COMPANY RESEARCH AND ANALYSIS REPORT

SymBio Pharmaceuticals Limited

4582

Tokyo Stock Exchange Growth Market

14-Nov.-2025

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Summary

Aiming to submit approval applications for two indications with brincidofovir (BCV) in 2028

SymBio Pharmaceuticals Limited <4582> (hereafter, also "the Company") is a bio-venture advancing development from the clinical trial stage, targeting areas with high unmet medical needs* such as oncology, hematology, and viral infections. Through a "no lab or fab" strategy, the Company is promoting efficient business operations. Its pipeline includes TREAKISYM®, which has already been commercialized as a treatment for malignant lymphoma, along with the antiviral drug brincidofovir (BCV) in-licensed from Chimerix Inc. <CMRX> (hereafter, "Chimerix") (U.S.).

* Areas with no effective existing drugs or treatments despite strong demand from patients and doctors

1. Development trends of brincidofovir (BCV)

Research has established that BCV (intravenous formulation) exhibits strong antiviral activity against a wide range of DNA viruses as well as anti-tumor activity. Research and development are underway in areas with high unmet medical needs, such as viral infections, cancers, and neurodegenerative diseases. Among these, the most advanced program in development is the pipeline for adenovirus (AdV) infection following hematopoietic stem cell transplantation as the indication, for which a global Phase III clinical trial will be initiated in Europe in the second half of 2025, with the aim of submitting an approval application in the second half of 2028. On October 6, it was announced that approval had been obtained from three major European Union (EU) member states—Germany, France, and Italy—for the clinical trial protocol submitted to the European Medicines Agency (EMA) in June 2025, and that a decision had been made to initiate the study. An application for the Phase III trial has also been submitted in the United Kingdom. In other EU member states, trials are scheduled to commence sequentially upon receiving protocol approval. Additionally, for the pipeline with malignant lymphoma as the indication, a global Phase Ib/II clinical trial is currently underway in Japan, Hong Kong, and Singapore, with plans to submit an approval application in the second half of 2028 if favorable results are obtained. Furthermore, in the field of progressive multifocal leukoencephalopathy, which is a rare disease, a joint study with U.S. academia has confirmed an inhibitory effect on the proliferation of polyomaviruses, believed to be the cause of the disease. Based on these findings, clinical trials are planned to begin at an early stage, with the aim of submitting an approval application in 2029. As it would be difficult to self-finance all development projects, partnership negotiations are also actively progressing behind the scenes. The progress of the BCV development pipeline is attracting considerable attention, as its business value could exceed ¥100.0bn yen if approval is obtained for multiple indications.

2. Overview of 1H FY12/25 results and full fiscal year forecasts

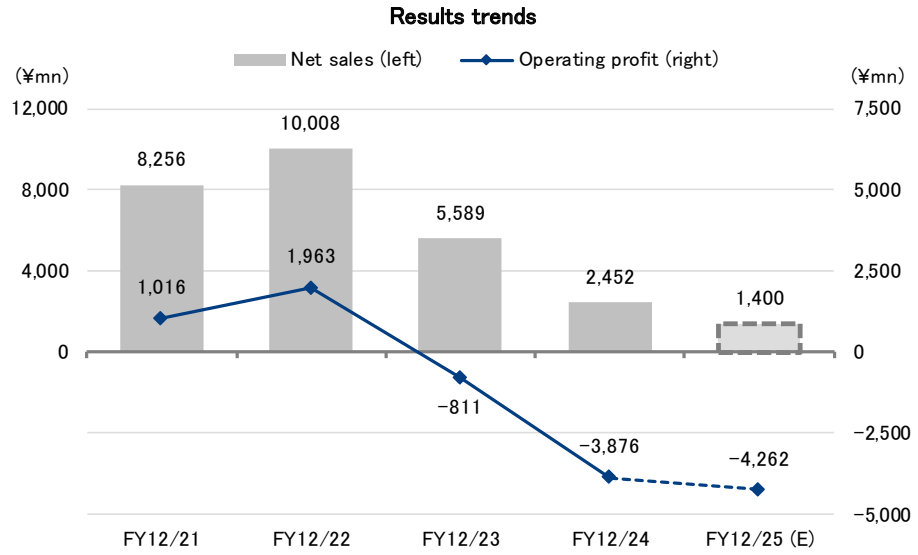
For 1H FY12/25, net sales declined 49.7% year on year (YoY) to ¥646mn, while operating loss was ¥2,154mn (¥1,719mn loss in the same period of the previous fiscal year). Since the launch of generic versions of TREAKISYM® in June 2022, the Company's market share has continued to decline, and some demand has shifted to new therapeutic agents, resulting in lower revenue. In terms of profit, although SG&A expenses including research and development expenses decreased ¥68mn, the decline in gross profit led to larger operating loss. For FY12/25, the Company is forecasting a 42.9% decrease in net sales to ¥1,400mn and operating loss of ¥4,262mn, with the net sales forecast revised downward from the initial forecasts (net sales of ¥1,858mn and operating loss of ¥4,263mn). This revision is due to a downward adjustment of the outlook for TREAKISYM®. However, as a result of the review of research and development expenses, operating loss is expected to remain at approximately the same level as initially projected.

3. Growth strategy through 2030

As its business strategy going forward, the Company plans to make the launch of BCV for at least two indications by 2030 its top priority. Although an increase in research and development expenses is expected as multiple clinical trials are conducted concurrently, the necessary funds will be secured through capital procurement from the stock market or by entering into partnership agreements. In August 2025, the Company issued share acquisition rights through a third-party allotment and unsecured straight bonds, resolving any immediate cash flow concerns. Regarding partnership negotiations, the Company is proceeding based on the principle of concluding agreements at the timing and under the conditions that will maximize its business value. Findings from clinical studies with glioblastoma and head and neck cancer as indications are scheduled to be presented at oncology conferences to be held in Europe and the United States in the fall of 2025, and the outcome of these presentations may further advance partnership negotiations. Although BCV will remain in the development stage for the time being, its immense potential makes future developments a focus of considerable attention.

Key Points

- BCV has the potential to be a “game changer,” with expected therapeutic efficacy in post-transplant viral infections, refractory tumors, and neurodegenerative diseases
- Clinical trials have been initiated across multiple pipelines, with the aim of obtaining approval for two to three indications by 2030
- The results for 1H FY12/25 remain on a declining trend due to the continued downturn in TREAKISYM® sales
- Aiming to achieve growth as a global specialty pharmaceutical company, with 2030 positioned as a turning point



Note: Figures for FY12/21 represent non-consolidated results.
Source: Prepared by FISCO from the Company's financial results

Company profile

A bio-venture engaged in development from the clinical trial stage, targeting the fields of oncology, hematology, and viral infections

The Company is a bio-venture founded in March 2005 by Fuminori Yoshida, the current Representative Director, President, and Chief Executive Officer. Its business strategy is based on the basic policy of developing and providing new drugs for underserved therapeutic areas in which development has been postponed due to the small number of patients. One of its characteristics is a business model that aims to achieve highly efficient and rapid drug discovery by focusing on areas with high medical needs—oncology, hematology, and viral infections—and by in-licensing development candidates for which proof of concept (POC) in humans has been obtained to conduct development from the clinical trial stage.

The first development candidate to be in-licensed was the anticancer agent bendamustine hydrochloride (product name in Japan: TREAKISYM®), developed by Astellas Pharma GmbH (Germany) for the treatment of malignant lymphoma. The Company concluded an exclusive development and marketing rights agreement for Japan in December 2005. With the development code SyB L-0501 (FD formulation), the Company initiated clinical trials in 2006 for recurrent/refractory low-grade non-Hodgkin's lymphoma (NHL) and mantle cell lymphoma (MCL). In 2008, it entered into a joint development and marketing license agreement with Eisai Co., Ltd. <4523> for Japan, obtained manufacturing and marketing approval in 2010, and commenced sales in December of the same year. The Company continued development of TREAKISYM® to expand its indications, obtaining marketing authorization in 2016 for chronic lymphocytic leukemia (CLL) and untreated (first-line) low-grade NHL/MCL. In March 2021, it also obtained authorization for relapsed/refractory diffuse large B-cell lymphoma (r/r DLBCL), thereby expanding the number of patients eligible for treatment with TREAKISYM®. In 2017, the Company concluded an exclusive development and marketing rights agreement for Japan with Eagle Pharmaceuticals, Inc. <EGRX> (U.S.) for the liquid-type RTD formulation and RI administration (development codes SyB L-1701/SyB L-1702)*, and obtained marketing authorization for the RTD formulation in September 2020. Following authorization for RI administration in February 2022, a sequential transition to RI administration began. The licensing agreement with Eisai was terminated on December 9, 2020, and the Company has since transitioned to an in-house sales structure.

* The FD formulation, previously purchased from Astellas Pharma, required dissolution at the medical site prior to use, which took approximately three hours including preparation time. In contrast, the liquid-type RTD formulation does not require this process, significantly reducing the workload for healthcare professionals. In addition, the only difference between the RTD formulation and RI administration lies in the volume of physiological saline used for dilution: 250 mL for the RTD formulation and 50 mL for RI administration. As a result, while the intravenous infusion time for the RTD formulation is the same as that for the FD formulation (60 minutes), the RI administration shortens this to about 10 minutes, greatly reducing the burden on patients.

Furthermore, the Company concluded an exclusive development and marketing rights agreement for Japan and South Korea with Onconova in 2011 for its second in-licensed product, rigosertib (development codes: SyB L-1101 [intravenous formulation] / SyB C-1101 [oral formulation]). However, as development was unsuccessful, the license agreement was terminated in April 2024. In September 2019, the Company concluded an exclusive global development, manufacturing, and marketing license agreement with Chimerix for BCV, covering all viral diseases other than smallpox and orthopoxvirus infections such as monkeypox. BCV has attracted attention as a drug expected to demonstrate therapeutic efficacy in multiple diseases owing to its strong antiviral activity against a broad range of DNA viruses, and collaborative research with overseas academia is in progress. In May 2023, the Company announced that it had established POC in humans for the first time through a clinical trial targeting AdV infection following hematopoietic stem-cell transplantation. Development going forward is expected to focus on BCV. The Company has established a subsidiary in the U.S. to formulate and promote its global development strategy and newly established a subsidiary in Ireland in January 2024.

The Company announced on October 20, 2025, that it had obtained a patent on October 9, 2025, the patent being Japanese Patent No. 7756407 which was published on October 9, 2025, for a highly sensitive and simple immunoassay method and related equipment for viral infections, through joint research with NIPPON STEEL Chemical & Material Co., Ltd. (NIPPON STEEL C&M). This immunoassay method combines ESCURE®, a nanocomposite fine particle developed by NIPPON STEEL C&M, with the Company's proprietary high-sensitivity measurement technique. Evaluations using CRP antigen confirmed a detection sensitivity of less than single-digit picograms per milliliter, corresponding to an order of concentration of one trillionth, which had previously been achievable only with PCR or similar techniques. This technology enables the quantification of trace amounts of viral antigens that were previously difficult to visually detect, allowing for rapid and simple bedside quantification of viral load, which is expected to contribute to early diagnosis during the initial stages of infection and to the prevention of severe disease. Furthermore, the Company is using this patented technology as a foundation for expanding its business beyond the medical field to areas heavily affected by viral damage, including the agricultural sector (production of seeds, seedlings, and vegetables) and environmental monitoring. For global expansion, a PCT application was jointly filed with NIPPON STEEL C&M on October 15, 2025, and, while pursuing overseas patent acquisition, the Company plans to accelerate commercialization through partnerships with specialized companies in each field.

History

Date	Summary
March 2005	Established SymBio Pharmaceuticals Limited at Minato-ku, Tokyo
December 2005	Concluded a license agreement with Astellas Pharma GmbH (Germany) to acquire exclusive development and marketing rights in Japan for anti-cancer agent Bendamustine Hydrochloride
March 2006	Obtained manufacturer's license (packaging, labeling and storage) from Tokyo Metropolitan Government
March 2007	Concluded a license agreement with Astellas Deutschland GmbH (Germany) to acquire development and marketing rights in China, Taiwan, South Korea and Singapore for anti-cancer agent SyB L-0501
August 2008	Concluded a license agreement with Eisai Co., Ltd. to grant co-development and marketing rights in Japan for anti-cancer agent SyB L-0501
March 2009	Concluded sublicense agreement with Cephalon, Inc. (U.S.) to grant development and marketing rights in China for anti-cancer agent SyB L-0501
May 2009	Concluded a license agreement with Eisai to grant co-development and marketing rights in South Korea and Singapore for anticancer agent SyB L-0501
September 2010	Launched SYMBENDA® (generic name: bendamustine hydrochloride) in Singapore for the treatment of low-grade non-Hodgkin's lymphoma and chronic lymphocytic leukemia
October 2010	Acquired manufacturing and marketing approval of anti-cancer agent for malignant lymphoma TREAKISYM® in Japan (launched in December 2010)
July 2011	Concluded a license agreement with Onconova Therapeutics, Inc. for anti-cancer agents SyB L-1101/SyB C-1101
October 2011	Launched SYMBENDA® (generic name: bendamustine hydrochloride) in South Korea for the treatment of chronic lymphocytic leukemia and multiple myeloma
October 2011	Listed on Osaka Securities Exchange JASDAQ Growth Market
February 2012	Launched INNOMUSTINE® in Taiwan for the treatment of low-grade non-Hodgkin's lymphoma and chronic lymphocytic leukemia

Company profile

Date	Summary
October 2015	Concluded a licensing agreement with The Medicines Company (U.S.) to acquire exclusive development and marketing rights in Japan for post-operative, self-administered pain-management medication, SyB P-1501 (the agreement ended in November 2017)
May 2016	Established SymBio Pharma USA, Inc. at Menlo Park, California, USA
August 2016	Acquired manufacturing and marketing approval of anti-cancer agent for malignant lymphoma TREAKISYM® in Japan for the additional indication of chronic lymphocytic leukemia
December 2016	Acquired manufacturing and marketing approval of anti-cancer agent for malignant lymphoma TREAKISYM® in Japan for the additional indication of first-line treatment of low-grade non-Hodgkin's lymphoma and mantle cell lymphoma
September 2017	Concluded a license agreement with Eagle Pharmaceuticals, Inc. to acquire development and marketing rights in Japan for bendamustine liquid formulations (RTD formulation and RI administration) *RTD: Ready-to-dilute, RI: Rapid Infusion
October 2017	Filed for arbitration for damages against The Medicines Company (U.S.) due to the non-fulfillment of the licensing agreement
July 2018	TREAKISYM® was newly listed as the standard treatment for malignant lymphoma in the 2018 edition of the Japan Society of Hematology's Guidelines for the Treatment of Hematopoietic Tumors
September 2019	Concluded an exclusive global license agreement with Chimerix Inc. (U.S.) concerning the rights to develop, manufacture, and commercialize the antiviral drug, brincidofovir (excluding smallpox)
September 2020	In the final arbitration ruling for the claim for damages filed against The Medicines Company (U.S.) due to the non-fulfillment of a licensing agreement, the Company will receive from the Medicines Company 50% of its expenses relating to the arbitration proceedings, including attorneys' fees
December 2020	Start of own sales of TREAKISYM®
January 2021	Concluded a joint research agreement with The Institute of Medical Science, The University of Tokyo to search for new indications for bendamustine and rigosertib
March 2021	Submitted an IND application to the FDA in the U.S. for a global joint clinical trial indicated for adenovirus infections (in infants) after hematopoietic stem cell transplantation
March 2021	Acquired marketing approval for a TREAKISYM® and rituximab combination therapy (BR therapy) and TREAKISYM®, rituximab, and polatuzumab vedotin combination therapy (P-BR therapy) indicated for r/r DLBCL
April 2021	Obtained marketing approval of the RTD formulation of TREAKISYM® for its use in BR and P+BR therapy for the treatment of r/r DLBCL
August 2021	Reached First Patient In (FPI) in a phase II global joint clinical trial of BCV indicated for adenovirus infections after hematopoietic stem cell transplantation
February 2022	Obtained approval for a partial change to the manufacturing and marketing approval for the RI administration of TREAKISYM®
June 2022	Submitted a clinical trial plan notification to the PDMA for a phase II global joint clinical trial of BCV indicated for patients with BKV infection after kidney transplantation (also submitted to the TGA of Australia in August 2022)
September 2022	All rights and obligations under a licensing agreement with Chimerix, Inc. (U.S.) regarding BCV transferred to Emergent BioSolutions Inc. (U.S.)
March 2023	Concluded cooperative research and development agreement (CRADA) with the National Institute of Neurological Disorders and Stroke (NINDS), part of the National Institutes of Health (NIH) in the U.S.
April 2023	Concluded CRADA with National Institute of Allergy and Infectious Diseases (NIAID), part of the National Institutes of Health (NIH) in the U.S.
May 2023	Obtained POC for humans in phase II clinical trial for BCV indicated for adenovirus (AdV) infections that develop after hematopoietic stem-cell transplantation
January 2024	Obtained use patent in Japan for BCV intravenous formulation indicated for AdV infections and other infections
January 2024	SymBio Pharma Ireland Ltd. established in Ireland
March 2024	BCV intravenous formulation obtained orphan drug designation for the treatment of AdV infection and prevention of CMV infection in immunodeficient patients

Source: Prepared by FISCO from the Company's securities report and website

Development strategy for brincidofovir (BCV)

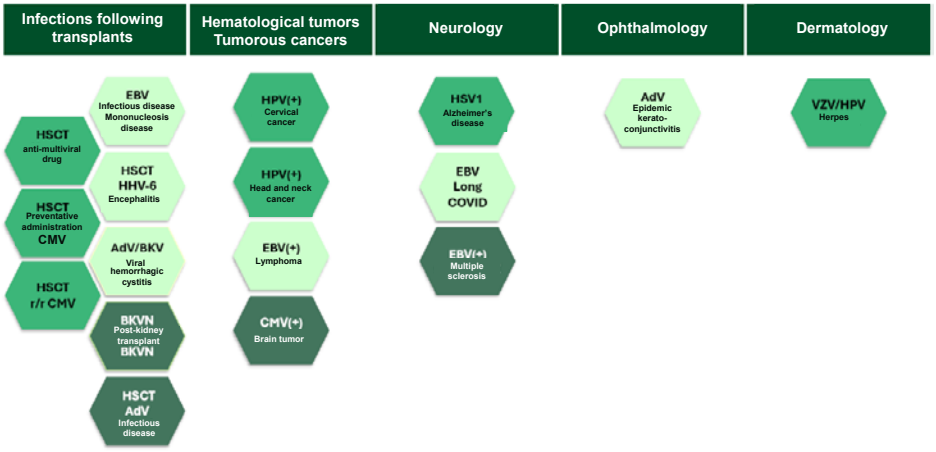
BCV has the potential to be a "game changer," with expected therapeutic efficacy in post-transplant viral infections, refractory tumors, and neurodegenerative diseases

1. Features and licensing agreement of BCV

(1) Features of BCV

BCV exhibits strong antiviral activity against a broad range of DNA viruses, and academic research has also revealed that it possesses antitumor activity. As a result, BCV is attracting increasing attention as a potential treatment for underserved therapeutic areas where effective therapies have yet to be established, including not only post-transplant viral infections but also various virus-induced complications, such as hematologic tumors, glioblastoma, and multiple sclerosis.

BCV is a potential game changer



Source: Reprinted from the Company's results briefing materials

Based on the half maximal inhibitory concentration (IC50), an indicator of the strength of antiviral activity, BCV has demonstrated stronger antiviral activity than other drugs against a wide range of viruses, including AdV and CMV. This suggests that BCV may have therapeutic efficacy against numerous viral diseases and complications. It is rare for a single compound to cover such a broad spectrum of diseases, underscoring the significant potential of BCV.

Comparison of antiviral activity (IC50)

(Unit: μM)

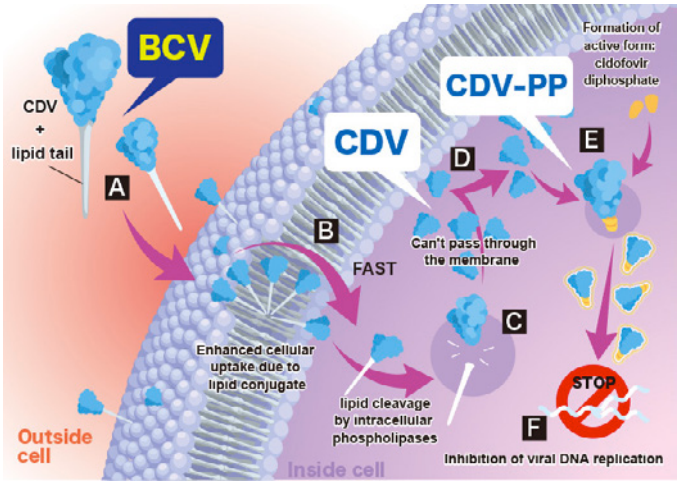
Virus	BCV	Cidofovir	Maribavir	Letermovir	Ganciclovir	Foscarnet	Acyclovir
AdV	0.02	1.3	-	>10	4.5-33	Inactive	>100
BKV	0.13	115	-	-	>200	Inactive	>200
CMV	0.001	0.4	0.31	0.005	3.8	50-800	>200
EBV	0.03	65.6	0.63	>10	0.9	<500	6.2
JCV	0.045	>0.1	-	-	-	Inactive	-

Note: IC50 refers to the concentration required to reduce viral production or replication by 50%, with lower values indicating higher potency. BCV exhibits strong antiviral activity against a broad range of viruses.
Source: Prepared by FISCO from the Company's results briefing materials

Development strategy for brincidofovir (BCV)

One of the reasons for BCV's strong antiviral activity lies in its molecular structure. BCV has a structure in which a lipid chain is conjugated to cidofovir (CDV), a drug known for treating cytomegalovirus (CMV) retinitis. By conjugating a lipid chain, BCV more readily penetrates cells than CDV. After entering the cells, the lipid chain is cleaved, and the resulting CDV binds with diphosphate, thereby inhibiting the replication of DNA viruses (i.e., exhibiting strong antiviral activity). Furthermore, in terms of safety, Chimerix obtained approval from the U.S. Food and Drug Administration (FDA) in 2021 for BCV as an oral treatment for smallpox, confirming that the risk of serious side effects is extremely low.

How BCV works



Source: Reprinted from the Company's website

As for the background to the Company's conclusion of a licensing agreement with Chimerix for BCV in 2019, at that time Chimerix had been developing an oral formulation of BCV. However, due to side effects such as diarrhea observed in the Phase III clinical trial and the failure to achieve statistically significant results, development was discontinued, and Chimerix began seeking a licensing partner. The Company, having determined that there was potential for successful development, approached Chimerix to initiate licensing negotiations. The Company approached Chimerix to discuss a licensing agreement because it saw potential for successful development of BCV. The key factors behind the decision to in-license BCV were its excellent safety profile and functionality (broad and strong antiviral activity), as well as the fact that its target diseases—rare diseases—not only aligned with the Company's business policy of addressing underserved therapeutic areas but also included hematologic tumors, the same therapeutic area targeted by TREAKISYM®, making it likely to generate sales synergies.

The Company believes that Chimerix's failure to develop an oral formulation was due to the low absorption rate of the drug through the digestive tract, which made it necessary to administer a large amount of the drug. With an injectable formulation, the same effect can be expected at one-tenth the dosage of the oral formulation, thereby reducing the risk of side effects and increasing the probability of success. The agreement covers not only the injectable formulation but also the oral formulation, leaving open the possibility of developing an oral formulation in the future. Smallpox is excluded from the scope of the agreement because, as a bioterrorism countermeasure, the U.S. government is required to manufacture and stockpile smallpox treatments domestically.

Development strategy for brincidofovir (BCV)

(2) Licensing agreement

The licensing agreement for BCV is notable for being a global license that also includes manufacturing rights. The Company recognizes that controlling manufacturing in-house and establishing a framework to minimize business risks to the greatest extent possible will benefit all stakeholders, including patients, and is essential for achieving growth as a global specialty pharmaceutical company. BCV has received Fast Track designation from the U.S. Food and Drug Administration (FDA) for the treatment of AdV infection following hematopoietic stem cell transplantation. In addition, in March 2024, the Company announced that in Europe, BCV had been granted Orphan Drug designation* for the treatment of AdV infection and prevention of CMV infection in immunodeficient patients. This designation grants 10 years of exclusive marketing rights in the EU following product launch.

* In the EU, orphan drug designation is granted for treatments of serious, life-threatening chronic diseases affecting no more than 5 patients per 10,000 people.

With respect to the BCV licensing agreement, the Company paid an upfront payment of US$5mn (approximately ¥540mn) to Chimerix, the original developer, in FY12/19. The agreement also stipulates future milestone payments of up to US$180mn and double-digit royalties based on product sales. In September 2022, Chimerix announced the transfer of the BCV license to Emergent BioSolutions Inc. <EBS>, but this has no impact on the Company's exclusive global rights for the development, manufacture, and sale of BCV.

Clinical trials have been initiated across multiple pipelines, and the Company aims to obtain approval for two to three indications by 2030

2. Development pipeline

BCV is currently being developed across multiple areas, including viral infections following hematopoietic stem-cell transplantation, brain tumors, hematologic tumors, and neurodegenerative diseases, through collaborative research with academia. Among these, the Company announced in May 2023 that it had established POC in humans in a Phase II clinical trial targeting AdV infection following hematopoietic stem-cell transplantation. With the establishment of POC, development risk in other disease areas is expected to be reduced and development timelines shortened. Partnering negotiations are also expected to proceed smoothly toward maximizing business value through the expansion of the BCV platform.

Development strategy for brincidofovir (BCV)

Brincidofovir (injectable formulation) development status and future plans and goals

Indication	Progress	Future plans and goals
Adenovirus infections (including those following hematopoietic stem-cell transplantation) in immunodeficient patients	An application for a global Phase III clinical trial was submitted to the European Medicines Agency in June 2025, with the goal of commencing the trial thereafter	Trial to commence in 3Q FY25, with the approval application targeted for 4Q FY28
NK/T-cell lymphoma	A global Phase Ib/II clinical trial was initiated (first patient in [FPI] on June 1, 2025)	Enrollment for Phase Ib to be completed in 4Q FY25; transition to Phase II planned for 2Q FY26; approval application in Japan targeted for 2Q FY28
Cytomegalovirus infections following hematopoietic stem-cell transplantation	Phase II clinical trial ongoing (initiated in May 2024)	Phase II clinical trial scheduled for completion in 4Q FY25
BK virus infection following kidney transplantation	Global Phase II clinical trial ongoing (Japan and Australia)	To review development priorities
CMV infection-induced glioblastoma (GBM)	Preclinical study ongoing (collaborative research with the University of California, San Francisco; results presented at the American Association for Cancer Research Annual Meeting in April 2025)	Phase Ib clinical trial scheduled to begin in the second half of 2026
Head and neck squamous cell carcinoma (HNSCC)	Preclinical study ongoing	Phase Ib clinical trial targeted to begin in 2027 or later
Progressive multifocal leukoencephalopathy (PML)	Preclinical trial ongoing (collaborative research with The Pennsylvania State University)	Phase Ib clinical trial to begin by 2026, with the approval application targeted for 2029
EBV infection-induced multiple sclerosis	Preclinical study ongoing (collaborative research with the U.S. NIH/NINDS)	-
Alzheimer's disease associated with herpes simplex virus type 1	Preclinical study ongoing (collaborative research with Tufts University)	-
EBV-related lymphoproliferative disease	Preclinical study ongoing (collaborative research with the U.S. NIH/NINDS)	-
Polyomavirus infections	Preclinical study ongoing at the Penn State College of Medicine in the United States (partial research results presented in July 2024).	-

Source: Prepared by FISCO from the Company's results briefing materials and news release

(1) AdV infection following hematopoietic stem-cell transplantation

The global Phase II clinical trial of BCV (injectable formulation) for the treatment of AdV infection following hematopoietic stem-cell transplantation in pediatric and adult patients, who represent the initial development target for BCV, was completed in the first half of 2024. An application for a global Phase III clinical trial was submitted to the European Medicines Agency in June 2025, with the goal of commencing the trial thereafter. With plans to enroll 180 patients at 80 sites across four regions (Europe, the U.S., Japan, and the U.K.), this clinical trial is scheduled to begin in the third quarter of the same year, with the aim of submitting an approval application in Europe during the fourth quarter of 2028. The review period is expected to take about one year, and approval may be obtained as early as the fourth quarter of 2029, with the potential for market launch in 2030.

AdV is a virus found in nature that causes infectious diseases such as pharyngitis, tonsillitis, conjunctivitis, gastroenteritis, and hemorrhagic cystitis through infection of the respiratory tract, eyes, intestines, urinary tract, and other organs. While infection in healthy individuals rarely leads to serious illness, patients with compromised immunity after hematopoietic stem-cell transplantation are at high risk of serious disease. As there are still no effective therapeutic drugs, the development of both therapeutic and prophylactic agents is strongly desired. The Company estimates that approximately 35,000 hematopoietic stem-cell transplants are performed worldwide each year, and that among these, the number of patients who develop AdV infection is around 1,300 in Europe, 1,000 in the United States, and 400 in Japan.* The number of such cases has been increasing annually and is expected to exceed 3,500 across the markets in Japan, the U.S., and Europe by 2030.

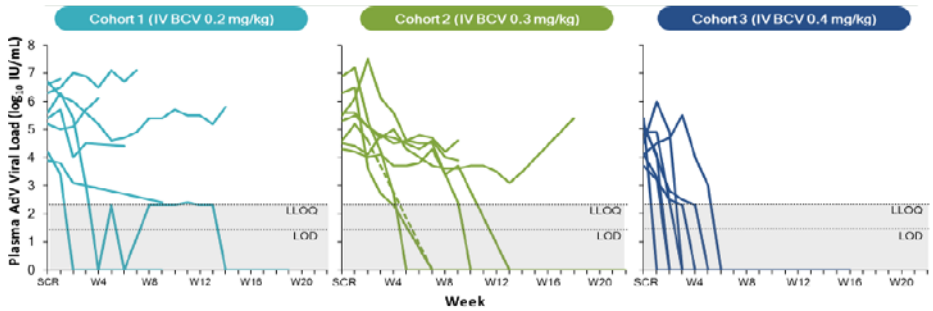
* Source: The Company's results briefing materials

Development strategy for brincidofovir (BCV)

Safety, tolerability, and efficacy (based on changes in blood AdV levels) were evaluated in the Phase II clinical trial. Patients were divided into four groups: three receiving doses of 0.2 mg/kg, 0.3 mg/kg, or 0.4 mg/kg*1 twice weekly, and one receiving 0.4 mg/kg once weekly. As a result, AdV was cleared from the blood in all 10 patients in the group receiving 0.4 mg/kg twice weekly, and viral clearance was confirmed within four weeks after treatment in 90% of these patients. Furthermore, among all 27 patients enrolled, no serious treatment-related adverse events—including gastrointestinal or hepatic toxicities previously observed with the oral BCV formulation—were reported*2, leading to the conclusion that POC had been established in humans. These findings were presented at the Annual Meeting of the European Group for Blood and Marrow Transplantation in April 2024 and attracted considerable attention.

*1 For patients weighing 50 kg or more, the doses were 10 mg, 15 mg, and 20 mg, respectively.
*2 Treatment discontinuation due to treatment-related adverse events was observed in one patient receiving 0.4 mg/kg twice weekly and in a total of six out of 27 patients, but all events resolved after treatment discontinuation.

Clinical trial results for BCV intravenous formulation



Source: Reprinted from the Company's results briefing materials

In the Phase III clinical trial, of the 180 enrolled subjects, 120 will receive BCV and 60 will receive CDV (currently used as a therapeutic agent) for a period of 4 to 12 weeks*, and the primary endpoint—the proportion of subjects with undetectable adenovirus in the blood—will be compared between the two groups. In addition, the 24 weeks following treatment will serve as a follow-up period to assess safety endpoints, including all-cause mortality and non-relapse mortality. Based on the Phase II clinical trial results, which confirmed BCV's strong antiviral effect and favorable safety profile without the side effects, including renal impairment and myelosuppression, observed with CDV, we at FISCO consider the likelihood of achieving a statistically significant difference to be extremely high.

* The minimum treatment period is four weeks if blood adenovirus levels are undetectable for two consecutive measurements.

Of note, the current clinical trial protocol applies only to clinical trials conducted in Europe. For other regions, discussions with the relevant authorities are currently underway. A key point in these discussions is whether the assessment should be based solely on the primary endpoint (blood adenovirus levels) or include additional data as endpoints. For this reason, the clinical trial will begin first in Europe, where the approval application is also expected to be submitted ahead of other regions. In the United States, BCV has received Fast Track designation from the FDA, making it eligible for priority review and expedited approval.

(2) NK/T-cell lymphoma and peripheral T-cell lymphoma (PTCL)

The second BCV development pipeline targets NK/T-cell lymphoma and peripheral T-cell lymphoma (PTCL)*1, for which the first patient was enrolled in the global Phase Ib/II clinical trial in June 2025. Animal studies for this indication have been conducted at the National Cancer Centre Singapore (NCCS) under a collaborative research agreement concluded in September 2021. The study's investigator presented research findings on BCV's antitumor effects at an academic conference in December 2022 and, in June 2023, presented results on the biomarker (TLE1*2) that predicts antitumor efficacy.

*1 NK/T-cell lymphoma is a type of malignant lymphoma derived from NK cells or T cells. It is classified according to its rate of progression as low-grade (progressing over years), intermediate-grade (progressing over months), or high-grade (progressing over weeks). NK/T-cell lymphomas occur primarily as extranodal NK/T-cell lymphomas, mainly affecting the nasal cavity or skin. NK/T-cell lymphoma is characteristically more common in Southeast Asia, including China, and no standard treatment has yet been established. Peripheral T-cell lymphoma (PTCL) is a type of lymphoma derived from T cells that have undergone differentiation and maturation in the thymus and migrated to peripheral tissues. It is one of the rare cancers classified as aggressive lymphoma with rapid progression. Multidrug chemotherapy and radiotherapy are used as first-line treatments, but their therapeutic efficacy is limited, and the development of new therapeutic agents is desired. The number of patients is estimated to be approximately 11,000 across Japan, the United States, and Europe.

*2 TLE1 is a transcriptional repressor known to suppress tumor development, including hematopoietic malignancies, by regulating gene expression. Low expression of TLE1 has been associated with poor prognosis in several cancer types, and it has been reported to inhibit the expression of MYC (a type of oncogene) and other tumor-promoting signaling pathways.

It has recently been confirmed that in high-grade NK/T-cell lymphoma and PTCL, for which no effective treatments have been established, BCV suppresses the expression of MYC, which promotes tumor malignancy, and induces immunogenic cell death, which is known to activate antitumor immunity. In mouse models transplanted with these tumors, BCV demonstrated a clear tumor growth-inhibitory effect. Since malignant lymphoma is also an indication of TREAKISYM®, successful development could make BCV a potential candidate for combination therapy, offering the prospect of synergistic effects.

The plan going forward is to complete enrollment of the planned 15 patients in the Phase Ib clinical trial within 2025, transition to the Phase II clinical trial in the second quarter of 2026, and submit an approval application in the second quarter of 2028, with the aim of obtaining approval in the second quarter of 2029. Currently, clinical trials are being conducted in Japan, Singapore, and Hong Kong.

(3) CMV infections following hematopoietic stem-cell transplantation

A Phase II clinical trial targeting CMV infections following hematopoietic stem-cell transplantation* was initiated in the U.S. in May 2024. Antiviral agents currently used to treat CMV infections include ganciclovir, foscarnet, and CDV, as well as LIVTENCITY (generic name: maribavir) from Takeda Pharmaceutical Co., Ltd. <4502>, which has been approved since 2021 in Europe, the U.S., China, and Australia for the treatment of refractory or resistant CMV infections (Takeda submitted an approval application in Japan in November 2023). In clinical trials, maribavir was ineffective in 44.3% of patients, and even among those who responded, relapse and resistance were observed, indicating the need for more effective therapies.

* Symptoms include systemic manifestations such as fever (≥ 38°C), fatigue, and arthralgia, as well as localized symptoms depending on the site of CMV infection, including pneumonia, gastroenteritis, retinitis, and skin ulcers. The number of patients worldwide is estimated at approximately 25,000 per year.

We at FISCO believe there is a strong likelihood of obtaining favorable results, as clinical trials previously conducted by Chimerix with the oral formulation of BCV demonstrated high efficacy against CMV infections, and the upcoming clinical trial will be conducted with the injectable formulation, which has an improved safety profile. Currently, 19 patients have been enrolled, and the Company is conducting analyses to determine the optimal dosage and to characterize responding patients. The Phase II clinical trial is scheduled for completion within 2025, and the Company plans to establish its future development policy based on the trial results. Takeda Pharmaceutical estimates peak sales of maribavir at US$700–800mn, and if BCV is successfully developed, comparable sales can be expected, making its future progress noteworthy.

(4) Progressive multifocal leukoencephalopathy (PML)

Through collaborative research with The Pennsylvania State University, BCV has been identified as a promising candidate for the treatment of progressive multifocal leukoencephalopathy (PML), a designated intractable disease. PML is caused by reactivation of the JC virus—which establishes latent or persistent infection in many people—under conditions of immune suppression, resulting in multiple lesions in the brain. Early symptoms include quadriplegia, cognitive impairment, and visual disturbances, which can progress to involuntary movements, cranial nerve paralysis, and a bedridden state, making PML a life-threatening brain disease. Animal studies conducted at the university confirmed that BCV inhibits the proliferation of polyomaviruses (the JC virus is a type of polyomavirus), suggesting that it may help prevent PML or suppress the progression of its symptoms. Based on these findings, the Company plans to initiate a Phase Ib clinical trial in 2026, with the goal of submitting an approval application in 2029.

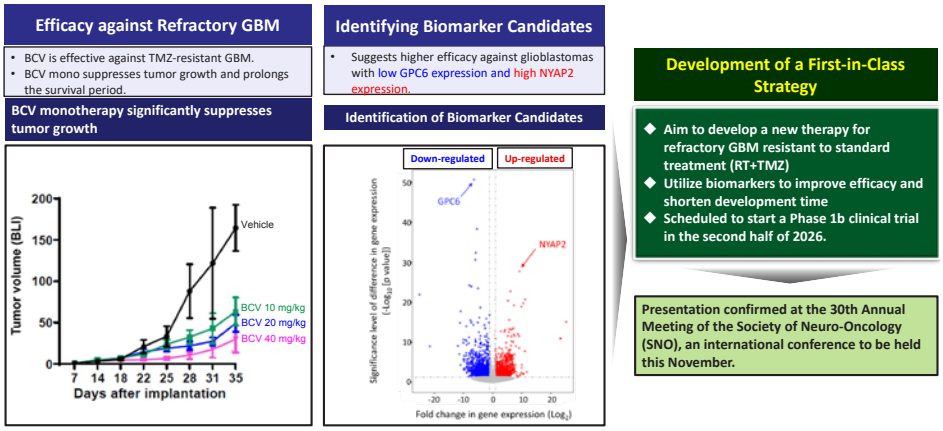
(5) Glioblastoma (GBM)

The fifth pipeline targets glioblastoma (GBM). GBM is a highly malignant type of brain tumor, with approximately 22,000 new cases diagnosed each year. Standard treatments for GBM include surgery, radiotherapy, and chemotherapy (temozolomide). However, the average survival period is 15 to 20 months, and the five-year survival rate remains extremely low at below 5%, making it an area where the development of effective therapeutic drugs is strongly desired. At the American Association for Cancer Research Annual Meeting held in April 2025, findings from collaborative research with the University of California, San Francisco were presented. These findings confirmed the antitumor activity of BCV as a single agent against GBM, identified two candidate genetic biomarkers that may predict BCV's therapeutic efficacy, and demonstrated in animal studies that BCV monotherapy inhibited tumor growth and significantly prolonged survival.

Based on these research findings, the Company's development strategy aims to use BCV to develop a new treatment for refractory GBM that is resistant to standard therapy (radiation + temozolomide). The strategy also involves utilizing biomarkers to preselect patients likely to respond to BCV, thereby improving efficacy in clinical trials and shortening development time. Furthermore, recent research findings have suggested the potential for enhanced therapeutic efficacy when BCV is used in combination with the standard therapy, and these results are scheduled to be presented at the international cancer conference (Society for Neuro-Oncology) to be held in November 2025. A Phase Ib clinical trial is scheduled to begin in the second half of 2026, and successful development for GBM—an indication with an extremely poor survival prognosis—is expected to significantly increase the value of BCV.

Development strategy for brincidofovir (BCV)

Findings from collaborative research with the University of California on brain tumors (GBM)



Source: The Company's results briefing materials

(6) Head and neck cancer

In the course of preclinical research exploring the therapeutic potential of BCV for solid tumors, the Company obtained promising findings for head and neck cancer. These findings have been accepted as a presentation topic for the European Society for Medical Oncology (ESMO) Congress to be held in October 2025. The term "head and neck" refers to the region of the face and neck between the skull base (the lower part of the head) and the clavicles, encompassing the nose, paranasal sinuses, oral cavity, pharynx, larynx, salivary glands, thyroid gland, and other structures. Cancers that develop in these areas are collectively referred to as "head and neck cancers." The estimated number of patients is over 900,000 worldwide and approximately 35,000 in Japan. Epstein-Barr virus (EBV) and human papillomavirus (HPV) are known to be involved in the pathogenesis of nasopharyngeal and oropharyngeal cancers, respectively. We at FISCO presume that the Company has developed a highly effective treatment by leveraging the antiviral properties of BCV. The Company aims to initiate a Phase Ib clinical trial around 2027.

(7) Partnering strategy and BCV's potential business value

It would be challenging for the Company to independently undertake the development of multiple pipelines, so its strategy is to conclude partnership agreements with major global pharmaceutical companies to reduce its financial burden and advance development. We at FISCO presume that active negotiations are underway behind the scenes with the most suitable partners for each pipeline.

It is rare for a single compound to target multiple diseases, and we at FISCO believe that, if development across all pipelines is successful, BCV could become a blockbuster drug with a business value far exceeding ¥100.0bn. The Company aims to obtain approval for and launch BCV for at least two indications by 2030. By working to maximize the business value of the BCV platform, the Company is expected to make significant progress as a global pharmaceutical company.

Results trends

The results for 1H FY12/25 remain on a declining trend due to the continued downturn in TREAKISYM® sales

1. Overview of 1H FY12/25 results

In 1H FY12/25 consolidated results, net sales declined 49.7% YoY to ¥646mn, operating loss was ¥2,154mn (¥1,719mn loss in the same period of the previous fiscal year), ordinary loss was ¥2,340mn (¥1,481mn loss), and interim loss attributable to owners of parent was ¥2,369mn (¥1,541mn loss).

Consolidated results for 1H FY12/25

(¥mn)

	1H FY12/24	1H FY12/25	YoY	
			Change	% change
Net sales	1,284	646	-637	-49.7%
Gross profit	996	493	-502	-50.5%
SG&A expenses	2,715	2,647	-68	-2.5%
R&D expenses	1,531	1,581	50	3.3%
Other SG&A expense	1,183	1,065	-118	-10.0%
Operating profit	-1,719	-2,154	-434	-
Ordinary profit	-1,481	-2,340	-859	-
Interim profit attributable to owners of parent	-1,541	-2,369	-827	-

Source: Prepared by FISCO from the Company's financial results

Net sales for the first half of the fiscal year decreased for the third consecutive period, reflecting the impact of the April 2025 drug price revision for TREAKISYM® (approximately a 5% reduction), which led medical institutions to hold off on purchases during 1Q and to increase switching to generic products, as well as the expansion of treatment options following the launch of new therapeutic agents. The decline in TREAKISYM®'s market share appears to be gradually slowing and showing signs of stabilizing. As of June 2025, three companies were marketing generic versions of the original RTD formulation.

The gross profit margin declined slightly from 77.6% to 76.3% YoY, partly due to the impact of the drug price revision, and on a monetary basis, gross profit decreased ¥502mn. Within SG&A expenses, research and development expenses increased ¥50mn to ¥1,581mn, while other SG&A expenses decreased ¥118mn to ¥1,065mn due to cost-reduction efforts. The balance of non-operating income and expenses deteriorated ¥425mn. This was mainly due to a ¥334mn decline in foreign exchange gains caused by the appreciation of the yen, as well as the recording of ¥92mn in bond issuance costs.

Procurement of development funds through the issuance of share acquisition rights via third-party allotment and straight bonds

2. Financial position

As of the end of 1H FY12/25, total assets decreased ¥829mn from the end of the previous fiscal year to ¥4,139mn. The main factors behind this change in current assets were a ¥909mn decrease in cash and deposits, a ¥218mn decrease in accounts receivable–trade, a ¥207mn increase in advance payments, and a ¥75mn increase in prepaid expenses.

Total liabilities increased ¥1,004mn from the end of the previous fiscal year to ¥1,775mn. The main factors behind this change were a ¥297mn decrease in accounts payable–other and the recording of ¥1,300mn in outstanding corporate bonds following the issuance of ¥1,800mn in convertible-bond-type bonds with share acquisition rights. Net assets decreased ¥1,833mn to ¥2,364mn. While share capital and capital surplus each increased ¥261mn due to the conversion of convertible bonds into shares, the recording of an interim loss of ¥2,369mn was a negative factor.

Although cash and deposits decreased to approximately ¥3.0bn, the Company issued the 65th to 67th share acquisition rights and the 1st unsecured straight bonds in August 2025, with EVO FUND as the allottee, to raise research and development funds for upcoming clinical trial expenses. The share acquisition rights are equivalent to 50 million shares of common stock (dilution rate: 102.4%), and if exercised at the initial exercise price of ¥168, they would raise approximately ¥8.4bn (minimum exercise price: ¥84). Unsecured straight bonds (zero-coupon bonds) were issued in the amount of ¥1.3bn, with a redemption date set for October 26, 2026. The redemption funds will be covered by proceeds from the issuance of shares through the exercise of share acquisition rights. The funds raised are mainly planned to be allocated to clinical trial expenses through March 2028, including approximately ¥5.0bn for the global Phase III clinical trial targeting AdV infections and approximately ¥1.4bn for the global Phase Ib/II clinical trial targeting malignant lymphoma. Since BCV is not expected to be commercialized until around 2030 at the earliest, expenditures are likely to continue exceeding income for the time being. If no major licensing agreements are concluded going forward, the Company is expected to continue raising development funds from the stock market.

Balance sheet

(¥mn)

	End of FY12/22	End of FY12/23	End of FY12/24	End of 1H FY12/25	Change
Current assets	9,312	8,082	4,924	4,096	-828
Cash and deposits	6,282	6,517	3,963	3,053	-909
Non-current assets	1,120	87	44	43	-1
Total assets	10,433	8,170	4,968	4,139	-829
Total liabilities	1,927	960	770	1,775	1,004
Interest-bearing debt	-	-	-	-	-
Net assets	8,506	7,209	4,197	2,364	-1,833
<Management indicators>					
Equity ratio	77.6%	84.9%	78.1%	48.8%	-29.3pp

Source: Prepared by FISCO from the Company's financial results

Outlook

Net sales revised downward due to the decline in TREAKISYM® sales

1. FY12/25 forecasts

For FY12/25 consolidated results, the Company is forecasting a 42.9% YoY decline in net sales to ¥1,400mn, operating loss of ¥4,262mn (¥3,876mn loss in FY12/24), ordinary loss of ¥4,467mn (¥3,689mn loss in FY12/24), and loss attributable to owners of parent of ¥4,592mn (¥3,833mn loss in FY12/24). Since TREAKISYM® sales have been trending below expectations, the Company revised its net sales forecast downward by ¥458mn from the initial plan. Meanwhile, operating loss is projected to remain roughly in line with the initial forecast, reflecting partial revision of research and development expenses.

The gross profit margin is expected to be 76.3%, compared with 76.4% in the previous fiscal year, representing a ¥805mn decrease in gross profit on a monetary basis. SG&A expenses are projected to decrease ¥420mn YoY to ¥5,330mn, comprising a ¥133mn decrease in research and development expenses to ¥3,246mn and a ¥286mn decrease in other SG&A expenses to ¥2,084mn. The assumed exchange rate is ¥142 per US$.

Outlook for FY12/25 consolidated results

(¥mn)

	FY12/24 Results	FY12/25			YoY	
		Initial forecast	Revised forecast	Revision amount	Change	% change
Net sales	2,452	1,858	1,400	-458	-1,052	-42.9%
Gross profit	1,873	1,357	1,068	-289	-805	-43.0%
SG&A expenses	5,750	5,620	5,330	-290	-420	-7.3%
R&D expenses	3,379	3,661	3,246	-415	-133	-3.9%
Other SG&A expense	2,370	1,959	2,084	125	-286	-12.1%
Operating profit	-3,876	-4,263	-4,262	1	-385	-
Ordinary profit	-3,689	-4,347	-4,467	-120	-777	-
Profit attributable to owners of parent	-3,833	-4,468	-4,592	-124	-758	-

Note: Revised forecasts are based on figures announced in June 2025. The assumed exchange rate is ¥142 per US$ (¥150 per US$ in the initial forecast).
Source: Prepared by FISCO from the Company's financial results and results briefing materials

Aiming to achieve growth as a global specialty pharmaceutical company, with 2030 positioned as a turning point

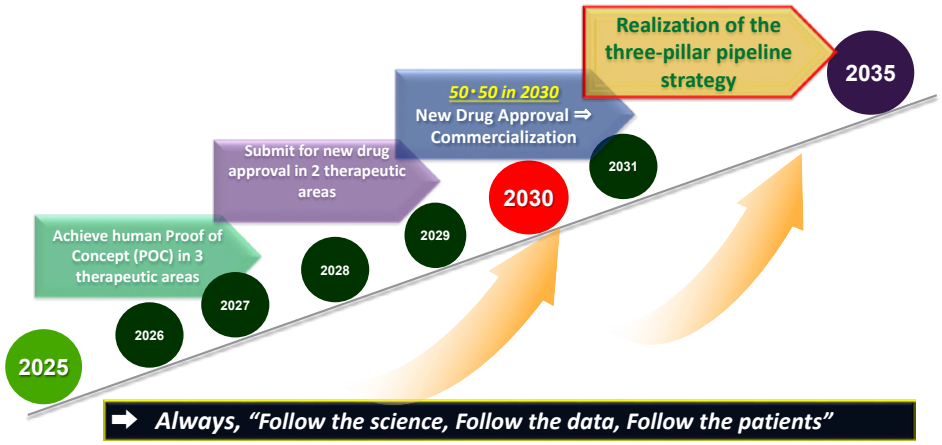
2. Long-term strategy

As a long-term goal, the Company aims to grow into a global specialty pharmaceutical company, targeting a 50/50 balance between domestic and overseas sales by 2030. In Japan, although TREAKISYM® sales have stagnated, the Company seeks to drive sales growth through the launch of BCV. While it continues to regularly explore opportunities for new in-licensed products, the launch of BCV remains its highest priority. Overseas, the Company's strategy is to expand sales by launching at least two BCV products. Although the 50% target remains fluid, successful launches of two products are expected to bring revenue generation within reach.

Outlook

As part of the BCV platform expansion, the Company initially plans to focus its development and commercialization efforts on post-transplant viral infections, refractory cancers, and neurodegenerative diseases. Meanwhile, given the active collaborative research with academia, there is ample potential for additional development pipelines in the future. If these development programs progress smoothly, the Company will be able to conduct partnership negotiations from a position of strength, further increasing the likelihood that BCV will become a blockbuster drug. Should that occur, the Company's corporate value (market capitalization), which currently remains in the ¥7.0bn range, is also expected to rise.

Future business roadmap



Source: The Company's results briefing materials

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