


Financial Statements 年次決算書

The eleventh Fiscal Year

自 令和6年4月 1日
至 令和7年3月31日
From April 1, 2024
To march 31, 2025

Toshihiko Hibino 
Representative Director, President

YL Biologics Limited
YLバイオロジクス株式会社



INDEPENDENT AUDITOR'S REPORT (Translated)

April 23, 2025

To the Representative Director of
YL Biologics Limited,
Toshihiko Hibino, Ph-D

Kitai Toru Certified Public Accountant Firm
Certified Public Accountant Toru Kitai

Auditor's Opinion

I have audited the accompanying financial statements of YL Biologics Limited in the fiscal year from May 1st, 2024 to March 31th, 2025 which comprise the Balance Sheet, the Statement of Income, Individual Note to the Financial Statement and its Annex.

I recognize that the above financial statements are prepared, in all materials respects, in accordance with Regulation on Corporate Accounting described on the individual note to Financial Statement.

Basis for Audit Opinion

I have audited in accordance with generally accepted Auditing Standards in Japan. My responsibility in Audit Standards is specified as "Auditor's Responsibilities in Auditing Financial Statements". According to the Code of Professional Ethics", I am independent of the Company and fulfilling other ethical responsibilities as an auditor. I believe that I have obtained sufficient and appropriate information on which to base my opinion.

Emphasis-Basics of preparation of financial statements

As stated in the Notes to Financial Statements, Financial Statements are prepared in compliance with regulation on Corporate Accounting described on the Note to Financial Statements for the purpose of submit to Yoshindo Holdings and Lupin Atlantis SA which are the business partner and therefore, may not be suitable for other purposes. The matter does not affect my opinion.

This report was prepared with the assumption that only Yoshindo Holdings and Lupin Atlantis SA will be the user and should not be distributed or used by anyone other than Yoshindo Holdings and Lupin Atlantis SA.

Other Information

Other information is the information other than the audit report contained in the disclosure document.

Management's responsibility for the Financial Statements

Management's responsibility is to prepare the financial statements in accordance with Regulation on the Corporate Accounting described on the Note to Financial Statements and to control internally as management determines is necessary to enable the preparation of financial statement that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility for auditing Financial Statements

Auditor's responsibility is to express an opinion on the financial statements in the audit report based on our audit, after obtaining reasonable assurance that the financial statements, as a whole, are free of material misstatement due to fraud or error. Misstatements can arise from fraud or error and are considered material if, individually or collectively, they could reasonably be expected to influence decisions to use the financial statements. Throughout the audit process, the auditor shall exercise professional judgement in the following, maintaining professional skepticism in accordance with generally accepted audited standards in Japan.

- Auditor is to identify and assess material misstatement risks due to fraud or error and design and implement audit procedures in response to the risk of material misstatement.
- Furthermore, auditor is to obtain sufficient and appropriate audit evidence for expression of opinion, depending on the choice of audit procedures and preference of the applicable auditor.
- The purpose of the financial statement audit is not to express an opinion on the effectiveness of internal control, but the audit should consider internal controls over the audit procedures that are appropriate to the circumstances in performing the risk management.
- Auditor is to check the appropriateness of the accounting policies and methods of application adopted by management, the reasonableness of accounting estimates made by management, and the adequacy of related notes.
- Auditor evaluates whether the presentation and notes in the financial statements comply with the accounting standards set forth in the notes to the financial statements.

Conflict of Interest

There is no conflict of interest between the company and me that should be stated in accordance with the provisions of the Certified Public Accountants Act.

Balance Sheet (貸借対照表)

As of March 31, 2025

(Unit: Yen) 単位:円

Assets 【資産の部】		Liabilities 【負債の部】	
Accounts 科目	Amounts 金額	Accounts 科目	Amounts 金額
Current asset 【流動資産】	1,093,234,409	Current liabilities 【流動負債】	9,313,001
Cash and equivalents 現金及び預金	1,092,626,416	Other payable 未払金	553,580
Accounts receivable 売掛金	557,272	Income tax payable 未払法人税等	180,000
Consumption tax receivable 未収消費税	50,721	Advance received 前受金	8,579,421
Non-Current assets 【固定資産】	2	Total liabilities 負債合計	9,313,001
Property, plants and equipment 有形固定資産	2	Equity 【純資産の部】	
Toold, equipment and fictures 工具器具備品	1,086,500	Shareholders' equity 【株主資本】	1,083,921,410
Accumulated depreciation 減価償却累計額	-1,086,498	Capital stock 資本金	50,000,000
		Capital surplus 資本剰余金	50,000,000
		Legal catital surplus 資本準備金	12,500,000
		Other capital surplus その他資本剰余金	37,500,000
Intangible assets 無形固定資産	0	Retained earnings 利益剰余金	983,921,410
Software ソフトウェア	0	Other retained earnings その他利益剰余金	983,921,410
		Retained earnings carried out 繰越利益剰余金	983,921,410
		純資産合計	1,083,921,410
Total assets 資産合計	1,093,234,411	負債・純資産合計	1,093,234,411

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Statement of Income (損益計算書)

From April 1, 2024 to March 31, 2025

(単位:円)

Accounts 科目		Amounts 金額	
Sales	【売上高】		
R & D revenue	研究開発売上	11,283,447	
Product sales	商品販売売上	0	
Service revenue	役務収益	0	11,283,447
Cost of Sales	【売上原価】		
R & D expenses	研究開発費		
Cost of product sales	商品販売原価	0	0
	Gross of Profit		11,283,447
Selling, general and administrative expenses			11,882,593
【販売費及び一般管理費】	Operating Income		△599,146
Other Income	【営業外収益】		
Interest Income	受取利息	597,470	
Miscellaneous income	雑収入	1,676	599,146
Other Expenses	【営業外費用】		
Miscellaneous losses	雑収入	35,420	35,420
	Ordinary income		△35,420
	Income before income taxes		△35,420
	Income taxes - current		271,502
	Net income		△306,922
			税引前当期純利益
			法人税、住民税及び事業税
			当期純利益

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Statement of Changes in Equity (株主資本等変動計算書)

From April 1, 2024 to March 31, 2025

(Unit; Yen) (単位: 円)

		Shareholders' equity 株主資本						
		資本金 Capital stock	Capital surplus 資本剰余金			Retained earnings 利益剰余金		株主資本 合計 Total shareholders' equity
			資本準備金 Legal capital surplus	その他 資本 剰余金 Other capital surplus	資本 剰余金 合計 Total capital surplus	その他利益 剰余金 Other retained earnings 繰越利益 剰余金 Retained earnings carried forward	利益 剰余金 合計 Total retained earnings	
当期首残高 Beginning Balance	当期首残高 Opening balance	50,000,000	12,500,000	37,500,000	50,000,000	984,228,332	984,228,332	1,084,228,332
当期変動額 Changes during the year	当期変動額 Changes during the period							
当期純利益 Net income	当期純利益 Net income				0	△ 306,922	△ 306,922	△ 306,922
当期変動額の合計 Total changes during the year	当期変動額の合計 Total changes in the current period	0	0	0	0	△ 306,922	△ 306,922	△ 306,922
当期末残高 Ending Balance	当期末残高 End of period balance	50,000,000	12,500,000	37,500,000	50,000,000	983,921,410	983,921,410	1,083,921,410

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Individual Notes Table

1. Summary of Significant Accounting Policies

(1) Basis of presenting Financial Statements

The accompanying financial statements and the supplementary schedule of YL Biologics Limited (the "Company") have been prepared in accordance with Regulation on Corporate Accounting, from the accounts maintained by the Company in accordance with accounting principles generally accepted in Japan.

(2) Methods of Depreciation of Fixed Assets

Tangible Fixed Assets	Straight-line method adopted
Intangible Fixed Assets	Straight-line method adopted

(3) Accounting for consumption taxes

Consumption taxes are excluded from sales, costs and expenses in the Statement of Income.

(4) Standards for converting assets or liabilities demonstrated in foreign currencies into Japanese yen.

Assets and liabilities denominated in foreign currencies are translated to Japanese yen at the spot exchange rate on the settlement date.

2. Notes to the Balance Sheet

The balance of receivables and payables to affiliated companies are as follows:

Accounts receivable and Other receivable	¥557,272
Accounts payable, Other payable, and Advance payment	¥9,096,421

3. Notes to Statement of Income

Transactions with affiliated companies for the year are as follows:

R&D revenue	¥11,283,447
Product sales	¥0
Service revenue	¥0
R&D expenses	¥0
Purchase of inventories	¥0
Other expenses	5,640,000

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4. Notes to Statement of Changes in Equity

Total number of shares outstanding at the end of this fiscal year

Common stock: 1,000 shares

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5, Notes to transactions with related parties

(1) Parent company and other shareholders

Category	Name of the company	Percentage of voting rights (non-owned)	Relationship	Description of transactions	Amounts of transaction (*6)	Account	Balance at the end of term (*7)
Parent company	Yoshindo	Directly owned 55%	Contract service	Development service provided for pharmaceutical products (*1)	6,205,896	Account receivable	557,272
				Sales of promotional goods (*2)	-	Account receivable	-
				Trade administration fee revenue (*3)	-	Account receivable	-
				Subcontract for pharmaceutical products (*4)	-	Other payable	-
				Operating charge	2,040,000	Other payable	187,000
Other affiliate	Lupin Atlantis Holdings SA	Directly owned 45%	Contract service	Development service provided for pharmaceutical products (*1)	5,077,551	Advanced receivable	8,579,421

(2) Subsidiaries of Parent company

Category	Name of the company	Percentage of voting rights (non-owned)	Relationship	Description of transactions	Amounts of transaction (*7)	Account	Balance at the end of term (*7)
Subsidiary of Parent company	AY Pharmaceuticals Co., Ltd.	None	Contract services	Subcontracted for charged for pharmaceutical products (*4)	-	Other payable	-
				Payment of outsourcing fee (*6)	3,600,000	Other payable	330,000
				Purchase of promotional goods (*2)	-	Account payable	-

Transaction conditions, policy for determining transaction conditions, etc., are as follows (Notes)

(*1) The Company charged development service fee to Yoshindo Inc., (“Yoshindo”) and Lupin Atlantis Holdings SA (“LASHA”) at the service rate as set by the Joint Venture Agreement and the Contract Research Service Agreement with the two companies.

(*2) The Company purchased promotional goods from AY Pharmaceuticals Co., Ltd. (AY Pharma”) and sold them to Yoshindo, at a price determined in the same manner as general terms of transaction.

(*3) Trade administration fee charged rate as agreed with Yoshindo is determined on

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the total trade volume and the charge rate as agreed with Yoshindo.

(*4) Subcontract fee charged by Yoshindo and AY Pharma is determined in the same manner as general terms of transactions.

(*5) Operating charges are determined based on the agreement with Yoshindo.

(*6) Payment of outsourcing fees to AY Pharma is determined based on the agreement with AY Pharma.

(*7) Consumption taxes are excluded from the number of transactions while it is included in the year end and balances.

7, Notes to the per share information

(1) Book value per share 1, 083, 921円41銭

(2) Net earnings/loss per share ▲ 306 円92銭

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