

Miyagawa CPA Office

No.32 Arai Building 6F,3-9-14, Kudanminami, Chiyoda-ku, Tokyo, Japan

Independent auditor's report

To the members of Neuland Laboratories K.K.

Report on the accounts for the year ended on March 31,2025 in compliance with Japanese Company law.

We have audited the attached balance sheet of Neuland Laboratories K.K., as of March 31,2025 and 2024, 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.

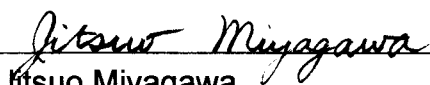
We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence 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 of March 31,2025.
 - ii. in the case of the profit and loss account, of the income for the year ended on that date.

for Miyagawa CPA Office


Jitsuo Miyagawa
(Japanese Certified Public Accountant)
April 15,2025

Neuland Laboratories K.K.

BALANCE SHEET AS OF MARCH 31, 2025 and MARCH 31,2024

Unit:JPY

	Note to account	Year ended 31 March 2025	Year ended 31 March 2024
Assets			
Current assets			
Cash&deposit		16,740,413	16,348,506
Accounts receivables- Affiliates	1	13,265,349	11,476,161
Accounts receivables- Service fee			
Prepaid expenses-Rent		388,311	388,311
Prepaid expenses-Others		569,000	207,800
Advance payment		20,646	
Consumption taxes(VAT)		1,282,465	1,269,663
Current assets total		32,266,184	29,690,441
Fixed assets			
Tangible assets		521,609	301,781
Intangible assets			
Investment & other assets			
Deposit for rent		2,841,300	2,841,300
Long -term prepaid expenses		23,672	165,740
Fixed assets total		3,386,581	3,308,821
Assets total		35,652,765	32,999,262
Liabilities			
Current liabilities			
Accounts payable /Accrued expenses		654,875	591,597
Withholding social insurance		391,743	881,581
Withholding income & local taxes		1,165,445	1,009,730
Advance received			
Provision for corporate income taxes		1,152,100	674,900
Current liabilities total		3,364,163	3,157,808
Fixed liabilities			
Provision for retirement allowances		10,314,246	8,754,870
Fixed liabilities total		10,314,246	8,754,870
Liabilities total		13,678,409	11,912,678
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		18,086,584	16,776,493
(Net profit for the year)		(887,772)	(1,310,091)
Earned surplus total		18,974,356	18,086,584
Net assets total		21,974,356	21,086,584
Net assets/Liabilities total		35,652,765	32,999,262

Neuland Laboratories K.K.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2025 and MARCH 31, 2024

Unit:JPY

	Note to account	Year ended 31 March 2025	Year ended 31 March 2024
Income			
Seervice fee income	1	52,965,349	48,276,161
Gross income		52,965,349	48,276,161
General and administration expenses	2	50,443,190	45,977,297
Operating profit		2,522,159	2,298,864
Other operating income		11,713	127
Interest income		10,609	127
Others		1,104	
Other operating expenses			
Interest expenses			
Others			
Ordinary profit		2,533,872	2,298,991
Extraordinary item			
Others			
Profit before taxes		2,533,872	2,298,991
Corporate tax,resident tax & business tax		1,646,100	988,900
Deferred taxes			
Net income for the year		887,772	1,310,091

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 service 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

1. Intercompany Account

Intercompany Accounts	Year ended 31 March 2025	Year ended 31 March 2024
Accounts receivable	13,265,349	11,476,161
Suspense received		
Service fee	52,965,349	48,276,161

2.Details of General and administration expenses

Accounts	Year ended 31 March 2025	Year ended 31 March 2024
Advertising & Promotion	4,083,798	3,615,074
Delivery expenses	42,008	84,231
Salaries	26,605,640	24,700,800
Commutation fee	669,276	662,295
Social insurance	2,916,741	2,860,396
Recruiting fee		
Retirement allowance	1,559,376	1,353,870
Depreciation expense	85,072	13,120
Office supplies	120,271	208,400
Water,lighting fee	60,343	82,761
Traveling expenses	8,616,724	6,366,971
Commision paid(bank charge)	46,988	43,850
Taxes(Inc.Revenue stamp)	12,223	20
Entertainment expenses	431,198	495,492
Communication fee	406,535	401,749
PC maintenance	14,500	14,500
Book & subscription fee	5,000	
Meeting expenses	210,000	192,095
Rent of office	4,236,120	4,236,120
Deferred renewal fee	142,068	142,062
Professional service fee	179,309	503,491
Total General and administration expenses	50,443,190	45,977,297
Others		
TOTAL	50,443,190	45,977,297