Life is Rare

June 23, 2026
JCR Pharmaceuticals Co., Ltd.

Partial Correction: "Consolidated Financial Results for the Full Year ended March 31, 2026 (FY2025)" (Japanese standard)

Hyogo, Japan – June 23, 2026 – JCR Pharmaceuticals Co., Ltd. (TSE 4552; "JCR") hereby announces that it has made partial corrections to the Consolidated Financial Results for the Full Year ended March 31, 2026 (FY2025) (Japanese standard) originally disclosed on May 13, 2026, as outlined below. Please note that certain numerical data have also been corrected, and the revised numerical data will be submitted accordingly.

1. Reason for the Corrections
   Following the publication of the Consolidated Financial Results for the Full Year ended March 31, 2026 (FY2025) (Japanese standard), the company identified certain errors in the presentation of the consolidated statement of cash flows for the previous fiscal year during the preparation of the annual securities report. Accordingly, the Company has made corrections to the relevant sections.

2. Details of the Corrections
   The corrected portions are underlined.

About JCR Pharmaceuticals Co., Ltd.
JCR Pharmaceuticals Co., Ltd. (TSE 4552) is a global specialty pharmaceutical company that develops treatments that go beyond rare diseases to solve the world's most complex healthcare challenges. We continue to build upon our 50-year legacy in Japan while expanding our global footprint into the U.S., Europe, and Latin America. We improve patients' lives by applying our scientific expertise and unique technologies to research, develop, and deliver next-generation therapies. Our approved products in Japan include therapies for the treatment of growth disorder, MPS II (Hunter syndrome), Fabry disease, acute graft-versus host disease, and renal anemia. Our investigational products in development worldwide are aimed at treating rare diseases including MPS I (Hurler, Hurler-Scheie and Scheie syndrome), MPS II, MPS IIIA and B (Sanfilippo syndrome type A and B), and more. Our core values – Putting people first, Forging our own path, Always advancing, and Committed to excellence – mean that the work we do benefits all our stakeholders, including partners, patients and employees. We strive to expand the possibilities for patients while accelerating medical advancement at a global level. For more information, please visit JCR's global website: https://jcrpharm.com/

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Note: 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.

Financial Summary
Consolidated Financial Results for the Year ended March 31, 2026 (FY2025)
(Japanese standard)

May 13, 2026

Listed company name: JCR Pharmaceuticals Co., Ltd.
Listed stock exchange: Tokyo Stock Exchange
Code number: 4552 URL: https://jcrpharm.com/
Representative: (Title) Representative Director, President
(Name) Hiroyuki Sonoda
Person in charge of inquiries: (Title) Managing Executive Officer, Executive Director, Corporate Strategy Division
(Name) Yoh Ito TEL: 0797(32)1995
Scheduled date to hold the ordinary general meeting of shareholders: June 23, 2026
Scheduled date to commence dividend payments: June 24, 2026
Scheduled date to file the Securities Report: June 23, 2026
Explanatory material for business results: Available
IR Conference: To be held (for institutional investors and analysts)

(Fractions smaller than one million yen omitted)

1. Consolidated Financial Results for FY2025 (April 1, 2025 to March 31, 2026)

(1) Consolidated Operating Results (Cumulative)

(Percentage figures for the fiscal year represent the changes from the previous year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Year ended	million yen	%	million yen	%	million yen	%	million yen	%
March 31, 2026	40,319	21.9	555	—	1,165	—	2,178	—
March 31, 2025	33,072	(22.9)	(6,219)	—	(7,046)	—	(4,460)	—

(Reference) Comprehensive income: Year ended March 31, 2026: 1,987 million yen (—%)
Year ended March 31, 2025: (3,744) million yen (—%)

	Earnings per share (basic)	Earnings per share (diluted)	Return on equity	Ordinary profit to total assets	Operating profit to Net sales
Year ended	yen	yen	%	%	%
March 31, 2026	17.87	17.86	4.6	1.1	1.4
March 31, 2025	(36.02)	—	(8.7)	(6.8)	(18.8)

(Reference) Gains/(losses) on equity method investments: Year ended March 31, 2026 (184) million yen
Year ended March 31, 2025 (467) million yen

(Note) "Diluted net income per share" for the third quarter of the fiscal year ending March 2025 is not stated because there was a net loss per share, even though there were residual shares.

(2) Consolidated Financial Conditions

	Total assets	Net assets	Equity ratio	Net asset per share
Year ended	million yen	million yen	%	yen
March 31, 2026	109,236	47,359	42.9	384.19
March 31, 2025	104,849	47,734	45.1	387.95

(Reference) Shareholders' equity: As of March 31, 2026: 46,868 million yen
As of March 31, 2025: 47,266 million yen

(3)Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Year ended	million yen	million yen	million yen	million yen
March 31, 2026	(135)	(12,504)	13,305	14,007
March 31, 2025	(5,791)	(9,569)	9,736	13,196

2. Dividends

	Dividends per share					Total annual dividends (total)	Dividend pay-out ratio (consolidated)	Dividends on net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	yen	yen	yen	yen	yen	million yen	%	%
FY2024	—	10.00	—	10.00	20.00	2,478	—	4.8
FY2025	—	10.00	—	10.00	20.00	2,444	111.9	5.2
FY2026 (Forecast)	—	10.00	—	10.00	20.00		1,219.5	

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(Percentage figures for the fiscal year represent the changes from the previous year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Year ending Mar. 31, 2027	45,700	13.3	1,100	98.2	500	(57.1)	200	(90.8)	1.64

*Note

(1) Changes in significant subsidiaries during the period : None

(2) Changes in accounting policy, changes in accounting estimates and restatements

1. Changes in accounting policy due to the revision of accounting standards, etc. : None
2. Changes in accounting principles other than 1. : None
3. Changes in accounting estimates : None
4. Restatement : None

(3) Number of shares outstanding (common stocks)

1. Number of shares outstanding at the end of the period (including treasury stock)	As of March 31, 2026	129,686,308 shares	As of March 31, 2025	129,686,308 shares
2. Number of shares treasury stock at the end of the period	As of March 31, 2026	7,693,402 shares	As of March 31, 2025	7,851,002 shares
3. Average number of shares outstanding during the period (quarterly cumulative amount)	As of March 31, 2026	121,941,606 shares	As of March 31, 2025	123,825,557 shares

(Reference) Summary of Individual Business Results

1. Individual Business Results for FY2025 (From April 1, 2025 to March 31, 2026)

(1) Individual Business Results

(Percentage figures for the fiscal year represent the changes from the previous year.)

	Net sales		Operating profit		Ordinary profit		Net income for the year	
Year ended	million yen	%	million yen	%	million yen	%	million yen	%
March 31, 2026	40,319	21.9	368	—	745	—	1,919	—
March 31, 2025	33,071	(22.9)	(6,469)	—	(7,138)	—	(4,447)	—

	Earnings per share (basic)	Earnings per share (diluted)
Year ended	Yen	Yen
March 31, 2026	15.74	15.73
March 31, 2025	(35.91)	—

(Note) "Diluted net income per share" for the third quarter of the fiscal year ending March 2025 is not stated because there was a net loss per share, even though there were residual shares.

(2) Individual Financial Conditions

	Total assets	Net assets	Equity ratio	Net asset per share
Year ended	million yen	million yen	%	yen
March 31, 2026	107,842	45,606	42.2	373.25
March 31, 2025	103,813	46,553	44.8	381.48

(Reference) Shareholders' equity: As of March 31, 2026: 45,533 million yen
As of March 31, 2025: 46,477 million yen

* These annual financial results are outside of the scope of quarterly review by a certified public accountant or an audit firm.

* Explanation on the appropriate use of forecasts of financial results and other comments

(Note on forward-looking statements, etc.)

Forward-looking statements, such as forecasts of financial results, contained in this document are based on information currently available to the Company and certain assumption that are judged as rational. The Company does not assure the achievement of these forecasts. In addition, actual financial results may differ significantly from forecasts due to various reasons. For assumptions underlying forecasts of financial results and notes regarding the appropriate use of forecasts of financial results, please refer to "1. Overview of Financial Results, Etc." on page 2 of the attached material.

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1. Overview of Financial Results, Etc.

(1) Overview of Financial Results

[1] FY2025 Financial Results

Net sales totaled 40,319 million yen (up 21.9% from the previous fiscal year).

IZCARGO™ 10 mg for intravenous infusion, a treatment for mucopolysaccharidosis type II, remained strong. Although sales of the GROWJECT™, a recombinant natural human growth hormone preparation, declined due to the impact of the April 2025 drug price revision, overall product sales remained strong, and income from contractual payment increased, resulting in higher net sales compared to the previous fiscal year.

In addition to active research and development activities, the Company recognized a one-time contract payment associated with acquiring an exclusive license from Italfarmaco S.p.A. for the development and commercialization in Japan of givinostat, a treatment drug for Duchenne muscular dystrophy. As a result, R&D expenses increased by 8.6% to 16,761 million yen (an increase of 1,330 million yen from the previous fiscal year).

As a result, the Company recorded an operating profit of 555 million yen (compared to an operating loss of 6,219 million yen in the previous fiscal year), an ordinary profit of 1,165 million yen (compared to an ordinary loss of 7,046 million yen in the previous fiscal year), and a profit attributable to owners of parent of 2,178 million yen (compared to a loss attributable to owners of parent of 4,460 million yen in the previous fiscal year).

	Previous consolidated results (cumulative) (April 1, 2024 to March 31, 2025)	Current consolidated results (cumulative) (April 1, 2025 to March 31, 2026)	Rate of change
	Amount (million yen)	Amount (million yen)	%
Net sales	33,072	40,319	21.9
Operating profit (loss)	(6,219)	555	―
Ordinary profit (loss)	(7,046)	1,165	―
Profit (loss) attributable to owners of parent	(4,460)	2,178	―

[2] Main components of sales

	Previous consolidated results (cumulative) (April 1, 2024 to March 31, 2025)	Current consolidated results (cumulative) (April 1, 2025 to March 31, 2026)	Rate of change
	Amount (million yen)	Amount (million yen)	%
Human growth hormone product **GROWJECT™**	18,098	17,933	(0.9)
Treatment for mucopolysaccharidosis type II **IZCARGO™ for I.V. Infusion**	5,718	6,766	18.3
Treatment for renal anemia **Epoetin Alfa BS Inj. [JCR]** **Darbepoetin Alfa BS Inj. [JCR]**	3,784 1,690 2,093	3,622 1,121 2,501	(4.3) (33.7) 19.5
Regenerative medicine products **TEMCELL™ HS Inj.**	2,904	2,831	(2.5)
Treatment for Fabry disease **Agalsidase Beta BS I.V. Infusion [JCR]**	1,149	1,292	12.4
Total	31,655	32,446	2.5
Income from contractual payment	517	5,549	972.8

[3] The Status of Research and Development (R&D)

[Lysosomal Storage Disorder (LSD) Treatments]

- We are currently focusing on the research and development of over 17 LSD treatments, utilizing our proprietary blood-brain barrier (BBB) penetration technology, J-Brain Cargo®.

- For pabinafusp alfa (JR-141), a BBB-penetrating enzyme replacement therapy for Hunter syndrome, we are progressing with global Phase III clinical trials. These trials are progressing smoothly, and the target number of cases has been achieved. In addition, we held a meeting with the U.S. Food and Drug Administration (FDA) in June 2025 to discuss our strategy for new drug application (NDA).

- For lepunafusp alfa (JR-171), a BBB-penetrating enzyme replacement therapy for mucopolysaccharidosis type I, we have completed a 13-week Phase I/II clinical trial and it's extension study in Japan, Brazil, and the U.S. We intend to develop this product through licensing out and are in ongoing negotiations with potential partners.

- For posnafusp alfa (JR-441), a BBB-penetrating enzyme replacement therapy for mucopolysaccharidosis type IIIA, a Phase I/II clinical trial is underway in Germany, and the planned enrollment was completed. We have also enrolled the target number of patients for Phase I trials in Japan, and the trials are progressing smoothly. Additionally, the treatment has been granted orphan drug designation by the European Commission (EC) in January 2022, by the U.S. Food and Drug Administration (FDA) in December 2023, and the Japan's Ministry of Health, Labour and Welfare in December 2024.

- For JR-446, a BBB-penetrating enzyme replacement therapy for mucopolysaccharidosis type IIIB, we entered into a licensing agreement for overseas commercialization and a co-development and commercialization agreement in Japan with MEDIPAL HOLDINGS CORPORATION in September 2023. In December 2024, administration of the investigational drug in a Phase I/II clinical trial began in Japan. Additionally, the drug received orphan drug designation from the FDA in April 2025, from the EC in June 2025, and from the Ministry of Health, Labour and Welfare of Japan in September 2025.

- For JR-471, a BBB-penetrating enzyme replacement therapy candidate for fucosidosis using J-Brain Cargo®, we have granted MEDIPAL HOLDINGS CORPORATION an exclusive license, including sublicensing rights, for the research, development, manufacturing, and commercialization of the product outside Japan, under a licensing agreement signed in October 2022. We are currently conducting necessary studies in preparation for the initiation of clinical trials. Furthermore, in August 2025, the two companies have signed an exclusive global licensing deal and a co-development and commercialization partnership in Japan for JR-479, an investigational therapy for GM2 gangliosidosis.

[Human Growth Hormone Products]
- Regarding redalsomatropin alfa (JR-142), a long-acting recombinant human growth hormone preparation, we have completed patient enrollment for the Phase III clinical trial currently underway in Japan. Meanwhile, the extension study of the Phase II clinical trial is still ongoing
- For the marketed product GROWJECT™, we have initiated a Phase III dose-comparison clinical trial in Japan targeting patients with pediatric growth hormone deficiency. This trial aims to close the gap in dosage and administration between Japan and other countries for this condition, with the expectation of further improving final height and quality of life following growth hormone therapy in Japan.

[Duchenne muscular dystrophy treatment]
- In December 2025, the Company acquired an exclusive license from Italfarmaco S.p.A. for the development and commercialization in Japan of givinostat (marketed as Duvyzat® in the US, UK and EU), a treatment drug for Duchenne muscular dystrophy. We are currently formulating development plans for this drug with the aim of securing early approval in Japan.

[Creation of Platform Technologies]
J-Brain Cargo®
- In addition to expanding the applicability of JCR's proprietary J-Brain Cargo® technology to various modalities, we are focusing on licensing-out of this technology. In July 2025, we entered into an option agreement with Acumen Pharmaceuticals, Inc. for the licensing of the J-Brain Cargo® technology for the development of a blood-brain barrier-penetrating Alzheimer's disease treatment.

JUST-AAV
- We are focusing on creating new platform technologies beyond J-Brain Cargo®. One of the outcomes of these efforts is the creation of a new gene therapy technology called 'JUST-AAV' using adeno-associated virus (AAV) vectors. This technology not only enables efficient delivery of vectors to the specific tissues but also reduces vector accumulation in the liver, which is expected to mitigate side effects. It is currently under development as a new platform technology. In December 2023, we began joint research with Modalis Therapeutics Corporation to develop new gene therapies using this technology. In January 2025, due to the success of the partnership thus far, we concluded to proceed to the next phase of their research by entering into a new joint research agreement. In addition, in July 2025, we entered into a license agreement with Alexion, AstraZeneca Rare Diseases to license the JUST-AAV capsids for the development of new genomic medicines.

[Other]
- In December 2025, the Company entered into an agreement with Italfarmaco S.p.A. for strategic collaboration in drugs for rare diseases. This agreement aims to expand both companies' portfolios including exploring joint opportunities across JCR's R&D pipeline and platform technologies.
- We established the Advanced Biopharmaceutical Research Institute at Creative Lab Kobe (CLIK) within the Kobe Biomedical Innovation Cluster (KBIC) to advance biopharmaceutical research and core technologies. (commenced operations on April 1, 2026)

[4] Outlook for the next fiscal year

The outlook for consolidated results for the next fiscal year is as follows.

	Current consolidated results (cumulative) (April 1, 2025 to March 31, 2026)	Outlook for the next fiscal year (cumulative) (April 1, 2026 to March 31, 2027)	Increase/Decrease	Rate of change
	Amount (million yen)	Amount (million yen)	Amount (million yen)	%
Net sales	40,319	45,700	5,381	13.3
Operating profit	555	1,100	545	98.2
Ordinary profit (loss)	1,165	500	(665)	(57.1)
Profit (loss) attributable to owners of parent	2,178	200	(1,978)	(90.8)

(Net Sales)

Sales of IZCARGO™10 mg for intravenous infusion, a treatment for Mucopolysaccharidosis II, are expected to increase due to steady growth in volume. Sales of our mainstay products are projected to remain at the same level as in the current fiscal year. In addition, total sales are expected to increase as a result of continued proactive efforts in the licensing business.

(Profit)

Regarding R&D activities, we position them as a key component of our future growth strategy and have been making aggressive investments in recent years. R&D expenses are expected to be 19,300 million yen (up 15.7% from the current fiscal year), and operating profit is projected to be 1,100 million yen.

Ordinary profit and profit attributable to owners of parent are expected to be 500 million yen and 200 million yen, respectively.

(2) Overview of Financial Condition

[1] Assets, Liabilities and Net Assets

Total assets at the end of the current fiscal year were 109,236 million yen (up 4,386 million yen from the end of the previous fiscal year), total liabilities were 61,877 million yen (up 4,762 million yen), and total net assets were 47,359 million yen (down 375 million yen).

Current assets increased by 4,588 million yen from the end of the previous fiscal year to 56,076 million yen primarily due to increases in accounts receivable - trade, contract assets, and inventories. Non-current assets decreased by 201 million yen from the end of the previous fiscal year to 53,160 million yen mainly because property, plant and equipment decreased due to a tax purpose reduction entry to reflect the finalization of the Kobe Science Park Center subsidy, and investment securities also decreased while certain items of property, plant and equipment, such as construction in progress related to the construction of a new plant for drug product filling and finishing, increased.

Current liabilities increased by 4,452 million yen from the end of the previous fiscal year to 48,135 million yen, primarily due to an increase in short-term borrowings and Income taxes payable, despite a decrease in special suspense account for tax purpose reduction entry. Non-current liabilities increased by 309 million yen from the end of the previous fiscal year to 13,741 million yen, primarily due to an increase in long-term borrowings.

Net assets decreased by 375 million yen from the end of the previous fiscal year to 47,359 million yen due to factors including the recording of a profit attributable to owners of parent, dividend payments, and a decrease in valuation difference on available-for-sale securities.

As a result, the equity ratio at the end of the current fiscal year was 42.9%, down 2.2 percentage points from the end of the previous fiscal year.

In order for the Group to achieve sustainable global growth, it is essential to secure flexible and stable financing. Accordingly, the Company has entered into commitment line agreements totaling 49,500 million yen with multiple financial institutions to ensure the availability of working capital as a backup line of credit.

Of this amount, 26,500 million yen was arranged specifically to finance the construction of a new drug product plant. The construction of the new drug product plant has been selected by the Ministry of Economy, Trade and Industry (METI) under the “Project for Establishing Biopharmaceutical Manufacturing Sites to Strengthen Vaccine Production,” and the related subsidy will be used to fund the construction. The commitment line agreement was established to cover the necessary funds until the subsidy is received.

[2] Status of Cash Flows

Cash and cash equivalents at the end of the current fiscal year increased by 811 million yen from the end of the previous fiscal year to 14,007 million yen. The cash flows and their main contributing factors are as follows:

(Cash flows from operating activities)

Net cash used in operating activities amounted to 135 million yen. This was primarily due to profit before income taxes of 3,224 million yen and depreciation of 2,557 million yen, while trade receivables, subsidy income, and inventories increased by 1,927 million yen, 1,882 million yen, and 1,853 million yen, respectively.

(Cash flows from investing activities)

Net cash used in investing activities amounted to 12,504 million yen. This was primarily due to the acquisition of property, plant and equipment of 11,427 million yen.

(Cash flows from financing activities)

Net cash provided by financing activities was 13,305 million yen. This was primarily due to a net increase in short-term borrowings of 15,087 million yen and the payment of dividends of 2,441 million yen.

(Reference) Changes in cash flow indicators

	Year ended March 2022	Year ended March 2023	Year ended March 2024	Year ended March 2025	Year ended March 2026
Equity ratio	51.8%	54.2%	54.2%	45.1%	42.9%
Market value-based equity ratio	287.6%	185.7%	104.9%	56.2%	63.4%
Ratio of interest-bearing debt to cash flow	2.0 years	―	2.9 years	―	―
Interest Coverage Ratio	202.9 times	―	93.0 times	―	―

(Note) Equity ratio means equity / total assets
Market value-based equity ratio means market capitalization / total assets
Ratio of interest-bearing debt to cash flow means interest-bearing debt / cash flow
Interest coverage ratio means cash flow / interest payments
*All calculations are based on consolidated financial figures.
*Market capitalization is calculated based on the number of shares outstanding excluding treasury shares.
*Cash flow from operating activities is used for cash flow. Interest-bearing debt covers all liabilities on the consolidated balance sheets for which interest is paid. Interest payments are based on the amount of interest paid in the consolidated statements of cash flows.
*Cash flow to debt ratio and interest coverage ratio for the fiscal year ended March 31, 2023, March 31, 2025, and March 31, 2026 are not shown due to negative cash flows from operating activities.

(3) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

The Company regards the return of profits to shareholders as one of its most important management policies.

The Company's basic policy is to pay continuous and stable dividends while securing internal reserves for the development of new drugs that will serve as a source of future profits and for strengthening its management structure, taking into account its business performance and cash flow situation.

Based on the above basic policy, the Board of Directors resolved at its meeting held on May 13, 2026 to pay a year-end dividend of 10 yen per share for the current fiscal year. As a result, the total dividend for the full year, including the interim dividend, will be 20 yen per share (interim dividend: 10 yen per share, year-end dividend: 10 yen per share).

Internal reserves will be effectively utilized as a source of funds to strengthen the corporate structure and contribute to sustainable earnings growth and shareholder returns.

For the next fiscal year (ending March 31, 2027), the Company plans to pay a total dividend of 20 yen per share (interim dividend of 10 yen and year-end dividend of 10 yen).

2. Basic Concept to the Selection of Accounting Standards

JCR Group has adopted Japanese standards as its accounting standards. As for IFRS, it is our policy to continue examination in consideration of trends in adoption of IFRS.

3. Consolidated Financial Statements and Important Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	13,196	14,007
Accounts receivable - trade, and contract assets	12,236	14,163
Merchandise and finished goods	2,573	2,117
Work in process	6,412	6,908
Raw materials and supplies	13,202	15,016
Other	3,866	3,864
Allowance for doubtful accounts	—	(1)
Total current assets	51,487	56,076
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	13,229	6,598
Machinery, equipment and vehicles, net	2,451	1,261
Land	10,587	11,029
Construction in progress	9,190	19,411
Other, net	1,645	943
Total property, plant and equipment	37,104	39,244
Intangible assets		
Patent right	1,881	1,604
Other	1,079	992
Total intangible assets	2,960	2,596
Investments and other assets		
Investment securities	9,629	7,833
Retirement benefit asset	307	440
Deferred tax assets	2,853	2,466
Other	510	583
Allowance for doubtful accounts	(4)	(4)
Total investments and other assets	13,295	11,318
Total non-current assets	53,361	53,160
Total assets	104,849	109,236

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	590	523
Short-term borrowings	23,005	38,092
Current portion of long-term borrowings	3,050	3,600
Accounts payable - other	2,756	2,871
Income taxes payable	36	532
Special suspense account for tax purpose reduction entry	11,996	—
Provision for bonuses	1,089	1,136
Provision for bonuses for directors (and other officers)	127	125
Other	1,032	1,255
Total current liabilities	43,683	48,135
Non-current liabilities		
Long-term borrowings	12,050	12,200
Provision for employee stock ownership plan	120	129
Retirement benefit liability	966	914
Special suspense account for tax purpose reduction entry	—	245
Other	294	252
Total non-current liabilities	13,431	13,741
Total liabilities	57,114	61,877
Net assets		
Shareholders' equity		
Share capital	9,061	9,061
Capital surplus	10,392	10,378
Retained earnings	31,490	31,226
Treasury shares	(5,066)	(4,969)
Total shareholders' equity	45,878	45,697
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	937	438
Deferred gains or losses on hedges	2	(2)
Foreign currency translation adjustment	393	533
Remeasurements of defined benefit plans	53	200
Total accumulated other comprehensive income	1,387	1,170
Share acquisition rights	75	72
Non-controlling interests	392	417
Total net assets	47,734	47,359
Total liabilities and net assets	104,849	109,236

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(Consolidated Statements of Income)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	33,072	40,319
Cost of sales	10,902	10,134
Gross profit	22,169	30,185
Selling, general and administrative expenses	28,389	29,629
Operating profit (loss)	(6,219)	555
Non-operating income		
Interest income	113	81
Dividend income	34	38
Gain on sale of investment securities	—	457
Foreign exchange gains	—	706
Commission income	36	—
Other	76	165
Total non-operating income	260	1,449
Non-operating expenses		
Share of loss of entities accounted for using equity method	467	184
Interest expenses	155	398
Commission expenses	61	50
Depreciation	191	125
Foreign exchange losses	196	—
Other	15	80
Total non-operating expenses	1,088	839
Ordinary profit (loss)	(7,046)	1,165
Extraordinary income		
Gain on sale of investment securities	—	209
Subsidy income	—	1,882
Gain on reversal of share acquisition rights	393	—
Gain on cancellation of contract	627	—
Gain on sale of non-current assets	0	—
Other	44	—
Total extraordinary income	1,065	2,091
Extraordinary losses		
Loss on disposal of non-current assets	2	32
Total extraordinary losses	2	32
Profit (loss) before income taxes	(5,983)	3,224
Income taxes - current	52	462
Income taxes - deferred	(1,639)	554
Total income taxes	(1,586)	1,017
Profit (loss)	(4,396)	2,207
Profit attributable to non-controlling interests	63	28
Profit (loss) attributable to owners of parent	(4,460)	2,178

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit (loss)	(4,396)	2,207
Other comprehensive income		
Valuation difference on available-for-sale securities	195	(498)
Deferred gains or losses on hedges	3	(4)
Foreign currency translation adjustment	130	136
Remeasurements of defined benefit plans, net of tax	(78)	146
Share of other comprehensive income of entities accounted for using equity method	401	—
Total other comprehensive income	652	(220)
Comprehensive income	(3,744)	1,987
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(3,840)	1,961
Comprehensive income attributable to non-controlling interests	96	25

(3) Consolidated Statements of Changes in Net Assets
FY2024 (from April 1, 2024 to March 31,2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,061	10,384	37,278	(2,963)	53,761
Changes during period					
Dividends of surplus			(2,508)		(2,508)
Profit attributable to owners of parent			(4,460)		(4,460)
Purchase of treasury shares				(2,530)	(2,530)
Disposal of treasury shares		8		426	435
Change in scope of equity method			1,180		1,180
Net changes in items other than shareholders' equity					
Total changes during period	—	8	(5,788)	(2,103)	(7,882)
Balance at end of period	9,061	10,392	31,490	(5,066)	45,878

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	741	(0)	731	132	1,604	812	297	56,475
Changes during period								
Dividends of surplus								(2,508)
Profit attributable to owners of parent								(4,460)
Purchase of treasury shares								(2,530)
Disposal of treasury shares								435
Change in scope of equity method								1,180
Net changes in items other than shareholders' equity	195	3	(337)	(78)	(216)	(737)	95	(858)
Total changes during period	195	3	(337)	(78)	(216)	(737)	95	(8,741)
Balance at end of period	937	2	393	53	1,387	75	392	47,734

FY2025 (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,061	10,392	31,490	(5,066)	45,878
Changes during period					
Dividends of surplus			(2,442)		(2,442)
Profit attributable to owners of parent			2,178		2,178
Disposal of treasury shares		(14)		97	83
Net changes in items other than shareholders' equity					
Total changes during period	–	(14)	(264)	97	(181)
Balance at end of period	9,061	10,378	31,226	(4,969)	45,697

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	937	2	393	53	1,387	75	392	47,734
Changes during period								
Dividends of surplus								(2,442)
Profit attributable to owners of parent								2,178
Disposal of treasury shares								83
Net changes in items other than shareholders' equity	(498)	(4)	139	146	(216)	(2)	25	(194)
Total changes during period	(498)	(4)	139	146	(216)	(2)	25	(375)
Balance at end of period	438	(2)	533	200	1,170	72	417	47,359

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit (loss) before income taxes	(5,983)	3,224
Depreciation	3,374	2,557
Subsidy income	—	(1,882)
Loss (gain) on sale of investment securities	(1)	(667)
Share of loss (profit) of entities accounted for using equity method	467	184
Gain on reversal of share acquisition rights	(393)	—
Increase (decrease) in provision for bonuses	73	46
Share-based payment expenses	9	84
Interest and dividend income	(147)	(119)
Interest expenses	155	398
Foreign exchange losses (gains)	75	(40)
Decrease (increase) in trade receivables	2,698	(1,927)
Decrease (increase) in accounts receivable - other	(244)	1
Decrease (increase) in inventories	(1,253)	(1,853)
Increase (decrease) in trade payables	(300)	(66)
Increase (decrease) in accounts payable - other	(41)	(40)
Increase (decrease) in accrued consumption taxes	(1,966)	396
Decrease (increase) in long-term prepaid expenses	(215)	(120)
Decrease (increase) in prepaid expenses	437	(192)
Other, net	(250)	(590)
Subtotal	(3,506)	(605)
Interest and dividends received	147	119
Interest paid	(147)	(413)
Income taxes refund (paid)	(2,284)	763
Net cash provided by (used in) operating activities	(5,791)	(135)
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,582)	(11,427)
Purchase of intangible assets	(85)	(154)
Refund amount of subsidy	—	(2,473)
Proceeds from sale and redemption of investment securities	4	1,670
Proceeds from sale of shares of subsidiaries and associates	145	—
Other, net	(50)	(120)
Net cash provided by (used in) investing activities	(9,569)	(12,504)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	14,805	15,087
Proceeds from long-term borrowings	750	3,750
Repayments of long-term borrowings	(750)	(3,050)
Proceeds from sale of treasury shares	21	8
Purchase of treasury shares	(2,530)	—
Dividends paid	(2,505)	(2,441)
Other, net	(54)	(47)
Net cash provided by (used in) financing activities	9,736	13,305
Effect of exchange rate change on cash and cash equivalents	64	145
Net increase (decrease) in cash and cash equivalents	(5,559)	811
Cash and cash equivalents at beginning of period	18,756	13,196
Cash and cash equivalents at end of period	13,196	14,007

(5) Notes to Consolidated Financial Statements

(Notes on premises as a going concern)

There are no relevant items to report.

(Notes on Segment Information)

Segment information is not disclosed since the Group has only one segment, Pharmaceuticals.

(Notes on Per Share Information)
The amounts of net assets per share, basic earnings (loss) per share, and diluted earnings per share, as well as the bases for their respective calculations, are as follows.

Item	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
(1) Net assets per share	387.95	384.19
(Basis for calculation)		
Total net assets in the consolidated balance sheets (millions of yen)	47,734	47,359
Net assets associated with common stock (millions of yen)	47,266	46,868
Breakdown of major differences (millions of yen)		
Share acquisition rights	75	72
Non-controlling interests	392	417
Number of common stock outstanding (shares)	129,686,308	129,686,308
Number of shares of treasury shares (common stock)	7,851,002	7,693,402
Number of common stock used for calculations of net asset per share (shares)	121,835,306	121,992,906

Item	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
(2) Basic earnings per share (yen)	(36.02)	17.87
(Basis for calculation)		
Profit attributable to owners of parent in the Consolidated Statements of Income (millions of yen)	(4,460)	2,178
Amount not attributable to common stock (millions of yen)	—	—
Profit attributable to owners of parent associated with common stock (millions of yen)	(4,460)	2,178
Average number of common stock outstanding (shares)	123,825,557	121,941,606
(3) Diluted earnings per share (yen)	—	17.86
(Basis for calculation)		
Adjustment to profit attributable to owners of parent (millions of yen)	—	—
Major breakdown of increased number of common stock used for calculations of diluted earnings per share (shares)		
Share acquisition rights	—	68,884
Increased number of common stock (shares)	—	68,884
Outline of potential shares not included in the calculation of diluted earnings per share because they were anti-dilutive	—	—

(Notes)

1. The Company's shares held in trust under the Employee Stock Ownership Plan, which are recorded as treasury shares under Shareholders' equity, are deducted as treasury shares in the calculation of the average number of shares outstanding during the period for calculating basic earnings (loss) per share, and are also deducted from the total number of shares issued at the end of the period for calculating net assets per share.
   The average number of the said treasury shares deducted during the period for calculating basic earnings (loss) per share was 270,776 shares in the previous fiscal year and 229,815 shares in the current fiscal year. The number of the said treasury shares deducted at the end of the period for calculating net assets per share was 256,500 shares in the previous fiscal year and 213,900 shares in the current fiscal year.

2. Diluted net income per share for the previous fiscal year is not stated because there was a net loss per share, even though there were residual shares.

(Important subsequent events)
None

4. Other

R&D Pipeline

Code	Status	Indication / Remarks
JR-141 BBB-Penetrating Iduronate-2-sulfatase (rDNA origin)	Global: Clinical Phase III trials	Mucopolysaccharidosis II (Hunter syndrome)
		ERT J-Brain Cargo®
JR-142 Long-acting Growth hormone (rDNA origin)	Japan: Clinical Phase III trials	Pediatric growth hormone deficiency
		J-MIG System®
JR-401G Human growth hormone (rDNA origin)	Japan: Clinical Phase III trials	Pediatric growth hormone deficiency
		GROWJECT™ : Development of a dosing regimen that allows dose adjustment
JR-171 BBB-Penetrating α-L-Iduronidase (rDNA origin)	Global: Clinical Phase I/II trials	Mucopolysaccharidosis I (Hurler syndrome, etc.)
		ERT J-Brain Cargo® J-MIG System®
JR-441 BBB-Penetrating heparan N-sulfatase (rDNA origin)	Germany: Clinical Phase I/II trials Japan: Clinical Phase I trials	Mucopolysaccharidosis IIIA (Sanfilippo syndrome type A)
		ERT J-Brain Cargo®
JR-446 BBB-Penetrating α-N-acetylglucosaminidase (rDNA origin)	Japan: Clinical Phase I/II trials	Mucopolysaccharidosis IIIB (Sanfilippo syndrome type B)
		ERT J-Brain Cargo®
Givinostat	Japan: Clinical Development Planning	Duchenne muscular dystrophy
		In-licensed product from Italfarmaco S.p.A.
JR-471 BBB-penetrating α-L-fucosidase (rDNA origin)	Preclinical	Fucosidosis
		ERT J-Brain Cargo®
JR-479 BBB-penetrating β-Hexosaminidase A (rDNA origin)	Preclinical	GM2 gangliosidosis (Tay-Sachs disease, Sandhoff disease)
		ERT J-Brain Cargo®

(Note) ERT= Enzyme Replacement Therapy