achieving sustainable profitability on a standalone basis. In the cell therapy business (Regenerative Medicine), the focus is on developing innovative therapies that support patients, particularly those suffering from pediatric or rare diseases, their families, and the healthcare professionals involved in their care. As this business stays in an R&D-intensive stage, the Group formulates medium- to long-term R&D investment plans for each pipeline project and manages progress and milestones as key performance indicators.

By reinvesting the stable earnings generated through the biosimilar business, as well as the biopharmaceutical R&D expertise accumulated over many years, into the development of the high-growth-potential cell therapy business, the Group seeks to maximize synergies between the two business domains and achieve both stability and growth. Through structural reforms, operational efficiency improvements, and optimized allocation of human resources, we aim to establish and maintain a stable consolidated operating profit.

2. Outlook for Future Performance

In the biosimilar business, the switching rate from reference biologics to biosimilars covering GBS-001, GBS-011, and competing products in the same category has exceeded 80%, while the market share of partner pharmaceutical companies has still been stable. In addition, strong and sustained market demand is expected to continue for GBS-007 and GBS-010, which are key revenue drivers for the Group. Along with these favorable market conditions, MHLW's strengthened initiatives to promote the use of biosimilars are also expected to contribute positively, and the Group expects further expansion in earnings from this business. Based on this outlook, Kidswell continues to adjust manufacturing and supply plans for biosimilars in collaboration with partner pharmaceutical companies and CDMOs, while working to support and reinforce a stable supply system. Furthermore, to improve profitability, Kidswell is engaging in discussions with partner pharmaceutical companies to appropriately review supply prices, considering changes in external factors such as overseas cost inflation and yen depreciation. From a medium- to long-term perspective, Kidswell positions the development, introduction, and commercialization of new biosimilars, as well as the establishment of biosimilar manufacturing facilities in Japan to secure a robust domestic supply system, as priority strategic initiatives, and will continue to advance the biosimilar business accordingly.

With respect to GBS-007, an aflibercept biosimilar and an authorized generic (AG) product have been listed on the National Health Insurance drug price list and launched in the market, leading to changes in the competitive environment of the anti-VEGF agent market in the ophthalmology field. While the launch of these competing products may affect the future sales trends of GBS-007, it is currently difficult to assess the extent of such impact, as these products have only recently been introduced at the time of this earnings disclosure. Our Group, in collaboration with our partner pharmaceutical companies, will continue to monitor market information such as prescription trends and distribution status of these competing products, and will carefully evaluate their potential impact on future sales of GBS-007.

In the cell therapy business, clinical development targeting cerebral palsy is progressing in Japan, while also preparations for clinical development in overseas are advancing in collaboration with external organizations. As noted above, research progress has also been confirmed for next generation SHED, showing significant overall advancement in R&D activities. Considering this development, the Group will continue to implement efficient and strategic R&D investments to steadily advance our clinical development and R&D activities.

Based on the progress in these businesses, changes in market demand, and external environmental factors, the Group has conducted periodic reviews of the medium-term management plan announced in 2022, with the aim of maximizing corporate value over the medium to long term. During the interim period, the full-year outlook for the manufacturing and supply plans of Biosimilars has become substantially clearer, and anticipated impact of newly conducted supply price negotiations has also been incorporated. Reflecting these factors, the Group has revised the forecast range for net sales upward.
Furthermore, in addition to the upward revision to net sales, the forecast range for operating profit (loss) has also been revised. This reflects further expected reductions in expenses compared with the initial assumptions at the beginning of the fiscal year, resulting from a reassessment of priorities for research and development investments within the Group, as well as progress in discussions and coordination with relevant stakeholders.

Based on the above outlook, the assumptions underlying our performance forecast— including adjustments to manufacturing and delivery plans for biosimilars and R&D investments—have become sufficiently clarified. Accordingly, the Group has revised the forecast for the fiscal year ending March 2026 as follows. Meanwhile, as discussions and coordination with relevant parties are still ongoing for the fiscal year ending March 2027, no revisions have been made at this time.

FY2025: Net sales: 6,000,000 - 6,500,000 thousand yen | Operating income/loss: ▲100,000 - 100,000 thousand yen
FY2026: Net sales: 5,500,000 - 6,000,000 thousand yen | Operating income: 100,000 - 1,000,000 thousand yen

Furthermore, regarding the R&D investments for FY2025, the Group will continue to review and evaluate investment plans based on the progress of each initiative and through ongoing discussions and coordination with relevant stakeholders and will make investment decisions accordingly.

1) Biosimilar business
Kidswell plans to make continued investments to strengthen our manufacturing system and reduce production costs in order to maintain a stable supply of GBS-007 and GBS-010, for which market demand is expected to significantly exceed initial assumptions, and to improve margins by addressing overseas inflation and the impact of yen depreciation. In addition, Kidswell will invest in the development of new biosimilars to further enhance our revenue base.

2) Cell therapy business
In addition to the ongoing clinical study at Nagoya University targeting cerebral palsy, investments are planned for: (i) preparation for company-sponsored clinical trials of SQ-SHED aimed at the early initiation of domestic and international clinical studies of GCT-103; (ii) additional development of large-scale manufacturing methods in anticipation of late-stage clinical trials and stable commercial supply following launch; (iii) expansion of indications to maximize the value of GCT-103; and (iv) transition of next-generation SHED into the development stage, including process development.

As the Group outsources all manufacturing of biosimilars to overseas CDMOs and conducts part of its R&D activities in both the biosimilar business and the cell therapy business in collaboration with overseas companies, fluctuations in prices in overseas markets or in foreign exchange rates may result in increases or decreases in cost of sales and R&D expenses, thereby potentially affecting business performance. Should such circumstances arise, the Group will promptly make disclosures after due examination.

3. Initiatives to Enhance Corporate Value

1) Optimization of Financing and Strengthening of the Financial Base
The Group continues to work toward optimizing financing and strengthening its financial base to maximize corporate value and achieve an early recovery and growth of the share price. In the biosimilar business, while maintaining a stable earnings structure for marketed products, the Group has revised certain payment terms with partner companies and are continuing negotiations in other areas, in order to respond to increasing working capital needs associated with rising demand for GBS-007 and GBS-010 and higher overseas manufacturing costs.
In addition, with respect to equity financing, the Group conducted a refinancing in December 2024 by repurchasing and canceling existing stock acquisition rights, the exercise of which had been prolonged due to a significant gap between the exercise price and market price, and by issuing the 23rd and 24th series of stock acquisition rights at levels aligned with prevailing market prices. As a result, all the 24th series of stock acquisition rights had been exercised by April 2025.

Furthermore, the conversion of the 4th series of unsecured convertible bonds with stock acquisition rights issued in July 2022 advanced significantly from April 2025 onward, resulting in a reduction in overhang concerns regarding the Group's shares and an improvement in supply-demand conditions, thereby contributing to an environment in which business results can be appropriately reflected in the share price.

In November 2025, a syndicated loan agreement totaling 2.5 billion yen was executed, with Mizuho Bank, Ltd. serving as arranger. The agreement includes the refinancing of existing borrowings, and by consolidating multiple existing loans into a single facility, aims to enhance the efficiency of the funding structure and strengthen management and oversight.

As a result, in the short term, the arrangement is expected to stabilize liquidity and reduce refinancing risk, while also establishing a stable group of relationship banks without excessive reliance on any specific financial institution. This framework is intended to enable more flexible responses to new financing needs associated with medium- to long-term business expansion.

While the Group is working to stabilize its financial position, it remains necessary to continue investments in R&D to support growth in both the biosimilar and cell therapy businesses. To secure the required funding, the Group is pursuing diversification and optimization of financing methods, including capital and business alliances with development partners, utilization of various subsidy programs, and borrowing through indirect financing during FY2025. In both business areas, the Group will flexibly reassess priorities based on development progress and commercial potential and will work to execute disciplined R&D investments and reduce risk through early partnering and cost-sharing arrangements. Through these efforts, the Group aims to establish a balanced financial foundation that enables us to achieve both stability and growth without impairing future growth potential.

2) Strengthening Information Disclosure and Enhancing Visibility of Business Value

With the aim of enhancing the visibility of business value, initiatives are being undertaken to improve the quality of information disclosure through strengthened IR and PR activities. These include the enhancement of timely disclosures and explanatory content, expansion of dialogue opportunities with institutional investors, analysts, and the media, and the holding of briefing sessions for individual investors.

In January 2026, an "R&D Meeting" for analysts and institutional investors was held in the cell therapy business. By focusing specifically on research and development activities, information has been provided from perspectives different from conventional timely disclosures, with efforts directed toward further promoting understanding of business value. Through these initiatives, efforts are being made to build trust with the market and to deepen understanding of the Company's business.

III. Financial statements and notes to financial statements

(A) Consolidated balance sheet

(Thousands of yen)

	As of March 31, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	2,995,435	3,784,874
Accounts receivable - trade	1,267,189	473,326
Work in process	1,475,092	616,681
Advance payments to suppliers	819,857	1,014,639
Other	142,995	173,902
Total current assets	6,700,570	6,063,425
Non-current assets		
Property, plant and equipment	1,187	1,086
Intangible assets	763	676
Investments and other assets		
Investment securities	283,137	236,981
Other	22,837	17,554
Total investments and other assets	305,974	254,536
Total non-current assets	307,925	256,299
Total assets	7,008,496	6,319,725
Liabilities		
Current liabilities		
Accounts payable - trade	226,977	65,746
Current portion of long-term borrowings	657,040	300,000
Accounts payable - other	295,332	293,530
Income taxes payable	144,245	-
Contract liabilities	2,970,000	1,210,000
Other	25,267	107,614
Total current liabilities	4,318,862	1,976,891
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	500,000	125,000
Long-term borrowings	680,920	2,200,000
Retirement benefit liability	41,373	49,524
Deferred tax liabilities	56,362	42,236
Total non-current liabilities	1,278,655	2,416,760
Total liabilities	5,597,518	4,393,651
Net assets		
Shareholders' equity		
Share capital	2,317,578	189,446
Capital surplus	11,623,179	2,564,469
Retained earnings	(12,730,223)	(970,034)
Treasury shares	(73)	(73)
Total shareholders' equity	1,210,460	1,783,807
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	127,829	95,790
Total accumulated other comprehensive income	127,829	95,790
Share acquisition rights	72,687	46,475
Total net assets	1,410,977	1,926,073
Total liabilities and net assets	7,008,496	6,319,725

(B) Consolidated statement of income and comprehensive income

(Thousands of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Net sales	3,036,304	5,018,817
Cost of sales	2,005,685	3,688,830
Gross profit	1,030,619	1,329,986
Selling, general and administrative expenses		
Research and development expenses	541,604	671,003
Other	626,918	574,906
Total selling, general and administrative expenses	1,168,523	1,245,909
Operating profit (loss)	(137,904)	84,076
Non-operating income		
Interest income	122	2,533
Gain on sales of materials	-	4,755
Compensation income	4,080	1,900
Foreign exchange gains	21,816	-
Miscellaneous income	221	533
Total non-operating income	26,240	9,721
Non-operating expenses		
Interest expenses	30,026	26,747
Interest expenses on bonds	2,358	1,226
Loss on abandonment of inventories	13,456	-
Foreign exchange losses	-	75,000
Miscellaneous losses	-	125,268
Total non-operating expenses	3,691	477
Ordinary profit (loss)	49,532	228,720
Extraordinary income	(161,196)	(134,922)
Gain on reversal of share acquisition rights		
Total extraordinary income	42,099	10,608
Extraordinary losses	42,099	10,608
Loss on valuation of investment securities		
Total extraordinary losses	14,999	-
Profit (loss) before income taxes	14,999	-
Income taxes - current	(134,097)	(124,313)
Total income taxes	53,676	18,487
Profit (loss)	53,676	18,487
Profit attributable to	(187,773)	(142,801)
Profit (loss) attributable to owners of parent		
Other comprehensive income	(187,773)	(142,801)
Valuation difference on available-for-sale securities		
Total other comprehensive income	237,674	(32,038)
Comprehensive income	237,674	(32,038)
Comprehensive income attributable to	49,900	(174,840)
Comprehensive income attributable to owners of parent		