Consolidated Financial Results for the Three Months Ended June 30, 2025 (Under Japanese GAAP)

August 13, 2025

Company name	REPROCELL Inc.			Stock exchange listings: Tokyo Growth
Securities code	4978	URL https://reprocell.co.jp		
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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 June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	475	(23.2)	(291)	―	(301)	―	(304)	―
June 30, 2024	619	11.4	(115)	―	(74)	―	(75)	―

Note:Comprehensive income For the three months ended June 30, 2025 (325) Millions of yen (―%) For the three months ended June 30, 2024 (22) Millions of yen (―%)

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2025	(3.21)	―
June 30, 2024	(0.84)	―

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2025	9,250	8,659	93.6	91.46
March 31, 2025	9,670	8,984	92.9	94.89

Reference:Owner's equity As of June 30, 2025 8,659 Millions of yen As of March 31, 2025 8,984 Millions of yen

2. Cash dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	―	0.00	―	0.00	0.00
Fiscal year ending March 31, 2026	―				

	Annual dividend				
	First quarter	Second quarter	Third quarter	Year end	Annual
Fiscal year ending March 31, 2026 (Forecast)		0.00	—	0.00	0.00

Note:Revisions to the forecast of cash dividends most recently announced : No ne

3. Consolidated financial forecast for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2026	3,037	2.0	(268)	—	(75)	—	(75)	—	(0.79)

Note:Revisions to the earnings forecasts most recently announced : No ne

* Notes

(1) Significant changes in the scope of consolidation during the period : No ne

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements : No ne

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations : No ne

(ii) Changes in accounting policies due to other reasons : No ne

(iii) Changes in accounting estimates : No ne

(iv) Restatement : No ne

(4) Number of issued shares (common shares)

① Number of issued and outstanding shares at the period end (including treasury stock)	As of June 30, 2025	94,802,891 shares	As of March 31, 2025	94,802,891 shares
② Number of treasury stock at the period end	As of June 30, 2025	117,256 shares	As of March 31, 2025	117,256 shares
③ Average number of shares (quarterly period-YTD)	Three months ended June 30, 2025	94,685,635 shares	Three months ended June 30, 2024	89,488,533 shares

* 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

Forward-looking statements, such as performance forecasts, contained in this document are based on information currently available to the Company and certain assumptions deemed to be reasonable, and actual results may differ significantly due to various factors. For the assumptions underlying the performance forecasts and precautions regarding the use of such forecasts, please refer to "(3) Explanation of Forward-Looking Information, including Consolidated Earnings Forecasts" on page 6 of the accompanying materials.

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1. Qualitative Information on Quarterly Financial Results

Forward-looking statements contained herein are based on judgments made by the Group as of the end of the current quarterly consolidated cumulative period.

(1) Explanation of Operating Results

Since the establishment of human iPS cells by Professor Shinya Yamanaka, research into iPS cell technology, the core technology of the Group, has intensified worldwide. In recent years, research and development toward practical application has accelerated, including applications in elucidating pathological conditions and regenerative medicine. While there are reports of progress in elucidating pathologies and clinical trials for drug candidates using iPS cells derived from patients with rare and intractable diseases, clinical research and trials are also underway for conditions such as age-related macular degeneration, Parkinson's disease, ischemic cardiomyopathy, and spinal cord injury.

Against this backdrop, the Group promotes its businesses utilizing iPS cell technology by dividing them into two segments: the "Research Support Business" and the "Medical Business." The Research Support Business focuses on applying iPS cells to pathological elucidation and drug discovery research, building a short-to-medium-term revenue base. Meanwhile, the Medical Business is positioned as a pillar for medium-to-long-term growth, engaging in the research and development of regenerative medicine products—centered on four items: Stemchymal, iPS nerve glial cell products, TIL therapy, and GPC-1 CAR-T therapy—as well as contract manufacturing of regenerative medicine products and clinical testing services.

The Research Support Business serves universities, public research institutions, and pharmaceutical companies, providing research reagents, cells, contract iPS cell production services, and cell measurement equipment. A key feature of this business is that, for research purposes, it does not require manufacturing and marketing approval like pharmaceuticals, allowing for the commercialization and monetization of new technologies in a relatively short period. The Group possesses a broad "Human Cell Business Platform" centered on iPS cell technology and aims to secure stable earnings by globally expanding products and services with high competitive advantages.

Regenerative medicine products under development in the Medical Business require clinical trials and the acquisition of manufacturing and marketing approval for commercialization; thus, commercialization takes longer compared to the Research Support Business. However, a legal amendment in 2014 in Japan established an environment suitable for the industrialization of regenerative medicine. In particular, the system under the PMDA (Pharmaceuticals and Medical Devices) Act, which grants conditional and time-limited approval for regenerative medicine products whose safety is confirmed and effectiveness is presumed, encourages early practical application. Guidance released by the Ministry of Health, Labour and Welfare in March 2024 clarified the operational standards for this approval system, which is expected to provide new treatment opportunities to patients even sooner. According to a report by the Ministry of Economy, Trade and Industry, the global market for the regenerative medicine industry is predicted to reach approximately 17 trillion yen by 2030, making it a field where extremely significant growth is expected. In this growth market, the Group aims to maximize corporate value by prioritizing the investment of management resources into the development of an innovative pipeline of regenerative medicine products to meet unmet medical needs.

The Group will achieve sustainable growth by making the Research Support Business, which is its short-to-medium-term revenue base, and the Medical Business, which is its medium-to-long-term growth driver, the two wheels of its operations.

As a result, for the current first quarter consolidated cumulative period, the Group recorded Net Sales of 475 million yen (down 23.2% year-on-year), an Operating Loss of 291 million yen (compared to a loss of 115 million yen in the same period last year), an Ordinary Loss of 301 million yen (compared to a loss of 74 million yen in the same period last year), and a Quarterly Net Loss attributable to owners of parent of 304 million yen (compared to a loss of 75 million yen in the same period last year).

The operating results by segment are as follows.

a. Research Support Business

In the Research Support Business, the Group provides research products such as research reagents and cells, and contract services such as iPS cell production and genome editing, to customers including universities, public research institutions, and laboratories of pharmaceutical companies. Through products and services that consolidate cutting-edge technology, the Group supports the development of breakthrough new drugs and therapies.

In recent years, the pharmaceutical industry has seen an accelerated shift "from animal testing to human cell testing" due to issues

such as animal welfare and differences in results between humans and animal species. This trend is expected to significantly shorten the drug development process and enable the development of more effective new drugs. Human iPS cells, in particular, are attracting attention as a central element of this shift. For example, the use of iPS cells derived from patients with Alzheimer's disease is expected to accelerate the elucidation of pathologies and the development of new drugs.

The Group possesses world-leading technical platforms related to human iPS cells, such as RNA reprogramming technology, genome editing technology, and differentiation induction technology into various types of cells. Furthermore, the Group has built an extensive network to procure cancer cells and human tissues from medical institutions. By integrating these into its "Human Cell Business Platform," the Group is developing businesses that anticipate the transition "from animal testing to human cell testing." Specifically, the Group provides research reagent products, disease model cell production services using iPS cells, banking and provision of human biological samples, and drug efficacy and pharmacological testing services for new drugs using human tissues.

Leveraging these technical strengths, in April 2025, we developed and launched the "StemEdit™ Human iPSC non-HLA" series, an HLA-knockout iPS cell line that significantly reduces the risk of immune rejection in regenerative medicine. This product will accelerate research and development of "universal donor cells," which address immune rejection—a major challenge in cell transplant medicine using allogeneic iPS cells.

In addition to in-house developed products, the Group is actively engaged in the introduction and agency sales of third-party products. The Group handles a variety of research equipment, such as electrophysiological cell measurement equipment from Nanion Technologies (Germany), microbial testing equipment from Interscience (France), and live imaging systems from InnoMe (Germany). By combining this equipment with the Group's cells and reagents, the Group provides comprehensive solutions to its customers.

The Group will continue to actively expand the portfolio of its Research Support Business and strengthen its stable revenue base by supporting the efficiency of new drug development and the progress of innovative therapies.

As a result, for the current first quarter consolidated cumulative period, Net Sales were 438 million yen (down 17.6% year-on-year), and the Segment Loss was 26 million yen (compared to a profit of 115 million yen in the same period last year).

b. Medical Business

In the field of regenerative medicine, research aiming for the clinical application of human somatic stem cells and human iPS cells is being vigorously pursued worldwide, and regenerative medicine products are expected to grow into a massive global industry in the future. In particular, iPS cells, which possess infinite proliferative capacity and pluripotency, hold the potential to become breakthrough treatments for intractable diseases for which no effective therapies currently exist; consequently, there are high expectations for their clinical application. While the primary challenge in the clinical application of iPS cells is ensuring safety, the Group has developed and possesses RNA reprogramming technology capable of creating high-quality iPS cells optimized for clinical use. Leveraging this technical advantage, we are aggressively promoting the following businesses to realize the early clinical application of iPS cells and other technologies.

The Medical Business promotes the following activities:

(a) Somatic Stem Cell Product: Stemchymal

Stemchymal is an adipose-derived mesenchymal stem cell product developed by Steminent Biotherapeutics Inc. (hereinafter referred to as "Steminent") in Taiwan. The Company has entered into an exclusive commercial license agreement for spinocerebellar ataxia in Japan, and related patents have also been granted in Japan.

Spinocerebellar ataxia is a rare disease of unknown cause that leads to ataxia, such as gait and swallowing disorders, due to the degeneration of nerve cells in the cerebellum, brainstem, and spinal cord. Stemchymal is expected to have an inhibitory effect on symptom progression and is a treatment with low invasiveness for patients as it is administered via intravenous infusion.

In the Phase II clinical trial conducted in Japan (started in February 2020 and completed in May 2022), no serious adverse events were observed in any subjects, and safety was confirmed. Regarding efficacy, a trend was confirmed in the primary endpoint, the SARA score*, where the increase in the score for the active drug group was suppressed compared to the natural history. Furthermore, in a subgroup with a baseline (pre-administration) score of 11 or higher, the change in score from baseline to week 52 showed a statistically significant improvement in the active drug group compared to the placebo group (P-value = 0.042).

Additionally, in the Phase II clinical trial conducted by Steminent in Taiwan, there were no safety issues, and improvements and progression-inhibiting effects in the SARA score were confirmed, supporting the results of the trial in Japan. Furthermore, in a clinical trial involving one patient conducted in the United States, long-term improvement in the SARA score was observed over approximately one and a half years.

In November 2024, Steminent received accreditation from the Minister of Health, Labour and Welfare as a foreign manufacturer of regenerative medicine products, fulfilling one of the requirements for the Company to obtain manufacturing and marketing approval in Japan.

This product was designated as a regenerative medicine product for orphan diseases in December 2018 and is eligible for support measures such as development cost subsidies (up to 50%), preferential tax treatment, and priority review. Leveraging these results and the benefits of the designation, the Group is proceeding with preparations for the manufacturing and marketing approval application to deliver a new treatment option as soon as possible to patients suffering from spinocerebellar ataxia.

* SARA score: An index widely used to evaluate the symptoms of spinocerebellar ataxia. It comprehensively quantifies gait, stance, speech, finger movements, etc., as a numerical value (0 to 40 points). The score increases as symptoms worsen.

(b) iPS Nerve Glial Cell Products

The Group is conducting research and development of iPS nerve glial cells produced from iPS cells as regenerative medicine products for various neurodegenerative diseases. Non-clinical trials (animal testing) are currently underway.
In experiments using ALS model rats (rats that reproduce the pathology of ALS), the group administered with iPS nerve glial cells showed a significant suppression of motor function decline compared to the non-administered group. It has also been confirmed that the administered iPS nerve glial cells engrafted long-term in the rats' bodies and are activating motor neurons.
Based on these promising non-clinical data, the Group will accelerate preparations for the early start of clinical trials targeting ALS.

(c) Tumor-Infiltrating Lymphocyte Infusion Therapy (TIL Therapy)

TIL therapy is a type of adoptive immunotherapy in which tumor-infiltrating lymphocytes (TIL) are collected from the patient's own cancer tissue, cultured in large quantities outside the body, and then re-administered to the patient. Since the 1980s, it has been primarily conducted in the United States for advanced malignant melanoma, with reports of high therapeutic efficacy: the response rate is approximately 70%, the complete response rate is approximately 20%, and it is known that many complete response cases do not recur. In February 2024, TIL therapy for metastatic melanoma was approved by the U.S. FDA as the first cellular immunotherapy for solid tumors (drug price: $515,000).

In June 2023, the Company entered into a joint research agreement with the Department of Obstetrics and Gynecology, Keio University School of Medicine, regarding the technology transfer of the TIL manufacturing method for "Advanced Medical Care B (Phase II clinical trial of short-term cultured anti-tumor lymphocyte infusion therapy using non-myeloablative pretreatment and low-dose IL-2 for advanced cervical cancer)," and the technology transfer has been completed. Because TIL therapy requires sophisticated culture techniques, the number of facilities worldwide capable of implementing it is limited.

In November 2024, this advanced medical treatment was resumed at Keio University, and the administration to a second patient using TIL manufactured by the Company was performed. It is scheduled to be conducted for a total of 10 patients by 2026.
Parallel to the contract manufacturing of TIL for this clinical trial, the Group is positioning TIL therapy as one of the pillars of its regenerative medicine product pipeline and is promoting its commercialization. In October 2024, the Group entered into a new joint research agreement with the Department of Obstetrics and Gynecology, Keio University School of Medicine, regarding a new cultivation method for TIL, aiming to strengthen its technological foundation.

(d) Glypican-1 Chimeric Antigen Receptor T-cell Therapy (GPC-1 CAR-T Therapy)

Chimeric Antigen Receptor T-cell therapy (CAR-T therapy) is an immune cell therapy in which a patient's own T cells (immune cells) are genetically modified to recognize and attack specific cancer antigens before being returned to the patient. It has already been put into practical use for blood cancers, and research and development toward its application to solid tumors are being vigorously pursued worldwide.

In this project, the Group is conducting research and development for GPC-1 CAR-T cell therapy, which targets a cancer antigen

called Glypican-1 (GPC-1). GPC-1 is rarely expressed in normal adult tissues but is specifically and highly expressed in various solid tumors, such as esophageal cancer, cervical cancer, squamous cell lung cancer, and pancreatic cancer. Therefore, CAR-T therapy targeting GPC-1 is expected to be a promising treatment for these refractory solid tumors.

In December 2024, this research and development project was selected for the "Project for Developing Fundamental Technologies for the Industrialization of Regenerative Medicine and Gene Therapy," a public solicitation project by the Japan Agency for Medical Research and Development (AMED). In February 2025, to promote this project, the Group entered into contract agreements with the Department of Early Medical Development, Graduate School of Medicine, Kyoto University, and the Department of Immunology, School of Medicine, International University of Health and Welfare.

Moving forward, the Group aims to start early clinical trials by proceeding with non-clinical trials in compliance with pharmaceutical regulations and establishing quality and manufacturing methods, in order to provide new treatment options for solid tumors with high unmet medical needs. Related to this project, the Group has also entered into a preferential negotiation rights agreement regarding an exclusive non-transferable license for basic patents with Keio University and Iwate Medical University.

(e) Contract Manufacturing Business for iPS Cell-derived Regenerative Medicine Products

Research and development of regenerative medicine using iPS cells is actively progressing worldwide for conditions such as age-related macular degeneration, Parkinson’s disease, ischemic cardiomyopathy, and spinal cord injury. Extremely high safety and quality are required for iPS cells used in regenerative medicine, and compliance with the regulatory guidelines of each country is essential.

"The Group has developed and possesses cutting-edge RNA reprogramming technology that minimizes the risk of genetic mutations and the risk of residual exogenous genes or viruses, enabling the safe and high-quality production of iPS cells optimal for clinical application.
The Group's products are broadly classified into ""clinical-grade iPS cells"" for pharmaceutical companies and ""Personal iPS"" for individuals. "

In the "clinical-grade iPS cells" segment, the Group provides manufactured iPS cells to pharmaceutical companies as starting materials for regenerative medicine products under a GMP (Good Manufacturing Practice) compliant manufacturing system. The Group's iPS cells comply with pharmaceutical regulations in Japan, the U.S., and Europe, and their strength lies in their broad availability in each region. Furthermore, the Group has established a system that can consistently provide services from iPS cell production to differentiation induction and the manufacturing of regenerative medicine products, offering the entire process—from securing donor cells to the production of final products—as a contract manufacturing service.

While we have historically operated the "Tonomachi REPROCELL Regenerative Medicine Center" (Specified Cell Processing Facility Grant Number: FA3200006) within the Life Innovation Center in Kanagawa Prefecture, we opened a new GMP-compliant cell processing facility at REPROCELL USA in May 2024 in anticipation of future demand growth. With this dual-base system in Japan and the U.S., we will expand our contract manufacturing business for regenerative medicine products globally.

In October 2022, the Group entered into a memorandum of understanding regarding the Industry Alliance Program with the California Institute for Regenerative Medicine (CIRM), the world's largest regenerative medicine support organization, and provides the Group's clinical-grade iPS cells to numerous regenerative medicine projects promoted by CIRM. Additionally, in February 2025, Gameto Inc. (USA), to which the Group supplies "StemRNA™ Clinical iPSC Seed Clones," obtained IND (Investigational New Drug) clearance for a Phase III clinical trial from the U.S. Food and Drug Administration (FDA) for "Fertilo," an in vitro maturation technology for oocytes using said iPS cells. This is a landmark achievement as it is expected to be the first treatment using the Group's iPS cells to proceed to clinical trials in the United States, once again demonstrating the high safety and quality of the Group's cells.

"In July 2024, the Group launched the sale of iPS cell-derived exosomes and entered into a master agency agreement with JTB Corp. (hereinafter ""JTB""). Exosomes are granular substances with a diameter of 50–150 nm that play a role in intercellular communication and are attracting attention as next-generation medical tools. The Group's exosomes are derived from iPS cells produced using a virus-free mRNA method (eliminating the risk of exogenous virus contamination) and are manufactured at GMP-compliant facilities. The Group will leverage JTB's global network to expand sales.

""Personal iPS"" is a service that creates and stores an individual's iPS cells in preparation for future illness. By preparing personal iPS cells in advance, a reduction in treatment time and minimization of the risk of immune rejection can be expected. The Group is expanding sales to domestic and visiting foreigners through the opening of a store on ""Kanden Kurashi Mall"" operated by Kansai Electric Power Co., Inc. and through collaboration with JTB."

(f) Clinical Testing Contract Services

"Since registering as a clinical laboratory in 2005, the Group has conducted clinical tests such as HLA typing and anti-HLA antibody testing related to organ transplantation and has a track record of transactions with more than 300 medical institutions nationwide.

In April 2023, the Group launched ""Well-Mill,"" a mail-in testing service that allows individuals to easily check their health status at home. Biomarkers useful for daily health management, such as ""stress,"" ""menopause,"" ""fertility,"" ""male hormones,"" and ""female hormones,"" can be measured. In March 2024, in addition to conventional blood tests, new testing items using saliva were added, expanding self-care options. The Group will continue to actively add new testing items and services to expand the business. "

For pharmaceutical companies, the Group provides contract testing services for clinical trials. The Group has research facilities in four locations—Japan, the U.S., the UK, and India—and has established a system capable of handling global-scale clinical trials. This allows the Group to provide high-quality testing services that support the development of new drugs by pharmaceutical companies, earning international trust.

Furthermore, the Group is moving forward with initiatives for personalized medicine. REPROCELL Europe Ltd. of the Group successfully developed "Pharmacology-AI," a machine learning platform specialized for personalized medicine, in collaboration with IBM Research and the STFC Hartree Centre in the UK. This platform enables big data analysis in drug development and the data analysis required for personalized medicine. Moving forward, the Group will create new businesses using Pharmacology-AI and strengthen its promotion of personalized medicine and support for pharmaceutical companies.

As a result, net sales were 37 million yen (a 57.3% decrease year-on-year), and the segment loss was 58 million yen (compared to a loss of 13 million yen in the same quarter of the previous year).

Note that corporate expenses, such as administrative costs that are not allocated to any specific business segment, amounted to 217 million yen (compared to 176 million yen in the same quarter of the previous year).

（２）Explanation of Financial Position

（Assets）

Current assets at the end of the first quarter of the consolidated fiscal year under review increased by 579 million yen compared to the end of the previous consolidated fiscal year, totaling 5,475 million yen. This was primarily due to an increase of 902 million yen in securities, which offset a decrease of 123 million yen in cash and deposits. Non-current assets decreased by 999 million yen compared to the end of the previous consolidated fiscal year, totaling 3,774 million yen. This was mainly attributable to a decrease of 992 million yen in investment securities.

（Liabilities）

Current liabilities at the end of the first quarter of the consolidated fiscal year under review decreased by 89 million yen compared to the end of the previous consolidated fiscal year, totaling 551 million yen. This was primarily due to an increase of 18 million yen in advances received, which was offset by decreases of 28 million yen in accounts payable, 12 million yen in income taxes payable, 14 million yen in contract liabilities, and 38 million yen in other current liabilities. Non-current liabilities decreased by 5 million yen compared to the end of the previous consolidated fiscal year, totaling 39 million yen. This was mainly due to a decrease of 5 million yen in deferred tax liabilities.

（Net Assets）

Net assets at the end of the first quarter of the consolidated fiscal year under review decreased by 325 million yen compared to the end of the previous consolidated fiscal year, totaling 8,659 million yen. This was primarily due to decreases of 304 million yen in retained earnings, 4 million yen in valuation difference on available-for-sale securities, and 16 million yen in foreign currency translation adjustment.

（３）Explanation of Consolidated Earnings Forecast and Other Forward-looking Information

Regarding the full-year consolidated performance forecasts for the fiscal year ending March 31, 2026, there are no changes to the forecasts announced on May 14, 2025.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	2,823,367	2,699,991
Accounts receivable - trade	463,933	283,299
Securities	1,118,245	2,020,595
Merchandise and finished goods	132,991	138,809
Work in process	61,118	65,143
Raw materials and supplies	76,248	70,276
Other	220,821	198,054
Allowance for doubtful accounts	(283)	(283)
Total current assets	4,896,441	5,475,886
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	27,411	26,229
Machinery, equipment and vehicles, net	142,176	136,685
Tools, furniture and fixtures, net	72,124	81,651
Total property, plant and equipment	241,713	244,566
Intangible assets		
Goodwill	8,139	9,032
Other	18,699	16,051
Total intangible assets	26,838	25,084
Investments and other assets		
Investment securities	4,403,537	3,411,413
Deferred tax assets	55,322	53,579
Other	55,539	48,742
Allowance for doubtful accounts	(8,637)	(8,466)
Total investments and other assets	4,505,762	3,505,268
Total non-current assets	4,774,314	3,774,919
Total assets	9,670,755	9,250,806

(Thousands of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	131,109	102,264
Accounts payable - other	101,159	93,067
Income taxes payable	24,796	12,256
Contract liabilities	42,437	28,099
Advances received	113,602	132,190
Provision for bonuses	11,080	5,112
Other	216,399	178,323
Total current liabilities	640,585	551,313
Non-current liabilities		
Deferred tax liabilities	35,206	29,775
Asset retirement obligations	9,081	9,092
Other	935	1,063
Total non-current liabilities	45,223	39,932
Total liabilities	685,808	591,246
Net assets		
Shareholders' equity		
Share capital	2,688,926	2,688,926
Capital surplus	6,244,884	6,244,884
Retained earnings	58,294	(246,027)
Treasury shares	(916)	(916)
Total shareholders' equity	8,991,188	8,686,867
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(13,677)	(18,387)
Foreign currency translation adjustment	7,435	(8,919)
Total accumulated other comprehensive income	(6,242)	(27,307)
Total net assets	8,984,946	8,659,560
Total liabilities and net assets	9,670,755	9,250,806

（２）Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

（Quarterly Consolidated Statement of Income）

(Thousands of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales		
Net sales of finished goods	351,600	283,128
Service revenue	268,209	192,717
Total net sales	619,809	475,845
Cost of sales		
Cost of finished goods sold	189,077	176,523
Cost of service operations	102,740	104,827
Total cost of sales	291,818	281,351
Gross profit	327,991	194,494
Selling, general and administrative expenses		
Research and development expenses	114,907	162,401
Other Selling, general and administrative expenses	328,877	323,159
Total selling, general and administrative expenses	443,784	485,560
Operating loss	(115,793)	(291,066)
Non-operating income		
Interest income	10,644	16,892
Foreign exchange gains	27,010	—
Other	4,985	450
Total non-operating income	42,640	17,343
Non-operating expenses		
Share of loss of entities accounted for using equity method	1,351	23,470
Foreign exchange losses	—	4,102
Other	275	570
Total non-operating expenses	1,627	28,143
Ordinary loss	(74,780)	(301,866)
Loss before income taxes	(74,780)	(301,866)
Income taxes - current	480	2,455
Total income taxes	480	2,455
Loss	(75,261)	(304,321)
Loss attributable to owners of parent	(75,261)	(304,321)

(Quarterly Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Loss	(75,261)	(304,321)
Other comprehensive income		
Valuation difference on available-for-sale securities	31,376	(18,285)
Foreign currency translation adjustment	35,042	(16,355)
Share of other comprehensive income of entities accounted for using equity method	(13,814)	13,576
Total other comprehensive income	52,604	(21,064)
Comprehensive income	(22,656)	(325,386)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(22,656)	(325,386)

（３）Notes to Quarterly Consolidated Financial Statements

（Notes on Going Concern Assumption）

Not applicable.

（Notes on Significant Changes in the Amount of Shareholders' Equity）

Not applicable.

（Changes in Accounting Policies）

Not applicable.

（Notes to Quarterly Consolidated Statement of Cash Flows）

The Quarterly Consolidated Statement of Cash Flows for the first quarter of the consolidated fiscal year under review has not been prepared. Depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill for the first quarter of the consolidated fiscal year under review are as follows:

(Thousands of yen)

	Previous First Quarter (Cumulative) (From April 1, 2024 to June 30, 2024)	Current First Quarter (Cumulative) (From April 1, 2025 to June 30, 2025)
Depreciation	13,614	15,891
Amortization of goodwill	678	678

(Segment Information, etc.)

【Segment Information】

Ⅰ Previous First Quarter (Cumulative) (From April 1, 2024 to June 30, 2024)

1. Information on net sales and income or loss amounts by reportable segment and disaggregation of revenue

(Thousands of yen)

	Reportable segments			Reconciling items	Per quarterly consolidated financial statements
	Research Support Business	Medical Business	Reportable segments		
Sales					
Japan	73,565	85,066	158,631	—	158,631
United States	260,522	2,393	262,916	—	262,916
United Kingdom	184,913	—	184,913	—	184,913
India	13,347	—	13,347	—	13,347
Revenue from Contracts with Customers	532,349	87,459	619,809	—	619,809
Revenues from external customers	532,349	87,459	619,809	—	619,809
Transactions with other segments	—	—	—	—	—
Net sales	532,349	87,459	619,809	—	619,809
Segment profit (loss)	115,226	(13,038)	102,188	(176,968)	(74,780)

(Notes)

1 The reconciling item for segment profit or loss of (176,968) thousand yen consists mainly of corporate expenses, such as general and administrative expenses, that are not attributable to any reportable segment.

2 Segment profit or loss is reconciled with ordinary loss in the quarterly consolidated statement of income.

2. Information on impairment loss on non-current assets or goodwill, etc., for each reportable segment

Not applicable.

Ⅱ Current First Quarter (Cumulative) (From April 1, 2025 to June 30, 2025)

1. Information on net sales and income or loss amounts by reportable segment and disaggregation of revenue

(Thousands of yen)

	Reportable segments			Reconciling items	Per quarterly consolidated financial statements
	Research Support Business	Medical Business	Reportable segments		
Sales					
Japan	55,214	35,107	90,321	—	90,321
United States	210,393	2,218	212,612	—	212,612
United Kingdom	157,404	—	157,404	—	157,404
India	15,507	—	15,507	—	15,507
Revenue from Contracts with Customers	438,519	37,326	475,845	—	475,845
Revenues from external customers	438,519	37,326	475,845	—	475,845
Transactions with other segments	—	—	—	—	—
Net sales	438,519	37,326	475,845	—	475,845
Segment profit (loss)	(26,209)	(58,178)	(84,387)	(217,479)	(301,866)

(Notes)

1 The reconciling item for segment profit or loss of (217,479) thousand yen consists mainly of corporate expenses, such as general and administrative expenses, that are not attributable to any reportable segment.

2 Segment profit or loss is reconciled with ordinary loss in the quarterly consolidated statement of income.

2. Information on impairment loss on non-current assets or goodwill, etc., for each reportable segment

Not applicable.

(Significant Subsequent Events)

Not applicable.

3. Others

Important Events, etc. Regarding Going Concern Assumption

The Group has been continuously incurring operating losses because research and development and clinical trial expenses for iPS cells and regenerative medicine products, etc., occur ahead of revenue. Therefore, events or conditions exist that may cast significant doubt on the going concern assumption.

However, the Group's balance of cash and deposits at the end of the current first quarter consolidated accounting period was 2,699 million yen, and there were 2,020 million yen in securities used for short-term fund management; thus, the financial foundation is stable. To resolve this situation, the Group is actively conducting sales promotion utilizing its global sales base.

To improve the operational efficiency of the Group's management system, the Group aims for early profitability by minimizing investment and running costs while developing sales and marketing strategies tailored to regional characteristics and promoting cooperation among group companies in both sales and technical aspects.