

To: All Concerned Parties

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Solasia Announces Booking of Impairment Loss and Revision to Full-Year Earnings Forecasts

Solasia Pharma K.K. hereby announces that based on final results of SP-05 arfolitoxin Phase III study (released separately today), it intends to book an impairment loss for the fiscal year ending December 31, 2022 (January 1 – December 31, 2022). Solasia has accordingly revised its full-year earnings forecast released on November 14, 2022.

1. Booking of impairment loss

Based on final results of SP-05 arfolitoxin Phase III study, Solasia has performed impairment testing of SP-05 and decided to book an impairment loss of 200 million yen on associated intangible assets for the fiscal year ending December 31, 2022. There is no cash outflow arising from the booking of this 200 million yen impairment loss, as it applies to past expenditure on SP-05 development capitalized as intangible assets.

2. Revision to consolidated earnings forecasts for the fiscal year ending December 31, 2022 (January 1 – December 31, 2022)

(Unit: Millions of yen)

	Revenue	Operating profit	Profit before tax	Profit attributable to owners of parent	Basic earnings per share (Yen)
Previous forecast (A)	1,150	(2,150)	(2,175)	(2,250)	(13.41)
Revised forecast (B)	1,150	(2,350)	(2,375)	(2,450)	(14.60)
Difference (B – A)	—	(200)	(200)	(200)	—
Difference (%)	—	—	—	—	—
Reference: Fiscal year ended December 31, 2021	559	(2,419)	(2,442)	(2,478)	(19.04)

Disclaimer:

The forward-looking statements, including earnings forecasts, contained in this press release are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Such statements should not be construed as representing commitments on the part of the Company. Please be aware that actual performance may differ for a variety of reasons. Major factors affecting the Company's actual performance include the economic conditions in which it operates, exchange rate fluctuations, the competitive situation and other factors. Information contained in this press release is for informational purposes only and should not be considered as investment solicitation. Information with regard to pharmaceuticals and medical devices (including products under development) is not provided for the purposes of advertising or medical advice. We do not have any obligation to update or revise any information in this press release, and any update or revision may occur anytime without notice.