To Our Shareholders:

TSE Securities Code: 4565
(Sending date) March 5, 2026
(Starting date of the electronic provision) February 26, 2026
9-7-2 Akasaka, Mitato-ku, Tokyo
Nxera Pharma Co., Ltd.
Representative Executive Officer, President and CEO Christopher Cargill

Notice of the 36th Ordinary General Meeting of Shareholders

Nxera Pharma Co., Ltd. (the Company) would like to inform you that the 36th Ordinary General Meeting of Shareholders of the Company (the "Meeting") will be held as follows.

For this Meeting, we have taken measure of "electronic provision" of the shareholders meeting documents including reference documents for this Meeting. We have posted the notice of convening the 36th Ordinary General Meeting of Shareholders on our website on the Internet. Please access and confirm the following websites.

【Company's website】 https://www.nxera.life/jp

Please access the above website and select 『Investors』 『Stock Information』 『Shareholder's Meeting & Publications』 from the menu in order.

In addition to the above website, the shareholders meeting documents subject to the measure of electronic provision are also available on the website of Tokyo Stock Exchange ("TSE") and Sumitomo Mitsui Trust Bank ("SMTB").

【TSE website】 https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show

Please access the above website, enter and search for 『Nxera Pharma』 in 『Security Name（Company Name）』 or our securities code 『4565』 in 『Code』 and search for 『Basic Information』 and 『Documents for public inspection/PR information』 in order, and confirm from the 『Convocation notices/documents for shareholder meetings』 column in 『Documents for public inspection』.

【SMTB website】 https://www.soukai-portal.net

Please scan the QR code on the enclosed voting form or enter your ID and password.

If you are unable to attend the Meeting, you may exercise your voting rights via the Internet or in writing (by mail). Please review the reference documents for the Meeting and exercise your voting rights by 5:00 p.m. on Tuesday, March 24, 2026 by referring to "Exercise of Voting Rights."

Yours sincerely

Date and Time	Wednesday, March 25, 2026 at 10:00 a.m. (Reception start: 9:30 a.m.)	
Venue	Fuji-No-Ma Hall, 4th Floor, Hotel Grand Arc Hanzomon 1-1, Hayabusa-cho, Chiyoda-ku, Tokyo, Japan Please refer to "Access to Meeting of Shareholders Venue" at the end.	
Agenda	Matters to be reported:	1. Business Report, Consolidated Financial Statements, and Reports of Independent Auditor and the Audit Committee on the Consolidated Financial Statements for the 36th fiscal period (from January 1, 2025 to December 31, 2025) 2. Report on the Non-Consolidated Financial Statements for the 36th fiscal period (from January 1, 2025 to December 31, 2025)
	Matter to be resolved:	Proposal - Election of Seven (7) Directors

Matters to be Determined in Convocation “Notice on exercising voting rights”	1. If you do not indicate whether you approve or disapprove of each proposal on the Voting Rights Exercise Form that you have sent back to us, you will be deemed to have Approved it. 2. If the voting rights are exercised both via the Internet and in writing, the voting rights exercised via the Internet shall be treated as valid. 3. If the voting rights are exercised twice or more times via the Internet, the latest exercise thereof shall be treated as valid. 4. If you intend to make a diverse exercise of your voting right, please notify our sock transfer agent in writing or by electronic method of your intention of make a diverse exercise of your voting rights and the reasons three (3) days prior to the Meeting.

◎ If you attend the Meeting, please present the Voting Rights Exercise Form sent with this notice of convocation at the reception.

◎ Among the matters subject to the measure of electronic provision, following matters are not included in the documents delivered to shareholders who request delivery of documents pursuant to the provisions of laws and regulations and the Company's Articles of Incorporation. The Audit Committee and the Independent Auditor have audited the documents to be audited, including the following matters.

・Current State of the Corporate Group of the Business Report

Progress and Results of Operations
Assets and Profit/Loss in the previous three fiscal years
Issues to be addressed
Main Business Activities
Main Offices and Factories
Employee Information
Principal Lenders
Other Significant Matters on the Current Status of the Group

・Current Status of the Company of the Business Report

State of Shares
Stock acquisition rights (“stock options”), etc.
Independent Auditors
Outline of the systems for ensuring the appropriateness of operations and their operating status
Policy on determination of Dividends, etc.
Policy on the conduct of persons influencing decision on the Company's financial and business policies

・Consolidated Financial Statements（Consolidated Balance Sheet, Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Notes to the Consolidated Financial Statements）

・Non-Consolidated Financial Statements （Non-Consolidated Balance Sheet, Non-Consolidated Statement of Profit or Loss, Non-Consolidated Statement of Changes in Equity and Notes to the Non-Consolidated Financial Statements）

◎ In the event that matters described in the shareholders meeting documents provided by the measure of electronic provision is amended, we will post the amendments on Company’s website, TSE website and SMTB website above on the Internet.

Exercise of Voting Rights

You may exercise your voting rights using one of the following methods.

Exercising voting rights on the Internet

Please use a personal computer or smartphone to access the voting website designated by the Company. Please enter the “Voting code” and “Password” printed on the Voting Rights Exercise Form sent with this notice, and exercise your voting rights by following the instructions displayed on the screen.

Exercise due date: No later than 5:00 p.m. on Tuesday, March 24, 2026

Exercising voting rights in writing (by mail)

Please indicate your approval or disapproval of each proposal on the Voting Rights Exercise Form sent with this notice and post it without affixing postage stamps.

Exercise due date: To be received no later than 5:00 p.m. on Tuesday, March 24, 2026

For those attending the Meeting in person

Please submit the Voting Rights Exercise Form at the reception desk at the venue.

Date and Time: Wednesday, March 25, 2026 at 10:00 a.m. (Reception start: 9:30 a.m.)

Venue: Fuji-No-Ma Hall, 4th Floor, Hotel Grand Arc Hanzomon
1-1, Hayabusa-cho, Chiyoda-ku, Tokyo, Japan

The Company designated voting website https://www.soukai-portal.net

You can also connect from here. https://www.web54.net

You can connect to the voting website via smartphone.

<Smartphone Vote>

Smartphone users may log in to the voting website without entering the “voting code” and “password” by scanning the QR Code printed on the Voting Rights Exercise Form. For details, please refer to the leaflet sent with this notice.

Inquiries related to exercise of voting rights via the Internet

The Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agency Web Support Helpline
Telephone: 0120-652-031 (toll-free in Japan only; hours: 9:00 a.m. to 9:00 p.m.)

To institutional investors

You may use the Electronic Voting Platform operated by ICJ Inc., as a method of exercising your voting rights.

For each shareholder who validly exercises their voting rights using one of the above methods, we will send you a **Nxera original QUO card (worth 500 yen)** by mail at a later date.

- ## Information about live streaming via the internet

The Meeting will be streamed live over the Internet. For details, please see the enclosed leaflet. Please note that this live streaming is for viewing only. Please note that it will not be possible to exercise voting rights or participate in Q&A sessions.

Proposal　Election of Seven (7) Directors

The term of office of all of current eight (8) directors will expire at the conclusion of the Meeting. In accordance with the decision by the Nomination Committee, the election of total seven (7) directors shall be proposed. Our Nomination Committee shall evaluate candidates for directors on the required skills, including management experience, expertise, career and achievements, and the status of concurrent assignments with other companies. The level of performance of duties, mental and physical health, and compliance awareness are also considered for election. Candidate selection shall be made to realize a high degree of diversity in gender, nationality and so on. The candidates are as follows:

Candidate No.	Name	Current positions and responsibilities at the Company	Attribute	Number of times attended Board of Directors Meetings
1	Christopher Cargill	Chairman of the Board, Representative Executive Officer, President & CEO Chair of the Nomination Committee, Member of the Compensation Committee	Re-appointed	16/17 times
2	David Roblin	External Director, Chair of the Compensation Committee, Member of the Nomination Committee	Re-appointed / External / Ind	13/17 times
3	Rolf Soderstrom	External Director, Chair of the Audit Committee, Member of the Compensation Committee	Re-appointed / External / Ind	14/17 times
4	Eiko Tomita	External Director Member of the Audit Committee	Re-appointed / External / Ind	14/17 times
5	Naoko Shimura	External Director Member of the Audit Committee	Re-appointed / External	10/12 times
6	Nicola Rabson	External Director Member of the Compensation Committee	Re-appointed / External / Ind	9/12 times
7	Takeo Morooka	—	Newly appointed / External / Ind	—

Reappointed	Candidate as Reappointed Director
Newly appointed	Candidate as newly appointed Director
External	Candidate as External Director
Ind	Independent Director designated in accordance with the listing regulations of stock exchanges

※ Ms. Naoko Shimura and Ms. Nicola Rabson were elected as Directors at the 35th Ordinary General Meeting of Shareholders held on March 26, 2025, and accordingly, the numbers of times they attended the Board of Directors meetings held since assuming office are stated in.

Reference The expertise of the nominated director, if agenda proposals are approved, are as follows. Note that the table below does not necessarily represents all the expertise that the nominated directors have.

Name	Term of office	Skill					
		Corporate management	Technology/ R&D	Business strategy/ Marketing	Finance/ Accounting	Legal/ Compliance	Human Resources/ labor
Christopher Cargil	4 years	●		●	●		
David Roblin	8 years	●	●	●			
Rolf Soderstrom	6 years	●		●	●		
Eiko Tomita	3 years	●	●	●			
Naoko Shimura	1 years					●	
Nicola Rabson	1 years					●	●
Takeo Morooka	—	●	●	●		●	

Candidate No.

1

Christopher Cargill

(Born 3/Jan/1984)

No. of shares owned:	109,868
Term of office as Board Director:	4 years
Attendance at Board Meetings:	16/17 times

Reappointed

[Career summary, and positions and responsibilities at the Company]

Feb. 2009	Joined KPMG
Apr. 2010	Joined J.P. Morgan Chase & Co
Sep. 2017	Head of IR and Corporate Communication Dept of the Company
Jun. 2018	Interim CFO of the Company
Jun. 2018	Director, Sosei R&D Ltd.
Nov. 2018	Executive Officer and Executive Vice President, CFO of the Company
Jan. 2019	Director, Heptares Therapeutics Ltd. (current Nxera Pharma UK Limited) (to the present)
Apr. 2021	Executive Officer, COO, CFO of the Company
Sep. 2021	Executive Officer, CFO of the Company
Mar. 2022	Representative Executive Officer and President, CEO of the Company (to the present)
Aug. 2022	Director, Sosei Group USA Inc. (current Nxera Pharma USA Inc.) (to the present)
Apr. 2023	Representative Director and President, Sosei Co. Ltd.
Jul. 2023	Director, Idorsia Pharmaceuticals Japan Ltd. (current Nxera Pharma Japan Co., Ltd.)
Sep. 2024	Representative Director, Nxera Pharma Japan Co., Ltd.
Mar. 2025	Chairman of the Board, Representative Executive Officer and President, CEO of the Company (to the present)
Jul. 2025	Director, Nxera Pharma Japan Co., Ltd. (to the present)

<Committee membership>
Chair of the Nomination Committee, Member of the Compensation Committee

[Significant concurrent posts]
Director, Nxera Pharma Japan Co., Ltd.
Director, Nxera Pharma UK Limited

Reason for selection of the candidate as Director

Mr. Christopher Cargill has extensive expertise in finance and accounting based on his business experience at a major overseas financial institution, etc. Since joining the Company in 2017, he was responsible for formulating business strategies as CFO and since March 2022, he has been Representative Executive Officer, President & CEO of the Company, with his deep understanding of our business, he has led the overall management of the company and demonstrated his high level of management ability. The company believes that his experience and management skills can be utilized for the further development of the company. Thus, the Company proposes that he continue to be elected as a Director.

Candidate No.

2

David Roblin

(Born 25/Sep/1966)

No. of shares owned:	12,744
Term of office as External Director:	8 years
Attendance at Board Meetings:	13/17 times

Reappointed

External

Independent

[Career summary, and positions and responsibilities at the Company]

Apr. 1991	Medical practice at St George's and St Bartholomew's Hospital, London
Jun. 1997	Head of Therapy Area for Anti-Infectives, Bayer Pharma AG
Jun. 2008	Senior Vice President, Head of Research, Site Head, Chief Medical Officer (CMO), Europe R&D, Pfizer Inc.
Apr. 2011	CMO, Creabilis
Sep. 2013	Honorary Professor, Swansea University, School of Medicine (to the present)
Feb 2014	COO, The Francis Crick Institute
Jun. 2015	Honorary Professor of Translational Medicine, St George's Hospital Medical School (to the present)
Feb. 2017	Chairman of Scientific Translation, The Francis Crick Institute (to the present)
Feb. 2017	President of R&D, Summit Therapeutics
Jun. 2018	External Director of the Company (to the present)
Mar. 2020	COO and CEO JuvRX, Juvenescence Ltd.
Apr. 2022	CEO, Relation Therapeutics Limited (to the present)
Apr. 2022	Chair of Board, Centauri Therapeutics Limited (to the present)

<Committee membership>
Chair of the Compensation Committee; Member of the Nomination Committee

[Significant concurrent posts]
Chairman of Scientific Translation, The Francis Crick Institute
CEO, Relation Therapeutics Limited
Chair of Board, Centauri Therapeutics Limited

Reason for selection of the candidate as External Director and summary of expected roles

Dr. David Roblin gained clinical experience as a physician, and later followed with a distinguished career in the pharmaceutical industry, most notably as SVP and Head of R&D in Europe for a major pharmaceutical company. He has been actively providing useful advice and suggestions on R&D in general, utilizing his expert perspective on corporate management, technology, R&D, business strategy and marketing. It is expected that his performance of these important roles will further strengthen the oversight of the management and the governance system, and thus the Company proposes that he continue to be elected as an External Director.

Candidate No.

3

Rolf Soderstrom

(Born 29/Jul/1965)

No. of shares owned:	20,525
Term of office as External Director:	6 years
Attendance at Board Meetings:	14/17 times

Reappointed

External

Independent

[Career summary, and positions and responsibilities at the Company]

Jan. 1988	Joined PricewaterhouseCoopers
Dec. 2000	Corporate Finance Director, Cable & Wireless plc.
Jun. 2002	External Director, MobileOne Ltd. (current M1 Ltd.)
Jan. 2004	Divisional Finance Director, Cobham plc.
Aug. 2007	Chief Financial Officer, Protherics plc. (current BTG plc.)
Dec. 2008	Chief Financial Officer, BTG plc.
Jul. 2019	Senior Independent Director, Ergomed plc.
Mar. 2020	External Director of the Company (to the present)
Sep. 2020	Non Executive Director, BioPharma Credit plc. (to the present)
Jul. 2021	Chief Financial Officer, Syncona Investment Management Limited
Apr. 2024	Executive Partner, Syncona Investment Management Limited

<Committee membership>
Chair of the Audit Committee, Member of the Compensation Committee

[Significant concurrent posts]
Non Executive Director, BioPharma Credit plc.

Reason for selection of the candidate as External Director and summary of expected roles

Mr. Rolf Soderstrom is a qualified chartered accountant in the United Kingdom and has extensive experience and achievements in M&A, risk management and governance as a leader in finance-related matters for companies in Europe, North America and Asia. For the past 18 years he has worked in various companies in the Life Sciences sector. He has been actively providing useful advice and suggestions on overall management by utilizing his expertise in corporate management, business strategy and marketing, finance and accounting. It is expected that his performance of these important roles will further strengthen the oversight of the management and the governance system, and thus the Company proposes that he continue to be elected as an External Director.

Candidate No.

4

Eiko Tomita

(Born 20/Apr/1961)

No. of shares owned:	9,886
Term of office as External Director:	3 years
Attendance at Board Meetings:	14/17 times

Reappointed

External

Independent

[Career summary, and positions and responsibilities at the Company]

Apr. 1984	Joined Eisai Co. Ltd.
Sep. 1994	Joined IBRD Japan Corporation
Sep. 1999	Joined Monsanto Japan Ltd. (current Pfizer Inc.)
Nov. 2000	Joined AstraZeneca K.K.
Sep. 2006	Joined Pfizer Japan Inc.
Apr. 2007	Joined Bristol-Myers Squibb K.K.
Nov. 2017	Bristol-Myers Squibb Vice President, Global Regulatory Sciences Intercontinental responsible for Japan, Korea, Taiwan and Intercontinental (Australia, Brazil, Turkey, India, Middle East and South America, etc.)
Mar. 2020	Bristol-Myers Squibb Vice President, Global Regulatory Sciences Intercontinental responsible for Intercontinental (China, Korea, Taiwan, Australia, Russia, Brazil, Turkey, India, Middle East, South America, etc.)
Apr. 2023	External Director of the Company (to the present)

<Committee membership>
Member of the Audit Committee

[Significant concurrent posts]
N/A

Reason for selection of the candidate as External Director and summary of expected roles

Ms. Eiko Tomita is a qualified pharmacist of Japan and has a remarkable track record and has been deeply involved in the international pharmaceutical approval process for global pharmaceutical companies both domestically and internationally. She has been actively providing useful advice and suggestions on overall management by utilizing her expertise in technology, research and development, business strategy and marketing. It is expected that her performance of these important roles will further strengthen the oversight of the management and the governance system, and thus the Company proposes that she continue to be elected as an External Director.

Candidate No.

5

Naoko Shimura

(Born 5/Jun/1974)

No. of shares owned: —
Term of office as External Director: 1 year
Attendance at Board Meetings: 10/12 times

Reappointed

External

[Career summary, and positions and responsibilities at the Company]

Apr. 1999	Registered as an attorney, Joined Nishimura & Partners (current Nishimura & Asahi, Foreign Law Joint Enterprise)
Sep. 2004	Joined Debevoise & Plimpton LLP, New York
Apr. 2005	Registered as an attorney in the state of New York, United States
Jan. 2008	Partner, Nishimura & Asahi (current Nishimura & Asahi, Foreign Law Joint Enterprise) (to the present)
Sep. 2008	Lecturer, Hitotsubashi University, Graduate School of International Corporate Strategy (ICS)
May. 2016	External Statutory Auditor, TABIKOBO Co. Ltd.
Jun. 2018	External Director, MIXI, Inc.
Sep. 2018	Lecturer, Hitotsubashi University, Graduate School of Law, Business Law Department (to the present)
Jun. 2019	External Statutory Auditor, NIPPON SIGNAL CO., LTD.
Jun. 2023	External Director, TSUKISHIMA HOLDINGS CO., LTD. (to the present)
Mar. 2025	External Director of the Company (to the present)

<Committee membership>
Member of the Audit Committee

[Significant concurrent posts]
Partner, Nishimura & Asahi, Foreign Law Joint Enterprise
External Director, TSUKISHIMA HOLDINGS CO., LTD.
Lecturer, Hitotsubashi University, Graduate School of Law, Business Law Department

Reason for selection of the candidate as External Director and summary of expected roles

Ms. Naoko Shimura has extensive experience and expertise in domestic and international corporate legal affairs and M&A fields as a partner at a major law firm in Japan. Although she has never been involved in company management in any way other than as an External Director, she has been actively providing useful advice and suggestions on overall management by utilizing her expertise in legal affairs and compliance. It is expected that her performance of these important roles will further strengthen the oversight of the management and the governance system, and thus the Company proposes that she continue to be elected as an External Director.

Candidate No.

6

Nicola Rabson

(Born 1/Oct/1974)

No. of shares owned: —
Term of office as External Director: 1 year
Attendance at Board Meetings: 9/12 times

Reappointed

External

Independent

[Career summary, and positions and responsibilities at the Company]

Sep. 1998	Trainee Solicitor, Charles Russell LLP
Jan. 2000	Associate, Linklaters LLP
May. 2010	Partner lawyer Employment Law, Head of Employment Linklaters LLP (to the present)
Jan. 2014	Global Head Employment & Incentives (member of Exco), Linklaters LLP
Mar. 2021	Senior Independent Director, Kent FA Board, Nominations Committee and Audit, Risk & Remuneration Committee (to the present)
May. 2022	Governor and Trustee, Royal Russell School Board, Finance & Estates Committee and Strategy, Appointments & Remuneration Committee (to the present)
Nov. 2022	Non-executive Director, ZIGUP plc. Board, Nominations Committee and Remuneration & Audit Committee (to the present)
Mar. 2025	External Director of the Company (to the present)

<Committee membership>
Member of the Compensation Committee

[Significant concurrent posts]
Partner lawyer Employment Law, Head of Employment Linklaters LLP
Senior Independent Director, Kent FA
Governor and Trustee, Royal Russell School
Non-executive Director, ZIGUP plc.

Reason for selection of the candidate as External Director and summary of expected roles

Ms. Nicola Rabson is a partner lawyer at an international law firm and has extensive expertise and experience in the field of employment law.
She also serves as an External Director for various companies, advising on strategic initiatives related to diversity and inclusion, workplace culture, as well as labor issues. Although she has never been involved in company management in any way other than as an External Director, she has been actively providing useful advice and suggestions on overall management by utilizing her expertise in employment law and legal affairs. It is expected that her performance of these important roles will further strengthen the oversight of the management and the governance system, and thus the Company proposes that she continue to be elected as an External Director.

Candidate No.

7

Takeo Morooka

(Born 21/Apr/1969)

No. of shares owned: —
Term of office as External Director: —
Attendance at Board Meetings: —

Newly appointed

External

Independent

[Career summary, and positions and responsibilities at the Company]

Apr. 1994	Registered to practice medicine in Japan Resident Physician, Plastic and Reconstructive Surgery, Kyoto University Hospital
Apr. 1998	Medical Officer, Ministry of Health and Welfare, Japan
Jan. 2002	Medical Officer, WHO/HQ
Jan. 2007	Director, Department of Health Facilities Management, International University of Health and Welfare
Feb. 2010	Vice President, Government Affairs, Covidien Japan K.K.
Jul. 2015	Head of Health Policy, MSD K.K.
Oct. 2018	Board Director in charge of Operation, Preparatory Committee for the Establishment of Japan Foundation of Medical Isotope Development, General Incorporated (current Board Director) (to the present)
Apr. 2019	Founder and CEO, Japan Medical Isotope Technology Development K.K. (to the present)
Jul. 2019	Co-founder and Special Advisor, Fuzionaire RI Technologies K.K. (to the present)
Jan. 2020	Co-founder and CEO, Japan Medical Isotope K.K. (to the present)
Jan. 2021	Founder and CEO, PH Consulting Ltd. (current Representative Director and President, PH Consulting K.K.) (to the present)
Oct. 2021	Co-founder and Executive Officer CSO, Hedgehog MedTech Inc. (to the present)
Dec. 2021	Director General, European Federation of Pharmaceutical Industries and Associations, Japan, General Incorporated
Dec. 2024	Advisor, MeDiCU Inc. (to the present)
Apr. 2025	Strategic Advisory Council Member of the Company (to the present)

[Significant concurrent posts]
Representative Director and President, PH Consulting K.K.
Executive Officer CSO, Hedgehog MedTech Inc.
CEO, Japan Medical Isotope Technology Development K.K.
CEO, Japan Medical Isotope K.K.
Board Director, Japan Foundation of Medical Isotope Development, General Incorporated
Advisor, MeDiCU Inc

Reason for selection of the candidate as External Director and summary of expected roles

Dr. Takeo Morooka is a qualified physician who worked as a clinician before joining Japan's Ministry of Health, Labor and Welfare. He has also worked as a medical officer at the World Health Organization's headquarters in Geneva, Switzerland. Following which he served as a senior executive in charge of government relations at a global healthcare company, and in recent years has founded and is involved in the management of a medical advisory company and a company that aims to utilize technology to improve outcomes in healthcare, such as developing therapeutic apps. In light of his extensive and deep knowledge, especially in regulatory affairs and pharmaceutical policy, the Company believes he will proactively offer useful advice and proposals regarding the Company's overall management. It is expected that his performance of these important roles will further strengthen the oversight of the management and the governance system, and thus the Company proposes that he will be newly elected as an External Director.

Notes 1. There is no special conflict of interests between the Director candidates and the Company.

2. Dr. David Roblin, Mr. Rolf Soderstrom, Ms. Eiko Tomita, Ms. Naoko Shimura, Ms. Nicola Rabson and Dr. Takeo Morooka are candidates for External Directors.

3. Summary of liability limitation agreements with the candidates

In accordance with Article 427, Paragraph 1 of the Companies Act, the Company entered into an agreement that limits liability for damages under Article 423, Paragraph 1 of the said Act with each of Dr. David Roblin, Mr. Rolf Soderstrom, Ms. Eiko Tomita, Ms. Naoko Tomita and Ms. Nicola Rabson. The limit on the liability for damages under the agreements is the minimum amount of liability stipulated in Article 425, Paragraph 1 of the Companies Act. If the appointment of each candidate is approved at the Meeting, the Company intends to continue liability limitation agreements with the candidates. Also, if the appointment of Dr. Takeo Morooka is approved at the Meeting, the Company intends to conclude liability limitation agreements with the candidates.

4. We have a liability insurance (D&O insurance) policy in which all of our directors are insured. The Company is paying the full amount of premiums for this policy. To a director who is an insured person being liable for the execution of his/her duties or a request pertaining to the pursuance of such liability damage that may be caused by such damage is covered. If the election of each candidate is approved at the Meeting, each candidate will be included as an insured person under the relevant insurance policy. Moreover, we plan to renew D&O insurance with same content for the next contract renewal.

5. The Company has notified Tokyo Stock Exchange, Inc. of the appointment of Dr. David Roblin, Mr. Rolf Soderstrom, Ms. Eiko Tomita and Ms. Nicola Rabson as Independent Directors in accordance with the regulations of Tokyo Stock Exchange, Inc. If the election of each candidate is approved at the Meeting, the company plans to continue to designate each person as Independent Directors and to designate Dr. Takeo Morooka as Independent Directors.

Reference

the Independence Standards for External Directors

An external director will be determined to be independent if he or she does not fall under any of the following categories:

(1) A person who is or was an executive director, executive officer or other officer or employee (hereinafter collectively referred to as "Executive") of our Group (the Company and its affiliated companies);

(2) A person who is or was in any of the last three business years an Executive at our Group's principal business partner (a company with which the annual amount of transaction (the amount of products and services provided or procured) exceeds 2% of consolidated net sales of the Company or the partner or a financial institution from which the amount of borrowing outstanding at the end of fiscal year exceeds 2% of the Company's consolidated total asset) and its parent and subsidiary companies, and subsidiaries of such parent company;

(3) A consultant, or accounting or legal expert who has received from our Group, as an individual, in any of the last three business years cash or other property other than the remuneration for a director or officer exceeding 10 million yen (or a person who belongs to a juridical person, partnership or any other organization that received the said property if it exceeds 2 % of the organization's total annual revenue)

(4) A person who belongs or belonged to an auditing firm that is an accounting auditor of the Company or its consolidated subsidiary in any of the last three business years;

(5) A major shareholder of the Company (shareholder holding 10% or more on a voting rights basis of the shares in the Company in its own or other's name) at the end of the most recent business year or its Executive;

(6) A spouse or relative within the second degree of kinship of a person who falls under any of the items (1) to (5) above provided that an Executive shall be in an "Important Position." For the purpose of this item, a person is in an "Important Position" when the person is a director (excluding external director), executive officer, officer, employee in senior management position of general manager or higher, or other person who is objectively and reasonably judged to be in a position of equivalent importance; or

(7) A person who is reasonably judged to be unable to perform his or her duties as an independent external director due to a potential conflict of interest with shareholders.

End

1 Current State of the Corporate Group

(1) Progress and Results of Operations

1) Group Overview

Nxera Pharma is a technology-powered biopharma company, in pursuit of new specialty medicines to improve the lives of patients with unmet needs in Japan and globally. Its core activities are drug discovery, drug development and the commercialization of pharmaceutical products. Within the Group, Nxera Pharma UK Limited (formerly Heptares Therapeutics Ltd), a wholly owned subsidiary based in UK, mainly engages in drug discovery, translational medicine, preclinical and early clinical development; Nxera Pharma Japan Co., Ltd. (formerly Idorsia Pharmaceuticals Japan Ltd.; hereinafter referred to as “NPJ”), a wholly owned subsidiary based in Japan, and Nxera Pharma Korea Co., Ltd. (formerly Idorsia Pharmaceuticals Korea Co., Ltd.; hereinafter referred to as “NPK”), a wholly owned subsidiary based in South Korea, mainly engage in clinical development and product commercialization in Japan and South Korea, respectively, with potential to expand into other Asia-Pacific (“APAC”) regions.

In drug discovery, the Group’s core scientific focus is to discover transformative new medicines for important unmet medical needs, including novel small molecules, peptides and therapeutic antibodies targeting G Protein-Coupled Receptors (“GPCRs”). Its proprietary GPCR-targeted structure-based drug discovery (“SBDD”) platform (“NxWave™”) has enabled the Group to become a world leader in designing new drugs to target GPCRs and to develop an extensive pipeline of over 30 active in-house and partnered programs with the potential to deliver first-in-class or best-in-class medicines targeting important therapeutic areas, including neurology/neuropsychiatric disorders, metabolic diseases, and immunology and inflammation.

In late-stage development and commercialization, the Group owns the Japan and APAC (excluding China) territory rights to PIVLAZ® (clazosentan; launched in Japan in 2022 to treat cerebral vasospasm and approved in South Korea) and QUVIVIQ® (daridorexant; launched in Japan in 2024 to treat insomnia), as well as exclusive options to license Japan and APAC (ex-China) rights from Idorsia Pharmaceuticals to its lucerastat (Fabry disease) programs, which is in Phase 3 development.

In addition, the Group generates royalty revenues from the global sales of respiratory disease products Seebri® Breezhaler®, Ultibro® Breezhaler® and Enerzair® Breezhaler® from Novartis International AG ("Novartis”). These royalties provide the Group with a significant and stable source of capital.

In conjunction with the Group’s name change to Nxera Pharma from Sosei Group, enacted on April 1, 2024, its strategy has been further evolved and refined, focusing on leveraging the NxWave™ platform, pipeline and discovery, development and commercialization capabilities to provide multiple options to advance its own and externally sourced candidates to patients in Japan and globally. This strategy is based on two key strategic pillars:

(i) Delivering Life-Changing Medicines to Patients in Japan and APAC
Leveraging the Group’s extensive experience in clinical development and commercialization in Japan to deliver new medicines developed in-house or in-licensed from other companies to patients in Japan and APAC.

(ii) Progressing its Extensive Portfolio of Novel Drug Programs Designed using NxWave™ Platform Technology
Advancing programs in-house and with partners targeting large and fast-growing disease areas with a significant need globally.

In 2025, the Group continued to make significant progress in delivering life-changing medicines to patients in Japan and APAC mentioned in (i) above. For QUVIVIQ®, we announced that it was newly launched in December 2024, and in December 2025 we reported the lifting of the two-week

prescription restriction. In October 2025, we announced that approval had been obtained for a partial change application to the marketing authorization for pharmaceutical manufacturing and sales, related to adding manufacturing sites for QUVIVIQ® tablets 25 mg and 50 mg. The addition of a second API manufacturing site is expected to help reduce manufacturing costs, and profitability is expected to improve from 2027 onward. In overseas regions, in February 2025 we announced that a license, product supply, and sales agreement for Daridorexant in Taiwan had been signed with Holling Bio-Pharma Corp. In Taiwan, the product is expected to be launched around mid-2026.

Within our partnered programs, our collaboration with Neurocrine Biosciences, Inc. (“Neurocrine”) continued to make significant progress. Neurocrine holds one of the industry’s largest portfolios of muscarinic receptor agonist candidates. Neurocrine has initiated a Phase 3 clinical trial of NBI-1117568 (a muscarinic M4 receptor agonist) for schizophrenia and has also started a Phase 2 clinical trial for bipolar disorder. Results from the Phase 3 trial are expected to be announced from 2027 onward. Progress has also been made across the broader portfolio of muscarinic receptor agonist candidates. NBI-1117570 (a selective M1/M4 dual receptor agonist) has entered a Phase 2 clinical trial for schizophrenia. Neurocrine plans to initiate a Phase 2 clinical trial of NBI-1117567 (an M1-preferring agonist) in 2026.

Furthermore, the Group announced that it achieved a development milestone under its collaboration with Eli Lilly and Company for the research, development and commercialization of multiple targets in diabetes and metabolic diseases and had also achieved the second significant research-stage milestone under its drug discovery collaboration with AbbVie Inc. focused on multiple targets in neurological disorders. Centessa Pharmaceuticals Limited also disclosed positive interim results from its Phase 2 clinical trial of ORX750, an orally administered selective orexin receptor 2 (OX2R) agonist, for the treatment of narcolepsy type 1 (NT1), narcolepsy type 2 (NT2) and idiopathic hypersomnia, and is expected to initiate an ORX750 registrational program in 2026.

In its in-house programs, the Group announced in September 2025 that the first subject had been dosed in the Phase 2a trial of its investigational cancer immunotherapy candidate HTL0039732 (NXE0039732), across four cohorts in microsatellite stable (MSS) colorectal cancer (CRC), gastric or gastroesophageal junction (GOJ) adenocarcinoma, clear cell renal cell carcinoma, and metastatic castration-resistant prostate cancer. In October 2025, Cancer Research UK presented positive data from the Phase 1 portion of the ongoing Phase 1/2a trial (NCT05944237) at the European Society for Medical Oncology (ESMO) annual meeting, ESMO Congress 2025.

While 2025 was an important year in which the rebuilding of the Group’s business foundation and the full-scale realization of pipeline value progressed in parallel, the Group has made significant progress towards its 2030 Vision (revenues of at least JPY 50 billion and operating profit margin of at least 30%). Going forward, the Group will continue to strive to build a leading global biopharmaceutical company that delivers long-term, sustainable value to patients and their families, healthcare professionals, and shareholders and investors.

Financial results for the year ended December 31, 2025 were revenue of 29,615 million yen (an increase of 780 million yen vs. the prior year), core operating loss of 352 million yen (a core operating profit of 3,606 million yen in the prior year), an IFRS operating loss of 8,462 million yen (vs. an IFRS operating loss of 5,423 million yen in the prior year) and net loss of 12,530 million yen (vs. a net loss of 4,838 million yen in the prior year).

		The 35th Term January 1, 2024 - December 31, 2024	The 36th Term January 1, 2025 - December 31, 2025	vs. the prior year	
		Value	Value	Value	Rate of change
Revenue	(JPY millions)	28,835	29,615	780	2.7%
Core operating profit (loss)	(JPY millions)	3,606	(352)	(3,958)	-%
Operating profit (loss)	(JPY millions)	(5,423)	(8,462)	(3,039)	-%
Net profit (loss)	(JPY millions)	(4,838)	(12,530)	(7,692)	-%
Net earnings (loss) per share - basic	(Yen)	(53.92)	(138.80)	(84.88)	-%

The principal management indicators are as follows.

Revenue

Marketed Products

Revenue relating to Marketed Products in the year under review totaled JPY 20,136 million (an increase of JPY 3,888 million vs. the prior year). The breakdown is described below.

PIVLAZ®

The Group sells PIVLAZ® for the prevention of cerebral vasospasm in Japan using its in-house salesforce. PIVLAZ® revenue increased by 6.8% vs the prior year due to sales volume growth.

QUVIVIQ®

The Group earns royalty revenue on sales of QUVIVIQ® by Shionogi & Co., Ltd. (“Shionogi”), as well as product sales revenue on the supply of QUVIVIQ® to Shionogi. As sales of QUVIVIQ® began in the fourth quarter of the prior year, revenue increased by 223.9% vs the prior year.

Respiratory

The Group earns royalty revenue on global sales of a portfolio of Respiratory products by Novartis . This portfolio comprises Seebri®, Ultibro®, and Enerzair®. Respiratory royalty revenue decreased by 1.0% vs the prior year.

(Note) Seebri®, Ultibro®, and Enerzair® are registered trademarks of Novartis AG.

Research and Development

Revenue relating to Research and Development in the year under review totaled JPY 9,479 million (a decrease of JPY 3,108 million vs. the prior year).

Upfront fee revenue

The Group earns upfront fees from entering R&D collaborations with new partners. Upfront fees increased by JPY 179 million vs the prior year. In the year under review two new agreements were signed vs. one in the prior year.

Milestone revenue

The Group earns milestone revenue as a result of the progress of R&D with existing collaboration partners. Milestone revenue tends to be variable in nature and decreased by JPY 3,278 million vs. the prior corresponding period. The decrease was due to the smaller size of individual milestone receipts compared to the prior corresponding period, despite there being more milestone events: there were seven milestone events in the year under review vs. five milestone events in the prior year.

Deferred revenue releases

In some contracts, compensation for performing research and development services is included within upfront fees or milestone receipts, and recorded initially as deferred revenue in the balance sheet. Such income is transferred from deferred revenue to the revenue line in the income statement as a result of the performance of R&D activity in the period under review. Deferred revenue releases decreased by JPY 6 million vs. the prior year due to the stage of progression of relevant projects as at the end of the current year. Deferred revenue recorded in the balance

sheet as at December 31, 2025 totaled JPY 5,356 million and will be transferred to revenue in the future as Research and development activity is completed.

Cost of sales

Cost of sales in the year under review totaled JPY 8,198 million (an increase of JPY 583 million vs. the prior year). This was primarily due to the inclusion of costs relating to QUVIVIQ® in the year under review following its launch in December 2024, offset by a decrease in the cost of sales of PIVLAZ® and a decrease in the cost of providing contracted research and development services to customers. The decrease in the cost of sales of PIVLAZ® was primarily due to the cessation of an IFRS accounting adjustment that was required to be applied to the value of inventory acquired in July 2023 from Idorsia up to September 2024 when it had all been sold.

Research and development expenses

Research and development ("R&D") expenses in the year under review totaled JPY 14,466 million (an increase of JPY 2,650 million vs. the prior year). This increase primarily reflects an increased investment in R&D and the impact of the weaker Yen. In the period under review, 89% of R&D spend related to the Group's UK operations.

Selling, general and administrative expenses

Selling, general and administrative ("SG&A") expenses in the year under review totaled JPY 15,225 million (a decrease of JPY 790 million vs. the prior year). This decrease was primarily due to lower selling related costs as a result of targeted cost savings.

Net other expenses

Net other expenses in the year under review totaled JPY 189 million vs. net other income of JPY 1,189 million in the prior year (a change of JPY 1,377 million). This was primarily due to recording impairment losses and restructuring charges in the current year, partially offset by UK R&D expenditure-related tax credits. In the prior year, net other income primarily comprised UK R&D expenditure-related tax credits.

Operating loss

Operating loss in the year under review totaled JPY 8,462 million (vs. an operating loss of JPY 5,423 million in the prior year). The increase in operating loss reflects the combined effect of all of the movements explained above.

Net finance expense

Net finance expense in the year under review totaled JPY 6,489 million vs. a net finance income of JPY 761 million in the prior year (a decrease of JPY 7,251 million). This change was primarily due to recording charges in the current year for (i) the net cost of restructuring the Group's convertible bonds totalling JPY 4,649 million, and (ii) an increase of JPY 1,940 million in the fair value of contingent consideration payable to the former shareholders of an acquired business following the positive progression of relevant R&D programs.

Loss before income tax

Loss before income tax in the year under review totaled JPY 14,950 million (vs. JPY 4,662 million in the prior year). This change reflects the combined effect of all of the movements explained above.

Income tax benefit

Income tax benefit in the year under review totaled JPY 2,420 million (vs. an income tax expense of JPY 176 million in the prior year). This change reflects an increase in deferred tax assets (primarily relating to higher inventory levels and tax losses) and a reduction in deferred tax liabilities.

Net loss

Net loss in the year under review totaled JPY 12,530 million (vs. a net loss of JPY 4,838 million in the prior year). The increase in net loss reflects the combined effect of all of the movements explained above, and in particular, (i) the one-off cost of restructuring the Group's convertible bonds, (ii) the non-cash cost of the increase in the contingent consideration liability, (iii) One-off restructuring charges, and (iv) the non-cash cost of impairment losses, which have been partially offset by the impact of deferred tax movements generating a tax benefit.

Alternative performance measure: Core operating profit / loss

Core operating profit / loss is an alternative performance measure which adjusts for material non-cash costs and one-off costs in order to provide insights into the recurring cash generation capability of the core business.

Core operating loss in the year under review totaled JPY 352 million (vs. a core operating profit of JPY 3,606 million in the prior year). In calculating core operating profit / loss, the following adjustments to the IFRS operating loss have been made:

- Depreciation totaled JPY 1,582 million (a decrease of JPY 31 million vs. the prior year).
- Amortization totaled JPY 2,784 million (an increase of JPY 413 million vs. the prior year).
- Share-based payments totaled JPY 1,749 million (an increase of JPY 353 million vs. the prior year).
- Impairment loss totaled JPY 1,160 million (nil in the prior year). This was due to recording impairment losses on an intangible asset and goodwill.
- Restructuring totaled JPY 636 million (an increase of JPY 608 million vs. the prior year). These costs relate to restructuring programs implemented in Q4 2025 (including JPY 204 million of accelerated share-based payment expenses vs. nil in the prior year).
- Integration and other non-recurring costs totaled JPY 198 million (a decrease of JPY 1,022 million in the prior year). Integration and other non-recurring costs in 2025 mainly relate to IT system integration, which was completed in Q1 2025.
- There was no cost of sales adjustment in the year under review (vs. JPY 2,401 million in the prior year). The cost of sales adjustment represents a non-cash accounting adjustment to the cost of inventory sold in the year which was originally acquired as part of the Idorsia transaction in July 2023. As all of this inventory had been sold by the end of September 2024 no further adjustment is required

(2) Capital Expenditures

The total amount of capital expenditures made by the Group in the year under review was JPY 1,288 million, which was mainly for a new lease related to office activities in Cambridge, the United Kingdom.

(3) Significant Organizational Restructuring, etc.

Not applicable.

(4) Assets and Profit/Loss in the previous three fiscal years

Item		The 33rd Term As of December 31, 2022	The 34th Term As of December 31, 2023	The 35th Term As of December 31, 2024	The 36th Term (current term) As of December 31, 2025
Revenue	(JPY millions)	15,569	12,766	28,835	29,615
Core operating profit / (loss)	(JPY millions)	5,856	(3,076)	3,606	(352)
Operating proft (loss)	(JPY millions)	3,436	(9,526)	(5,423)	(8,462)
Net profit (loss)	(JPY millions)	382	(7,193)	(4,838)	(12,530)
Net earnings or (loss) per share - basic	(Yen)	4.68	(87.18)	(53.92)	(138.80)
Total assets	(JPY millions)	99,417	157,198	151,498	134,787
Total equity	(JPY millions)	57,936	66,810	68,518	60,997

(5) Issues to be addressed

1) Business advancement and strategy

As a technology-led biopharmaceutical business whose core activities are drug discovery, drug development and the commercialization of pharmaceutical products, the Group has outlined a strategy to grow the business in Japan and internationally.

Outside of Japan and APAC (ex-China), the Group intends to take programs from drug discovery through translational medicine into early clinical development internally, and license these in-house programs to partners, while retaining its rights to develop such programs in Japan and APAC (ex-China) when possible.

In Japan and APAC (ex-China), the Group will start its development and commercialization strategy by in-licensing foreign de-risked approved or late-stage clinical assets and will expand the pipeline with internally generated programs in the future.

Please refer “(1) Progress and Results of Operations, 1) Group Overview” for our two key strategic pillars.

2) Risk recognition

The Group is exposed to a range of risks consistent with the industry in which it operates. The business, financial condition and results of the Group may be adversely impacted by any of these risks. The Group has in place an Enterprise Risk Management Program that monitors and mitigates business specific risks in both Japan and the United Kingdom. The Group has

summarized its most important risks into the following categories: industry; commercial; strategic; financial; legal and compliance; and takes necessary measures to deal with these risks.

INDUSTRY RISKS

Risks inherent to research and development

The Group's business strategy is to leverage its proprietary platform, pipeline and capabilities and build a balanced and integrated business with a commercial capability in Japan and APAC (ex-China) and partnering opportunities globally. The Group has established an unrivalled platform of technologies and tools, as well as skillful employees to seamlessly manage its discovery and early-stage drug development capabilities. The Group works closely with its partners to ensure success on high-value partnered programs and collaboration with long-term venture funds. Furthermore, the Group is equipped with experienced clinical development capability and profitable commercial operations in Japan. However, there are increasing challenges for the industry, which generally include productivity, complexity and cost of research and development, innovative developments, changing relationships due to rapid consolidation in the industry, patent expirations, and regulatory changes. Large pharma and biotech companies regularly re-assess their business strategies to remain competitive in the industry.

Research and development of new drug candidates always carries inherent risk. There is no guarantee that the Group by itself, or together with its partners will successfully develop and commercialize new drugs. It is possible economic returns may not be achieved, or an impairment to the carrying value of the Group's intangible assets may be required and that may impact the Group's statement of financial performance and financial position. It is also possible that the Group could be responsible for liabilities resulting from its research and development activities, and therefore the Group is covered by liability insurance to help mitigate these risks.

COMMERCIAL RISKS

The Group continues to be engaged in multiple active drug discovery and early-stage development programs that it intends for clinical development and commercialization; however, the Group may not be able to achieve this goal. Additionally, the commercial environment for licensing might change during the lifetime of individual projects. The actual timing and commercial values of individual projects, or the financial proceeds from licensed partnering programs can change significantly from initial estimates.

The Group's reliance on partners is subject to additional risks. For example, the Group's partners may not devote sufficient time and resources to the Group's future products or may not pursue further development and commercialization of the products resulting from the partnership.

In Japan, the Group has a pipeline of medicines that includes PIVLAZ® and QUVIVIQ® already commercially available. However, delays in research and development, regulatory filing, or launch of the product, as well as failure to achieve expected efficacy and safety, or delays in progress from the sales plan may occur.

The Group mitigates both risks by ensuring it has a diverse and balanced partnered and in-house pipeline.

STRATEGIC RISKS

Execution of business strategy

The Group continues to focus its in-house activities on leveraging its platform and expertise to create and develop drug candidates, adding to its broad pipeline with the aim to achieve

important value inflection points that will enable new out-licensing and co-investment agreements. The Group is also focused on in-licensing de-risked approved or late-stage clinical assets to build out a business in Japan. It is possible that investments might be allocated to the development of unsuccessful drug candidates, or failed technologies.

Risks from investment strategy

In the past, the Group has made equity investments in companies with highly promising yet unproven technologies. These investments may enable the Group to accelerate its business model as they provide a beneficial risk-reward profile through to a significant value inflection. However, unproven technologies also carry the risk of failure, which may lead to impairment of the intangible asset and impact the Group's statement of financial performance and financial position. To mitigate this risk, the Group, In 2020, established an Investment Committee that is responsible for conducting diligence and making recommendations to the Group's Board of Directors, who are in turn responsible for approving strategic investments. The Group's approach to investments is to balance risk and reward appropriately, ensuring excessive capital is not put at risk.

FINANCIAL RISKS

The Group's financial risk management focuses on liquidity and currency risks.

Liquidity risks

Revenue timing, external events and changes in the business environment might negatively impact the Group's profitability and cash. The Group is currently well-financed and able to deal with these risks. To mitigate this risk, the Group regularly reviews options for capital increases and and other refinancing tools, and has entered into factoring arrangements based on trade receivables to address temporary liquidity needs.

Currency risks

The Group is impacted by fluctuations in foreign exchange rates mainly between the Japanese Yen, Pound Sterling and US dollar. The Group mitigates this exposure via close monitoring to manage the Group's current and upcoming currency requirements, which is intended to reduce the exchange rate risks in the future.

LEGAL & COMPLIANCE RISKS

The Group operates in a global industry where legal compliance, contractual agreements and intellectual property rights are crucially important. Moreover, there is a trend towards greater regulatory compliance in the pharma industry. The Group ensures regulatory as well as internal compliance and employees are obliged to immediately report any incidents they suspect of having breached regulatory or compliance rules to the Company.

3) Value creation

The pharmaceutical industry is undergoing rapid change due to numerous pressures faced by large companies, such as patent expiries, higher burden of approval and increasing costs. This has led to a reduction in the number of research-based businesses taking the full financial and commercial risk of drug development.

New strategies across the industry are focused on securing external innovation in an efficient way. Furthermore, ageing populations in many developed countries are driving the need for differentiated and better treatments. As a result, large pharma and biotech companies are increasingly seeking innovative solutions to their R&D challenges, and therefore increasingly

executing collaborations across research, discovery and development activities with mid-sized science and technology-led companies. The Group is positioned to take advantage of this growth trend. The Group regularly identifies and evaluates opportunities for business expansion and value creation and is pursuing a capital efficient business model that will sustainably create new commercial opportunities in an evolving industry landscape.

4) Corporate Governance

The Group has business activities in multiple jurisdictions and takes corporate governance very seriously. The Group is continuously evaluating ways to enhance its systems and processes, to ensure it complies with all national regulations. Furthermore, the Group will continue to promote a corporate culture that is committed to the highest standards of openness, integrity and accountability.

The Group's Board of Directors is responsible for overseeing management and conducting risk management and compliance activities to maintain standards and accountability and a majority of members are independent external directors. Executive Officers work closely with the Board of Directors to achieve long-term and sustainable growth for the Group and to create shareholder value. They make decisions on and execute the Group's strategy and business transactions that are significant in line with management policies and strategies set by the Board of Directors, based on the authority delegated by the Board of Directors.

(6) Main Business Activities (as of December 31, 2025)

The Group's main business is the research, development and sale of pharmaceutical products.
The Group companies are engaged in the following business activities.

Company Name	Business Description
Nxera Pharma Co., Ltd.	Research and development, importation, contract manufacturing and sales of pharmaceuticals products, etc. Responsible for setting the strategy of the Group, and performing centralized administrative activities on behalf of group companies
Nxera Pharma Japan Co., Ltd.	Research & Development, importation, packaging and sale of pharmaceutical products
Nxera Pharma UK Limited	Structural analysis of GPCRs, generation of initial lead compounds, discovery of drug candidates through proprietary NxStaR™ technology

(7) Principal Parent Company and Subsidiaries (as of December 31, 2025)

1) Parent company

Not applicable.

2) Subsidiaries

Company Name	Capital	Ratio of Voting	Key Business
Nxera Pharma Japan Co., Ltd.	JPY 95 million	100.0%	Research & Development, importation, packaging and sale of pharmaceutical products
Nxera Pharma UK Limited	GBP 416 thousand	100.0%	Structural analysis of GPCRs, generation of initial lead compounds, discovery of drug candidates through proprietary NxStaR™ technology

3) Other significant information

Not applicable.

(8) Main Offices and Factories (as of December 31, 2025)

1) Main Sites of the Company

Office	Location
Head Office	Minato-ku, Tokyo
London Office	London, UK
Basel office	Basel, Swiss

2) Main Sites of Subsidiaries

Office	Location
Nxera Pharma Japan Co., Ltd.	Minato-ku, Tokyo
Nxera Pharma UK Limited	Cambridge, UK

(9) Employee Information (as of December 31, 2025)

1) Group Employees

Business Segment	Number of Employees		Change from the End of the Previous Fiscal Year
Pharmaceutical business	285	(57.2)	-40
Group administration	97	(3.7)	+48
Total	382	(60.9)	+8

(Note)
1. The number of employees does not include the number of temporary employees, which is listed in parentheses as the average for the year.
2. The pharmaceutical business headcount decreased by 40 employees compared with the end of the previous fiscal year, mainly due to personnel transfers to the Group administration.
3. The group administration headcount increased by 48 employees compared with the end of the previous fiscal year, mainly due to personnel transfers from the pharmaceutical business.

2) Company Employees

Number of Employees	Change from the End of the Previous Fiscal Year	Average Age	Average Service Years
50 (3.5)	-8	46.8 years old	3.7 years

(Note) 1.The number of employees is the number of people employed full-time and does not include the number of temporary employees, which is listed in parentheses as the average for the year.
2.The Company employee headcount decreased by 8 employees compared with the end of the previous fiscal year, mainly due to personnel transfers to subsidiaries.

(10) Financing

Not applicable.

(11) Principal Lenders (as of December 31, 2025)

Lender	Amount of borrowing
Mizuho Bank, Ltd.	JPY 26,950 million

(12) Other Significant Matters on the Current Status of the Group

Not applicable.

2 Current Status of the Company

(1) State of Shares (as of December 31, 2025)

1) Total number of authorized shares 149,376,000 shares

2) Total number of outstanding shares 90,496,735 shares

(Notes) The number of outstanding shares increased by 593,877 shares to issue new shares by a post-hoc granted stock-based compensation (RSU) plan.

3) Number of shares constituting one unit 100 shares

4) Number of shareholders 25,623

5) Major shareholders (Top 10)

Shareholder's Name	Shareholdings (shares)	Ownership Stake
The Master Trust Bank of Japan, Ltd. (trust account)	8,533,800	9.43 %
Daisuke Gomi	7,270,000	8.03 %
JICVGI Opportunity Fund No.1 Investment Limited Partnership	5,610,000	6.20 %
CLEARSTREAM BANKING S. A.	3,052,912	3.37 %
BROWN BROTHERS HARRIMAN (LUXEMBOURG) SCA CUSTODIAN FOR ARCUS FUND SICAV - ARCUS JAPAN FUND	2,542,800	2.81 %
Pfizer Japan Inc.	1,885,136	2.08 %
SBI SECURITIES Co. Ltd.	1,537,549	1.70 %
MSIP CLIENT SECURITIES	1,358,300	1.50 %
BOFAS INC OMNIBUS ACCOUNT	1,212,800	1.34 %
GOLDMAN SACHS INTERNATIONAL	1,079,956	1.19 %

(Notes) 1. Ownership stakes have been rounded off to two decimal places.
2. Ownership stakes are calculated deducting 1,976 treasury shares which the Company owns.

6) Status of Shares Issued as Consideration for the Execution of Duties to Directors and executive officers during FY2025

	Shares	Number of grantees
Directors (Excluding External Directors) and Executive officers	249,105	8
External Directors	84,518	7

(Notes) 1. Directors (Excluding External Directors) and Executive officers include five retired executive officers.
2. External Directors include two retired external directors.
3. The contents of the Company's share remuneration are described「Policy concerning decisions on the content of individual remuneration for Directors and Executive Officers. by the Compensation Committee 」

(2) Stock acquisition rights ("stock options"), etc. (as of December 31, 2025)

1) Stock options owned by the Company's directors and executive officers that were issued as compensation for performance of duties as of the end of the fiscal period under review

		34th Stock Options
Date of Board resolution		November 21, 2017
Number of stock options		2
Number and class of shares for stock options		800 shares of common shares
Amount of payment for stock options		621,400 yen per stock option (Note 4)
Value of assets to be provided on exercise of stock options		1,068,800 yen per stock option (2,672 yen per share)
Exercise period of stock options		from December 1, 2020, to October 29, 2027
Terms and conditions for exercise		Notes 1 and 2
Holdings by directors and executive officers	Directors and executive officers (excluding external directors)	Number of stock options: 2 Number of shares for stock options: 800 Number of holders: 1 (Note 3)
	External directors	-

(Notes):

1. Stock option holders must be directors, executive officers or employees of the Company or the Company's subsidiaries when exercising stock options; provided, however, that this does not apply in cases of retirement due to expiration of a term of office or reaching the mandatory retirement age, or when there are other legitimate reasons.
2. (1) Stock options may not be exercised by heirs of stock option holders.
   (2) Stock options may not be exercised if by exercising the options the Company's total number of outstanding shares after exercise exceed the total number of authorized shares at that time.
   (3) Stock options may not be exercised in fractions of one unit.
3. Holdings of 34th Stock Options are the options granted to an employee before his assumption of the office as executive officer.
4. The stock options were granted to executive officers of the Company as incentive remuneration and the grant without payment of cash equivalent to the fair value of the stock option granted does not constitute a particularly favorable condition of issuance.
5. The number of shares for stock options was changed from 100 shares per stock option to 400 shares per stock option following the stock split as of July 1, 2018 and the value of assets to be provided on exercise of stock options was adjusted accordingly.

(3) Directors and executive officers (as of December 31, 2025)

1) Directors

Title	Name	Responsibility	Significant Concurrent Posts
Director	Christopher Cargill	Chair of Nomination Committee Member of Compensation Committee	Director, Nxera Pharma Japan Co., Ltd. Director, Nxera Pharma UK Limited
Director	* David Roblin	Chair of Compensation Committee Member of Nomination Committee	Chairman of Scientific Translation, The Francis Crick Institute CEO, Relation Therapeutics Limited Chair of Board, Centauri Therapeutics Limited
Director	* Noriaki Nagai	Member of Nomination Committee Member of Audit Committee	–
Director	* Rolf Soderstrom	Chair of Audit Committee Member of Compensation Committee	Non-Executive Director, BioPharma Credit plc.
Director	* Miwa Seki	Member of Compensation Committee	General Partner, MPOWER PARTNERS FUND External Director, DAIWA HOUSE INDUSTRY CO., LTD. External Director, ORIX Corporation Director, Yanai Tadashi Foundation Director, Fast Retailing Foundation
Director	* Eiko Tomita	Member of Audit Committee	–
Director	* Naoko Shimura	Member of Audit Committee	Partner, Nishimura & Asahi, Foreign Law Joint Enterprise External Director, TSUKISHIMA HOLDINGS CO., LTD. Lecturer, Hitotsubashi University, Graduate School of Law, Business Law Department
Director	* Nicola Rabson	Member of Compensation Committee	Partner lawyer Employment Law, Head of Employment Linklaters LLP Senior Independent Director, Kent FA Governor and Trustee, Royal Russell School Non-executive Director, ZIGUP plc.

(Notes) 1. The directors listed above with an asterisk (*) are external directors. The Company designates Director David Roblin, Director Noriaki Nagai, Director Rolf Soderstrom, Director Miwa Seki, Director Eiko Tomita and Director Nicola Rabson as independent directors in accordance with the regulations of Tokyo Stock Exchange and has notified the Exchange accordingly.

2. Noriaki Nagai has long-term experience at a major security company, being in charge of corporate planning as an officer, and has considerable financial and accounting knowledge.

3. Rolf Soderstrom is a qualified UK accountant, has experience as a head of company finance department, and has considerable financial and accounting knowledge.

4. The Audit Committee has conducted audits in close coordination with the internal audit department and employees who assist in the performance of duties of the Committee, and believes it is not essential that a full-time committee member be selected. Accordingly, a full-time committee member has not been selected.

5. The Company has no special relationships with the companies at which the external directors concurrently serve the offices.

2) Executive officers

Title	Name	Responsibility	Significant Concurrent Posts
Representative Executive Officer	* Christopher Cargill	President and CEO	Director, Nxera Pharma Japan Co., Ltd. Director, Nxera Pharma UK Limited
Executive Officer	Hironoshin Nomura	Executive Vice President, CFO	Director, Nxera Pharma Japan Co., Ltd. Director, Nxera Pharma Korea Co., Ltd.
Executive Officer	Toshihiro Maeda	Executive Vice President, COO (Chief Operating Officer)	President and Representative Director, Nxera Pharma Japan Co., Ltd. Director, Nxera Pharma Korea Co., Ltd.
Executive Officer	Kazuhiko Yoshizumi	Executive Vice President, CCO (Chief Compliance Officer)	—

(Note) 1. The executive officer listed above with an asterisk (*) serves concurrently as a director.
2. Mr. Makoto Sugita left his position as Executive Officer, Executive Vice President and Chief Medical Officer (CMO) during the current fiscal year. At the time, he was the President and Representative Director of Nxera Pharma Japan Co., Ltd. and the Director of Nxera Pharma Korea Co., Ltd., and he left from all of these roles on the same day.
3. Mr. Kiyoshi Kaneko left his position as Executive Officer, Executive Vice President and Chief Commercial Officer (CCO) during the current fiscal year. At the time, he was the Director of Nxera Pharma Japan Co., Ltd., and he left from all of the role on the same day.

3) Summary of liability limitation agreements

In accordance with Article 427, Paragraph 1 of the Companies Act (the “Act”) and the provisions of the Articles of Incorporation, the Company and external directors have entered into agreements that limit liability for damages as provided in Article 423, Paragraph 1 of the Act.

The limit on liability for damages applicable to each external director under the agreements is the minimum amount of liability stipulated in Article 425, Paragraph 1 of the Act

4) Outline of the directors and executive officers, etc. liability insurance policy, etc.

The Company has concluded a directors and officers liability insurance (“D&O insurance”) policy with an insurance company as provided for in Article 430-3, Paragraph 1 of the Companies Act with all Directors, Executive Officers, and Corporate Auditors of the Company and its subsidiaries as insured parties. The Company is paying the full amount of premiums for this policy.

Regarding the details of this insurance policy, it covers losses arising from the liability borne by the insured party in the course of the execution of his/her duty or claims pertaining to the pursuit of such liability.

5) Policy concerning decisions on the content of individual remuneration for Directors and Executive Officers by the Compensation Committee

The Company’s Compensation Committee has established a policy for determining the details of individual remuneration for Directors and Executive Officers (collectively, the “Executive Officers, etc.”). With respect to the individual remuneration, etc., of Executive Officers, etc., during the fiscal year under review, the Compensation Committee has determined that such remuneration is consistent with the policy, as the determination process and the remuneration determined are in line with the policy.

i. Basic Policy

- The basic policy regarding Officers' remuneration is to provide incentives for securing talented personnel and for the execution of management strategies aimed at enhancing the corporate value of the Group and achieving sustainable growth.
- Directors' remuneration is designed to secure excellent personnel from a global perspective with the aim of enhancing the oversight of the Group's management and to contribute to the enhancement of corporate value through the sharing of benefits and risks associated with stock price fluctuations with shareholders. Directors' remuneration consists of fixed base salary and post-hoc granted stock-based compensation (RSU).
- Executive Officers' remuneration is determined to further enhance motivation to realize the Company's vision and strategy, promote management that emphasizes corporate and shareholder value, and reflect individual roles and performance. Executive Officers' remuneration consists of fixed base salary, bonuses determined based on the achievement of individual performance objectives, retirement allowances, and a post-hoc granted stock-based compensation (RSU).
- The determination of remuneration for Executive Officers, etc. is conducted fairly and appropriately by the Compensation Committee, which comprises a majority of external directors, under the chairmanship of an external director, ensuring transparency.

ii. Policy for determining the amount or the method of calculation of individual remuneration, etc. (excluding non-monetary remuneration outlined in iii. below)

a. Directors' Remuneration

The amount of base salary (annual salary), which constitutes fixed remuneration, shall be the same for all Directors. The level of base salary shall be determined with reference to the remuneration levels at other companies, based on data obtained from available database of external research organizations. No remuneration shall be paid to Directors who currently serve as Executive Officers in their capacity as Directors.

b. Executive Officers' Remuneration

- The amount of base salary (annual salary), which constitutes fixed remuneration, shall be determined based on an evaluation of the individual's performance in the previous fiscal year and contribution to the Company, taking into consideration the remuneration levels of comparable companies in the country where the individual conducts activities or resides, with reference to data obtained from available databases of external research organizations.
- Bonuses shall be determined based on a base amount calculated by multiplying the amount of base salary by a certain percentage determined for each individual according to factors such as responsibilities, performance and the difficulty of securing suitable personnel, with the actual payment amount determined in accordance with the achievement of individual performance objectives.
- Retirement allowances shall be equivalent to the sum of the bonus and the annual salary for the previous business year, and the annual salary. However, retirement allowances shall not be paid in case where an Executive Officer is not re-appointed or is dismissed due to misconduct, violation of laws, regulations or the Articles of Incorporation, breach of trust, gross negligence, significant failure to perform duties, a marked lack of ability to execute duties, disqualification under the Companies Act, or other justifiable reasons. Furthermore, in cases where the dismissal notice allowance is required to be paid under applicable laws upon termination of the contract, only the difference between the annual salary

equivalent for the previous fiscal year and the amount of dismissal notice allowance shall be paid.

iii. Contents of non-monetary remuneration, etc., and policy for determining the amount or number or the method of calculating the amount or number of non-monetary remuneration

The Company has introduced a post-hoc granted stock-based compensation (RSU) as non-monetary remuneration, etc. An overview of this post-hoc granted stock-based compensation (RSU) is as follows.

a. Conditions for allotment

Shares of the Company shall be allotted on the condition that the individual has continuously held the position of Director or Executive Officer of the Company throughout the performance period. However, in cases where a Director or Executive Officer loses such position during the performance period due to the expiration of the term of office, other reasons deemed justifiable by the Board of Directors, or death, a number of shares calculated by the Company under the applicable share-based compensation regulations shall be allotted.

b. Maximum number of shares to be delivered

The total number of shares of the Company to be delivered under the plan, together with the number of shares issued under other share compensation plans of the Company, shall not exceed 10% of the total number of issued and outstanding shares of the Company.

c. Performance period and number of allotted shares

- For Directors (excluding Directors who concurrently serve as Executive Officer), the performance period shall be one year. After the expiration of such period, a number of shares calculated by dividing an amount equivalent to 130% of the amount of base salary by the share price at the beginning of the performance period shall be allotted.
- For Directors who concurrently serve as Executive Officer and Executive Officers, each of the periods ending two years and three years from the first day of the performance period shall constitute a performance period. After the expiration of each performance period, one-half of a number of shares calculated by dividing an amount obtained by multiplying the reference remuneration by a certain ratio determined according to position (ranging from 125% to 280%) by the share price at the beginning of the performance period shall be allotted.

d. Method for the allotment of shares

The allotment of shares shall be effected by granting monetary compensation claims to officers scheduled to receive the allotment, in an amount obtained by multiplying the number of shares by the amount to be paid per share as determined by a decision of the Board of Directors or a Representative Executive Officer authorized thereby, and having such officers contribute the monetary compensation claims as in-kind contributions.

iv. Policy for determining the composition of officer compensation

The composition ratio of the amount of individual remuneration, etc. shall be as follows:

	Base salary	Bonus	Stock compensation Restricted Stock Units (RSU).	Retirement allowances
Director	1	-	1.3	-
Representative Executive Officer & CEO	1	0.75	2.8	1.75

Executive Officer	1	0.4~0.6	1.25~1.75	1.4~1.6

The above table presents a model assuming the payment of standard amount determined by the Company. The ratios shown above may vary depending on factors such as the Company's business performance and fluctuations in its share price.

v. Policy on determining the timing or conditions for payment remuneration, etc. to officers

- Base salary shall be paid monthly in an amount equal to one-twelfth of base salary.
- Bonuses shall be paid in February each year.
- Post-hoc granted stock-based compensation (RSU) shall be granted in April of each year, and shares shall be allotted after the expiration of the performance period.

6) Total amount of remuneration paid to directors and executive officers

Item	Total remuneration	Amount of remuneration			Total number of directors/executive officers
		Base salary	Bonus	Non-monetary remuneration	
Directors (External directors)	¥248 million (¥228 million)	¥114 million (¥105 million)	- (-)	¥134 million (¥123 million)	10 (9)
Executive Officers	¥522 million	¥271 million	¥48 million	¥203 million	6
Total	¥770 million (¥228 million)	¥385 million (¥105 million)	¥48 million (-)	¥337 million (¥123 million)	16 (9)

(Notes) 1. The Directors' remuneration excludes that of Christopher Cargill, who concurrently serves as a Director and an Executive Officer.
2. The Executive Officers' remuneration includes that of Christopher Cargill, who concurrently serves as a Director and an Executive Officer.
3. The Directors' section includes three Directors who retired in March 2025.
4. The Executive Officers' section includes two Executive Officers who retired in March 2025.
5. Non-monetary remuneration consists of shares of the Company. The details and conditions of the allocation are as set forth in "iii. Contents of non-monetary remuneration, etc., and policy for determining the amount or number or the method of calculating the amount or number of non-monetary remuneration". In addition, the status of share allocations during the fiscal year under review is set forth in "2 (1) 6) Status of Shares Issued as Consideration for the Execution of Duties to Directors and Executive Officers during FY2025 ".
6. The amount of non-monetary compensation shown in the table above represents the amount recorded as expenses for the fiscal year under review.

7) Attendance of external directors at meetings of the Board of Directors and Committees during the fiscal year under review and the status of their remarks and activities

Name	Attendance		Remarks/Activities/Summary of duties performed in relation to the role expected of an external director
David Roblin	Board of Directors Meetings	13 out of 17 (76%)	Makes statements at the Board meetings as necessary for deliberations on agenda items from a professional viewpoint based on the clinical experience as a physician and R&D experience of pharmaceutical companies, and asks questions and gives opinions and other statements as appropriate at each Committee meeting.
	Nomination Committee meetings	1 out of 2 (50%)	

	Compensation Committee meetings	6 out of 6 (100%)	
Noriaki Nagai	Board of Directors Meetings	16 out of 17 (94%)	Makes statements at the Board meetings as necessary for deliberations on agenda items from a professional viewpoint based on his legal knowledge and his career experience in important positions in corporate departments at major securities companies and as a professor of law, and asks questions and gives opinions and other statements as appropriate at each Committee meeting.
	Nomination Committee meetings	2 out of 2 (100%)	
	Audit Committee meetings	10 out of 10 (100%)	
Rolf Soderstrom	Board of Directors Meetings	14 out of 17 (82%)	Makes statements at the Board meetings as necessary for deliberations on agenda items from a professional viewpoint based on his financial knowledge and his career experience in the field of finance at companies in Europe, North America, Asia, etc., leads audits as the chair of the Audit Committee, and asks questions and gives opinions and other statements as appropriate at each Committee meeting.
	Compensation Committee meetings	6 out of 6 (100%)	
	Audit Committee meetings	10 out of 10 (100%)	
Miwa Seki	Board of Directors Meetings	16 out of 17 (94%)	Makes statements at the Board meetings as necessary for deliberations on agenda items from a professional viewpoint based on her career experience in head of Japan at a foreign capital financial institution and founding partner of an ESG-oriented investment fund and asks questions and gives opinions and other statements as appropriate at Compensation Committee meeting.
	Compensation Committee meetings	5 out of 5 (100%)	
Eiko Tomita	Board of Directors Meetings	14 out of 17 (82%)	Makes statements at the Board meetings as necessary for deliberations on agenda items from a professional viewpoint based on a remarkable track record and experience deeply involved in the international pharmaceutical approval process for global pharmaceutical companies both domestically and internationally and asks questions and gives opinions and other statements as appropriate at Audit Committee meeting.
	Audit Committee meetings	10 out of 10 (100%)	
Naoko Shimura	Board of Directors Meetings	10 out of 12 (83%)	Makes statements at the Board meetings as necessary for deliberations on agenda items from a professional viewpoint based on experience in the domestic and international corporate legal affairs and M&A fields as a partner at a major law firm in Japan and asks questions and gives opinions and other statements as appropriate at Audit Committee meeting.
	Audit Committee meetings	6 out of 6 (100%)	
Nicola Rabson	Board of Directors Meetings	9 out of 12 (75%)	Makes statements at the Board meetings as necessary for deliberations on agenda items from a professional viewpoint based on experience in the field of employment law as a partner lawyer at an international law firm and asks questions and gives opinions and other statements as appropriate at Compensation Committee meeting.
	Compensation Committee meetings	5 out of 5 (100%)	

(Note) 1. Miwa Seki was elected as member of Compensation Committee on March 26, 2025, and accordingly, the numbers of times she attended the Compensation Committee meetings held since assuming office are stated in.

2. Naoko Shimura was elected as member of Board and Audit Committee on March 26, 2025, and

accordingly, the number of times she attended the board meetings and the Audit Committee meetings held since assuming office are stated in.

3. Nicola Rabson was elected as member of Board and Compensation Committee on March 26, 2025, and accordingly, the numbers of times she attended the board meetings and the Compensation Committee meetings held since assuming office are stated in.

(4) Independent Auditors

1) Name Ernst & Young ShinNihon LLC

2) Amounts of remuneration, etc.

Amount of remuneration, etc. payable to the independent auditors for services related to this fiscal period	¥ 78 Million
Total amount of cash and other property benefits payable to the independent auditors by the Company and its subsidiaries	¥ 78 Million

(Notes) 1. In the audit agreement between the Company and the Independent Auditors, there is no clear distinction between the remuneration for audits based on the Companies Act and the remuneration for audits based on the Financial Instruments and Exchange Act, and no distinction can be made in practice, so amounts of remuneration, etc. for the Independent Auditors for this fiscal year are the total of these remunerations.

2. The Audit Committee has confirmed the audit plan of the independent auditors, the state of execution of duties for accounting audits, and the basis of remuneration estimates, etc. and considered whether audit remuneration is adequate for the implementation of appropriate audits and as a result has found that remuneration is appropriate. Therefore, it has given consent to remuneration, etc. of the Independent Auditors in accordance with Article 399, Paragraph 1 of the Companies Act.

3. One of the Company's significant subsidiaries, Nxera Pharma UK Limited. has been audited by an auditing firm that belongs to a member firm of Ernst & Young LLC., Which is a member of our accounting auditor, and the audit fee is ¥57 million.

3) Policy for dismissal or non-reappointment of the independent auditors

If circumstances arise that would interfere with the appropriate execution of the duties of the independent auditors or cause the Audit Committee to deem it appropriate to dismiss or not to reappoint the independent auditors, the Audit Committee will make a proposal for dismissal or non-reappointment of the independent auditors for submission to the Ordinary General Meeting of Shareholders. Also, when it deems that any cause stipulated in each item of Article 340, Paragraph 1 of the Companies Act applies to the independent auditors, the Audit Committee can dismiss the independent auditors by agreement of all committee members.

4) Summary of liability limitation agreements

The Company has not entered into an agreement with the Independent Auditors to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act

(5) Outline of the systems for ensuring the appropriateness of operations and their operating status

The following provides a summary of the systems for ensuring the appropriateness of operations as resolved by the Company's Board of Directors, and of the operating status of these systems.

1) Systems for ensuring the appropriateness of operations

① Matters relating to the directors and employees who assist in the duties of the Audit Committee, and system to ensure those directors and employees act independently from executive officers

- Management assigns employees to assist in the duties of the Audit Committee who shall perform its duties at the instruction and direction of a chair of the Audit Committee in cooperation with Internal Audit Department. The Audit committee conducts evaluation of the performance of the duties of such employees and his or her reassignment requires an approval of the Audit Committee.

② System of reporting to the Audit Committee by directors, executive officers and employees and others matters relating to the report to the Audit Committee

- Directors, executive officers, audit and supervisory board members (Kansa-yaku) and employees of the Company and its subsidiaries shall report to the Audit Committee in a timely and appropriate manner if the Audit Committee or its designated Committee member requests a report on the execution of business. Also, when they become aware of any matter that may have a material effect on the business or financial conditions of the Company or its subsidiaries, they shall report immediately to the Audit Committee. The Company shall not give any disadvantageous treatment to a person who made reports to the Audit Committee because of the reporting.
- Internal Audit Department shall report to audit committee timely and adequately the status of internal audits.
- The Department responsible for legal and compliance matters shall report to the Audit Committee timely and adequately the status of whistleblowing system.

③ Other system to ensure the effective audit by the Audit Committee

- Internal Audit Department shall consult with the Audit Committee on, among other things, the policy and plan of internal audits, exchange the information on audits and otherwise cooperate closely with the Audit Committee.
- In the event an Audit Committee member requests for advance payment or reimbursement of the expenses necessary for the performance of the duties of the Audit Committee, the Company shall dispose of such expenses or liabilities without delay.

④ System to ensure that executive officers and employees of the Company as well as directors and employees of subsidiaries perform their duties in compliance with laws and regulations and the Articles of Incorporation of the Company

- The code of conduct of the Group companies sets forth the principles of acting in compliance with applicable laws and regulations and in accordance with high standards of corporate ethics, and the management shall act to improve awareness of all directors, executive officers and employees of the Company and its subsidiaries of compliance and the corporate principle. An independent compliance helpline system shall be established and properly operated so that employees of Group companies and business partners may timely report on unlawful or dishonest acts occurred at Group companies.
- Internal Audit Department conducts internal audits on the performance of the duties by executive officers, directors of subsidiaries and employees of the Company and subsidiaries.

⑤ System to retain and manage information relating to the performance of duties by executive officers

Minutes of the meetings at which executive officers and subsidiaries' directors are present and other important meetings, written documents recording required approval and other information relating to the performance of the duties by executive officers shall be prepared, retained and managed in accordance with the Regulations of Document Management and other internal

regulations.

⑥ Rules and systems for the risk management

- The Company shall identify risks associated with the conduct of business of the Group companies, select the risks of the high priority, and decide specific policies and measures to deal with those risks and ensure adequate implementation by the Company and its subsidiaries.
- In making business judgment and decisions on business strategies and other important matters, the discussions shall be conducted comprehensively at the Board of Directors and other meetings and the relevant risks shall be dealt with by taking such actions as obtaining opinions of outside experts as necessary before making decisions.

⑦ System to ensure that the executive officers and directors and employees of subsidiaries perform their duties efficiently

- The Board of Directors shall decide the responsibilities of each executive officer, and the respective decision-making authorities in the performance of the duties shall be specified for executive officers, directors and employees of the Company and subsidiaries.
- The Company shall provide the charters and rules of the meetings of the Company and subsidiaries and ensure that report is made on the status of the performance of the duties and efficient discussions are made on the important matters in accordance with the rules.
- The Company shall improve the efficiency of the performance of the duties by designing and building IT systems.

⑧ System to ensure the proper operation of the business group consisting of the Company and its subsidiaries

- The Company shall manage the business of the subsidiaries by appointing executive officers of the Company as directors of subsidiaries, receiving monthly report on the status of operation and implementing other measures in accordance with the Regulation of Management of Group Companies. Further, relevant divisions of the Company shall provide guidance and support to enable subsidiaries to establish compliance and other systems to ensure the proper operation of business of subsidiaries.
- Internal Audit Department shall give instructions and recommendations to subsidiaries depending on the results of internal audit.
- The Company shall take various measures including separation of duties and responsibilities and ongoing monitoring at the Company and subsidiaries in order to ensure the effective internal control over financial reporting of the Group companies, and shall evaluate, maintain and improve the system of internal control.

2) Outline of the operational status of systems for ensuring the appropriateness of operations

① Compliance system

The Group has established a code of corporate conduct that applies to the entire Group, and is proceeding with further revisions, which include exhaustive efforts to promote awareness, in order to respond to recent changes in the business environment. In addition, whistle-blowing incidents are handled appropriately through a whistle-blower hotline established externally, and internal audits are conducted by the Internal Audit Department at the Group’s companies in accordance with the internal auditing plan.

② Information retention and management system

The Company has appropriately created, stored, and managed minutes of meetings of the Board of Directors and committees, etc. and other documents related to the execution of operations in accordance with the rules on document management and other rules.

③ Risk management system

The Company identifies significant risk items for each company and department, implements appropriate measures to keep them within acceptable levels, and reports quarterly on the status of their management to the Audit Committee and the Board of Directors. The Company has conducted sufficient deliberations and made business decisions at meetings of the Board of Directors, by taking into account the opinions of outside experts, etc., regarding the Group's significant investment projects and technical alliances, etc. In addition, the Internal Audit Department has provided guidance on the risk management system of the Company and its subsidiaries based on the results of internal audits.

④ System for efficient and appropriate execution of duties

The Group stipulates authority levels for executives and employees in accordance with formal authority rules at each company. In order to ensure that operations are carried out efficiently and appropriately, the Group requires management of affiliated companies to provide reports to the parent company in accordance with the relevant rules, and provides suitable supervision and guidance by the parent to affiliated companies. In addition, the business performance of subsidiaries is reported as necessary at meetings of the Board of Directors. The Internal Audit Department provides guidance on recommended improvements identified through internal audits.

⑤ System for execution of duties by the Audit Committee

The Audit Committee and the employees who assist in the performance of duties of the Audit Committee coordinated, as appropriate, with the Internal Audit Department in the execution of their duties. The Audit Committee members attended important meetings, including meetings of the Board of Directors, and requested reports from the directors, executive officers, corporate auditors and employees of the Company and its subsidiaries as necessary. In addition, they receive reports on the handling of any reports made through the whistle-blower process.

(6) Policy on determination of Dividends, etc.

The declaration and payment of any dividends in the future will depend on the results of operations, financial conditions, cash requirements, future prospects, profits available for distribution and other factors deemed by the Board to be relevant at the time.

At present, the Group is making prudent investments to build a globally competitive biotechnology business and, therefore, does not expect to pay any dividends in the near to medium term. The Board will continue to reassess this position based on the factors above.

(7) Policy on the conduct of persons influencing decision on the Company's financial and business policies

Not applicable

Consolidated Balance Sheet

(Millions of yen)

Item	The 36th term At December 31, 2025	Item	The 36th term At December 31, 2025
Non-current assets	**90,322**	**Non-current liabilities**	**56,290**
Property, plant and equipment	7,455	Deferred tax liabilities	0
Goodwill	25,838	Contingent consideration in business combinations	1,940
Intangible assets	49,230	Corporate bonds	26,080
Deferred tax assets	4,879	Bank borrowings	21,109
Other financial assets	2,881	Lease liabilities	3,506
Other non-current assets	38	Provisions	510
		Other non-current liabilities	3,145
		Current liabilities	**17,500**
		Trade and other payables	7,494
Current assets	**44,465**	Income taxes payable	193
Trade and other receivables	7,730	Current portion of long-term bank borrowings	5,798
Inventories	11,294	Lease liabilities	886
Income taxes receivable	2,730	Other current liabilities	3,128
Other current assets	2,346	**Total liabilities**	**73,790**
Cash and cash equivalents	20,365	**Equity**	
		Capital stock	47,450
		Capital surplus	22,120
		Treasury stock	(3)
		Retained earnings	(17,546)
		Other components of equity	8,977
		Equity attributable to owners of the parent	**60,997**
		Total equity	**60,997**
Total assets	**134,787**	**Total liabilities and equity**	**134,787**

Note: Amounts less than JPY 1 million have been rounded.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

(Millions of yen)

Item	The 36th term Financial year ended December 31, 2025	
Revenue		**29,615**
Cost of sales		**(8,198)**
Gross Profit		**21,418**
Other income and expenses		
Research and development expenses	(14,466)	
Selling, general and administrative expenses	(15,225)	
Other income	1,656	
Other expenses	(1,845)	
Operating loss		**(8,462)**
Finance income		**987**
Finance costs		**(7,475)**
Loss before income tax		**(14,950)**
Income tax benefit		**2,420**
Net loss		**(12,530)**
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss:		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	188	
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	2,877	3,065
Total comprehensive income		**(9,466)**
Net loss attributable to		
Owners of the parent	(12,530)	(12,530)
Total comprehensive income attributable to:		
Owners of the parent	(9,466)	(9,466)

Note: Amounts less than JPY 1 million have been rounded.

Consolidated Statement of Changes in Equity

(Millions of yen)

	Capital Stock	Capital surplus	Treasury stock	Retained earnings	Other compo-nents of equity	Equity attributa-ble to owners of the parent	Total equity
Balance at January 1, 2025	**47,172**	**35,074**	**(3)**	**(20,942)**	**7,217**	**68,518**	**68,518**
Net loss	-	-	-	(12,530)	-	**(12,530)**	**(12,530)**
Other comprehensive income	-	-	-	-	3,065	**3,065**	**3,065**
Total comprehensive income	-	-	-	(12,530)	3,065	**(9,466)**	**(9,466)**
Issuance of new shares	278	(278)	-	-	-	**-**	**-**
Share-based payments	-	1,955	-	-	-	**1,955**	**1,955**
Purchase of treasury stock	-	-	(0)	-	-	**(0)**	**(0)**
Early redemption of corporate bonds	-	(10)	-	-	-	**(10)**	**(10)**
Transfer from capital surplus to retained earnings	-	(14,621)	-	14,621	-	**-**	**-**
Transfer from other components of equity to retained earnings	-	-	-	1,306	(1,306)	**-**	**-**
Total transactions with owners	278	(12,953)	(0)	15,926	(1,306)	**1,945**	**1,945**
Balance at December 31, 2025	**47,450**	**22,120**	**(3)**	**(17,546)**	**8,977**	**60,997**	**60,997**

Note: Amounts less than JPY 1 million have been rounded.

Notes to the Consolidated Financial Statements

1. Basis of preparation of the consolidated financial statements

(1) Standards for preparation of the consolidated financial statements

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS") based on Paragraph 1, Article 120 of the Corporate Accounting Rules. Some statements and notes required by IFRS have been omitted pursuant to the provisions of the latter part of the Paragraph.

(2) Scope of consolidation

1) Consolidated subsidiaries

i. Number of subsidiaries: 9

ii. Names of principal consolidated subsidiaries:

Nxera Pharma UK Limited.

Nxera Pharma Japan Co., Ltd.

(3) Accounting policies

1) Valuation standards and methods for significant assets and liabilities

i. Financial assets (excluding derivatives)

Initial recognition and measurement of financial assets

Trade receivables and other receivables are recognized initially on the date they arise. Other financial assets are recognized on their transaction dates. At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. At the time of initial recognition, the classification of financial assets is determined as follows:

Debt instruments

- Financial assets measured at amortized cost

  Debt instruments are measured at amortized cost when both of the following conditions are met:

  (a) the financial asset is held in a business model whose objective is to hold financial assets in order to collect contractual cash flows, and

  (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets measured at fair value through profit or loss are debt instruments other than those defined above.

Equity instruments

- Financial assets measured at fair value through other comprehensive income

  The Group may irrevocably elect to classify equity investments, other than those held for trading, upon initial recognition as financial assets measured at fair value through other comprehensive income.
- Financial assets measured at fair value through profit or loss are equity instruments other than those defined above.

Subsequent measurement of financial assets

After initial recognition, the Group measures a financial asset according to its classification as follows:

(a) a financial asset measured at fair value through profit or loss is remeasured at fair value at the period end with any change in fair value recognized in profit or loss.

(b) a financial asset measured at fair value through other comprehensive income is recognized at an amount that reflects the change in the amount of the fair value. When the financial asset is derecognized, the cumulative gain or loss in other components of equity is transferred to retained earnings. Dividends from a financial asset are recognized as part of financial income in net income (loss) for the current period, except for those portions considered to be part of the cost of investment.

(c) a financial asset measured at amortized cost is recognized by the effective interest method.

Derecognition of financial assets

The Group derecognizes a financial asset when, and only when:

(a) the contractual rights to cash flows from the financial asset expire, or

(b) it transfers the contractual rights to receive cash flows from the financial asset and transfers substantially all the risks and rewards of ownership of the financial asset, or

(c) it neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, and it does not retain control of the financial asset.

Impairment of financial assets

For financial assets measured at amortized cost expected credit losses are recorded through an allowance for doubtful accounts. At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. The Group measures the loss allowance for a financial instrument at an amount equal to the expected annual credit loss where the credit risk on that financial instrument has not increased significantly since initial recognition. Alternatively, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit loss if the credit risk on that financial instrument has increased significantly since initial recognition.

The Group uses the change in risk of a default occurring over the expected life of the financial instrument to determine whether the credit risk has increased significantly. To make this assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition, and considers reasonable and supportable information, such as late payment or financial information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. Regardless of a significant increase in credit risk since initial recognition, the Group measures the loss allowance for trade receivables at an amount equal to the lifetime expected credit losses. The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

Whether or not a financial asset is credit impaired is determined by the default of the borrower, or if the lender, for economic or contractual reasons relating to the borrower's financial difficulty, grants to the borrower a concession(s) that the lender would not otherwise have granted, or when other factors occur, such as the indication of a bankruptcy of the borrower or the issuing company or disappearance of an active market. Expected credit losses are measured as the difference between contractual cash flows that are due to the Group in accordance with a contract and the cash flows that the entity expects to receive, discounted at the original effective interest rate and weighted by each asset's probability of default risk. The Group directly reduces the value of a credit impaired-financial asset when it, or a part of it, cannot realistically be expected to be realized and its collateral is realized or transferred to the Group. Where an impairment loss is reduced after initial recognition, the decrease in impairment loss (decrease in the allowance for doubtful accounts) is reversed in profit or loss. The impairment loss is reversed up to the value of the amortization at the time the impairment loss was reversed, had no impairment loss been recognized.

ii. Financial liabilities (excluding derivatives)

Initial recognition and measurement of financial liabilities

Financial liabilities are recognized on the transaction date. At initial recognition, the Group measures a financial liability at its fair value minus, in the case of a financial liability not measured at fair value through profit or loss, transaction costs that

are directly attributable to the acquisition or issue of the financial liability. The Group classifies financial liabilities upon initial recognition as financial liabilities subsequently measured at fair value through profit or loss, or financial liabilities measured at amortized cost.

Subsequent measurement of financial liabilities

After initial recognition, the Group measures a financial liability as follows:

(a) a financial liability measured at fair value through profit or loss is remeasured at fair value at the period end with any change in fair value recognized in profit or loss.

(b) a financial liability measured at amortized cost is recognized by the effective interest method.

If the discontinuation of amortization using the effective interest method and derecognition occur, a gain or loss is recognized within net profit or loss for the current period as part of finance costs.

Derecognition of financial liabilities

The Group removes a financial liability (or a part of a financial liability) from its balance sheet when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires.

iii. Derivatives

The Group uses forward exchange contracts to manage its foreign exchange risk. These derivatives are initially recognized at fair value on the date the contract is entered into and are remeasured at fair value at each balance sheet date after initial recognition. Changes in fair value are recognized through profit or loss. These derivatives do not qualify for hedge accounting.

iv. Presentation of financial assets and financial liabilities

The Group offsets financial assets and financial liabilities showing the net amount only when the Group has currently the legal right to offset the balances, and either settles the balances on a net basis or intends to simultaneously realize the asset and settle the liability.

v. Valuation standards and methods for non-financial assets and liabilities

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost comprises those costs directly attributable to the acquisition of the asset, the initial estimate of costs for dismantling and removing the asset and the costs of restoring property to its original state.

Goodwill

Goodwill arising from the acquisition of a subsidiary is recorded at cost less accumulated impairment losses. Upon initial recognition goodwill is measured at the fair value of the transfer consideration, including the amount recognized for non-controlling interests, less the net recognized value (normally, the fair value) of identifiable assets and assumed liabilities at the time of the acquisition. Goodwill is not amortized. It is allocated to cash-generating units and an annual impairment test is conducted at the same time in each financial year or whenever there is an indication that goodwill may be impaired. Impairment losses on goodwill are recognized in the consolidated statement of profit or loss and other comprehensive income and are not reversed subsequently.

Intangible assets

Separately acquired intangible assets with finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses. Cost comprises those costs directly attributable to the acquisition of the intangible asset.

Internally generated intangible assets

Expenditure on research activities is recognized as a cost in the period in which it occurs. Internally generated intangible assets that occur at the development stage are recognized only when all the following criteria can be substantiated:

- Technical feasibility of completing an intangible asset that can be used or sold
- Intention to complete the intangible asset and then use it or sell it
- Ability to use or sell the intangible asset
- Method by which the intangible asset will create future economic benefit with strong potential

- Possibility of using financial or other resources that will be necessary to complete the intangible asset and use it or sell it
- Ability to reliably measure expenditure required to develop the intangible asset

The amount initially recognized for internally generated intangible assets is the total of costs incurred from the date that the intangible asset initially met the above recognition standards. When an internally generated intangible asset cannot be recognized, development outlays are expensed in the period they occur. Intangible assets generated after initial recognition are stated at acquisition cost less cumulative amortization and cumulative impairment. Intangible assets acquired through business combinations and recognized separately from goodwill are stated at acquisition cost less cumulative amortization and cumulative impairment after initial recognition at fair value as of the acquisition date.

Lease (as a lessee)

Management assesses whether new contracts include a lease at inception of the contract. If the contract conveys the right to control the use of an identified asset for a period in exchange for consideration, the contract is, or contains, a lease.

Initial recognition and measurement

At inception of a contract, a right-of-use asset is measured at an amount equal to the initial measurement of the lease liability, adjusted by an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset itself. The lease liability is measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the commencement date.

Subsequent measurement

A right-of-use asset is depreciated using the straight-line method over the shorter of the lease term or the useful life of the right-of-use asset. Interest on the lease liability is calculated to be the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. The lease liability is reduced by lease payments net of the interest expense.

Presentation

In the Consolidated Balance Sheet, the Group presents right-of-use assets in "Property, plant and equipment". In the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Group presents interest expense at an amount that produces a constant periodic rate of interest on the remaining balance of the lease liability in "Financial costs".

Short-term leases and leases of low-value assets

For low-value asset leases and short-term leases with lease terms of 12 months or less, the Group has adopted the exemption provisions of IFRS 16 *Leases,* and has elected not to recognize right-of-use assets and lease liabilities. The Group recognizes lease payments for these leases as expenses over the lease term using the straight-line method.

Inventories

Inventories are measured at the lower of cost (including purchasing and processing costs) and net realizable value. Net realizable value is the estimated selling price in the course of business less the estimated costs of completion and estimated selling expenses. Cost is determined on a first-in, first-out basis.

vi. Impairment of non-financial assets

The book values of non-financial assets are reviewed for indications of impairment at each reporting date. If any such indications exist, the asset's recoverable amount is estimated. For goodwill and intangible assets with indefinite useful lives or intangible assets not yet available for use, the recoverable amount is estimated at the same time in each financial year. The recoverable amount of assets or cash-generating units is the higher of value in use or fair value less disposal costs. In the calculation of value in use, estimated future cash flows are discounted to present value using a discount rate that reflects the time value of money and risks inherent to the asset. In respect of cash-generating units, assets are grouped into the smallest units generating largely independent cash flows from other assets or units, through continued usage.

In respect of cash-generating units for goodwill, goodwill is assessed based on those business units defined for the purposes of internal reporting. In principle, a cash-generating unit for goodwill is classified as a type of business and geographical region. Corporate assets do not generate independent cash inflows. Therefore, when there are indications of impairment in corporate assets the recoverable amount of the cash-generating unit to which the corporate asset belongs is

calculated for the impairment test. Assets that do not have external cash flows are included within the cash-generating units of the business units that they support. Impairment loss is recognized in profit or loss when the book value of the asset or cash-generating unit exceeds the recoverable amount. Impairment loss recognized in connection with cash-generating units is allocated first to reduce the book value of goodwill relating to that cash-generating unit. Any additional impairment required is allocated next to reduce the book values of other assets within the cash-generating unit proportionally.

Impairment losses related to goodwill are not reversed. In respect of impairment losses on other assets recognized in the past, the existence of indications showing that the loss has decreased or been eliminated is assessed on each reporting date. If there are indications of a reversal of impairment and the estimate used for determining the recoverable amount has changed, the impairment loss is reversed. The previously recognized impairment loss is reversed to the extent that the carrying amount of the asset does not exceed what the carrying amount would have been (net of amortization and depreciation) had no impairment loss been recognized for the asset in prior years.

2) Depreciation methods for significant depreciable assets

i. Property, plant and equipment

Property, plant and equipment are depreciated based on their depreciable amounts by the straight-line method over the expected useful life of each asset. The expected useful lives, residual values and depreciation methods are reviewed at the end of each financial year, and changes in these items, if any, are applied prospectively as changes in accounting estimates. The normal expected useful lives of major asset categories are as follows:

- Buildings and structures: 2 to 16 years
- Machinery and equipment: 4 to 8 years
- Furniture and fixtures: 2 to 18 years
- Right-of-use assets: 2 to 16 years

ii. Intangible assets

Intangible assets are amortized based on their amortizable amounts by the straight-line method over the expected useful life of each asset. The amortization method, expected useful lives, and residual values are reviewed at the end of each financial year, and changes in these items, if any, are applied prospectively as changes in accounting estimates. Expected useful lives of major asset categories are as follows:

- Product-related assets: 16 to 28 years
- Core technology: 12 to 20 years
- Customer-related assets: 20 years

Intangible assets with indefinite useful lives and intangible assets that are not yet available for use and therefore not yet amortized, are tested for impairment at the same time in each financial year and whenever there is an indication of impairment.

3) Accounting standards for significant provisions

The Group recognizes a provision when it has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Provisions are measured as the present value of the expenditure expected to be required to settle the obligation, using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. Increases in provisions over time are recognized as finance costs.

Asset retirement obligations are estimated based on the past restoration experience and the estimated period of use determined by taking into account the useful life of the internal structures of the offices. The Group estimates, recognizes and measures the cost of restoration obligations for leased offices and buildings, taking into account the specific conditions of each property.

4) Accounting standards for significant income and expenditure

The Group recognizes revenue from contracts with customers based on the following five-step approach:

Step 1: Identify the contract with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Pharmaceutical product sales
Pharmaceutical product sales are recognized upon the customer's acceptance.

Grant of Licenses
The promise to grant a license is regarded as a distinct performance obligation if the customer can benefit from the license either on its own or together with other resources that are readily available to the customer, and the Group's promise to transfer the license to the customer is separately identifiable from other promises in the contract.

The promise to grant a license under a contract is a promise to provide a right to access intellectual property if all the following criteria are met:

- the contract requires, or the customer reasonably expects, that the Group will undertake activities that significantly affect the intellectual property to which the customer has rights.
- the rights granted by the license directly expose the customer to any positive or negative effects of the Group's activities identified in the above criterion; and
- those activities do not result in the transfer of a good or a service to the customer as those activities occur.

(a) When a license is distinct from other goods or services and evaluated as a right to use license

- Upfront fees are recognized at the time of the grant of the license if the performance obligation is satisfied at a point in time.
- Development milestone income is only recognized when it is determined that the achievement of milestones agreed between the parties, such as regulatory filings, are assured, taking into consideration the probability of a subsequent significant reversal of revenue.
- Sales royalty income and sales milestone income are measured based on the sales recorded by the counterparty when (or as) the later of (i) a sales transaction has occurred or a contractually agreed target is achieved, and (ii) the performance obligation is satisfied.

(b) When a license is distinct from other goods or services and evaluated as a right to access license:
Not applicable.

Research and Development services
Revenue from Research and Development services is recognized over time because the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

(a) Research and Development services – compensated through upfront fees and development milestones
When a performance obligation is not satisfied at a point in time and consideration is received prior to the satisfaction of the performance obligation, the consideration is recorded as a contract liability (deferred revenue). Revenue is measured, and the same amount is derecognized from the contract liability (deferred revenue), based on the ratio of actual time or cost incurred on each R&D program at the reporting period end to the total time or cost estimated to be incurred from the commencement of the R&D plan until its scheduled completion date. However, development milestone income, which includes variable consideration, is recognized only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

(b) Research and Development services – compensated through FTE charges
Full Time Equivalent ("FTE") revenue earned from providing research and development services to customers is recognized over time by multiplying the amount of time worked by the contracted charge-out rate.

The transaction price for granting licenses is allocated to each performance obligation based on the stand-alone selling price calculated using the residual approach. The consideration is the amount receivable within one year from satisfaction of the performance obligations or fulfillment of contractual terms and conditions.

Variable consideration is allocated to a specific performance obligation only if both of the following conditions apply:

- Variable payment terms relate specifically to the entity's effort to satisfy the performance obligation or transfer the distinct good or service.
- Allocating the variable amount of consideration entirely to the performance obligation or the distinct good or service, is consistent with the following allocation objective when considering all of the performance obligations and payment terms in the contract: an entity should allocate the transaction price to each performance obligation or distinct good or service in an amount that depicts the amount of consideration to which the entity expects to be entitled to in exchange for transferring the promised goods or services to the customer.

There are no significant financing components included in any license contracts or any research and development contracts.

5) Standards for conversion of significant foreign-denominated assets and liabilities into Japanese currency

i. Foreign-denominated transactions

Transactions denominated in foreign currencies are translated into the functional currency of each Group company at the rates of exchange prevailing at the dates of the transactions. Foreign-denominated monetary assets and liabilities are translated into the functional currency of each Group company using the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies measured at fair value are retranslated into the functional currency at the exchange rates on the date fair value is determined. Non-monetary items measured at cost are translated at the exchange rate on the transaction date. Exchange differences resulting from retranslation or settlement are recognized in profit or loss in the period incurred.

ii. Financial statements of foreign operations

The assets and liabilities of the Group's foreign operations (such as overseas subsidiaries) are translated into Japanese yen at the exchange rates prevailing at the end of the period. Income and expenses are translated into Japanese yen at the average annual exchange rates for the period as long as there is no significant exchange rate fluctuation. Exchange differences arising from the translation of the financial statements of foreign operations are recognized in "Other comprehensive income" in the consolidated statement of profit or loss and other comprehensive income, and accumulated in "Other components of equity" in the consolidated balance sheet.

6) Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities assumed, and equity instruments issued by the Company in exchange for control of the acquiree. If the consideration transferred exceeds the fair value of identifiable assets and liabilities, the excess is recorded as goodwill in the consolidated balance sheet. Conversely, if the fair value of such assets and liabilities exceeds the consideration transferred, the excess is immediately recognized as a gain in the consolidated statement of profit or loss and other comprehensive income. If the initial accounting for a business combination is incomplete by the end of the period in which the business combination occurred, the Group reports provisional amounts for items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period which lasts no more than one year from the acquisition date. Acquisition costs are expensed as incurred.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments

against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the “measurement period” (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

2. Notes relating to key accounting estimates

In preparing consolidated financial statements in accordance with IFRS, management is required to make judgements, estimates, and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, revenue, and expenses. Actual results may differ from these estimates due to their nature. The estimates and underlying assumptions are reviewed on an ongoing basis. The effects of revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and in any future periods affected. The key judgements and estimates made by management that have had a significant effect on the amounts recognized in the consolidated financial statements are as follows:

(1) Valuation and impairment of Goodwill and Intangible Assets

The carrying amounts of Goodwill and Intangible Assets were JPY 25,838 million and JPY 49,230 million, respectively, as at December 31, 2025.

1) Method of calculation of the carrying amounts in the consolidated financial statements and significant assumptions used in the calculation

The book values of non-financial assets are reviewed for indications of impairment at each reporting date. If any such indications exist, the asset’s recoverable amount is estimated. For goodwill and intangible assets with indefinite useful lives or intangible assets not yet available for use, the recoverable amount is estimated at the same time in each financial year. Goodwill is not amortized. It is allocated to cash-generating units and an annual impairment test is conducted at the same time in each financial year or whenever there is an indication that goodwill may be impaired. Impairment losses on goodwill are recognized in the consolidated statement of profit or loss and other comprehensive income and are not reversed subsequently. In respect of cash-generating units for goodwill, goodwill is assessed based on those business units defined for the purposes of internal reporting. In principle, a cash-generating unit is classified as a type of business and geographical region. In respect of cash-generating units for intangible assets, intangible assets are grouped based on the smallest cash-generating unit that produces largely independent cash inflows.

1. Recoverable amount of Goodwill and Intangible Assets relating to the Pharmaceutical Drug Discovery Cash-Generating Unit

The recoverable amount of the Pharmaceutical Drug Discovery Cash Generating Unit has been assessed using the fair value less cost of disposal method by estimating future cash flows based on business plans. Assumptions used in business plans and fair value less costs of disposal calculation include the timings of milestone achievements and product launches, the probabilities of success of R&D activities and projected revenues including expected future product sales and the weighted average cost of capital. Management uses its experience, external sources, knowledge of the activities of competitors and industry trends in forming these assumptions.

2. Recoverable amount of Goodwill and Intangible Assets relating to the Pharmaceutical Product Sales Cash-Generating Unit Group

The recoverable amount of the Pharmaceutical Product Sales Cash Generating Unit Group has been assessed using the value in use method by estimating future cash flows based on business plans. Assumptions used in business plans and the value in use calculation include the market size of related pharmaceutical products and projected market shares, the cost of sales, research & development (R&D) expenses, the growth rate and the weighted average cost of capital. Management uses its experience, external sources, knowledge of the activities of competitors and industry trends in forming these assumptions.

2) Effects on the consolidated financial statements for the year ending December 31, 2026

If there are material adverse differences between management’s projected cash flows and the actual cash flows due to the uncertainties including the timing of milestone achievement and market shares of pharmaceutical products, impairment losses may be recognized.

(2) Revenue recognition

The balance of contract liabilities was JPY 5,356 million as at December 31, 2025. JPY 2,342 million of former contract

liabilities was recognized as revenue during the financial year ended December 31, 2025.

1) Method of calculation of the carrying amounts in the consolidated financial statements and significant assumptions used in the calculation

When a performance obligation is not satisfied at a point in time and consideration is received prior to the satisfaction of the performance obligation, the consideration is recorded as a contract liability (deferred revenue). Revenue is measured, and the same amount is derecognized from the contract liability (deferred revenue), based on the ratio of actual time or cost incurred on each R&D program at the reporting period end to the total time or cost estimated to be incurred from the commencement of the R&D plan until its scheduled completion date.

For the following reasons, the calculation of total estimated time or cost is characterized by uncertainty:

- *Research and development generally takes a long time and is highly individualized for each project.*
- *By its nature, the achievement of results is not guaranteed, and the total estimated time or cost required varies depending on the progress of the R&D.*
- *The total estimated time or cost for R&D is subjective in that it depends on the judgement of project managers who have expertise and experience in R&D.*

2) Effects on the consolidated financial statements for the year ending December 31, 2026

Fluctuations in the total estimated time or cost due to the above uncertainties may have a significant impact on the amount of revenue recognized in the consolidated financial statements for the year ending December 31, 2026.

(3) Evaluation of Contingent Consideration in Business Combinations

As at December 31, 2025, the balance of contingent consideration payable as a result of past business combinations was JPY 1,940 million. During the financial year ended December 31, 2025, JPY 1,940 million was recognized as a finance cost for the loss on valuation of contingent consideration in business combinations.

1) Method of calculation of the carrying amount in the consolidated financial statements and significant assumptions used in the calculation

The contingent consideration liability is a fair value estimate by management of the amount payable to the former shareholders of Nxera Pharma UK Ltd. (formerly Heptares Therapeutics Limited) under the 2015 Share Purchase Agreement. It has been calculated on a risk adjusted and discounted basis. The probabilities of success used in the Group's financial models are based on industry standard rates which are adjusted when management judge the probability of success of the current phase of development of an asset to be different to the standard rate. The maximum amount of contingent consideration payable to these former shareholders under the 2015 Share Purchase Agreement is USD 220 million, of which USD 118 million has been paid out to date. In respect of the remaining balance, it is possible that additional amounts of contingent consideration may become payable in the future. In instances where the agreement is not explicit the liability includes management's best estimate of the probable outflows. It is therefore possible that the amounts ultimately payable will be different to those provided for (driving fair value movements in future income statements) where there are differing interpretations of the agreement or where there are differences between management's assumptions and actual events. Please also see *Note 1. (4) 6) Business combinations and Note 5. Notes on financial instruments*.

2) Effects on the consolidated financial statements for the year ending December 31, 2026

Additional costs and liabilities may arise if there is positive progress in the development of the relevant R&D programs or if there are differences between management's assumptions / interpretations and actual events.

3. Notes to the consolidated balance sheet

(1) Property, plant and equipment

Cumulative depreciation on property, plant and equipment was JPY 6,730 million.

4. Notes to the consolidated statement of changes in equity

(1) Total shares outstanding

Share class	Shares at beginning of the financial year	Increase in shares during the financial year	Decrease in shares during the financial year	Shares at end of the financial year
Common shares	89,902,858	593,877	-	90,496,735

Note: The increase in common shares outstanding is due to the issuance of new shares by way of an allotment of Restricted Stock Units ("RSUs") (593,877 shares).

(2) Subscription warrants, etc. as at December 31, 2025

Type and number of shares for subscription warrants as at December 31, 2025:

Common shares 15,151,515

5. Notes on financial instruments

(1) Financial instruments

1) Policies for management of financial instruments

The Group limits its investments to short-term, low risk instruments in order to minimize risk, and does not engage in speculative transactions. Funds are primarily procured through issuing new stock and bonds, borrowing from banks, and through leasing.

2) Financial instruments – content, risks and risk management framework

Trade and other receivables are exposed to customer credit risk. To mitigate this risk payment deadlines and balances are monitored for each customer. Trade and other payables have payment deadlines of less than one year.

(2) Fair value of financial instruments

Amounts stated in the consolidated balance sheet as at December 31, 2025, their corresponding fair values and the differences between these amounts are as follows:

	Amount stated in the consolidated balance sheet ¥m	Fair value ¥m	Difference ¥m
Other financial assets	2,881	2,881	-
Trade and other receivables	7,730	7,730	-
Cash and cash equivalents	20,365	20,365	-
Contingent consideration in business combinations	1,940	1,940	-
Corporate bonds	26,080	26,070	(10)
Bank borrowings	26,908	26,867	(41)
Trade and other payables	7,494	7,494	-

(3) Classification of fair value of financial instruments

The classification of financial instruments within the fair value hierarchy from Level 1 to Level 3 is as follows:

Level 1: Quoted prices (unadjusted) in an active market for identical assets or liabilities.

Level 2: Fair value determined using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Fair value determined using valuation techniques including measurement based on unobservable inputs.

1) Financial instruments that are measured at fair value on a recurring basis

	Level 1 ¥m	Level 2 ¥m	Level 3 ¥m	Total ¥m
Financial assets:				
Financial assets measured at fair value through profit or loss:				
Other financial assets	-	-	25	25
Financial assets measured at fair value through other comprehensive income:				
Other financial assets	1,823	-	454	2,277
Total	**1,823**	**-**	**478**	**2,301**
Financial liabilities:				
Financial liabilities measured at fair value through profit or loss				
Contingent consideration in business combinations	-	-	1,940	1,940
Total	**-**	**-**	**1,940**	**1,940**

2) Financial instruments measured at amortized cost

	Level 1 ¥m	Level 2 ¥m	Level 3 ¥m	Total ¥m
Financial liabilities:				
Corporate bonds	-	26,070	-	26,070
Bank borrowings	-	26,867	-	26,867
Total	**-**	**52,937**	**-**	**52,937**

Notes: Explanation of valuation methods and inputs used in determining fair value

1. Financial assets

Financial assets are reported under Other financial assets in the consolidated balance sheet and comprise:

a. Listed securities

The fair value of listed securities is assessed using the market price at the end of the period, and changes in fair value are recorded in “Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income” in the consolidated statement of profit or loss and other comprehensive income. The fair value is categorized as Level 1, as securities are traded in an active market.

b. Unlisted securities

The fair value of unlisted securities is assessed using an appropriate valuation model based on a number of variables including net assets, future cashflows and estimated profits, and changes in fair value are recorded in profit or loss, or in “Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income” in the consolidated statement of profit or loss and other comprehensive income. The fair value is categorized as Level 3 as it is determined by a valuation method utilising unobservable inputs.

2. Financial liabilities

Financial liabilities are reported under Contingent consideration in business combinations, Corporate bonds and Bank borrowings in the consolidated balance sheet and comprise:

a. Contingent consideration in business combinations

The fair value of contingent consideration in business combinations is calculated by discounting the probability adjusted future cashflows. Significant unobservable inputs used in the cashflow model include the estimated probabilities of success of assets progressing through contractual milestone events (such as regulatory approval). As such, contingent consideration in business combinations is categorized within Level 3 of the fair value hierarchy. Changes in fair value during the year are recorded in “Finance income” or “Finance costs”.

b. Corporate bonds

The fair value of the debt element of convertible bonds is calculated by discounting the total amount of principal and future interest payments at an interest rate that considers the remaining maturity of the bonds and credit risk. They are categorized as Level 2 of the fair value hierarchy.

c. Bank borrowings

The fair value of bank borrowings is calculated as the present value of the total amount of principal and interest discounted at the interest rate that would be applicable to a new similar bank borrowing. They are categorized as Level 2 of the fair value hierarchy.

(4) Repayment schedule for Corporate bonds, Bank borrowings and Lease liabilities

	Due within 1 year ¥m	Due more than 1 year and less than 5 years ¥m	Due more than 5 years ¥m
Corporate bonds	-	27,000	-
Bank borrowings	5,800	21,150	-
Lease liabilities	1,056	2,681	1,404

6. Notes on revenue recognition

The Group earns revenue through selling developed pharmaceutical products, granting licenses that provide the rights to develop and market pharmaceutical products and through the provision of research and development services to customers. These activities are classified into the following types of revenue based on their purpose and performance obligations:

(1) Types of revenue classified by purpose

- Marketed Products: Revenue from product sales, Royalties, Upfront fees and milestone event fees in commercialization agreements, Sales milestone income
- Research and Development: Upfront fees for Research and Development, Development milestone income, Revenue from contracted research and development services

(2) Types of revenue classified by performance obligation

Types of revenue classified by performance obligation are explained in the Notes to the Consolidated Financial Statements under "(3) Accounting policies 4) Accounting standards for significant income and expenditure".

(3) Breakdown of revenue

	Performance obligation			
Types of Revenue	Product supply revenue ¥m	Grant of Licenses ¥m	Research and Development services ¥m	Total ¥m
Marketed Products	17,700	2,436	-	20,136
Research and Development	-	6,827	2,652	9,479
Total	**17,700**	**9,263**	**2,652**	**29,615**

Performance obligations satisfied in past periods amounting to JPY 7,663 million are included in revenue for the year ended December 31, 2025.

(4) Contract balances

Receivables from contracts with customers are included in the consolidated balance sheet as "Trade and other receivables". Deferred revenue is included in the consolidated balance sheet under "Other non-current liabilities" and "Other current liabilities".

Opening and closing balances of deferred revenue from contracts with customers	¥m
Opening balance – January 1, 2025	6,916
Of the opening balance, the amount recognized as revenue in the year	(2,342)
Exchange differences on translation	358
Amount newly recognized as contract liability and carried forward to the next period	424
Closing Balance - December 31, 2025	5,356
Other non-current liabilities	3,132
Other current liabilities	2,224

(5) Transaction price allocated to the remaining performance obligations

Drug Discovery income allocated to research and development services is not included in the transaction price allocated to the remaining performance obligation because the uncertainty of reaching the agreed milestone, such as a regulatory filing, will not be resolved until the actual achievement of the milestone. Since the Group has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the Group's performance of services completed to date, the transaction price allocated to the remaining performance obligations relating to research and development services is omitted as a practical expedient in accordance with paragraphs 121(b) and B16 of IFRS15.

7. Notes on per-share information

	¥
Equity attributable to owners of parent - per share	674.04
Basic earnings - per share	(138.80)

8. Subsequent event

On January 8, 2026, the Group entered into a license agreement with Santhera Pharmaceuticals Holding AG ("Santhera") for the development, manufacturing, and commercialization of vamorolone (international brand name: AGAMREE®), a treatment for Duchenne muscular dystrophy (DMD), in Japan, South Korea, Australia, and New Zealand. Under the agreement, the Group paid an upfront fee of USD 30 million and also subscribed to a third-party allotment of new shares conducted by Santhera, acquiring Santhera's common shares for a total consideration of USD 10 million.

9. Other notes

Loss arising from amendment of terms of convertible bonds with share subscription rights

The Group amended the terms of the Euro-yen–denominated convertible bonds with share subscription rights due in 2028, which were issued on December 14, 2023, by removing the provision granting bondholders the option to request early redemption (with an early redemption date of December 14, 2026) from the terms and conditions of the bonds. Costs totaling JPY4,649 million incurred as a result of this amendment have been recorded under finance costs in the consolidated statement of profit or loss and other comprehensive income for the current financial year.

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Non-Consolidated Balance Sheet

Item	The 36th term At December 31,2025	Item	The 36th term At December 31,2025
Asset		**Liabilities**	
Current assets	**17,402**	**Current liabilities**	**11,039**
Cash and deposits	5,544	Accounts payable - trade	2,591
Accounts receivable from subsidiaries and associates - trade	1,147	Accounts payable - other	1,648
Accounts receivable from subsidiaries and associates - other	231	Accounts payable to subsidiaries and associates – other	65
Inventories	9,546	Accrued expenses	149
Prepaid expenses	335	Income tax payable	87
Consumption tax refund receivable	373	Current portion of long-term bank borrowings	5,800
Other	225	Deposit received	66
		Provision for bonuses payable to employees	188
		Provision for share-based compensation	396
Non-current assets	**87,572**	Other	51
Property, plant and equipment	**14**	**Non-current liabilities**	**48,998**
Buildings	1	Long-term bank borrowings	21,150
Tools, furniture and fixtures	13	Convertible bonds	27,399
Intangible assets	**41,209**	Provision for share-based compensation	449
Sales rights	41,201	**Total liabilities**	**60,038**
Software	8	**Net Assets**	
Investments and other assets	**46,348**	**Shareholders' equity**	**44,703**
Shares of subsidiaries and associates	28,836	**Capital stock**	**47,450**
Long-term loans receivable from subsidiaries and associates	17,480	**Capital surplus**	**20,946**
Investments in capital	32	Legal capital surplus	278
		Other capital surplus	20,668
		Retained earnings	**(23,689)**
		Other retained earnings	(23,689)
		Retained earnings brought forward	(23,689)
		Treasury stock	**(3)**
		Valuation/translation difference	**-**
		Unrealized holding gains or losses on securities	-
		Stock acquisition rights	**233**
		Total net assets	**44,936**
Total assets	**104,973**	**Total liabilities and net assets**	**104,973**

Note: Amounts less than JPY 1 million have been rounded.

Non-Consolidated Statement of Profit or Loss

(Millions of yen)

Item	The 36th term Financial year ended December 31,2025	
Revenue		**19,048**
Cost of sales		**(6,816)**
Gross profit		**12,233**
Selling, general and administrative expenses		**(9,618)**
Operating profit		**2,614**
Non-operating income		
Interest income	295	
Dividends from subsidiaries and associates	2,793	
Gain on redemption of bonds	175	
Foreign exchange gains	45	
Miscellaneous income	0	3,309
Non-operating expenses		
Interest expenses	(320)	
Commission expenses	(14)	
Valuation loss on bonds	(4,836)	
Miscellaneous loss	(41)	(5,210)
Ordinary profit		**713**
Extraordinary income		
Gain on reversal of share acquisition rights	1	1
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	(24,335)	
Restructuring	(54)	(24,389)
Loss before income taxes		**(23,674)**
Corporate tax, residential tax and enterprise tax	(15)	(15)
Net Loss		**(23,689)**

Note: Amounts less than JPY 1 million have been rounded.

Non-Consolidated Statement of Changes in Equity

(Millions of yen)

	Shareholders' equity					
	Capital stock	Capital surplus		Retained earnings	Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Other retained earnings Retained earnings brought forward		
Balance at January 1, 2025	**47,172**	**35,289**	**-**	**(14,621)**	**(3)**	**67,837**
Changes during the period:						
Issuance of new shares	278	278	-	-	-	**555**
Net Loss	-	-	-	(23,689)	-	**(23,689)**
Purchase of treasury stock	-	-	-	-	(0)	**(0)**
Transfer to other capital surplus from legal capital surplus	-	(35,289)	35,289	-	-	**-**
Transfer to other retained earnings from other capital surplus	-	-	(14,621)	14,621	-	**-**
Net changes of items other than shareholders' equity	-	-	-	-	-	**-**
Total changes during the period	278	(35,011)	20,668	(9,069)	(0)	**(23,134)**
Balance at December 31, 2025	**47,450**	**278**	**20,668**	**(23,689)**	**(3)**	**44,703**

	Valuation/ translation difference	Stock acquisition rights	Total net assets
	Unrealized holding gains or loss on securities		
Balance at January 1, 2025	**(15)**	**233**	**68,055**
Changes during the period:			
Issuance of new shares	-	-	**555**
Net Loss	-	-	**(23,689)**
Purchase of treasury stock	-	-	**(0)**
Transfer to other capital surplus from legal capital surplus	-	-	**-**
Transfer to other retained earnings from other capital surplus	-	-	**-**
Net changes of items other than shareholders' equity	15	(1)	**14**
Total changes during the period	15	(1)	**(23,120)**
Balance at December 31, 2025	**-**	**233**	**44,936**

Notes: Amounts less than JPY 1 million have been rounded.

Notes to the Non-Consolidated Financial Statements

1. Significant accounting policies

(1) Asset valuation standards and methods

1) Securities

Shares of subsidiaries and associates are carried at cost determined by the moving-average method.

2) Inventories

Raw materials, semi-finished goods and finished goods are carried at cost determined by the first-in, first-out basis. Balance sheet values are calculated by writing down book values based on a decline in profitability.

(2) Depreciation Methods for non-current Assets

1) Property, plant and equipment (except lease assets)*:*

The declining balance method is used. However, the straight-line method is used for facilities attached to buildings acquired on or after April 1, 2016. The normal estimated useful lives are as follows:

- Tools, furniture and fixtures: 6-18 years

2) Intangible assets (except lease assets)*:*

The straight-line method is used.

For internal-use software, the straight-line method is used based on an estimated useful life of 5 years.

3) Lease assets: Finance lease transactions without a transfer of ownership

The straight-line method is used over the term of the lease with a residual value of zero.

(3) Accounting for deferred assets

Share issuance cost: Expensed in full at the time of payment.

Bond issuance cost: Expensed in full at the time of payment.

(4) Recognition standards for provisions

1) Allowance for doubtful accounts

Allowance is made for credit losses on accounts receivable and other accounts. An estimate of the irrecoverable amount is set aside based on historical credit loss rates for ordinary receivables and based on individual collectability for specific receivables regarded as doubtful.

2) Provision for bonuses payable to employees

Provision is made during the financial year for the estimated payment of employee bonuses.

3) Provision for bonuses payable to executive officers

Provision is made during the financial year for the estimated payment of bonuses to executive officers.

4) Provision for share-based compensation

Provision is made for an estimation of the in-kind contribution of monetary compensation claims incurred from RSU for directors and employees.

(5) Revenue recognition criteria

Pharmaceutical product sales

Pharmaceutical product sales are recognized upon the customer's acceptance.

Pharmaceutical royalties

Pharmaceutical royalties are recognized upon income recognition of partners.

Management fees

The Company charges management fees to its subsidiaries. Since the Company's performance obligation is to provide contracted services to its subsidiaries and the Company's performance obligation is satisfied when those services are performed, revenue is recognized at that point in time.

(6) Standards for Conversion of Foreign-denominated Assets and Liabilities to Japanese Currency

Foreign-denominated monetary receivables and payables are converted to Japanese yen based on the closing spot rate of each reporting period, and exchange differences are accounted for within profit or loss for the period.

2. Notes relating to key accounting estimates

Valuation of Shares of subsidiaries and associates

	Ending balance ¥m
Shares of subsidiaries and associates	28,836

Method of calculation of the carrying amounts in the non-consolidated financial statements and significant assumptions used in the calculation

A valuation loss is recorded on non-marketable securities, such as investments in unlisted subsidiaries and associates, when their net asset values decrease significantly due to a deterioration of the financial position of the security issuer, unless there is sufficient evidence to support their recoverability. The net asset value used in the impairment assessment is calculated based on the net assets of the latest available financial statements prepared in accordance with the Generally Accepted Accounting Standards and obtained from subsidiaries and associates before the period end, and includes goodwill. Hence, significant assumptions related to significant accounting estimates described in “Valuation and impairment of Goodwill and Intangible Assets” within “2. Significant accounting estimates and associated judgments” of the consolidated financial statements, significantly affects the calculation of the net asset value.

Effects on the non-consolidated financial statements for the year ended December 31, 2026

It is possible that a a valuation loss will be required to be recognized in the future due to uncertain events.

In the current financial year, the Company recognized an impairment loss on certain shares of subsidiaries, as their recoverable amounts had significantly declined. For further details, please refer to “*10. Other Notes (Valuation loss on investments in subsidiaries and affiliates)*.”

Valuation of Sales rights

	Ending balance ¥m
Sales rights	41,201

Method of calculation of the carrying amounts in the non-consolidated financial statements and significant assumptions used in the calculation

The Company’s marketing rights are grouped according to the smallest unit that independently generates cash flows. When an indication of impairment of an asset group is identified, the total undiscounted future cash flows generated from the asset group is compared to the book value to determine the necessity of impairment. Once an impairment loss is determined to be recognized, the book value is reduced to the asset’s recoverable amount and the decreased amount is recorded as an impairment loss. Indications of impairment include cases where operating losses or net cash outflows from operating activities continue, or will continue in the near future, and significant changes with an adverse effect on the business environment have taken place, or will take place in the near future.

Effects on the non-consolidated financial statements for the year ended December 31, 2026

Since the purchase price of marketing rights is calculated based on business plans of related pharmaceutical products, it is possible that an impairment loss may be recorded when the actual result is significantly worse than the budgeted result.

3. Notes to the Balance Sheet

	¥m
(1) Cumulative depreciation on property, plant and equipment	9

(2) Loss allowance directly deducted from assets	
Inventory	76

(3) Guarantee liabilities

Debt guarantees totaling JPY 2,509 million have been provided in relation to land and building lease agreements signed by the Company's subsidiary, Nxera Pharma UK Limited.

4. Notes to the Statement of Profit or Loss

	¥m
Operating transactions with subsidiaries and affiliates	24,695
Non-operating transactions with subsidiaries and affiliates	196

5. Notes to the Statement of Changes in Equity

Share class	Shares at beginning of financial year	Increase in shares during financial year	Decrease in shares during financial year	Shares at end of financial year
Ordinary Treasury shares	1,915	61	-	1,976

Note: The increase in common shares is due to the purchase of shares of less than one unit (61 shares).

6. Notes on revenue recognition

The Company's revenue recognition policy is shown in Notes to the Non-consolidated Financial Statements under "1. Significant accounting policies (5) Revenue recognition criteria".

7. Tax

The main factors giving rise to deferred tax assets are as follows:

Tax losses carried forward	6,044
Shares in subsidiaries and associates	9,305
Deferred assets	1,530
Other	499
Deferred tax assets subtotal	17,378
Valuation allowance	(17,378)
Total deferred tax assets	**-**

8. Related party transactions

(1) Subsidiaries

Type	Name of company	Share of voting rights holding (held)	Transaction type	Transaction amount ¥m	Account	Ending balance ¥m
Subsidiary	Nxera Pharma Japan Co., Ltd.	Direct holding 100%	Product sales	17,447	Accounts receivable from subsidiaries and associates - trade	1,147
			Outsourcing expenses	2,170	Accounts payable to subsidiaries and associates - other	-
			Selling expenses	1,416		
			Loan to subsidiary	-	Long-term loans to subsidiaries and affiliates	17,280
			Debt guarantee provided	26,950	-	-
Subsidiary	Nxera Pharma UK Limited	Direct holding 100%	Provision of management services to subsidiary	1,709	Accounts receivable from subsidiaries and associates - other	-
			Debt guarantee received	2,509	-	-

Notes:

1. Prices and other transaction terms are determined upon discussion and agreement by the counterparties on terms equivalent to other parties unrelated to the Company.
2. Intercompany receivables and interest are collected based on the available cash position of each company.
3. Loans to Nxera Pharma Japan Co., Ltd. are made at market interest rates. Collateral has not been requested.
4. The Company has received a debt guarantee from Nxera Pharma Japan Co., Ltd. for loans from financial institutions.
5. A debt guarantee has been provided by the Company in relation to land and building lease agreements and building contracts signed by the Company's subsidiary, Nxera Pharma UK Limited. No fee for the provision of the guarantees has been charged to the subsidiary.

(2) Officers and major individual shareholders

Type	Name	Voting rights holding (held) (%)		Relationship with related parties	Transaction type	Transaction amount ¥m	Account	Ending balance ¥m
Officer	Christopher Cargill	Directly held	0.12	Director Representative Executive Officer, President and CEO	In-kind contribution of monetary compensation claim	83	-	-
Officer	David Roblin	Directly held	0.01	Director	In-kind contribution of monetary compensation claim	18	-	-
Officer	Noriaki Nagai	Directly held	0.05	Director	In-kind contribution of monetary compensation claim	18	-	-
Officer	Rolf Soderstrom	Directly held	0.02	Director	In-kind contribution of monetary compensation claim	18	-	-
Officer	Miwa Seki	Directly held	0.02	Director	In-kind contribution of monetary compensation claim	18	-	-
Officer	Eiko Tomita	Directly held	0.01	Director	In-kind contribution of monetary compensation claim	18	-	-
Officer	Hironoshin Nomura	Directly held	-	Executive Officer and CFO	In-kind contribution of monetary compensation claim	16	-	-
Officer	Kazuhiko Yoshizumi	Directly held	0.03	Executive Officer and CCO	In-kind contribution of monetary compensation claim	11	-	-

Notes:
1. The in-kind contribution of monetary compensation claim relates to the Restricted Stock Units (RSUs).

9. Notes on per-share information

	¥
(1) Net assets - per share	493.98
(2) Net loss - per share	(262.41)

10. Other notes

Loss on amendment of terms of convertible bonds

The Company amended the terms of the Euro-yen–denominated convertible bonds with share subscription rights due in 2028, which were issued on December 14, 2023, by removing the provision granting bondholders the option to request early redemption (with an early redemption date of December 14, 2026) from the terms and conditions of the bonds. Costs totaling JPY4,836 million incurred as a result of this amendment have been recorded as non-operating expenses in the non-consolidated statement of profit or loss for the current financial year.

Valuation loss on investments in subsidiaries and affiliates

The Company recognized a valuation loss on shares of a subsidiary, Nxera Pharma UK Ltd., among its investments in subsidiaries and affiliates, for which the value had significantly decreased compared with the book value. As a result, a valuation loss of JPY 24,335 million was recorded as an extraordinary loss in the non-consolidated statement of profit or loss for the current financial year.

Accounting Audit Report on the Consolidated Financial Statements

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Independent Auditor's Report

February 13, 2026

The Board of Directors
Nxera Pharma Co., Ltd.

Ernst & Young ShinNihon LLC
Tokyo, Japan

Kiyoto Tanaka
Designated Engagement Partner
Certified Public Accountant

Hiroyuki Nakada
Designated Engagement Partner
Certified Public Accountant

Opinion
Pursuant to Article 444, paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and notes to the consolidated financial statements of Nxera Pharma Co., Ltd. and its consolidated subsidiaries (the Group) applicable to the fiscal year from January 1, 2025 to December 31, 2025.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position and results of operations of the Group applicable to the fiscal year ended December 31, 2025, in accordance with accounting principles that omit certain disclosure items required under International Financial Reporting Standards, pursuant to the provision of Article 120, paragraph 1, latter clause of the Regulations on Corporate Accounting.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements (including the provisions applicable to audits of financial statements of entities with significant public interest) that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information
The other information comprises the information included in the Group's business report and its supplementary schedules. Management is responsible for the preparation and disclosure of the other information. The Audit Committee is responsible for overseeing the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with

the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles that omit certain disclosure items required under International Financial Reporting Standards, pursuant to the provision of Article 120, paragraph 1, latter clause of the Regulations on Corporate Accounting, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles that omits certain disclosure items required under International Financial Reporting Standards, pursuant to the provision of Article 120, paragraph 1, latter clause of the Regulations on Corporate Accounting, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles that omits certain disclosure items required under International Financial Reporting Standards, pursuant to the provision of Article 120, paragraph 1, latter clause of the Regulations on Corporate Accounting.
- Plan and perform the audit of the consolidated financial statements in order to obtain sufficient appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to provide a basis for our opinion on the consolidated financial statements. We are responsible for directing, supervising, and reviewing the audit of the consolidated financial

statements. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan
Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Accounting Audit Report on the Financial Statements

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Independent Auditor's Report

February 13, 2026

The Board of Directors
Nxera Pharma Co., Ltd.

Ernst & Young ShinNihon LLC
Tokyo, Japan

Kiyoto Tanaka
Designated Engagement Partner
Certified Public Accountant

Hiroyuki Nakada
Designated Engagement Partner
Certified Public Accountant

Opinion
Pursuant to Article 436, paragraph 2, item 1 of the Companies Act, we have audited the accompanying non-consolidated financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of profit or loss, the non-consolidated statement of changes in net assets, and notes to the non-consolidated financial statements and supplementary schedules of Nxera Pharma Co., Ltd. (the Company) applicable to the 36th fiscal year from January 1, 2025 to December 31, 2025.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position and results of operations of the Company applicable to the fiscal year ended December 31, 2025, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements (including the provisions applicable to audits of financial statements of entities with significant public interest) that are relevant to our audit of the non-consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information
The other information comprises the information included in the Company's business report and its supplementary schedules. Management is responsible for the preparation and disclosure of the other information. The Audit Committee is responsible for overseeing the Company's reporting process of the other information.

Our opinion on the non-consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the non-consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements or our knowledge obtained in the audit or otherwise appears

to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Non-Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit Committee is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the non-consolidated financial statements is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non- consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the non-consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan
Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Audit Report of the Audit Committee

Audit Report

The Audit Committee of Nxera Pharma Co., Ltd. (the "Company") has audited the performance of duties by directors and executive officers for the 36th fiscal period from January 1, 2025 to December 31, 2025. The methods and findings are reported as follows.

1. Methods and Content of the Audit

The Audit Committee received reports from directors, executive officers and employees, etc. on a regular basis of the content of resolutions of the Board of Directors related to items provided in Article 416, Paragraph 1, Item 1 (b) and (e) of the Companies Act and of the structures and operation of the systems established in accordance with the resolutions (internal control systems), requested explanations and expressed opinions as necessary, and conducted an audit as follows.

1) In accordance with the audit policy and the division of responsibilities, etc. determined by the Audit Committee, each member of the Committee attended meetings of the Board of Directors and other important meetings, received reports from directors, executive officers and others on the performance of their duties, etc., and requested additional explanations as necessary, and reviewed the documents relating to the important decisions, and investigated the state of the business and assets of the Company in cooperation with the Internal Audit Department. Regarding subsidiaries, the Audit Committee sought to achieve a mutual understanding of subsidiaries, exchanged information with the directors and corporate auditors, etc. of subsidiaries and received business reports from subsidiaries as necessary.

2) The Audit Committee monitored and verified whether the Independent Auditors maintained independence and conducted appropriate audits, received reports from the Independent Auditors on the performance of their duties, etc., and requested explanations as necessary. Also, the Audit Committee received notification from the Independent Auditors that they had established the "Structure for Ensuring Appropriate Operation" (matters provided in each item of Article 131 of the Regulation on Accounting of Companies) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council, October 28, 2005).

Based on the aforementioned methods, the Audit Committee examined the business report and supplementary schedules thereof, non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of profit or loss, non-consolidated statement of changes in equity and notes thereto) and supplementary schedules thereof, and consolidated financial statements (consolidated balance sheet, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and notes thereto) for the fiscal period under review.

2. Results of Audit

(1) Results of audit of business report, etc.

1) The Committee found that the business report and supplementary schedules accurately present the status of the Company in accordance with laws, regulations and the Articles of Incorporation.

2) The Committee did not find any inappropriate conduct related to the execution of duties by directors or executive officers or any material facts indicating violation of laws and regulations or the Articles of Incorporation.

3) The Committee found that the contents of resolutions of the Board of Directors related to the system of internal control to be appropriate. In addition, the Committee did not find any matter requiring it to comment on the contents of the business report or execution of duties by directors or executive officers regarding the system of internal control.

(2) Results of audit of non-consolidated financial statements and supplementary schedules

The Committee found that the methods and results of the audit performed by the Independent Auditors, Ernst & Young ShinNihon LLC were appropriate.

(3) Results of audit of consolidated financial statements

The Committee found that the methods and results of the audit performed by the Independent Auditors, Ernst & Young ShinNihon LLC were appropriate.

February 13, 2026

Nxera Pharma Co., Ltd. Audit Committee

Chair of Audit Committee	Rolf Soderstrom	*
Member of Audit Committee	Noriaki Nagai	*
Member of Audit Committee	Eiko Tomita	*
Member of Audit Committee	Naoko Shimura	

Note: All members of the Audit Committee are external directors as stipulated in Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.

Access to Meeting of Shareholders Venue

Shareholders are asked to **exercise voting rights in advance as much as possible, either by returning the voting form by post or voting on the internet.**

Venue	Fuji-No-Ma Hall, 4th Floor, Hotel Grand Arc Hanzomon 1-1, Hayabusa-cho, Chiyoda-ku, Tokyo, Japan TEL: 03-3288-0111
Access	2-min. walk from Hanzomon Station (Exit 1) and 3-min. walk from Hanzomon Station (Exit 6) on Hanzomon Line 8-min. walk from Kojimachi Station (Exit 1) on Yurakucho Line

* We kindly ask you to refrain from coming by car since parking lots are not available.