

Oshio Asia International CPA Office
1-5-22, Bunkyo, Minami-ku, Sagamihara-shi, Kanagawa-ken, Japan

AUDITORS' REPORT

To the members of Neuland Laboratories K.K.

Report on the accounts for the year ended on March 31, 2023 in compliance with Japanese Company law.

We have audited the attached balance sheet of Neuland Laboratories K.K., as at March 31, 2024 and 2023, and also the profit and loss account for the years ended on those dates. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

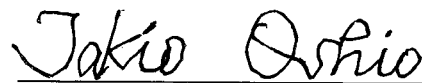
We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

- a. We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- c. The balance sheet and profit and loss account dealt with by this report are in agreement with the books of account.

- d. In our opinion, the balance sheet and profit and loss account dealt with by this report comply with the generally accepted accounting standards.
- e. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Company law in manner so required and give a true and fair view in conformity with the accounting principles generally accepted in Japan.
 - i. in the case of the balance sheet, of the state of affairs of the company as at March 31, 2024.
 - ii. in the case of the profit and loss account, of the income for the year ended on that date.

for Oshio Asia International CPA Office



Takio Oshio
(Japanese Certified Public Accountant)
April 19, 2024

Neuland Laboratories K.K.

BALANCE SHEET AS AT MARCH 31, 2024 and MARCH 31, 2023

Unit : JPY

	Note to account	Year ended 31 March 2024	Year ended 31 March 2023
Assets			
Current Assets			
Cash & deposit		16,348,596	6,567,726
Accounts receivables – Affiliates	2	11,476,161	21,109,190
Accounts receivable – Service fee			
Prepaid expenses – Rent		388,311	388,311
Prepaid expenses – Others		207,800	239,059
Advance payment			
Consumption taxes (VAT)		1,269,663	955,607
Current Assets Total		29,690,441	29,259,893
Fixed Assets			
Tangible assets		301,781	1
Intangible assets			
Investment & other assets			
Deposit for rent		2,841,300	2,841,300
Long-term prepaid expenses		165,740	23,672
Investment & other assets Total		3,007,040	2,864,972
Fixed Assets Total		3,308,821	2,864,973
Assets Total		32,999,262	32,124,866
Liabilities			
Current Liabilities			
Accounts payable /Accrued expenses		591,597	593,891
Withholding social insurance		881,581	435,502
Withholding income taxes		1,009,730	917,980
Advance received	2		2,841,300
Provision for corporate income taxes		674,900	158,700
Current Liabilities Total		3,157,808	4,947,373
Fixed Liabilities			
Retirement allowance		8,754,870	7,401,000
Fixed Liabilities Total		8,754,870	7,401,000
Liabilities Total		11,912,678	12,348,373
Net Assets			
Shareholder's equity			
Paid in capital		3,000,000	3,000,000
Capital surplus			
Earned surplus			
Other earned surplus			
Earned surplus carried forward		16,776,493	15,289,167
(Net Profit for the Year)		(1,310,091)	(1,487,326)
Earned surplus Total		18,086,584	16,776,493
Net Assets Total		21,086,584	16,776,493
Net Assets /Liabilities Total		32,999,262	32,124,866

Neuland Laboratories K.K.
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2024 and MARCH 31, 2023

Unit : JPY

	Notes to Account	Year ended 31 March 2024	Year ended 31 March 2023
Income			
Services fee income	1, 2	48,276,161	44,409,190
Gross income		48,276,161	44,409,190
General and administration expenses	3	45,977,297	42,294,476
Operating profit		2,298,864	2,114,714
Other operating income		127	1,112
Interest income		127	1,112
Others			
Other operating expenses			
Interest expense			
Others			
Ordinary profit		2,298,991	2,115,826
Extraordinary item			
Others			
Profit before taxes		2,298,991	2,115,826
Corporate tax, resident tax & business tax		988,900	628,500
Deferred taxes			
Net income for the year		1,310,091	1,487,326

Neuland Laboratories K.K.

SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING AND USE OF ESTIMATES

- i. Financial statements are prepared under the historical cost convention, on accrual basis of accounting in accordance with the accounting principles generally accepted in Japan and in compliance with the provisions of Company's law.
- ii. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities if any at that date of the financial statements and the results of operations during the reporting period end.

B. REVENUE RECOGNITION

The company is engaged primarily in the support of active pharmaceutical ingredient, marketing and business support services on behalf of the parent company. The services fee for the support is calculated as 105% of the incurred expenses related to the support. The treatment is recognized by the Japanese tax authority.

C. TAXATION

Tax expenses comprises of current taxes. Current income tax is measured at the amount to be paid to the tax authorities in Japan.

NOTES TO ACCOUNT

Details of General and administration expenses

From April 2023 to March 2024 and April 2022 to March 2023

Unit : JPY

Accounts	Year ended 31 March 2024	Year ended 31 March 2023
Advertising & promotion	3,615,074	1,964,724
Delivery expenses	84,231	70,551
Salaries	24,700,800	24,850,000
Commutation fee	662,396	632,540
Social insurance	2,860,396	2,967,762
Recruiting fee		0
Retirement allowance	1,353,870	1,921,000
Depreciation expense	13,120	19,403
Office supplies	208,400	80,685
Water, lighting fee	82,761	87,736
Traveling expenses	6,366,971	3,757,402
Commission paid (Bank charge)	43,850	47,650
Taxes (Inc. Revenue stamp)	20	10,617
Entertainment expenses	495,492	412,038
Communication fee	401,749	369,620
PC maintenance	14,500	14,500
Book & subscription fee	0	37,364
Meeting expenses	192,095	72,906
Rent of office	4,236,120	4,236,120
Deferred renewal fee	142,062	142,068
Professional service fee	503,491	599,790
Total General and administration expenses	45,977,297	42,294,476
Others		
TOTAL	45,977,297	42,294,476