August 5, 2026

Non-consolidated Financial Results for the Six Months Ended June 30, 2026 [Under Japanese GAAP]

Company name: Veritas In Silico Inc.
Listing: Tokyo Stock Exchange
Securities code: 130A
URL: https://www.veritasinsilico.com/en/
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Scheduled date to commence dividend payments: None
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (In Japanese Language Only)

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

1. Non-consolidated Financial Results for the Six Months Ended June 30, 2026 (from January 1, 2026 to June 30, 2026)

(1) Non-consolidated Business Results (cumulative)

(Percentages indicate year-on-year changes.)

	Business revenue		Operating profit		Ordinary profit		Net profit	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	36	(15.5)	(246)	-	(243)	-	(386)	-
June 30, 2025	43	(62.6)	(186)	-	(182)	-	(184)	-

	Earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2026	(59.60)	-
June 30, 2025	(28.43)	-

Notes: Diluted earnings per share are not shown in the above table, because, although there are residual shares, earnings per share were ultimately negative.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
June 30, 2026	1,519	1,397	92.0
December 31, 2025	1,884	1,783	94.6

Reference: Shareholders' Equity
As of June 30, 2026: 1,397 Million Yen
As of December 31, 2025: 1,783 Million Yen

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2025	-	0.00	-	0.00	0.00
Fiscal year ending December 31, 2026	-	0.00			
Fiscal year ending December 31, 2026 (Forecast)			-	0.00	0.00

Note: Revisions to the most recently announced forecasts: None

3. Forecasts for the Fiscal Year Ending December 31, 2026

(Percentages indicate year-on-year changes.)

	Business revenue		Operating profit		Ordinary profit		Net profit		Earnings per share
Fiscal year ending	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
December 31, 2026	113	24.2	(569)	-	(564)	-	(567)	-	(87.44)

Notes: Revisions to the most recently announced forecasts: None

*** Notes**

(1) Adoption of accounting treatment specific to the preparation of semi-annual non-consolidated financial statements: None

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

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

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2026	6,487,114 shares
Fiscal year ended December 31, 2025	6,487,114 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2026	- shares
Fiscal year ended December 31, 2025	- shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended June 30, 2026	6,487,114 shares
Six months ended June 30, 2025	6,487,114 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other remarks
(Disclaimer Regarding Forward-Looking Statements, etc.)

The forecasts and other forward-looking statements contained in this document are based on information available to the Company at the time this document was released and on certain assumptions that the Company has regarded as reasonable.

Please refer to “1. Qualitative Information on Financial Results (3) Financial Forecasts and Other Forward-Looking Statements” on page 3 of the attached materials for matters related to earnings forecasts.

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1. Qualitative Information on Financial Results

(1) Overview on Business Results

During the interim period under review (January 1, 2026–June 30, 2026), the global economy followed an overall expansionary trend, despite geopolitical risks arising from protracted conflicts in Ukraine, the Middle East, and elsewhere, as well as political instability worldwide. This expansion was driven by increased investment in AI-related sectors, including data center construction, amid the proliferation of generative AI and expectations for future demand growth. In the United States, the economy remained robust, supported by AI-related investment and utilization; however, consumer sentiment weakened as energy prices rose amid heightened tensions in the Middle East, casting a shadow over personal consumption. In Europe, the economy followed a moderate expansionary trajectory against a backdrop of solid employment and income conditions, although concerns emerged regarding a slowdown caused by rising prices and disruptions to logistics networks stemming from the escalating situation in the Middle East. In China, private investment and consumption remained sluggish, while the youth unemployment rate stayed high. Amid persistent uncertainty regarding the outlook, attention focused on whether the long-standing issue of excess supply could be resolved. In Japan, although some concerns arose due to heightened tensions in the Middle East, the economy generally followed a moderate expansionary trend.

In light of these circumstances, in the Platform Business, the Company advanced the creation of mRNA-targeted small molecule drugs through joint drug discovery research with Toray Industries, Inc., Shionogi & Co., Ltd., RaQualia Pharma Inc., and Takeda Pharmaceutical Company Limited, utilizing the enhanced drug discovery platform aibVIS. Each project progressed generally as planned. The joint research with Takeda Pharmaceutical Company Limited had achieved certain results however, following discussions and consideration by both companies, the project was concluded in April 2026. Meanwhile, with SpiroChem AG of Switzerland, with which the Company had agreed in December 2025 to conduct joint research for the discovery and experimental validation of mRNA-modulating chemical matter, the Company engaged in extensive discussions regarding the details of the joint research and concluded an agreement in May 2026. In addition, toward entering into further new agreements, the Company continued approaching domestic and overseas pharmaceutical companies and other entities interested in the discovery of mRNA-targeted small molecule and nucleic acid drugs, including by introducing its platform technology.

In the Company's proprietary efforts to create novel mRNA-targeted drugs, namely pipeline creation, preparations for animal studies toward the commencement of nonclinical trials progressed for the drug candidate for which a substance patent application had already been filed under Pipeline 1, an antisense oligonucleotide (ASO)-based treatment project targeting ischemic acute renal failure induced after cardiovascular surgery. Research toward the creation of nucleic acid drugs under Pipeline 2, conducted jointly with Mitsubishi Gas Chemical Company, Inc., also progressed smoothly, and in July 2026 the Company filed a substance patent application for a drug candidate obtained as a result of this research.

In addition to utilizing AI, the Company has been strengthening its research capabilities with a view to future growth, including by increasing its research staff and renewing research equipment. As part of these efforts, in April the Company opened the Kawasaki Research Institute by relocating and expanding the facilities and functions previously housed at the Shin-Kawasaki Research Institute.

With respect to "Perfusio," the drug delivery system conceived by the Company and patented in December 2025, the Company selected potential partner companies and held face-to-face consultations with the Pharmaceuticals and Medical Devices Agency (PMDA)—an independent administrative agency responsible for ensuring the efficacy, safety, and quality of pharmaceuticals and medical devices—as part of preparations aimed at commencing sales during fiscal 2027.

In terms of revenue, Business revenue totaled 36,700 thousand yen (down 15.5% year-on-year), primarily comprising research support funds received regularly under joint research agreements. Business expenses totaled 283,087 thousand yen, including R&D expenses of 132,404 thousand yen, resulting in an Operating loss of 246,387 thousand yen (Operating loss of 186,259 thousand yen in the same period of the previous year). Non-operating income totaled 3,138 thousand yen, including Interest income of 2,213 thousand yen from time deposits and other sources, resulting in an Ordinary loss of 243,248 thousand yen (Ordinary loss of 182,854 thousand yen in the same period of the previous year). In extraordinary income and losses, an Extraordinary loss of 141,677 thousand yen was recorded due to impairment treatment of building fixtures and equipment, as well as tools, furniture and fixtures, placed into service during the current fiscal year. Consequently, Net loss for the interim period amounted to 386,617 thousand yen (Net loss for the interim period of 184,448 thousand yen in the same period of the previous year).

(2) Overview on Financial Position

(Assets)

Total assets at the end of the interim period of current fiscal year, decreased by 365,626 thousand yen (19.4%), from the end of the previous fiscal year to 1,519,286 thousand yen.

Current assets decreased by 367,752 thousand yen (19.7%), to 1,497,619 thousand yen, primarily due to a decrease of 394,908 thousand yen in Cash and deposits. Non-current assets increased by 2,125 thousand yen (10.9%), to 21,667 thousand yen, mainly attributable to an increase of 2,125 thousand yen in Long-term prepaid expenses.

(Liabilities)

Liabilities at the end of the interim period of current fiscal year increased by 20,990 thousand yen (20.8%), from the end of the previous fiscal year to 122,026 thousand yen. This increase was attributable primarily to an increase of 31,026 thousand yen in Asset retirement obligations included in Non-current liabilities, notwithstanding decreases of 8,250 thousand yen in Advances received and 3,684 thousand yen in Accounts payable and other current liabilities.

(Net assets)

Net assets at the end of the interim period of current fiscal year decreased by 386,617 thousand yen (21.7%) from the end of the previous fiscal year to 1,397,259 thousand yen, reflecting a 386,617 thousand yen decrease in Retained earnings arising from Loss for the interim period.

Consequently, Equity ratio declined by 2.6 points, from 94.6% at the end of the previous fiscal year to 92.0%.

(3) Overview om Cash Flows

Cash and cash equivalents (hereinafter referred to as “cash”) at the end of the current fiscal year increased by 105,091 thousand yen compared to the end of the previous fiscal year to 430,305 thousand yen. The status of cash flows during the interim period of current fiscal year is as follows.

(Cash flows used in Operating activities)

Net cash used in Operating activities during the interim period of current fiscal year was 282,144 thousand yen. This was mainly due to a Loss before income taxes of 384,926 thousand yen, an increase in an impairment loss of 141,677 thousand yen, and an increase in advances paid of 10,732 thousand yen..

(Cash flows from Investing activities)

Net cash provided by Investing activities during the interim period of current fiscal year was 387,236 thousand yen. This was mainly due to a withdrawal of time deposits of 1,000,000 thousand yen, and a deposit into a time deposit of 500,000 thousand yen, and a purchase of property, plant and equipment for 106,137 thousand yen.

(Cash flows from Financing activities)

There were no changes in cash position from Financing activities during the interim period of current fiscal year.

(4) Financial Forecasts and Other Forward-Looking Statements

There have been no changes to the earnings forecasts for the fiscal year ending December 31, 2026, from those announced on February 12, 2026.

As of the date of preparation of this document, the escalation of tensions in the Middle East, including the resulting surge in energy prices and supply chain disruptions, has had no material impact on the Company's business activities, operating results, or financial position.

The forecasts and other forward-looking statements in this document are based on certain assumptions that the Company considers reasonable, using information available as of the date of this document. Please note that actual performance may differ significantly from these forecasts and statements due to various factors that may arise in the future.

2. Semi-annual Non-consolidated Financial Statements and Primary Notes
(1) Semi-annual Non-consolidated Balance Sheet

(Thousands of yen)

	As of December 31, 2025	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	1,825,213	1,430,305
Accounts receivable - trade	8,822	1,540
Supplies	11,734	11,824
Advance payments to suppliers	3,249	13,982
Prepaid expenses	3,380	6,390
Other	12,971	33,576
Total current assets	1,865,371	1,497,619
Non-current assets		
Property, plant and equipment	0	0
Intangible assets		
Software	0	0
Patent right	0	0
Total intangible assets	0	0
Investments and other assets	19,541	21,666
Total non-current assets	19,541	21,667
Total assets	1,884,912	1,519,286

(Thousands of yen)

	As of December 31, 2025	As of June 30, 2026
Liabilities		
Current liabilities		
Accounts payable - other	39,974	36,290
Income taxes payable	2,850	1,425
Advances received	55,000	46,750
Other	3,211	6,534
Total current liabilities	101,035	91,000
Non-current liabilities		
Asset retirement obligations	-	31,026
Total non-current liabilities	-	31,026
Total liabilities	101,035	122,026
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus	2,402,941	2,402,941
Retained earnings	(629,065)	(1,015,682)
Total shareholders' equity	1,783,876	1,397,259
Total net assets	1,783,876	1,397,259
Total liabilities and net assets	1,884,912	1,519,286

(2) Semi-annual Non-consolidated Statement of Profit and Loss

(Thousands of yen)

	For the six months ended June 30, 2025	For the six months ended June 30, 2026
Business revenue	43,420	36,700
Business expenses		
Research and development expenses	94,123	132,404
Selling, general and administrative expenses	135,556	150,682
Total business expenses	229,679	283,087
Operating profit (loss)	(186,259)	(246,387)
Non-operating income		
Interest income	3,149	2,213
Lecture fee	135	50
Tax refund income	29	875
Other	90	-
Total non-operating income	3,404	3,138
Ordinary Profit (loss)	(182,854)	(243,248)
Extraordinary losses		
Impairment losses	-	141,677
Total extraordinary losses	-	141,677
Profit (Loss) before income taxes	(182,854)	(384,926)
Income taxes - current	1,594	1,691
Total income taxes	1,594	1,691
Profit (Loss) for the period	(184,448)	(386,617)

(3) Semi-annual Non-consolidated Statement of Cash Flows

(Thousands of yen)

	For the six months ended June 30, 2025	For the six months ended June 30, 2026
Cash flows from operating activities		
Loss before income taxes	(182,854)	(384,926)
Depreciation	5,771	2,190
Impairment losses	-	141,677
Interest income	(3,149)	(2,213)
Decrease (increase) in trade receivables	21,019	7,282
Decrease (increase) in advance payments to suppliers	(8,005)	(10,732)
Increase (decrease) in accounts payable - other	(9,669)	(3,980)
Increase (decrease) in advances received	13,750	(8,250)
Other, net	17,864	(21,812)
Subtotal	(145,272)	(280,765)
Interest received	1,103	1,736
Income taxes paid	(3,019)	(3,116)
Net cash provided by (used in) operating activities	(147,187)	(282,144)
Cash flows from investing activities		
Payments into time deposits	-	(500,000)
Proceeds from withdrawal of time deposits	500,000	1,000,000
Purchase of property, plant and equipment	(702)	(106,137)
Other payments	(1,509)	(6,626)
Net cash provided by (used in) investing activities	497,788	387,236
Net increase (decrease) in cash and cash equivalents	350,600	105,091
Cash and cash equivalents at beginning of period	173,358	325,213
Cash and cash equivalents at end of period	523,959	430,305

(4) Notes to Semi-annual Non-consolidated Financial Statements

(Notes on going concern assumption)

Not applicable

(Notes in the case of significant changes in Shareholders' equity)

Not applicable

(Segment information, etc.)

Segment information is omitted as the Company operates in a single business segment of the drug discovery platform business.