Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)

November 13, 2025

Company name	REPROCELL Inc.		Stock exchange listings: Tokyo Growth
Securities code	4978	URL https://www.reprocell.com	
Representative	(Title) Representative Director and President	(Name) Chikafumi Yokoyama	
Inquiries	(Title) GM of Corporate Management Dept.	(Name) Koji Yamane	Tel 045-475-3887
Semi-annual statement filing date (as planned)	November 13, 2025	Dividend payable date (as planned)	—
Supplemental material of results :	None		
Convening briefing of results :	Yes	(For Institutional Investors and Analysts)	

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

1. Consolidated financial results for the six months ended September 30, 2025 (from April 1, 2025 to September 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	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	974	(26.2)	(546)	—	(483)	—	(486)	—
September 30, 2024	1,320	15.1	(149)	—	(103)	—	(104)	—

Note:Comprehensive income For the six months ended September 30, 2025 (309) Millions of yen (—%) For the six months ended September 30, 2024 (249) Millions of yen (—%)

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	(5.14)	—
September 30, 2024	(1.14)	—

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2025	9,363	8,675	92.7	91.62
March 31, 2025	9,670	8,984	92.9	94.89

Reference:Owner's equity As of September 30, 2025 8,675 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	—	0.00			
Fiscal year ending March 31, 2026 (Forecast)			—	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 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
Fiscal year ending	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
March 31, 2026	3,037	2.0	(268)	―	(75)	―	(75)	―	(0.79)

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

* Notes

(1) Significant changes in the scope of consolidation during the period : Yes

Excluded: 1 company (Company name)Cell Innovation Partners, L.P.

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements : No

(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

(ii) Changes in accounting policies due to other reasons : Yes

(iii) Changes in accounting estimates : No

(iv) Restatement : No

(4) Number of issued shares (common shares)

① Number of issued and outstanding shares at the period end (including treasury stock)	As of September 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 September 30, 2025	117,256 shares	As of March 31, 2025	117,256 shares
③ Average number of shares	Six months ended September 30, 2025	94,685,635 shares	Six months ended September 30, 2024	91,381,433 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 special matters

(Cautionary Statement with Respect to Forward-Looking Statements)

Forward-looking statements, such as earnings forecasts, contained in this document are based on information currently available to the Company and certain assumptions deemed reasonable. Actual results and other outcomes may differ significantly due to various factors. For the assumptions underlying the earnings forecasts and precautionary notes regarding the use of such forecasts, please refer to "(3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Information" on page 6 of the dynamic attachment.

(How to Obtain the Details of the Financial Results Briefing) The Company plans to hold a briefing for institutional investors and analysts on Monday, December 8, 2025. The materials to be distributed at this briefing are scheduled to be posted on the Company's website promptly after the event.

○Table of Contents for Attached Materials

1. Qualitative Information on the Interim Financial Results

Forward-looking statements contained in this text are based on judgments made as of the end of the current interim consolidated fiscal 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, the operating results for the current interim consolidated fiscal period were as follows: Net sales of 974 million yen (a 26.2% decrease year-on-year), operating loss of 546 million yen (a loss of 149 million yen in the same period of the previous year), ordinary loss of 483 million yen (a loss of 103 million yen in the same period of the previous year), and interim net loss attributable to owners of the parent of 486 million yen (a loss of 104 million yen in the same period of the previous 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.

Moving forward, we will continue to actively expand the portfolio of the Research Support Business and support the efficiency of drug development and the advancement of innovative therapies, thereby strengthening our stable revenue base.

As a result, net sales were 887 million yen (a 22.4% decrease year-on-year), and segment loss was 22 million yen (a profit of 267 million yen in the same period of the previous 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. Furthermore, the Group has completed the registration of these clinical-grade iPS cells with the FDA's Drug Master File (DMF). This simplifies the procedures for companies using the Group's clinical-grade iPS cells when applying for approval in the United States, significantly improving convenience for customers.

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.

As a new service related to personalized cancer medicine, the Group has also launched the "Neoantigen Detection Service," which analyzes the genetic information of each patient's cancer tissue to identify neoantigens, which are unique markers.

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 specific initiative, the Group opened "ReproRegistry," a medical volunteer registration system based in the UK. This system works in conjunction with Pharmacology-AI to identify the most suitable subjects for clinical trials with high precision and will serve as the core platform for the Group's next-generation clinical trial support business.

As a result, net sales were 86 million yen (a 50.8% decrease year-on-year), and segment loss was 119 million yen (a profit of 7 million yen in the same period of the previous year).

Corporate expenses not allocated to each business segment, such as administrative department expenses, amounted to 341 million yen (377 million yen in the same period of the previous year).

（２） Explanation of Financial Position

① Status of Assets, Liabilities, and Net Assets

（Assets）

Current assets at the end of the current interim consolidated fiscal period increased by 1,656 million yen compared to the end

of the previous consolidated fiscal year, reaching 6,552 million yen. This was primarily due to an increase of 1,997 million yen in securities, which was partially offset by a decrease of 188 million yen in cash and deposits and a decrease of 134 million yen in accounts receivable - trade. Non-current assets decreased by 1,963 million yen compared to the end of the previous consolidated fiscal year, totaling 2,810 million yen. This was mainly due to a decrease of 1,949 million yen in investment securities.

（Liabilities）

Current liabilities at the end of the current interim consolidated fiscal period decreased by 48 million yen compared to the end of the previous consolidated fiscal year, totaling 591 million yen. This was primarily due to an increase of 17 million yen in accounts payable - trade and an increase of 28 million yen in advances received, which were offset by a decrease of 25 million yen in accounts payable - other, a decrease of 16 million yen in contract liabilities, and a decrease of 50 million yen in other items. Non-current liabilities increased by 51 million yen compared to the end of the previous consolidated fiscal year, reaching 96 million yen. This was mainly due to an increase of 51 million yen in deferred tax liabilities.

（Net Assets）

Net assets at the end of the current interim consolidated fiscal period decreased by 309 million yen compared to the end of the previous consolidated fiscal year, totaling 8,675 million yen. This was primarily due to a decrease of 486 million yen in retained earnings, which was partially offset by an increase of 176 million yen in valuation difference on available-for-sale securities.

② Status of Cash Flows

Cash and cash equivalents (hereinafter "funds") at the end of the current interim consolidated fiscal period decreased by 188 million yen compared to the end of the previous consolidated fiscal year, totaling 2,635 million yen. The status of each cash flow and its respective factors for the current interim consolidated fiscal period are as follows:

（Cash Flows from Operating Activities）

Funds used in operating activities during the current interim consolidated fiscal period amounted to 342 million yen (compared to 131 million yen used in the same period of the previous year). This was primarily due to cash inflows of 134 million yen from a decrease in trade receivables and 16 million yen from an increase in trade payables, which were offset by an interim loss before income taxes of 483 million yen and cash outflows of 32 million yen from an increase in inventories.

（Cash Flows from Investing Activities）

Funds provided by investing activities during the current interim consolidated fiscal period amounted to 122 million yen (compared to 412 million yen used in the same period of the previous year). This was primarily due to proceeds from the redemption of securities of 100 million yen and proceeds from the redemption of investment securities of 56 million yen, while there were payments for the purchase of property, plant and equipment of 33 million yen.

（Cash Flows from Financing Activities）

There were no increases or decreases in funds from financing activities during the current interim consolidated fiscal period (compared to proceeds of 680 million yen in the same period of the previous year).

（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. Interim Consolidated Financial Statements and Primary Notes

(1) Interim Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	2,823,367	2,635,132
Accounts receivable - trade	463,933	329,291
Securities	1,118,245	3,115,987
Merchandise and finished goods	132,991	132,344
Work in process	61,118	84,725
Raw materials and supplies	76,248	87,207
Other	220,821	168,335
Allowance for doubtful accounts	(283)	(283)
Total current assets	4,896,441	6,552,740
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	27,411	25,721
Machinery, equipment and vehicles, net	142,176	133,412
Tools, furniture and fixtures, net	72,124	76,145
Construction in progress	—	9,297
Total property, plant and equipment	241,713	244,576
Intangible assets		
Goodwill	8,139	8,364
Other	18,699	14,937
Total intangible assets	26,838	23,302
Investments and other assets		
Investment securities	4,403,537	2,454,234
Deferred tax assets	55,322	55,085
Other	55,539	38,337
Allowance for doubtful accounts	(8,637)	(4,586)
Total investments and other assets	4,505,762	2,543,070
Total non-current assets	4,774,314	2,810,949
Total assets	9,670,755	9,363,689

(Thousands of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	131,109	148,238
Accounts payable - other	101,159	75,182
Income taxes payable	24,796	24,502
Contract liabilities	42,437	25,807
Advances received	113,602	142,482
Provision for bonuses	11,080	9,665
Other	216,399	166,034
Total current liabilities	640,585	591,914
Non-current liabilities		
Deferred tax liabilities	35,206	86,610
Asset retirement obligations	9,081	9,103
Other	935	588
Total non-current liabilities	45,223	96,302
Total liabilities	685,808	688,217
Net assets		
Shareholders' equity		
Share capital	2,688,926	2,688,926
Capital surplus	6,244,884	6,244,884
Retained earnings	58,294	(428,046)
Treasury shares	(916)	(916)
Total shareholders' equity	8,991,188	8,504,847
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(13,677)	162,992
Foreign currency translation adjustment	7,435	7,632
Total accumulated other comprehensive income	(6,242)	170,624
Total net assets	8,984,946	8,675,472
Total liabilities and net assets	9,670,755	9,363,689

（２）Interim Consolidated Statement of Income and Interim Consolidated Statement of Comprehensive Income

（Interim Consolidated Statement of Income）

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales		
Net sales of finished goods	734,409	549,788
Service revenue	586,004	424,277
Total net sales	1,320,413	974,065
Cost of sales		
Cost of finished goods sold	377,503	363,229
Cost of service operations	236,290	223,890
Total cost of sales	613,794	587,119
Gross profit	706,619	386,946
Selling, general and administrative expenses		
Research and development expenses	236,622	308,505
Other Selling, general and administrative expenses	619,173	625,071
Total selling, general and administrative expenses	855,795	933,577
Operating loss	(149,176)	(546,630)
Non-operating income		
Interest income	31,160	41,493
Subsidy income	14,611	—
Foreign exchange gains	—	45,008
Other	11,678	1,185
Total non-operating income	57,450	87,687
Non-operating expenses		
Share of loss of entities accounted for using equity method	3,735	23,470
Amortization of restricted stock compensation	4,104	—
Foreign exchange losses	2,937	—
Other	754	975
Total non-operating expenses	11,531	24,445
Ordinary loss	(103,257)	(483,389)
Loss before income taxes	(103,257)	(483,389)
Income taxes - current	962	2,952
Total income taxes	962	2,952
Loss	(104,219)	(486,341)
Interim net loss attributable to owners of parent (△)	(104,219)	(486,341)

（Interim Consolidated Statement of Comprehensive Income）

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Loss	(104,219)	(486,341)
Other comprehensive income		
Valuation difference on available-for-sale securities	(82,687)	163,094
Foreign currency translation adjustment	(27,323)	196
Share of other comprehensive income of entities accounted for using equity method	(35,016)	13,576
Total other comprehensive income	(145,027)	176,866
Comprehensive income	(249,246)	(309,474)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(249,246)	(309,474)

（３）Interim Consolidated Statement of Cash Flows

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Loss before income taxes	(103,257)	(483,389)
Amortization of goodwill	1,356	1,356
Depreciation	20,406	33,016
Share-based payment expenses	25,187	24,858
Increase (decrease) in allowance for doubtful accounts	(6,768)	(3,791)
Increase (decrease) in provision for bonuses	4,159	(1,728)
Interest income	(31,160)	(41,493)
Subsidy income	(14,611)	—
Share of loss (profit) of entities accounted for using equity method	3,735	23,470
Foreign exchange losses (gains)	22,707	(28,162)
Decrease (increase) in trade receivables	47,034	134,634
Decrease (increase) in inventories	(35,966)	(32,935)
Increase (decrease) in trade payables	(47,523)	16,143
Increase (decrease) in accounts payable - other	(7,829)	(26,301)
Increase (decrease) in other current liabilities	8,716	(16,629)
Other, net	(81,199)	(8,495)
Subtotal	(195,013)	(409,446)
Interest and dividends received	31,160	41,166
Subsidies received	34,609	29,950
Income taxes paid	(1,913)	(3,913)
Net cash provided by (used in) operating activities	(131,156)	(342,243)
Cash flows from investing activities		
Proceeds from redemption of securities	1,600,000	100,000
Purchase of investment securities	(2,000,450)	—
Proceeds from redemption of investment securities	—	56,162
Purchase of property, plant and equipment	(11,995)	(33,515)
Purchase of intangible assets	(279)	—
Proceeds from refund of leasehold and guarantee deposits	682	—
Net cash provided by (used in) investing activities	(412,042)	122,647
Cash flows from financing activities		
Proceeds from issuance of shares resulting from exercise of share acquisition rights	680,711	—
Net cash provided by (used in) financing activities	680,711	—
Effect of exchange rate change on cash and cash equivalents	(30,320)	31,360
Net increase (decrease) in cash and cash equivalents	107,191	(188,235)
Cash and cash equivalents at beginning of period	2,939,057	2,823,367
Cash and cash equivalents at end of period	3,046,249	2,635,132

（４）Notes to Interim Consolidated Financial Statements

（Notes on Going Concern Assumption）

Not applicable.

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

Not applicable.

（Changes in Scope of Consolidation or Scope of Application of Equity Method）

During the second quarter consolidated accounting period, Cell Innovation Partners, L.P., which was an associate accounted for using the equity method, was excluded from the scope of application of the equity method due to its liquidation.

（Changes in Accounting Policies）

Not applicable.

（Changes in Presentations）

（Related to Interim Consolidated Statement of Cash Flows）

"Loss (gain) on sale and retirement of non-current assets" under "Cash flows from operating activities," which was presented as a separate line item in the previous interim consolidated fiscal period, has been included in "Other" for the current interim consolidated fiscal period due to its decreased monetary materiality. To reflect this change in presentation, the interim consolidated financial statements for the previous interim consolidated fiscal period have been reclassified. As a result, 29 thousand yen, which was presented as "Loss (gain) on sale and retirement of non-current assets" under "Cash flows from operating activities" in the interim consolidated statement of cash flows for the previous interim consolidated fiscal period, has been reclassified as "Other."

（Notes on Segment Information, etc.）

【Segment Information】

Ⅰ Previous Interim Consolidated Fiscal Period (From April 1, 2024 to September 30, 2024)

１． Information on Net Sales and Profit or Loss by Reportable Segment and Disaggregation of Revenue

(Thousands of yen)

	Reportable segments			Reconciling items	Per semi-annual consolidated financial statements
	Research Support Business	Medical Business	Reportable segments		
Sales					
Japan	175,064	173,667	348,731	－	348,731
United States	535,488	2,347	537,836	－	537,836
United Kingdom	405,402	－	405,402	－	405,402
India	28,442	－	28,442	－	28,442
Revenue from Contracts with Customers	1,144,398	176,014	1,320,413	－	1,320,413
Revenues from external customers	1,144,398	176,014	1,320,413	－	1,320,413
Net sales	1,144,398	176,014	1,320,413	－	1,320,413
Ordinary profit (loss)	267,060	7,507	274,567	(377,824)	(103,257)

（Notes） １． The adjustment of (377,824) thousand yen for segment profit consists primarily of corporate expenses, such as general and administrative expenses, that are not attributable to any reportable segment.

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

２． Information on Impairment Loss of Non-current Assets or Goodwill, etc. by Reportable Segment

Not applicable.

Ⅱ Current Interim Consolidated Fiscal Period (From April 1, 2025 to September 30, 2025)

1. Information on Net Sales and Profit or Loss by Reportable Segment and Disaggregation of Revenue

(Thousands of yen)

	Reportable segments			Reconciling items	Per semi-annual consolidated financial statements
	Research Support Business	Medical Business	Reportable segments		
Sales					
Japan	116,546	84,383	200,930	—	200,930
United States	393,958	2,195	396,154	—	396,154
United Kingdom	340,341	—	340,341	—	340,341
India	36,640	—	36,640	—	36,640
Revenue from Contracts with Customers	887,486	86,579	974,065	—	974,065
Revenues from external customers	887,486	86,579	974,065	—	974,065
Net sales	887,486	86,579	974,065	—	974,065
Ordinary profit (loss)	(22,850)	(119,109)	(141,959)	(341,429)	(483,389)

(Notes) 1. The adjustment of (341,429) thousand yen for segment loss consists primarily of corporate expenses, such as general and administrative expenses, that are not attributable to any reportable segment.

2. Segment loss is reconciled with ordinary loss in the interim consolidated statement of income.

2. Information on Impairment Loss of Non-current Assets or Goodwill, etc. by 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 financial foundation remains stable, with a balance of cash and deposits of 2,635 million yen and securities held for short-term investment of 3,115 million yen as of the end of the current interim consolidated fiscal period. To resolve this situation, we are actively promoting sales by leveraging our global sales infrastructure. To improve the operational efficiency of the Group’s management system, we are striving for early profitability by minimizing investment and running costs while implementing sales and marketing strategies tailored to regional characteristics and promoting cross-company collaboration in both sales and technology.