



Consolidated Financial Results for the Three Months Ended March 31, 2025 (Under IFRS)

May 14, 2025

Company name Solasia Pharma K.K.

Stock exchange listings:

Tokyo Growth

Securities code 4597 URL <https://www.solasia.co.jp/en>

Representative (Title) President and Chief Executive Officer (Name) Yoshihiro Arai

Inquiries (Title) Chief Financial Officer (Name) Toshio Miyashita, Tel 03-5843-8046

Dividend payable date (as planned) —

Supplemental material of results : None

Convening briefing of results : None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended March 31, 2025 (from January 1, 2025 to March 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Sales		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	25	111.0	(296)	—	(292)	—	(292)	—	(292)	—	(301)	—
March 31, 2024	11	(94.6)	(307)	—	(318)	—	(310)	—	(310)	—	(300)	—

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
March 31, 2025	(1.34)	(1.34)
March 31, 2024	(1.78)	(1.78)

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Equity attributable to owners of parent to total assets ratio	Equity attributable to owners of parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2025	1,318	855	855	64.8	3.92
December 31, 2024	1,362	1,156	1,156	84.9	5.30

2. Cash dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2024	—	0.00	—	0.00	0.00
Fiscal year ending December 31, 2025	—				
Fiscal year ending December 31, 2025 (Forecast)		0.00	—	0.00	0.00

Note: Revisions to the forecast of cash dividends most recently announced : None

3. Consolidated financial forecast for the fiscal year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes.)

	Sales		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending December 31, 2025	1,300	310.2	(650)	—	(650)	—	(650)	—	(650)	—	(2.98)

Note:Revisions to the earnings forecasts most recently announced : None

* Notes

(1) Significant changes in the scope of consolidation during the period : None

(2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS : None

(ii) Changes in accounting policies due to other reasons : None

(iii) Changes in accounting estimates : None

(3) Number of issued shares (ordinary shares)

① Number of issued and outstanding shares at the period end (including treasury stock)

② Number of treasury stock at the period end

③ Average number of shares (quarterly period-YTD)

As of March 31, 2025	218,458,910shares	As of December 31, 2024	218,458,910shares
As of March 31, 2025	409,143shares	As of December 31, 2024	409,110shares
Three months ended March 31, 2025	218,049,789shares	Three months ended March 31, 2024	174,044,528shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm : None

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business and other results may differ from the statements herein due to various factors.

[Attached Material]

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1. Qualitative information regarding results for the first three months

(1) Explanation of operating results

1) Overview of results

Operating results

	(Millions of yen)		
	Three months ended March 31, 2024	Three months ended March 31, 2025	Year-on-year
Revenue	11	25	13
Gross profit	0	6	5
Operating profit (loss)	(307)	(296)	11
Profit (loss)	(310)	(292)	17

The Group intends to focus business operations on expanding its oncology development pipeline, which consists of three products that have already been launched. Under this goal, the Group primarily engaged in the following business activities in the three months ended March 31, 2025.

[Launched products (development completed)]

SP-01 (Indication: **Chemotherapy-induced nausea and vomiting**)

Sales of Sancuso® sharply declined due to shipment constraints following the transfer of manufacturing facility. The regulatory procedures for the addition of the Sancuso® manufacturing facility in China have been completed.

SP-02 (Indication: **Relapsed or Refractory Peripheral T-cell Lymphoma**)

The Company obtained marketing approval and began sales for SP-02 in Japan in 2022.

Currently, the Company is investigating new targeting cancers other than Relapsed or Refractory peripheral T-cell lymphoma with an eye to expanding the new indications.

The Company is continuing out-licensing activities for marketing and other rights in China and other regions.

SP-03 (Indication: **Oral mucositis/stomatitis caused by chemotherapy and radiotherapy**)

In December 2024, The Group resolved to cancel the sales partner agreement with Lee's Pharmaceutical (HK) Limited and enter into a new sales partner agreement with Changchun GeneScience Pharmaceutical Co., Ltd. (headquarters: China; hereinafter "GenSci". The contracting party is Gensci Singapore Pte. Ltd., a wholly owned subsidiary of GenSci.) and began shipping to the company during the quarter. The Company is continuing out-licensing activities.

[Pipeline products in the non-clinical study phase]

SP-04 (Target Indication: **Chemotherapy-induced peripheral neuropathy**)

Based on the results of the international Phase III clinical trials (POLAR-A study and POLAR-M study) including Japan in patients with colorectal cancer of SP-04 targeting oxaliplatin-induced peripheral neuropathy, the Company has decided to park the development of the pipeline product for this indication; instead, we have determined to conduct additional animal studies to investigate the product's potential in treating taxane-induced peripheral neuropathy. Based on the information obtained from the results of previous animal studies, in collaboration with licensor Egetis Therapeutics, we have conducted animal study in Japan and have obtained positive results in terms of peripheral neuropathic pain and pathological evaluation of neuronal cells in the test animals. With a view to future clinical trials, we have also conducted an additional new animal study to reinforce these results.

[Pipeline product (development stopped temporarily)]

SP-05 (Target Indication: **Increase in antitumor efficacy of fluorouracil**)

In 2022, it was found out that neither the primary endpoint nor the key secondary endpoint showed statistically significant differences as the final results of the international Phase III AGENT Study including Japan in colorectal cancer. We have decided to stop the development of this pipeline product. In 2024, Isofol has decided to resume development of SP-05, and we have also decided resume development in Japan.

In July 2024, Isofol has announced results from a post hoc per-Protocol analysis of the AGENT Study and two preclinical studies that support the dose-response relationship for SP-05(arfolitixorin). The results show even the likely suboptimal dosing regimen used in the Phase III AGENT study results in a numerical advantage for SP-05(arfolitixorin).

At the Gastrointestinal Cancers Symposium of the American Society of Clinical Oncology (ASCO-GI) held in the United States in January this year, the details of the post ad-hoc analysis results of the AGENT study were reported, and it was reported that when only the patient group that strictly followed the study protocol was analyzed, the SP-05 administration group showed higher efficacy than the control group that received leucovorin.

These are thought to further increase the possibility of obtaining positive data in the Phase Ib/II clinical trial scheduled to begin in the first half of this year.

In March of this year, Isofol received approval from the German regulator BfArM (Federal Agency for Pharmaceuticals and Medical Devices) to start a Phase Ib/II clinical trial of SP-05, and has started patient recruitment. The company plan to participate in the Phase II part of the study.

The Company has made progress in the development of its pipeline products as outlined above and intends to enhance corporate value in the medium to long term. However, in the short term, upfront expenditures for pipeline product development continue to exceed earnings from product sales due to the impact of competing products, product sales are struggling to grow. As a result, our financial performance during the three months ended March 31, 2025, was as follows.

[Revenue, Gross profit]

During the three months ended March 31, 2025, revenue totaled 25 million yen. Revenue mainly came from the sales of pipeline products of DARVIAS® (SP-02) and episil® (SP-03). In addition, gross profit amounted to 6 million yen.

Breakdown of R&D and SG&A expenses

	(Millions of yen)		
	Three months ended March 31, 2024	Three months ended March 31, 2025	Year-on-year
R&D expenses	76	111	34
SG&A expenses	232	191	(40)
Total	308	302	(6)
(Breakdown)			
Personnel expenses	102	104	1
Outsourcing expenses	86	127	40
Depreciation and amortization of intangible assets	93	9	(83)
Other	25	60	35

[R&D expenses, SG&A expenses, Operating profit (loss), Profit (loss)]

R&D expenses amounted to 111 million yen. This amount mainly reflected costs for changing the manufacturing site to lower manufacturing costs, R&D aimed at preparing the clinical studies and expanding the indications for DARVIAS® (SP-02), animal studies for SP-04, and investments in new development candidates. SG&A expenses amounted to 191 million yen, down 40 million yen year on year.

The Company incurred an operating loss of 296 million yen.

The Company incurred an overall loss of 292 million yen.

2) Cash flows

(Millions of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025	Year-on-year
Net cash provided by (used in) operating activities	(164)	211	375
Net cash provided by (used in) investing activities	—	(1)	1
Net cash provided by (used in) financing activities	743	(8)	(751)

[Cash flows from operating activities]

Net cash provided by operating activities amounted to 211 million yen (compared with 164 million yen in net cash used in these activities in the corresponding period of the previous fiscal year), which was mainly attributable to decrease in trade and other receivables of 209 million yen.

[Cash flows from investing activities]

Net cash used in investing activities amounted to 1 million yen (compared with — million yen in these activities in the corresponding period of the previous fiscal year).

[Cash flows from financing activities]

Net cash used in financing activities amounted to 8 million yen (compared with 743 million yen provided by these activities in the same period of the previous year). This figure was mainly attributable to 8 million yen in repayments of lease liabilities.

On March 24 of this year, we announced the Finance via Issuance of Warrant. Details are please refer to significant subsequent events on page 13 of this document.

3) R&D activities

R&D expenses amounted to 111 million yen. This amount mainly reflected costs for changing the manufacturing site to lower manufacturing costs, R&D aimed at preparing the clinical studies and expanding the indications for DARVIAS[®] (SP-02), animal studies for SP-04, and investments in new development candidates.

Details regarding progress achieved with pipeline products are please refer to today's news release, entitled "Business Overview of Pipeline Products".

(2) Explanation of financial position

As of March 31, 2025, total assets amounted to 1,318 million yen, down 44 million yen from the previous year-end. Current assets were 1,228 million yen, including 1,065 million yen in cash and cash equivalents, 23 million yen in trade and other receivables. Non-current assets came to 90 million yen.

Total liabilities totaled 463 million yen, up 257 million yen from the previous year-end. Current liabilities were 451 million yen, including 387 million yen in trade and other payables. Non-current liabilities amounted to 12 million yen.

Total equity equaled 855 million yen, down 301 million yen from the previous year-end. The decrease was mainly attributable to the overall loss of 292 million yen.

Details are please refer to significant subsequent events on page 13 of this document for the reduction in the amount of capital and capital reserves and the disposal of surplus (compensation for loss in retained earnings carried forward) in accordance with the resolution of the Board of Directors dated February 20 and the resolution of the General Meeting of Shareholders dated March 26 of this year.

(3) Explanation of consolidated earnings forecasts and other forward-looking statements

The consolidated earnings forecasts are unchanged from the forecasts announced on February 12, 2025

2. Consolidated financial statements and significant notes thereto

(1) Consolidated statement of financial position

(Millions of yen)

	As of December 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and cash equivalents	886	1,065
Trade and other receivables	232	23
Inventories	128	94
Other current assets	19	44
Total current assets	1,266	1,228
Non-current assets		
Property, plant and equipment	19	18
Right-of-use assets	28	20
Investments accounted for using equity method	1	3
Other non-current assets	46	47
Total non-current assets	96	90
Total assets	1,362	1,318
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	121	387
Lease liabilities	25	17
Other current liabilities	47	46
Total current liabilities	193	451
Non-current liabilities		
Deferred tax liabilities	0	0
Lease liabilities	0	0
Other non-current liabilities	10	10
Total non-current liabilities	12	12
Total liabilities	206	463
Equity		
Share capital	2,211	2,211
Capital surplus	2,255	2,255
Retained earnings	(3,277)	(3,570)
Treasury shares	(65)	(65)
Other components of equity	33	24
Total equity	1,156	855
Total liabilities and equity	1,362	1,318

(2) Consolidated statement of profit or loss

(Millions of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Revenue	11	25
Cost of sales	11	19
Gross profit	0	6
Research and development expenses	76	111
Selling, general and administrative expenses	232	191
Operating profit (loss)	(307)	(296)
Finance income	0	1
Finance costs	10	0
Share of profit (loss) of investments accounted for using equity method	(0)	2
Profit (loss) before tax	(318)	(292)
Income tax expense	(8)	0
Profit (loss)	(310)	(292)
Profit (loss) attributable to Owners of parent	(310)	(292)
Earnings (loss) per share		
Basic earnings (loss) per share	(1.78)	(1.34)
Diluted earnings (loss) per share	(1.78)	(1.34)

(3) Consolidated statement of comprehensive income

(Millions of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Profit (loss)	(310)	(292)
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	10	(8)
Total	10	(8)
Total other comprehensive income	10	(8)
Comprehensive income	(300)	(301)
Comprehensive income attributable to Owners of parent	(300)	(301)

(4) Consolidated statement of changes in equity

(Millions of
yen)

	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity			Total
					Exchange differences on translation of foreign operations	Share acquisition rights	Total	
Balance at beginning of period	1,596	1,657	(1,336)	(69)	25	1	26	1,875
Comprehensive income								
Profit (loss)	-	-	(310)	-	-	-	-	(310)
Other comprehensive income	-	-	-	-	10	-	10	10
Comprehensive income	-	-	(310)	-	10	-	10	(300)
Transactions with owners								
Exercise of share acquisition rights	129	119	-	-	-	-	-	249
Cancellation of share acquisition rights	-	-	-	-	-	(1)	(1)	(1)
Disposal of treasury shares	-	-	-	2	-	-	-	2
Share-based payment transactions	-	(2)	-	-	-	-	-	(2)
Total transactions with owners	129	117	-	2	-	(1)	(1)	247
Balance at end of period	1,726	1,774	(1,646)	(66)	35	-	35	1,823

(Millions of yen)

	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity			Total
					Exchange differences on translation of foreign operations	Share acquisition rights	Total	
Balance at beginning of period	2,211	2,255	(3,277)	(65)	33	-	33	1,156
Comprehensive income								
Profit (loss)	-	-	(292)	-	-	-	-	(292)
Other comprehensive income	-	-	-	-	(8)	-	(8)	(8)
Comprehensive income	-	-	(292)	-	(8)	-	(8)	(301)
Transactions with owners								
Exercise of share acquisition rights	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-	-
Balance at end of period	2,211	2,255	(3,570)	(65)	24	-	24	855

(5) Consolidated statement of cash flows

(Millions of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Cash flows from operating activities		
Profit (loss) before tax	(318)	(292)
Depreciation and amortization of intangible assets	93	9
Finance income	(0)	13
Finance costs	10	0
Share of loss (profit) of investments accounted for using equity method	0	(2)
Decrease (increase) in trade and other receivables	40	209
Decrease (increase) in inventories	(20)	33
Increase (decrease) in trade and other payables	32	266
Other	(1)	(26)
Subtotal	(163)	211
Interest received	0	0
Interest paid	(0)	(0)
Income taxes refund (paid)	(0)	(0)
Net cash provided by (used in) operating activities	(164)	211
Cash flows from investing activities		
Purchase of property, plant and equipment	—	(0)
Other	—	(0)
Net cash provided by (used in) investing activities	—	(1)
Cash flows from financing activities		
Proceeds from issuance of bonds	500	—
Proceeds from issuance of shares	249	—
Purchase of share acquisition rights	(1)	—
Repayments of lease liabilities	(8)	(8)
Other	3	(0)
Net cash provided by (used in) financing activities	743	(8)
Net increase (decrease) in cash and cash equivalents	579	202
Cash and cash equivalents at beginning of period	728	886
Effect of exchange rate changes on cash and cash equivalents	11	(22)
Cash and cash equivalents at end of period	1,319	1,065

(6) Notes to consolidated financial statements

(Notes on premise of going concern)

No items to report.

(Segment information)

Disclosure is omitted as the Group has a single reportable segment.

(Significant subsequent events)

(Issuance of Stock Acquisition Rights through Third-Party Allotment)

At the Board of Directors meeting held on March 24, 2025, the Company resolved to issue the 15th of Stock Acquisition Right (hereinafter referred to as the "Stock Acquisition Rights") to Macquarie Bank Limited, and the payment was completed on April 9, 2025.

1. Summary of Stock Acquisition Rights

(1)	A l l o c a t i o n D a t e	April 9, 2025
(2)	T o t a l n u m b e r o f s t o c k a c q u i s i t i o n r i g h t s	544,000 units
(3)	I s s u e p r i c e	Total amount of 2,176,000 yen (4 yen per unit of Stock Acquisition Rights)
(4)	T y p e a n d n u m b e r o f s h a r e s s u b j e c t t o s t o c k a c q u i s i t i o n r i g h t s	54,400,000 shares of the Company's common stock (100 shares per stock acquisition right) There is no upper limit on the exercise price. The lower limit exercise price (defined below) is 21 yen, and even at the lower limit exercise price, the number of potential shares is 54,400,000.
(5)	F u n d i n g A m o u n t	2,069,376,000 yen (estimated amount of proceeds excluding costs: 2,049,376,000 yen) (Note) Financing amount by issuance of stock acquisition rights: 2,176,000 yen Financing amount by exercise of stock acquisition rights: 2,067,200,000 yen
(6)	E x e r c i s e p r i c e a n d C o n d i t i o n s f o r M o v e o f E x e r c i s e P r i c e	The initial exercise price is 38 yen. The exercise price of the Stock Acquisition Rights move to the amount equivalent to 95% of the closing price of Solasia's common stock under the ordinary trading at the Tokyo Stock Exchange as of the trading day immediately prior to each move date, on or after the day following the date of issuance (if there is no closing price on the relevant day, the immediately prior closing price applies; to be calculated up to the first decimal point below the yen and fractions smaller than yen to be rounded down). However, the exercise price of the Stock Acquisition Rights shall not be less than 21 yen.
(7)	A l l o t t e e	Allocate the total number to Macquarie Bank Limited by means of a third-party allotment.
(8)	S t o c k A c q u i s i t i o n R i g h t s E x e r c i s e P e r i o d	From April 10, 2025 to April 10, 2028.
(9)	I n c r e a s e i n s h a r e c a p i t a l a n d l e g a l c a p i t a l s u r p l u s w h e n s h a r e s a r e i s s u e d u p o n e x e r c i s e o f t h e s t o c k a c q u i s i t i o n r i g h t s	In the event that shares are issued through the exercise of the Stock Acquisition Rights, the amount of increased capital shall be the amount obtained by multiplying the maximum amount of increase in capital, etc., calculated in accordance with the provisions of Article 17 of the Company's Accounting Regulations, by 0.5, and if a fraction of less than 1 yen occurs as a result of the calculation, the amount shall be rounded up. The amount of legal capital surplus to be increased shall be the amount obtained by subtracting the amount of capital increasing from the maximum amount of increase in capital, etc.

Note: The amount of funds raised for the Stock Acquisition Rights is the sum of the total issue price of the Stock Acquisition Rights plus the total value of the assets invested in the exercise of the Stock Acquisition Rights, calculated assuming that all Stock Acquisition Rights have been exercised based on the initial exercise price, and the estimated amount of various expenses related to the issuance of the Stock Acquisition Rights (20,000,000 yen). If the exercise price is revised or adjusted, the amount of funds raised will change.

2. Use of Funds and Timing of Expenditure

Specific Uses	Amount (million yen)	Estimated time of expenditure
SP-05 Development Costs, etc.	2,049	July 2025~ December 2028

(Reduction in Amounts of Capital stock and legal capital surplus and Disposition of Surplus (Compensation for loss brought forward))

At a meeting held on February 20, 2025, the Company's Board of Directors resolved to reduce legal capital surplus by 1.521 billion yen and to appropriate retained earnings (including an increase due to a reduction in legal capital surplus and capital stock) by 3.633 billion yen (to cover a loss brought forward). The reduction in capital stock by 2.111 billion yen was

approved at the Ordinary General Meeting of Shareholders held on March 26, 2025. The reduction in capital stock and legal capital surplus and the appropriation of retained earnings became effective on May 9, 2025 after the creditor protection procedures.