



Notice Regarding the Execution of an Equity Program Agreement, the Filing of Shelf Registration Statements, and the Issuance of New Shares and Stock Acquisition Rights through Third-Party Allotment

May 27, 2026

REPROCELL Inc. (the "Company") announces that, based on a resolution by the Board of Directors on May 27, 2026, it has entered into an Equity Program Agreement (the "Equity Program Agreement") regarding the establishment of a shares and stock acquisition rights issuance program with CVI Investments, Inc. (the "Prospective Allottee"), which is managed by Heights Capital Management, Inc. ("HCM"), an institutional investor in the United States, and has filed shelf registration statements as of today. An outline of the program is provided below.

Furthermore, the Company announces that, at the Board of Directors meeting held on the same date, it resolved to issue new shares and the 17th Series of Stock Acquisition Rights of REPROCELL Inc. through a third-party allotment to the Prospective Allottee (the "First Third-Party Allotment"), as the first issuance under the shares and stock acquisition rights issuance program established pursuant to the Equity Program Agreement (the "Program").

I. Shares and Stock Acquisition Rights Issuance Program

1. Details of the Program

The Program enables the Company to issue up to a total of 11,728,000 common shares of the Company (hereinafter, the shares issued through the first to fourth issuances listed in the table below are individually or collectively referred to as the "Common Shares") and up to a total of 117,280 stock acquisition rights of the Company (number of underlying shares: up to 11,728,000 shares) (hereinafter, the stock acquisition rights issued through the first to fourth issuances (the 17th to 20th Stock Acquisition Rights) listed in the table below are individually or collectively referred to as the "Stock Acquisition Rights") through a third-party allotment to the Prospective Allottee, based on the Equity Program Agreement executed between the Company and the Prospective Allottee on May 27, 2026. Under the Program, the Company plans to allot the common shares and stock acquisition rights to the Prospective Allottee in four tranches in accordance with the following schedule and conditions.

	1st Issuance (17th Stock Acquisition Rights)	2nd Issuance (18th Stock Acquisition Rights)	3rd Issuance (19th Stock Acquisition Rights)	4th Issuance (20th Stock Acquisition Rights)
Number to Be Issued	Common shares of the Company: 2,932,000 shares Stock acquisition rights of the Company: 29,320 units (Underlying shares: 2,932,000 shares)	Common shares of the Company: up to 2,932,000 shares Stock acquisition rights of the Company: up to 29,320 units (Underlying shares: up to 2,932,000 shares)	Common shares of the Company: up to 2,932,000 shares Stock acquisition rights of the Company: up to 29,320 units (Underlying shares: up to 2,932,000 shares)	Common shares of the Company: up to 2,932,000 shares Stock acquisition rights of the Company: up to 29,320 units (Underlying shares: up to 2,932,000 shares)
		*Note: Regarding the number to be issued in the 2nd to 4th issuances: The number of common shares of the Company to be issued in the 2nd to 4th issuances is generally 2,932,000 shares each. However, if the		

		closing price of the Company's common shares on the Tokyo Stock Exchange on the trading day immediately preceding the resolution date for each issuance (the "Preceding Trading Day Closing Price") exceeds 222 yen, the number will be calculated by dividing 586,400,000 yen by the issue price per share of the Common Shares for that issuance (described below) (rounded down to the nearest 100 shares). The number of Stock Acquisition Rights to be issued in the 2nd to 4th issuances will be the number of common shares to be issued in the relevant issuance divided by 100 (the number of underlying shares will be the same as the number of common shares to be issued in the relevant issuance).		
Resolution Date	May 27, 2026	July 1, 2026 (Scheduled)	August 19, 2026 (Scheduled)	October 5, 2026 (Scheduled)
Scheduled Issuance Date	June 11, 2026	July 16, 2026 (Scheduled)	September 3, 2026 (Scheduled)	October 20, 2026 (Scheduled)
Issue Price / Exercise Price of Stock Acquisition Rights	The issue price per share of the Common Shares is scheduled to be an amount equivalent to 90% of the Preceding Trading Day Closing Price for each issuance. The issue price of the Stock Acquisition Rights is scheduled to be a fair value based on a valuation by an independent third-party institution, and the exercise price per share is scheduled to be an amount equivalent to 120% of the Preceding Trading Day Closing Price for each issuance. As stated in "II. Issuance of New Shares and Stock Acquisition Rights through Third-Party Allotment," the issue price of the Common Shares for the 1st issuance is 127 yen per share, the issue price of the Stock Acquisition Rights is 133 yen per unit, and the exercise price is 170 yen per share.			

Each allotment is subject to the fulfillment of the following conditions specified in the Equity Program Agreement (the "Issuance Conditions") as of the allotment date for each issuance. Therefore, if the Issuance Conditions are not met, some or all of the four allotments may not be executed. However, even if all the Issuance Conditions are not met, the Prospective Allottee may, at its discretion, waive all or part of such conditions, in which case the issuance may proceed.

- (1) The Company is not in material breach of its obligations under the Equity Program Agreement.
- (2) No court injunction or similar order has been issued against the common shares or the stock acquisition rights of the Company to be issued under the Equity Program Agreement.
- (3) During the 30 trading days prior to each scheduled resolution date, there are no three or more trading days where the average trading volume of the Company's common shares falls below 300,000 shares.
- (4) During the 30 trading days prior to each scheduled resolution date, there are no three or more trading days where the volume-weighted average price of the Company's common shares is 140 yen or less.
- (5) The Company's common shares are listed on the Tokyo Stock Exchange, and there is no risk of trading suspension or delisting.
- (6) No transaction causing a change of control of the Company has been announced by the Company or a third party.
- (7) No event of default specified in the Equity Program Agreement regarding the Company (e.g., delisting of shares issued by the Company) has occurred.
- (8) The Prospective Allottee does not possess any undisclosed material facts regarding the Company provided by the officers, etc., of the Company.
- (9) No event has occurred that would have a material adverse effect on the business of the Company Group or each allotment under the Equity Program Agreement.
- (10) A shelf registration statement and a supplement to the shelf registration statement have been filed and have become effective for each allotment under the Financial Instruments and Exchange Act.
- (11) Each allotment does not violate the rules, etc., of the Tokyo Stock Exchange.
- (12) A share lending agreement (the "Share Lending Agreement") has been executed between certain shareholders of the Company (the "Lenders") and the Prospective Allottee for lending

the Company's common shares (up to 500,000 shares), and the Lenders are not in material breach of their obligations under the agreement.

2. Purpose of Introducing the Program

The Company Group focuses on iPS cells as the core of its business and operates two segments: the "Research Support Business," which provides research products such as research reagents and cells, contract research services (such as contract iPS cell manufacturing), and cell measurement equipment to customers including universities, public research institutions, and pharmaceutical companies; and the "Medical Business," which engages in the research and development of regenerative medicine products, contract manufacturing of regenerative medicine products, and contract clinical testing services. Through these businesses, the Company Group aims to become a global market leader in the field of regenerative medicine.

Regarding the market environment surrounding the Company Group, the global market size of the regenerative medicine industry is expected to grow to approximately 17 trillion yen by 2030 (according to the "Final Report of the Study Group on the Commercialization and Industrialization of Regenerative Medicine" by the Ministry of Economy, Trade and Industry). In Japan, an environment that strongly supports early commercialization has been established, including a conditional and time-limited approval system under the Pharmaceuticals and Medical Devices Act (PMD Act). Under these circumstances, the Company Group aims to achieve sustainable and continuous corporate growth by combining the "Research Support Business," which is a pillar of short-to-medium-term earnings, and the "Medical Business," which drives medium-to-long-term growth.

In the "Medical Business," which is the core of medium-to-long-term growth, the Company is entering an important phase where past upfront investments are beginning to yield concrete results.

Regarding "Stemchymal" for the treatment of spinocerebellar ataxia, which was in-licensed from Steminent Biotherapeutics Inc. in Taiwan, a Phase II clinical trial conducted in Japan (administration started in February 2020 and completed in May 2022) confirmed its safety, with no serious adverse events observed in any subjects. In terms of efficacy, a trend toward suppressing the increase in the SARA score, the primary endpoint, was confirmed in the active drug group compared to the natural history. Furthermore, a Phase II clinical trial conducted by Steminent in Taiwan also showed no safety issues and confirmed the improvement and progression-suppressing effects on the SARA score, corroborating the results of the trial in Japan. Following the fulfillment of requirements, such as the certification of the partner Steminent as a Foreign Manufacturer of regenerative medicine products in November 2024 (please refer to the Company's disclosure dated November 11, 2024, titled "Notice Regarding Certification of Steminent as a Foreign Manufacturer of Regenerative Medicine Products"), the Company is proceeding with preparations to apply for marketing approval in Japan.

With respect to the iPS-derived neuroglial cell product, an experiment using ALS model rats (rats that reproduce the pathology of ALS) demonstrated that a decline in motor function was significantly suppressed in the group administered with iPS-derived neuroglial cells compared to the non-administered group. It has also been confirmed that the administered iPS-derived neuroglial cells engrafted within the rats' bodies for a long period and activated motor neurons. Based on these promising non-clinical data, the Company will accelerate preparations for the early initiation of clinical trials targeting ALS.

In the field of "cancer cellular immunotherapy for solid tumors," which the Company is strategically addressing as the next pillar of growth, the Company is also advancing the research and development of two regenerative medicine products: "Tumor-Infiltrating Lymphocyte (TIL) therapy" and "GPC-1 CAR-T therapy."

In Tumor-Infiltrating Lymphocyte (TIL) therapy, under Advanced Medical Care B for advanced cervical cancer conducted by Keio University, TILs manufactured by the Company have been administered to a second patient. Furthermore, the Company has entered into a new joint research agreement with Keio University regarding a novel culture method for TILs, aiming for early commercialization.

Regarding "GPC-1 CAR-T therapy" targeting intractable solid tumors, it was selected in December 2024 for the publicly offered project "Development of Core Technologies for Commercialization of Regenerative Medicine and Gene Therapy" by the Japan Agency for Medical Research and Development (AMED) (please refer to the Company's announcement dated December 10, 2024, titled "Notice Regarding Selection for AMED Publicly Offered Project 'Development of Core Technologies for Commercialization of Regenerative Medicine and Gene Therapy' (Project Name: Development of Novel GPC-1 CAR-T Therapy for GPC-1-Positive Recurrent and Intractable Solid Tumors)"). Currently, the Company has concluded outsourcing contracts with the Department of

Early Clinical Development at the Kyoto University Graduate School of Medicine and the Department of Immunology at the School of Medicine, International University of Health and Welfare, and is making preparations toward the early initiation of clinical trials targeting esophageal cancer.

In addition, in the contract manufacturing business for regenerative medicine products, the Company is accelerating its regenerative medicine business by launching the provision of the AI-designed genome editing system "StemEdit™" and MCB manufacturing services in 2026, establishing an end-to-end service system.

Under these circumstances, the Company will implement fundraising through the Program (the "Fundraising") to accelerate further improvement of corporate value. The primary purpose of the Fundraising is to secure funds to complete the ongoing TIL therapy project as planned (a funding shortfall of 871 million yen, calculated by subtracting the actual raised funds of 1,119 million yen from the scheduled allocation amount of 1,990 million yen for the introduction of a new pipeline and clinical trial expenses at the time of the previous issuance in December 2023), as well as to strongly promote the development of "GPC-1 CAR-T therapy" targeting intractable solid tumors as the next pipeline.

Furthermore, looking ahead to future business expansion, the Company will flexibly and promptly launch new projects and advance joint research in areas where synergies with the Company's technological foundation are expected, such as advanced cell (and cell-free) therapies utilizing "StemEdit™" and iPS cell exosome technology.

As for the target diseases of the new pipeline, the Company is focusing its review primarily on the rare disease field with a patient population of tens of thousands, and expects the cost of introduction and clinical trials per case to be around 1.0 to 2.0 billion yen. These continuous and flexible capital investments will serve as extremely crucial steps for building multiple pillars of earnings for the Company's future and dramatically enhancing medium-to-long-term corporate value.

Regarding the Company's financial position, it holds a total of approximately 6,507 million yen in cash and securities as of the end of March 2026, securing robust liquidity on hand and possessing a certain stable financial foundation. On the other hand, financial results for the current fiscal year were significantly impacted by stagnant budget execution by research institutions and other entities due to reductions in research-related budgets in the United States, which is the Company's primary market. As a result, net sales for the consolidated fiscal year ended March 31, 2026, were 2,233 million yen, operating loss was 860 million yen, and a net loss attributable to owners of parent of 591 million yen was recorded, meaning that the Company has not yet reached the stage of stably generating cash flows from operating activities.

Furthermore, recently, the situation remains unpredictable due to energy and material supply issues caused by the heightening tensions in the Middle East. However, even under the headwinds of such global political instability and macroeconomic environments, the Company believes that allowing research and development investment in next-generation mainstay pipelines to stagnate would significantly impair the Company's future growth opportunities.

Even while being affected by such fluctuations in the external environment, in order for the Company to achieve continuous corporate growth by its own will, it is necessary to balance securing flexible and prompt means of fundraising with consideration for existing shareholders. The Program is designed as a hybrid scheme to issue the Company's common shares and stock acquisition rights over a total of four tranches. The issuance of common shares allows the Company to reliably and promptly secure a certain amount of funds immediately required for research and development. At the same time, the Program is structured to enable the acquisition of additional growth capital corresponding to future business progress and the accompanying increase in corporate value by issuing premium stock acquisition rights with an exercise price set higher than the stock price level at the time of each issuance resolution date (120% of the closing price on the trading day immediately preceding each issuance resolution date). The level of 120% of the closing price on the trading day immediately preceding each issuance resolution date was determined after discussions with the Prospective Allottee, considering the optimal balance between protecting the interests of existing shareholders and ensuring the certainty of fundraising.

Based on the above scheme, the Company determined that it can achieve optimal fundraising that gives full consideration to the interests of existing shareholders by dispersing and suppressing excessive dilution of shares at any one time while maintaining a solid financial foundation, and has decided to introduce the Program. By flexibly, promptly, and intensively investing the funds obtained through this fundraising into each pipeline of the Medical Business, which is a growth driver, the Company will ensure early commercialization and monetization, leading to future profit generation and increased shareholder value. The Company believes that this fundraising will significantly enhance its medium-to-long-term corporate value and benefit all stakeholders.

3. Reasons for Selecting Fundraising Through the Program

The Company had been considering various fundraising methods to raise the funds described in "2. Purpose of Introducing the Program" above, when it received a proposal for the Fundraising from the Prospective Allottee. The Company selected the current fundraising method because the issuance of the Common Shares and Stock Acquisition Rights allows the Company to raise a certain amount of funds for its capital needs at the time of issuance, and the remaining necessary amount can be raised in a manner considerate of the stock price through the exercise of the Stock Acquisition Rights. In addition, upon comprehensively considering the points described in "(Characteristics of the Fundraising)" and "(Comparison with Other Fundraising Methods)" below, the Company determined that the fundraising method through the Fundraising is the optimal choice at this time that can address the Company's future capital needs while giving consideration to the interests of existing shareholders, and decided to adopt this method.

The Fundraising will result in a certain degree of dilution in the value of the Company's common shares. Regarding the Stock Acquisition Rights, as described below, a full ratchet mechanism proposed by the Prospective Allottee has been adopted for the exercise price adjustment clause. As described in "(Characteristics of the Fundraising) [Disadvantages]" below, the full ratchet mechanism has a disadvantage in that it may cause a dilution of the ownership interest of existing shareholders with a smaller amount of funds raised compared to the terms at the time of issuance. However, considering the necessity of the Fundraising described in "2. Purpose of Introducing the Program" above, the scheme of the Fundraising, including the exercise price adjustment clause based on the full ratchet mechanism, does not unreasonably disadvantage existing shareholders when viewed as a whole. Since the Fundraising is expected to enhance the Company's medium-to-long-term corporate value, the Company believes that it will ultimately lead to an improvement in the interests of existing shareholders.

(Characteristics of the Fundraising)

[Advantages]

- (1) The issuance of the Common Shares makes it possible to raise a certain amount of funds at the time of the issuance of the securities, allowing the Company to smoothly execute the business strategy described in "2. Purpose of Introducing the Program" above without delay.
- (2) By taking the form of an Equity Program Agreement, it is possible to mitigate the impact on the stock price compared to issuing all shares at once. In addition, since it increases the likelihood of issuing shares at a stock price that better factors in the Company's planned future business progress, it is expected to enhance the share value held by existing shareholders and is designed with greater consideration for the dilution of existing shareholders.
- (3) The issuance of the Stock Acquisition Rights allows for the expectation of future enhancement of shareholders' equity, while also allowing for the mitigation of the impact on the stock price since the exercise is expected to be carried out in stages.
- (4) The exercise price of the Stock Acquisition Rights is fixed at an amount equivalent to 120% of the closing price on the trading day immediately preceding the resolution date. Since a revision clause is not attached, it is assumed that the speed and certainty of fundraising will be lower; on the other hand, exercise at a higher level than the stock price level as of each issuance resolution date can be expected. Furthermore, if the Company newly issues stock acquisition rights or bonds with stock acquisition rights that entitle the holder to request delivery of the Company's common shares, and the initial exercise price, etc., of such stock acquisition rights falls below the exercise price of the Stock Acquisition Rights, the exercise price of the Stock Acquisition Rights will be adjusted downward to equal the exercise price or conversion price of the newly issued stock acquisition rights or bonds with stock acquisition rights, by applying the adjustment provisions attached to the Stock Acquisition Rights. However, downward adjustment will not be made in cases falling under certain exceptions stipulated in the terms of issuance of the Stock Acquisition Rights, such as the issuance of the Common Shares and the Stock Acquisition Rights for the 2nd to 4th issuances to the Prospective Allottee based on the Equity Program Agreement.
- (5) The number of the Company's common shares to be issued through the issuance of the Common Shares is fixed at a maximum of 11,728,000 shares (up to 2,932,000 shares per issuance), and the number of the Company's common shares subject to the Stock Acquisition Rights is fixed at a maximum of 11,728,000 shares (up to 2,932,000 shares for each issuance of the Stock Acquisition Rights). Regardless of stock price movements, the maximum number of shares to be delivered is limited, so the scale of dilution will not increase beyond the initial

- plan.
- (6) Both the funds raised through the Common Shares and the portion of the funds raised through the Stock Acquisition Rights resulting from exercise will be equity-based funds, thereby improving financial flexibility.

[Disadvantages]

- (1) As described in "1. Details of the Program" above, the issuance of the Common Shares and Stock Acquisition Rights is subject to the fulfillment of the Issuance Conditions. If these conditions are not met, a part of the fundraising through the issuance of the Common Shares and Stock Acquisition Rights may not be realized.
- (2) While immediate fundraising is possible for the Common Shares, for the Stock Acquisition Rights, due to the nature of stock acquisition rights, funds equivalent to the exercise price multiplied by the number of shares subject to exercise will be raised only when the stock acquisition rights holder exercises the rights. Therefore, the full scheduled amount will not be raised at the time of the initial issuance of the Stock Acquisition Rights, and there is uncertainty regarding the timing of fundraising.
- (3) Depending on the market environment, a certain period of time will be required to complete the exercise of the Stock Acquisition Rights. In addition, if the liquidity of the Company's shares decreases, it may take time to complete the exercise.
- (4) Since the Stock Acquisition Rights do not include an exercise price revision clause, if the stock price remains below the exercise price of the Stock Acquisition Rights, the exercise of the Stock Acquisition Rights by the Prospective Allottee cannot be expected, making it practically impossible to raise funds. In particular, the exercise price of the Stock Acquisition Rights is set and fixed at a higher price than the current stock price level, and since an increase in the stock price is necessary for the exercise to occur, the probability of exercise is relatively low.
- (5) Even if the stock price exceeds the exercise price of the Stock Acquisition Rights, the Prospective Allottee may not necessarily exercise the Stock Acquisition Rights, creating uncertainty regarding the timing of fundraising.
- (6) The exercise price adjustment clause for the Stock Acquisition Rights adopts a full ratchet mechanism. Under the exercise price adjustment clause attached to the Stock Acquisition Rights, the exercise price of the Stock Acquisition Rights will be adjusted downward to equal the amounts in i) to iii) below if the Company: i) newly issues new shares or disposes of treasury shares, where the paid-in amount for such issuance/disposal is lower than the exercise price of the Stock Acquisition Rights; ii) issues or grants stock acquisition rights or shares with put options, etc., where the consideration per common share of the Company upon the exercise or conversion of these (hereinafter referred to as the "Acquisition Price, etc.") is lower than the exercise price of the Stock Acquisition Rights; or iii) makes a downward revision to the Acquisition Price, etc., of stock acquisition rights or shares with put options, etc., where the Acquisition Price, etc., after the downward revision is lower than the exercise price of the Stock Acquisition Rights. As a result, even if the Company subsequently issues new shares, etc., under terms more favorable to other investors, the Prospective Allottee can always exercise the Stock Acquisition Rights at an exercise price adjusted based on those terms, which reduces the uncertainty of recovering their investment. On the other hand, if the Company raises funds in the future at an amount below the exercise price of the Stock Acquisition Rights, the exercise price of the Stock Acquisition Rights will be adjusted downward each time. Even if the Company's stock price subsequently rises, the exercise price of the Stock Acquisition Rights will not be adjusted upward, nor can the Company acquire the Stock Acquisition Rights at its discretion. As a result, there is a possibility that the ownership ratio of existing shareholders will be gradually diluted with a smaller amount of funds raised than the terms at the time of issuance.

(Comparison with Other Fundraising Methods)

- (1) Issuing all shares at once through a public offering, etc., allows for immediate fundraising, but it may also cause a significant impact on the stock price because dilution occurs all at once. In addition, since the participation rate of general investors is unclear, it is uncertain whether a sufficient amount of funds can be raised. Therefore, we judged that this is not an appropriate fundraising method for this occasion.
- (2) Raising funds through straight bonds or borrowings incurs an interest burden, and the raised amount is recorded entirely as a liability. If funds of the same scale as those raised in the Fundraising were all raised through liabilities, financial soundness could deteriorate. From the

perspective of leaving the option to quickly raise funds through interest-bearing debt in case urgent funding needs arise in the future promotion of business strategies, we judged that raising funds through the issuance of straight bonds or borrowings is not a realistic option at this time.

- (3) In a shareholder allotment capital increase, dilution concerns are dispelled among shareholders who fulfill their investments. However, because the participation rate of existing investors, who are the allottees, is unclear, it is uncertain whether a sufficient amount of funds can be raised. Therefore, we judged that this is not an appropriate fundraising method for this occasion.
- (4) So-called rights issues include commitment-type rights issues, in which the issuing company concludes a firm commitment underwriting agreement with a financial instruments business operator, and non-commitment-type rights issues, in which the issuing company does not conclude such an agreement and the exercise of stock acquisition rights is left to the decision of shareholders. For commitment-type rights issues, there is little track record of implementation in Japan, and the fundraising method is still in an immature stage; meanwhile, costs such as underwriting fees are expected to increase, so it may not be an appropriate fundraising method. In addition, for non-commitment-type rights issues, since the participation rate of existing investors who are the allottees is unclear, it is considered uncertain whether a sufficient amount of funds can be realized.
- (5) There are various designs for stock acquisition rights with exercise price revision clauses, but it is common for the exercise price to also be revised downward. While stock acquisition rights with exercise price revision clauses increase the probability of exercise, it is not uncommon for the amount raised to fall short of the initial plan. In the current fundraising, by raising the immediately necessary funds through the issuance of the Common Shares, and by setting and fixing the exercise price for the Stock Acquisition Rights at a higher level than the current stock price level so that they are exercised after the stock price rises, it is expected that additional fundraising can be achieved on the initially planned financial scale without impairing the share value of existing shareholders. In this way, we believe that the Stock Acquisition Rights are a fundraising method that matches our capital needs, in the sense that there is a high possibility of realizing fundraising at the expected amount compared to stock acquisition rights with revision clauses where the exercise price is revised downward.
- (6) Although Convertible Bonds (CBs) allow for fundraising at the time of initial issuance, the entire amount initially becomes a liability, and subsequent conversion status will also depend on the stock price. If exercise does not progress due to stock price conditions, etc., it remains a liability, thereby impairing the financial soundness of the Company. Therefore, we judged that this is not an appropriate fundraising method for this occasion.
- (7) When only the Company's common shares are issued all at once through a third-party allotment, while it enables immediate fundraising, it also causes immediate dilution of earnings per share, which is considered to have a large direct impact on the stock price. Moreover, since it is practically difficult to find an investor to underwrite an amount of the same scale as the Fundraising all at once, we judged that this is not an appropriate fundraising method for this occasion.

4. Reasons for Selecting the Prospective Allottee, etc.

(1) Overview of the Prospective Allottee

Item	Details
① Name	CVI Investments, Inc.
② Location	Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands
③ Jurisdiction of Incorporation	Exempted limited liability company under the laws of the Cayman Islands
④ Purpose of Formation	Investment
⑤ Date of Formation	July 1, 2015
⑥ Total Amount of Investment	Not disclosed due to lack of consent for disclosure.

⑦ Investors, Investment Ratio, and Overview of Investors	Not disclosed due to lack of consent for disclosure.	
⑧ Overview of General Partner	Name	Heights Capital Management, Inc.
	Location	One Commerce Center, 1201 N Orange Street, Suite 715, Wilmington, Delaware 19801, United States of America
	Title and Name of Representative	Martin Kobinger, President
	Business Description	Investment
	Capital	Not disclosed due to lack of consent for disclosure.
⑨ Overview of Domestic Agent	Name	Not applicable
	Location	Not applicable
	Title and Name of Representative	Not applicable
	Business Description	Not applicable
	Capital	Not applicable
⑩ Relationship between the Company and the Fund/Entities	Relationship between the Company and the Fund	Not applicable
	Relationship between the Company and the General Partner	Not applicable
	Relationship between the Company and the Domestic Agent	Not applicable

Notes:

1. The overview of the Prospective Allottee is stated as of May 27, 2026.
2. In the Equity Program Agreement executed with the Prospective Allottee, the Company has received representations and warranties from the Prospective Allottee that the Prospective Allottee and its principal investors are not antisocial forces and do not have any relationship whatsoever with antisocial forces. Furthermore, regarding whether the Prospective Allottee and its general partner are antisocial forces and whether they have any relationship with antisocial forces, the Company independently requested an investigation by Riskpro Inc. (Representative Director: Hitoshi Koitabashi; Head Office: 2F Yasukuni Kudan Minami Bldg., 2-3-14 Kudanminami, Chiyoda-ku, Tokyo), a specialized third-party investigation agency, and received a report from the agency on May 1, 2026. In the relevant report, there was no finding that the Prospective Allottee or its general partner is an antisocial force, or that they have any relationship with antisocial forces. Based on the above, the Company has determined that the Prospective Allottee, its general partner, and its principal investors have no relationship whatsoever with antisocial forces, and has submitted a confirmation letter to this effect to the Tokyo Stock Exchange.
3. Certain information regarding the Prospective Allottee, which is a private fund, is not disclosed because consent for disclosure was not obtained, although Koji Yamane, GM of the Company's Corporate Management Department, confirmed the details with Mr. Martin Kobinger, the Investment Manager, through the Head of Asia Pacific Investments at HCM. The Company has been informed that the reason the Prospective Allottee does not consent to the disclosure is that the Prospective Allottee and HCM are entities under common control belonging to the Susquehanna International Group, and all entities belonging to the Susquehanna International Group, including the two companies mentioned above, are private entities that do not accept external capital. Therefore, information regarding capital structure, capital stock, and investment

amounts is highly confidential and is non-public information even in their home country.

(2) Reasons for Selecting the Prospective Allottee

As described in "2. Purpose of Introducing the Program" above, the Company has considered fundraising methods based on the circumstances surrounding the Company. Under these circumstances, around November 2025, the Company received an initial proposal regarding fundraising through a third-party allotment from the Head of Asia Pacific Investments at Heights Capital Management, Inc., which manages the assets of the Prospective Allottee. The Company had previously held multiple routine meetings with the Head of Asia Pacific Investments after the announcement of financial results, which were not related to any specific transactions. Subsequently, in light of Heights Capital Management, Inc.'s investment track record in Japanese listed companies and its investment policy of nurturing investee companies while building favorable relationships with them, the Company decided to commence full-scale discussions regarding the fundraising. The Company discussed the amount to be raised, the product features of the securities to be issued, and other matters with Heights Capital Management, Inc. As a result, the companies reached an agreement on the scheme for the Fundraising, which matches the Company's intentions based on its future business strategies and fundraising needs as much as possible. Therefore, the Company decided to select CVI Investments, Inc., whose assets are managed by Heights Capital Management, Inc., as the Prospective Allottee.

(3) Holding Policy of the Prospective Allottee

There is no agreement with the Prospective Allottee regarding the continuous holding of the Common Shares to be issued under the Program or the common shares of the Company to be acquired through the exercise of the Stock Acquisition Rights. The Company's Representative Director, Chikafumi Yokoyama, has verbally confirmed with Mr. Martin Kobinger, the Investment Manager, through HCM's Head of Asia Pacific Investments, that the Prospective Allottee's holding policy for the Common Shares and the common shares of the Company to be acquired through the exercise of the Stock Acquisition Rights is pure investment. The Prospective Allottee is widely known as an institutional investor with the capacity to make medium-to-long-term investments, and the Company believes that the Prospective Allottee will be a capital partner to accelerate the Company's future growth. For this reason, the Equity Program Agreement includes a provision ensuring that the number of voting rights pertaining to the shares substantially held by the Prospective Allottee will not exceed 9.9% of the Company's total voting rights. The Company intends to obtain a written commitment from the Prospective Allottee stating that if it transfers all or part of the Common Shares within two years from the payment date of each of the four third-party allotments, it will report the details of such transfer to the Company in writing, and that it agrees to the Company reporting the details of such report to the Tokyo Stock Exchange and making the details available for public inspection.

(4) Confirmation of the Prospective Allottee's Financial Capacity to Make Payment

The Company has received from the Prospective Allottee an unaudited balance sheet prepared by the Prospective Allottee as of the end of February 2026. In the Equity Program Agreement executed with the Prospective Allottee, the Company has received a representation from the Prospective Allottee that it possesses sufficient property required for the payment. In addition, Koji Yamane, GM of the Company's Corporate Management Department, confirmed through written confirmation with Mr. Martin Kobinger, the Investment Manager, via HCM's Head of Asia Pacific Investments, on May 22, 2026, that the Prospective Allottee has sufficient assets for the payment and that the payment will be made using its own funds. Thus, the Company has confirmed that the Prospective Allottee has sufficient property for the payment related to the issuance of the Common Shares and Stock Acquisition Rights to be allotted to it. The Prospective Allottee is an institutional investor that operates using its own funds held by the Susquehanna International Group.

5. Overview of the Shelf Registration

As of today, the Company has filed shelf registration statements for a total of four issuances of the Common Shares and Stock Acquisition Rights under the Program, including the issuance of the Common Shares and Stock Acquisition Rights through the First Third-Party Allotment, as follows.

【Shelf Registration Statement for the Common Shares】

Item	Details
(1) Class of Securities to be Offered	Common shares of the Company
(2) Scheduled Issuance Period	Until the date on which one year has elapsed from the scheduled effective date of the shelf registration (June 4, 2026 to June 3, 2027)
(3) Scheduled Issuance Amount	Up to 2,400,000,000 yen (Note)
(4) Method of Offering	All common shares will be allotted to the Prospective Allottee.
(5) Use of Proceeds	As described in "II. Issuance of New Shares and Stock Acquisition Rights through Third-Party Allotment, 3. Amount, Use, and Scheduled Timing of Expenditure of Funds to be Raised" below.

Note:

The amount stated above is the upper limit of the aggregate issue price for a total maximum of 11,728,000 common shares of the Company to be issued in four tranches based on the Program. The actual issue price may fall below the above amount depending on stock price trends and other factors. Regarding the upper limit of the scheduled issuance amount, under the Program, the total issue price of the Company's common shares to be issued in each tranche is designed not to exceed 586,400,000 yen regardless of the Company's stock price level. Therefore, the total amount is calculated on the assumption that the total issue price of the Company's common shares to be issued in each tranche is 586,400,000 yen (rounded up to the nearest 100 million yen).

【Shelf Registration Statement for the Stock Acquisition Rights】

Item	Details
(1) Class of Securities to be Offered	Stock acquisition right certificates
(2) Scheduled Issuance Period	Until the date on which one year has elapsed from the scheduled effective date of the shelf registration (June 4, 2026 to June 3, 2027)
(3) Scheduled Issuance Amount	Up to 3,200,000,000 yen (Note)
(4) Method of Offering	All stock acquisition right certificates will be allotted to the Prospective Allottee.
(5) Use of Proceeds	As described in "II. Issuance of New Shares and Stock Acquisition Rights through Third-Party Allotment, 3. Amount, Use, and Scheduled Timing of Expenditure of Funds to be Raised" below.

Note:

The amount stated above is the upper limit of the sum of the total issue price of the Stock Acquisition Rights and the total amount to be paid upon the exercise of the Stock Acquisition Rights (exercise price). While the above amount indicates the upper limit for a maximum of 117,280 units of the Stock Acquisition Rights (number of underlying shares: up to 11,728,000 shares) to be issued in a total of four tranches based on the Program, as mentioned above, the exercise price per share of the Stock Acquisition Rights is scheduled to be an amount equivalent to 120% of the closing price on the preceding trading day, and the actual amount may fall below the above amount depending on stock price trends and other factors. Regarding the upper limit of the scheduled issuance amount, under the Program, the total amount to be paid upon the exercise of the Stock Acquisition Rights (exercise price) to be issued in each tranche is designed not to exceed 782,844,000 yen regardless of the Company's stock price level. Therefore, the amount is calculated on the assumption that the total amount to be paid upon the exercise of the Stock Acquisition Rights (exercise price) to be issued in each tranche is 782,844,000 yen, and on the assumption that the paid-in amount and the number of issuances of the Stock Acquisition Rights for the 2nd to 4th issuances are the same as those for the 1st issuance (rounded up to the nearest 100 million yen).

II. Issuance of New Shares and Stock Acquisition Rights through Third-Party Allotment

1. Overview of the Offering

Among the series of issuances of the Common Shares and the Stock Acquisition Rights through third-party allotment under the Program (the first to fourth issuances), an overview of the issuance of new shares and stock acquisition rights related to the First Third-Party Allotment based on the

resolution of the Board of Directors dated May 27, 2026 is as follows.

(1) Overview of the Issuance of the Common Shares Related to the First Third-Party Allotment

Item	Details
① Payment Date	June 11, 2026
② Number of New Shares to Be Issued	2,932,000 common shares
③ Issue Price	127 yen per share
④ Amount of Funds to Be Raised	372,364,000 yen
⑤ Method of Offering or Allotment	Through third-party allotment
⑥ Prospective Allottee	CVI Investments, Inc.
⑦ Others	Each of the above items is subject to the shelf registration becoming effective under the Financial Instruments and Exchange Act and the filing of the supplement to the shelf registration statement.

(2) Overview of the Issuance of the Stock Acquisition Rights Related to the First Third-Party Allotment

Item	Details
① Allotment Date	June 11, 2026
② Total Number of Stock Acquisition Rights	29,320 units (100 shares per stock acquisition right)
③ Issue Price	133 yen per stock acquisition right
④ Number of Underlying Shares for the Issuance	2,932,000 shares
⑤ Amount of Funds to Be Raised	502,339,560 yen (Breakdown) Stock acquisition rights issuance portion: 3,899,560 yen Stock acquisition rights exercise portion: 498,440,000 yen
⑥ Exercise Price	170 yen per share
⑦ Exercise Period	From June 12, 2026 to June 11, 2030
⑧ Method of Offering or Allotment	Through third-party allotment
⑨ Prospective Allottee	CVI Investments, Inc.
⑩ Others	Each of the above items is subject to the shelf registration becoming effective under the Financial Instruments and Exchange Act and the filing of the supplement to the shelf registration statement.

2. Purpose and Reasons for the Offering

(1) Purpose of the First Third-Party Allotment

As described in "I. Shares and Stock Acquisition Rights Issuance Program, 2. Purpose of Introducing the Program" above, the Company is undertaking fundraising based on the Program to realize the future growth of the Company Group and build a stable financial foundation.

(2) Reasons for Selecting Fundraising Through the First Third-Party Allotment

As described in "I. Shares and Stock Acquisition Rights Issuance Program, 3. Reasons for Selecting Fundraising Through the Program" above, the Company believes that fundraising based on the Program is the optimal choice at this time that can address the Company's future capital needs while giving consideration to the interests of existing shareholders.

3. Amount, Use, and Scheduled Timing of Expenditure of Funds to be Raised

(1) Amount of Funds to be Raised

Total Paid-in Amount (yen)	Estimated Issuance Expenses (yen)	Estimated Net Proceeds (yen)
874,703,560	9,000,000	865,703,560

Notes:

1. The above amount is the sum of the paid-in amount for the Common Shares and the Stock Acquisition Rights to be issued through the First Third-Party Allotment and the total amount to be paid upon the exercise of such Stock Acquisition Rights.
2. If the exercise price of the Stock Acquisition Rights is adjusted, the total paid-in amount and the estimated net proceeds may increase or decrease. In addition, if the Stock Acquisition Rights are not exercised within the exercise period, or if the holder of the Stock Acquisition Rights loses their rights, the total paid-in amount and the estimated net proceeds will decrease.
3. The estimated amount of issuance expenses does not include consumption taxes, etc.
4. Issuance expenses mainly consist of attorney fees and other administrative expenses (printing administrative expenses, registration fees), etc.

The estimated total amount of funds to be raised through the entire Program (estimated net proceeds) is as follows.

Total Paid-in Amount (yen)	Estimated Issuance Expenses (yen)	Estimated Net Proceeds (yen)
4,994,134,240	33,000,000	4,961,134,240

Notes:

1. The above amount is the sum of the paid-in amount for the Common Shares and the Stock Acquisition Rights to be issued through the first to fourth issuances described in "I. Shares and Stock Acquisition Rights Issuance Program, 1. Details of the Program" above and the total amount to be paid upon the exercise of the Stock Acquisition Rights. Regarding the total paid-in amount, the breakdown for each issuance is as follows. The paid-in amount for the Common Shares related to the second to fourth issuances is assumed to be 586,400,000 yen each, because the Program is designed so that the total issue price of the Common Shares to be issued in each tranche does not exceed 586,400,000 yen regardless of the Company's stock price level. The total paid-in amount for the Stock Acquisition Rights related to the second to fourth issuances is assumed to be the same as that for the first issuance. The total amount to be paid upon the exercise of the Stock Acquisition Rights (exercise price) for each of the second to fourth issuances is assumed to be 782,844,000 yen each, because it is designed not to exceed 782,844,000 yen regardless of the Company's stock price level. As described above, the total paid-in amount and the breakdown below are estimated amounts based on certain assumptions, and the actual amounts will be determined by the resolution of the Board of Directors that decides the issuance terms for each issuance, as described in "I. Shares and Stock Acquisition Rights Issuance Program, 1. Details of the Program" above.

- ① Total paid-in amount for the Common Shares to be issued through the 1st issuance: 372,364,000 yen
- ② Total paid-in amount for the Common Shares to be issued through the 2nd issuance: 586,400,000 yen
- ③ Total paid-in amount for the Common Shares to be issued through the 3rd issuance: 586,400,000 yen
- ④ Total paid-in amount for the Common Shares to be issued through the 4th issuance: 586,400,000 yen
- ⑤ Total paid-in amount for the Stock Acquisition Rights to be issued through the 1st issuance: 3,899,560 yen
- ⑥ Total paid-in amount for the Stock Acquisition Rights to be issued through the 2nd issuance: 3,899,560 yen
- ⑦ Total paid-in amount for the Stock Acquisition Rights to be issued through the 3rd issuance: 3,899,560 yen
- ⑧ Total paid-in amount for the Stock Acquisition Rights to be issued through the 4th issuance: 3,899,560 yen
- ⑨ Amount to be paid upon the exercise of the Stock Acquisition Rights to be issued through the 1st issuance: 498,440,000 yen
- ⑩ Amount to be paid upon the exercise of the Stock Acquisition Rights to be issued through the 2nd issuance: 782,844,000 yen
- ⑪ Amount to be paid upon the exercise of the Stock Acquisition Rights to be issued through the 3rd issuance: 782,844,000 yen
- ⑫ Amount to be paid upon the exercise of the Stock Acquisition Rights to be issued through the 4th issuance: 782,844,000 yen

2. If the exercise price of the Stock Acquisition Rights is adjusted, the total paid-in amount and the estimated net proceeds may decrease. In addition, if the Stock Acquisition Rights are not exercised within the exercise period, or if the holder of the Stock Acquisition Rights loses their rights, the total paid-in amount and the estimated net proceeds will decrease.
3. The estimated amount of issuance expenses does not include consumption taxes, etc.
4. The estimated amount of issuance expenses is the total of issuance expenses required for the entire Program, and mainly consists of attorney fees and other administrative expenses (printing administrative expenses, registration fees), etc.

(2) Specific Use of Proceeds

<Use of Proceeds to Be Raised Through the Entire Program>

The specific use of the funds (estimated net proceeds) to be raised through the entire Program is scheduled as follows.

Specific Use	Amount (millions of yen)	Scheduled Timing of Expenditure
① Expenses for clinical trials and preparation for approval applications of the TIL therapy project	1,000	June 2026 to March 2028
② Expenses for research and development and preparation for the initiation of clinical trials of "GPC-1 CAR-T therapy" targeting intractable solid tumors	2,000	July 2026 to June 2029
③ Expenses for expansion of indications, new development, and introduction of new pipelines	1,521	July 2026 to June 2031
④ Working capital, etc.	440	June 2026 to March 2029
Total	4,961	

Notes:

1. Raised funds will be managed in a bank account until they are actually expended.
2. The above description states the use of proceeds to be raised through the entire Program. For details on the Program, please refer to "I. Shares and Stock Acquisition Rights Issuance Program, 1. Details of the Program" above. The proceeds to be raised through the entire Program are estimated to be 4,961,134,240 yen, which is calculated by subtracting the estimated amount of issuance expenses for the entire Program of 33 million yen from the estimated total paid-in amount for the entire Program of 4,994,134,240 yen. The estimated total paid-in amount for the entire Program of 4,994,134,240 yen is an estimated amount based on certain assumptions. The paid-in amount for the Common Shares related to the second to fourth issuances is assumed to be 586,400,000 yen each, because the Program is designed so that the total issue price of the Common Shares to be issued in each tranche does not exceed 586,400,000 yen regardless of the Company's stock price level. The total paid-in amount for the Stock Acquisition Rights related to the second to fourth issuances is assumed to be the same as that for the first issuance. The total amount to be paid upon the exercise of the Stock Acquisition Rights (exercise price) for each of the second to fourth issuances is assumed to be 782,844,000 yen each, because it is designed not to exceed 782,844,000 yen regardless of the Company's stock price level. The actual amount will be determined by the resolution of the Board of Directors that decides the issuance terms for each issuance, as described in "I. Shares and Stock Acquisition Rights Issuance Program, 1. Details of the Program" above, and the actual total amount of funds raised, estimated issuance expenses, and estimated net proceeds may increase or decrease.
3. If the total amount of funds raised decreases as described above, the use of proceeds will be executed in the following order of priority.
 - ① Expenses for clinical trials and preparation for approval applications of the TIL therapy project
 - ② Expenses for research and development and preparation for the initiation of clinical trials of "GPC-1 CAR-T therapy" targeting intractable solid tumors
 - ④ Working capital, etc.
 - ③ Expenses for expansion of indications, new development, and introduction of new pipelines

Details and specific contents of each use of proceeds listed in the table above are as follows.

① Expenses for clinical trials and preparation for approval applications of the TIL therapy project

The Company previously planned to allocate the funds raised from the 16th Stock Acquisition Rights to promote the search for and introduction of new pipelines. However, the Company has utilized the funds raised from the 16th Stock Acquisition Rights to fund the progression of TIL therapy, which emerged as a concrete achievement of the new pipelines, into specific clinical stages. Through joint research with the Department of Obstetrics and Gynecology at the Keio University School of Medicine, the Company completed the technology transfer of the TIL manufacturing method under Advanced Medical Care B targeting advanced cervical cancer. Following the administration of TILs custom-manufactured by the Company to a second patient in November 2024, the Company has continued to administer TILs to target patients and manufacture and supply TILs at the Company in accordance with the implementation plan, thereby advancing the construction of a manufacturing and supply system in clinical settings. Furthermore, in October 2024, the Company entered into a joint research agreement regarding a novel culture method to strengthen its technological foundation (please refer to the Company's disclosure dated October 28, 2024, titled "Notice Regarding Joint Research Agreement with Department of Obstetrics and Gynecology, Keio University School of Medicine on Novel Culture Method of TILs for Tumor-Infiltrating Lymphocyte (TIL) Infusion Therapy"). Out of the 1,217 million yen raised through the 16th Stock Acquisition Rights, a total of 273 million yen has been allocated, consisting of 98 million yen for working capital and 175 million yen for building the manufacturing and supply system of TIL therapy in clinical settings. The unallocated amount of 944 million yen from the 16th Stock Acquisition Rights and 1,000 million yen from this fundraising, totaling 1,944 million yen, will be allocated as funds to bring TIL therapy into the approval application and commercialization stage as the Company's in-house pipeline.

Based on these achievements, to elevate TIL therapy to the stage of approval application and commercialization as our in-house pipeline, the Company plans to allocate 944 million yen for company-sponsored clinical trial preparation expenses and early clinical trial (Phase I/II) expenses, 800 million yen for upgrading the quality control system and optimizing the manufacturing process with an eye toward marketing approval applications, and 200 million yen for outsourcing expenses to external CROs, etc.

② Expenses for research and development and preparation for the initiation of clinical trials of "GPC-1 CAR-T therapy" targeting intractable solid tumors

GPC-1 CAR-T therapy was newly added to the Company's pipeline following its selection for the AMED publicly offered project in December 2024, as a result of continuous pipeline search activities after the issuance of the 16th Stock Acquisition Rights. Currently, under joint research with the Kyoto University Graduate School of Medicine and the School of Medicine, International University of Health and Welfare, the Company is advancing non-clinical trials complying with pharmaceutical regulations and the establishment of quality and manufacturing methods. Out of this fundraising, 700 million yen will be allocated to research and development expenses for the early initiation of clinical trials targeting intractable solid tumors such as esophageal cancer, 250 million yen for non-clinical trial expenses, and 1,050 million yen for CMC-related expenses and preparation for clinical trial initiation, aiming to advance it to the clinical stage at an early date as a new pillar of growth.

③ Expenses for expansion of indications, new development, and introduction of new pipelines

The funds raised from the 16th Stock Acquisition Rights were intended to promote the search for and introduction of new pipelines, and those achievements have manifested as the progression of TIL therapy into specific clinical stages and the new addition of GPC-1 CAR-T therapy. Based on these achievements, the Company will utilize its network with domestic and international universities, public research institutions, and pharmaceutical companies built through the Research Support Business, as well as its expertise from introduction to clinical development of regenerative medicine products, to allocate 600 million yen of the current funds for acquiring licenses for promising cellular medicines primarily in the rare disease field, expanding indications, new development, introduction, and early development expenses, and 921 million yen for clinical trial preparation expenses and early clinical trial (Phase I/II) expenses. While no specific projects have been determined at this time, the estimated costs

are calculated based on a standard cellular medicine development process. These amounts were stacked up based on the standard required funds per pipeline according to the Company's development expertise and advice from external experts. When specific projects are decided, they will be promptly disclosed.

④ Working capital, etc.

In addition to advancing the development of each pipeline, funds will be allocated to working capital such as research and development expenses, personnel expenses, and general and administrative expenses to maintain and strengthen the "Human Cell Business Platform," which is the source of the Company's competitive advantage, and the contract manufacturing system for regenerative medicine products. This aims to balance the revenue base created by the Research Support Business with the growth investment in the Medical Business, leading to continuous enhancement of corporate value.

<Use of Proceeds to Be Raised Through the First Third-Party Allotment>

The specific use of the estimated net proceeds of 865 million yen to be raised through the issuance of the Common Shares and the Stock Acquisition Rights under the First Third-Party Allotment based on the resolution of the Board of Directors dated May 27, 2026 is scheduled as follows.

Specific Use	Amount (millions of yen)	Scheduled Timing of Expenditure
① Expenses for clinical trials and preparation for approval applications of the TIL therapy project	700	June 2026 to March 2028
② Working capital, etc.	165	June 2026 to March 2029
Total	865	

Notes:

1. Raised funds will be managed in a bank account until they are actually expended.
2. Out of the raised funds, the estimated net proceeds of 367 million yen from the funds of 372 million yen raised through the issuance of the Common Shares under the First Third-Party Allotment are scheduled to be allocated as 300 million yen for expenses for clinical trials and preparation for approval applications of the TIL therapy project and 67 million yen for working capital.

Details of each use of proceeds listed in the table above are as follows.

① Expenses for clinical trials and preparation for approval applications of the TIL therapy project
The Company previously planned to allocate the funds raised from the 16th Stock Acquisition Rights to promote the search for and introduction of new pipelines. However, the Company has utilized the funds raised from the 16th Stock Acquisition Rights to fund the progression of TIL therapy, which emerged as a concrete achievement of the new pipelines, into specific clinical stages. Through joint research with the Department of Obstetrics and Gynecology at the Keio University School of Medicine, the Company completed the technology transfer of the TIL manufacturing method under Advanced Medical Care B targeting advanced cervical cancer. Following the administration of TILs custom-manufactured by the Company to a second patient in November 2024, the Company has continued to administer TILs to target patients and manufacture and supply TILs at the Company in accordance with the implementation plan, thereby advancing the construction of a manufacturing and supply system in clinical settings. Furthermore, in October 2024, the Company entered into a joint research agreement regarding a novel culture method to strengthen its technological foundation (please refer to the Company's disclosure dated October 28, 2024, titled "Notice Regarding Joint Research Agreement with Department of Obstetrics and Gynecology, Keio University School of Medicine on Novel Culture Method of TILs for Tumor-Infiltrating Lymphocyte (TIL) Infusion Therapy"). Out of the 1,217 million yen raised through the 16th Stock Acquisition Rights, a total of 273 million yen has been allocated, consisting of 98 million yen for working capital and 175 million yen for building the manufacturing and supply system of TIL therapy in clinical settings. The unallocated amount of 944 million yen from the 16th Stock Acquisition Rights and 700 million yen from this fundraising, totaling 1,644 million yen, will be allocated as funds to bring TIL therapy into the approval application and commercialization stage as the Company's in-house pipeline.

Based on these achievements, to elevate TIL therapy to the stage of approval application and commercialization as our in-house pipeline, the Company plans to allocate 944 million yen for company-sponsored clinical trial preparation expenses and early clinical trial (Phase I/II) expenses, 560 million yen for upgrading the quality control system and optimizing the manufacturing process with an eye toward marketing approval applications, and 140 million yen for outsourcing expenses to external CROs, etc.

② Working capital, etc.

In addition to advancing the development of each pipeline, funds will be allocated to working capital such as research and development expenses, personnel expenses, and general and administrative expenses to maintain and strengthen the "Human Cell Business Platform," which is the source of the Company's competitive advantage, and the contract manufacturing system for regenerative medicine products. This aims to balance the revenue base created by the Research Support Business with the growth investment in the Medical Business, leading to continuous enhancement of corporate value.

4. Rationale for the Use of Proceeds

The Company believes that allocating the funds raised through the Program to the uses described in "3. Amount, Use, and Scheduled Timing of Expenditure of Funds to be Raised, (2) Specific Use of Proceeds" above will contribute to the medium-to-long-term improvement of the Company's corporate value in the future. Therefore, the issuance of the Common Shares and the Stock Acquisition Rights under the Program is considered reasonable and conducive to enhancing shareholder value.

5. Reasonableness of the Terms of Issuance, etc.

(1) Basis for Calculation of the Paid-in Amount and Specific Details

① Common Shares Related to the First Third-Party Allotment

The paid-in amount for the Common Shares related to the First Third-Party Allotment is set at 90% of the closing price of the Company's common shares on the Tokyo Stock Exchange on the trading day immediately preceding the date of the Board of Directors' resolution determining the issuance terms for the First Third-Party Allotment. The closing price on the trading day immediately preceding the date of the Board of Directors' resolution was adopted because the Company judged that the recent stock price appropriately reflects the objective corporate value of the Company at the present time. Regarding the basis for calculating the paid-in amount, the Company thoroughly discussed the terms, including the discount rate, with the Prospective Allottee and determined the issue price for the Common Shares related to the First Third-Party Allotment by comprehensively taking into account various factors, such as that the Prospective Allottee is in a position to accept the risk of stock price decline during the approximately two-week period from the date of the issuance resolution to the payment date, that dilution will occur due to the issuance of the Common Shares, and that medium-to-long-term enhancement of shareholder value is expected by raising funds quickly and reliably through the issuance of the Common Shares. The paid-in amount represents a 21.12% discount (rounded to two decimal places; hereinafter the same applies to discount rates) against the closing price average of 161 yen (rounded to the nearest yen; hereinafter the same applies) for the one-month period immediately preceding the trading day prior to the date of the Board of Directors' resolution (April 27, 2026 to May 26, 2026); a 26.16% discount against the closing price average of 172 yen for the three-month period (February 27, 2026 to May 26, 2026); and a 23.03% discount against the closing price average of 165 yen for the six-month period (November 27, 2025 to May 26, 2026).

In addition, the "Guidelines for Handling Third-Party Allotment Capital Increases" of the Japan Securities Dealers Association (JSDA) require that when a listed company issues shares through a third-party allotment, the paid-in amount must be a price equal to or greater than the amount obtained by multiplying the stock price on the trading day immediately preceding the date of the Board of Directors' resolution related to the share issuance by 0.9. Since the paid-in amount complies with these guidelines, the Company has determined that it does not constitute a particularly favorable paid-in amount under Article 199, Paragraph 3 of the Companies Act.

Furthermore, all three Corporate Auditors of the Company (including three Outside Corporate Auditors) have provided their opinions that, for the same reasons as stated above, the paid-in amount determined by the above method does not constitute a price that is particularly favorable

to the Prospective Allottee under Article 199, Paragraph 3 of the Companies Act and is lawful.

② Stock Acquisition Rights Related to the First Third-Party Allotment

The Company requested Akasaka International Accounting Co., Ltd. (hereinafter referred to as "Akasaka International Accounting"), an independent third-party valuation institution, to conduct a valuation of the Stock Acquisition Rights, taking into account the terms of issuance of the Stock Acquisition Rights and various terms specified in the Equity Program Agreement executed with the Prospective Allottee. Akasaka International Accounting performed the valuation of the Stock Acquisition Rights by considering various terms specified in the terms of issuance, etc., based on a Monte Carlo simulation, which is a general price calculation model, under certain assumptions considering the market environment as of the valuation baseline date (May 26, 2026) and the exercise behavior of the Prospective Allottee (including the Company's stock price (141 yen), expected dividend amount (0 yen), risk-free interest rate (1.9%), stock price volatility of the Company's common shares (55.9%), market trading volume, the assumption that exercise requests by the Prospective Allottee will be carried out evenly when the stock price exceeds the exercise price of the Stock Acquisition Rights, and the assumption that the Prospective Allottee will immediately sell the Company's common shares acquired through exercise within the range of a certain percentage of the trading volume).

In addition, the initial exercise price of the Stock Acquisition Rights is set at an amount equivalent to 120% of the closing price of regular trading of the Company's common shares on the Tokyo Stock Exchange on May 26, 2026, which the Company considers to be at a high level compared to the stock price level of the Company over the past six months.

The Company, referring to the valuation amount calculated by the valuation institution based on the above assumptions (133 yen per stock acquisition right), after discussions with the Prospective Allottee, set the paid-in amount for one stock acquisition right at 133 yen, which is the same amount as the valuation result. In determining the issue price of the Stock Acquisition Rights, the valuation institution considered events that could potentially affect the fair valuation as premises, and calculated the fair value using a Monte Carlo simulation, which is generally used as a valuation method for stock acquisition rights. Therefore, the calculation result of the valuation institution is considered to be a reasonable fair price. Since the issue price of the Stock Acquisition Rights is equal to the valuation amount resulting from the calculation, the Company has judged that it does not constitute an advantageous issuance and is a proper and appropriate price.

In addition, all three Corporate Auditors of the Company (including three Outside Corporate Auditors) have provided their opinions that the terms of issuance for the Stock Acquisition Rights do not constitute an issuance at a particularly favorable price to the Prospective Allottee and are lawful, given that the selection of the third-party valuation institution is appropriate because it is independent of the Company and the Prospective Allottee, the issue price is equal to the valuation amount calculated by the third-party valuation institution, and no unreasonable points were found in the calculation method and assumptions used by the third-party valuation institution.

(2) Basis for Judging that the Issuance Volume and Scale of Share Dilution are Reasonable

The total number of shares to be delivered if all of the Stock Acquisition Rights issued through the First Third-Party Allotment are exercised (2,932,000 shares), combined with the number of the Common Shares to be issued through the First Third-Party Allotment (2,932,000 shares), is 5,864,000 shares (58,640 voting rights). This represents a dilution rate of 6.16% (dilution rate on a voting right basis is 6.17%) against the Company's total number of issued shares of 95,147,891 shares and total number of voting rights of 949,796 as of March 31, 2026 as the denominator. In addition, the total number of shares to be delivered if all of the Stock Acquisition Rights are exercised under the Program (11,728,000 shares), combined with the upper limit number of the Common Shares to be issued under the Program (11,728,000 shares), is 23,456,000 shares (234,560 voting rights). This represents a dilution rate of 24.65% (dilution rate on a voting right basis is 24.70%) against the Company's total number of issued shares of 95,147,891 shares and total number of voting rights of 949,796 as of March 31, 2026 as the denominator.

However, although such dilution will occur, the Company has judged that both the issuance volume of the Company's common shares through the First Third-Party Allotment and the issuance volume of the Company's common shares to be issued under the Program are reasonable in light of the purpose of fundraising through the Program, the use of proceeds described above, and the basis for calculating the paid-in amount for the First Third-Party Allotment.

6. Reasons for Selecting the Prospective Allottee, etc.

(1) Overview of the Prospective Allottee

Please refer to "I. Shares and Stock Acquisition Rights Issuance Program, 4. Reasons for Selecting the Prospective Allottee, etc., (1) Overview of the Prospective Allottee" above.

(2) Reasons for Selecting the Prospective Allottee

Please refer to "I. Shares and Stock Acquisition Rights Issuance Program, 4. Reasons for Selecting the Prospective Allottee, etc., (2) Reasons for Selecting the Prospective Allottee" above.

(3) Holding Policy of the Prospective Allottee

Please refer to "I. Shares and Stock Acquisition Rights Issuance Program, 4. Reasons for Selecting the Prospective Allottee, etc., (3) Holding Policy of the Prospective Allottee" above.

(4) Confirmation of the Prospective Allottee's Financial Capacity to Make Payment

Please refer to "I. Shares and Stock Acquisition Rights Issuance Program, 4. Reasons for Selecting the Prospective Allottee, etc., (4) Confirmation of the Prospective Allottee's Financial Capacity to Make Payment" above.

(5) Agreement Concerning Share Lending

In connection with the issuance of the Stock Acquisition Rights, a Share Lending Agreement is scheduled to be executed between the Lenders and the Prospective Allottee, with the lending period being until the earlier of: ① the date on which the exercise period of all the Stock Acquisition Rights has elapsed, or ② the date on which the Prospective Allottee no longer holds the Stock Acquisition Rights. Under this agreement, it is agreed that the Prospective Allottee can borrow the Company's common shares held by the Lenders (up to 500,000 shares).

Under the Share Lending Agreement, the Prospective Allottee is scheduled not to transfer the Company's common shares to a third party, establish security rights including pledge rights, or make any other dispositions for purposes other than hedging sales (defined below), and is scheduled not to enter into any share lending agreement regarding the Company's common shares with a third party for the purpose of short selling other than hedging sales.

"Hedging sales" refers to the sale of the issuing company's shares by the Prospective Allottee within the range of the number of shares to be acquired as a result of the exercise of the Stock Acquisition Rights, on the premise that the Prospective Allottee will exercise the Stock Acquisition Rights.

(6) Lock-up, etc.

The Company has agreed with the Prospective Allottee on the following matters in the Equity Program Agreement.

① During the period commencing from the date of execution of the Equity Program Agreement and ending on the 90th day after the allotment date of each issuance under the Equity Program Agreement, the Company shall not, without the prior written consent of the Prospective Allottee, issue or otherwise dispose of the Company's common shares, other equity securities of the Company, securities convertible into or exchangeable for the Company's common shares or other equity securities of the Company, or securities representing the right to acquire or receive the Company's common shares or other equity securities of the Company. However, this excludes the current fundraising, delivery of the Company's common shares upon the exercise of the Stock Acquisition Rights or outstanding stock acquisition rights of the Company (provided that the number of common shares delivered upon the exercise of outstanding stock acquisition rights, etc., of the Company is 5% or less of the total number of issued shares), issuance of the Company's common shares due to stock splits or allotment of shares without contribution, allotment of stock acquisition rights to shareholders without contribution and delivery of the Company's common shares upon the exercise of such stock acquisition rights, issuance of restricted stock to directors, etc., of the Company, granting of stock options and delivery of the Company's common shares upon the exercise of such stock options (provided that the number of common shares delivered is 5% or less of the total number of issued shares), issuance of the

Company's common shares to strategic investors of the Company for the purpose of capital and business alliances, or cases based on requirements under Japanese law.

② For 12 months after the allotment date of the first issuance, the Company shall not issue or enter into any price-linked transaction (defined below). However, this shall not apply if the Prospective Allottee agrees to this at its sole discretion based on a written request from the Company.

"Price-linked transaction" means (i) a transaction involving the issuance or sale of share equivalents (defined below) where, after the initial issuance of such share equivalents, the exercise price or conversion price, etc., related to the acquisition of the Company's common shares in the share equivalents is (A) determined or changed in tandem with the market price, etc., of the Company's common shares, or (B) adjusted due to the occurrence of events related to the Company's business or the trading market of the Company's common shares, or (ii) entering into an agreement, etc., under which the Company sells securities based on a price to be determined in the future.

"Share equivalents" means securities of the Company or its subsidiaries that entitle the holder thereof to acquire or convert into shares at any time, including debt, preferred shares, rights, options, warrants, or other securities.

③ If the Company enters into certain transactions specified in the Equity Program Agreement (such as the disposal of assets exceeding 50% of total assets in the Company's consolidated financial statements) or if an event of default specified in the Equity Program Agreement occurs in the Company (such as delisting of shares issued by the Company), in view of the material change in the assumptions initially envisioned by the Prospective Allottee when investing in the Stock Acquisition Rights, the Company shall, upon request by the Prospective Allottee, buy back the Stock Acquisition Rights at a reasonable price at that point, which is the Black-Scholes value specified in the Equity Program Agreement (a value calculated using the Black-Scholes model, taking into account the price and volatility of the Company's common shares).

④ The Company shall not engage in transactions, etc., that would cause the number of voting rights pertaining to the shares substantially held by the Prospective Allottee to exceed 9.9% of the total voting rights of the Company.

7. Major Shareholders and Ownership Ratios After the Offering

Before Offering (As of March 31, 2026)		After Offering	
Shareholder Name	Ownership Ratio	Shareholder Name	Ownership Ratio
Chikafumi Yokoyama	1.21%	CVI Investments, Inc.	5.81%
Satoru Nakano	1.05%	Chikafumi Yokoyama	1.15%
Ueda Yagi Tanshi Co., Ltd.	0.87%	Satoru Nakano	0.99%
Teruo Ikahata	0.87%	Ueda Yagi Tanshi Co., Ltd.	0.82%
STATE STREET BANK AND TRUST COMPANY 505223	0.76%	Teruo Ikahata	0.82%
Japan Biological Material Center Co., Ltd.	0.59%	STATE STREET BANK AND TRUST COMPANY 505223	0.72%
Norio Nakatsuji	0.52%	Japan Biological Material Center Co., Ltd.	0.56%
Masanori Shiihashi	0.49%	Norio Nakatsuji	0.49%
Asahi Kasei Sanso Co., Ltd.	0.47%	Masanori Shiihashi	0.47%
Kenichi Arai	0.47%	Asahi Kasei Sanso Co., Ltd.	0.45%

Note:

The ownership ratios before the offering are calculated based on the total number of issued shares as of March 31, 2026. The ownership ratios after the offering are calculated by taking into account the total number of issued shares as of March 31, 2026, plus the total number of the Common Shares newly issued based on the first issuance of shares and stock acquisition rights by the resolution of the Board of Directors dated May 27, 2026 under the Program (2,932,000 shares) and the number of shares subject to a total of 29,320 units of the Stock Acquisition Rights allotted to the Prospective Allottee (total of 2,932,000 shares).

8. Future Outlook

The impact of the fundraising under the Program on the financial results forecast for the current

fiscal year is minor.

9. Matters Concerning Procedures Under the Code of Corporate Conduct

Since the issuance of the Common Shares and the Stock Acquisition Rights is (i) expected to have a dilution rate of less than 25%, and (ii) does not involve a change in the controlling shareholder, procedures for obtaining an opinion from an independent third party and confirming the intent of shareholders as prescribed in Article 432 of the Securities Listing Regulations established by the Tokyo Stock Exchange are not required.

10. Financial Results and Equity Finance Status for the Most Recent Three Years

(1) Financial Results for the Most Recent Three Years (Consolidated)

	Fiscal Year Ended March 31, 2024	Fiscal Year Ended March 31, 2025	Fiscal Year Ended March 31, 2026
Net Sales	2,426,817	2,978,627	2,233,519
Operating Loss	(409,293)	(130,409)	(860,064)
Ordinary Income or Ordinary Loss	40,191	45,053	(581,333)
Net Income Attributable to Owners of Parent or Net Loss Attributable to Owners of Parent	(31,415)	103,245	(591,693)
Net Income per Share or Net Loss per Share (yen)	(0.37)	1.11	(6.25)
Dividends per Share (yen)	—	—	—
Net Assets per Share (yen)	93.41	94.89	93.09

(Unit: thousands of yen, unless otherwise specified)

(2) Status of Number of Issued Shares and Potential Shares at Present (As of March 31, 2026)

	Number of Shares	Ratio to Total Number of Issued Shares
Total Number of Issued Shares	95,147,891 shares	100.00%
Number of Potential Shares at the Current Exercise Price	—	—

(3) Recent Stock Price Status

① Status for the Most Recent Three Years

	Fiscal Year Ended March 31, 2024	Fiscal Year Ended March 31, 2025	Fiscal Year Ended March 31, 2026
Opening Price	241 yen	160 yen	147 yen
High	329 yen	277 yen	242 yen
Low	152 yen	97 yen	112 yen
Closing Price	159 yen	147 yen	176 yen

② Status for the Most Recent Six Months

	December 2025	January 2026	February	March	April	May
Opening Price	163 yen	141 yen	160 yen	180 yen	179 yen	170 yen
High	172 yen	200 yen	204 yen	196 yen	186 yen	178 yen
Low	138 yen	140 yen	142 yen	159 yen	166 yen	136 yen
Closing Price	140 yen	159 yen	188 yen	176 yen	172 yen	141 yen

Note: For May 2026, the status from May 1 to May 26 is described.

③ Stock Price on the Trading Day Immediately Preceding the Resolution Date

	May 26, 2026
Opening Price	142 yen
High	143 yen
Low	140 yen
Closing Price	141 yen

(4) Status of Equity Finance for the Most Recent Three Years

Issuance of the 16th Stock Acquisition Rights (with Exercise Price Revision Clause and Exercise Permission Clause) through Third-Party Allotment

Item	Details
Allotment Date	December 21, 2023
Number of Stock Acquisition Rights Issued	100,000 units
Issue Price	Total amount: 5,300,000 yen
Scheduled Amount of Funds to be Raised at the Time of Issuance (Estimated Net Proceeds)	2,088,300,000 yen
Allottee	Morgan Stanley MUFG Securities Co., Ltd.
Number of Issued Shares at the Time of Offering	85,141,191 shares
Number of Potential Shares in the Relevant Offering	10,000,000 shares
Status of Exercise at Present	Number of exercised shares: 8,865,700 shares (Number of remaining stock acquisition rights: 11,343 units, exercise price: 53 yen) Note: The remaining 11,343 stock acquisition rights were acquired and cancelled as of January 27, 2025.
Amount of Funds Raised at Present (Estimated Net Proceeds)	1,217 million yen
Initial Use of Proceeds at the Time of Issuance	① Expenses for introduction of new pipelines and clinical trials ② Working capital, etc.
Scheduled Timing of Expenditure at the Time of Issuance	① April 2024 to March 2029 (1,990 million yen) ② January 2024 to March 2026 (98 million yen)
Status of Allocation at Present (Scheduled Allocation Amount (Total))	① 175 million yen allocated by March 2026. (1,119 million yen) ② 98 million yen allocated by March 2026. (98 million yen)

11. Terms of Issuance

The terms of issuance for the Common Shares and the terms of issuance for the Stock Acquisition Rights related to the first issuance are described in Appendix 1 and Appendix 2, respectively.

Appendix 1: Terms of Issuance for Common Shares through the First Third-Party Allotment

REPROCELL Inc. Common Shares

Terms of Issuance

Item	Details
(1) Class and Number of Shares to be Offered	2,932,000 common shares
(2) Paid-in Amount	127 yen per share
(3) Total Paid-in Amount	372,364,000 yen
(4) Amount of Stated Capital to be Increased	186,182,000 yen
(5) Amount of Legal Capital Surplus to be Increased	186,182,000 yen
(6) Method of Allotment	Through third-party allotment
(7) Payment Date	June 11, 2026 (Thursday)
(8) Others	Each of the above items is subject to the shelf registration becoming effective under the Financial Instruments and Exchange Act and the filing of the supplement to the shelf registration statement.

**REPROCELL Inc. 17th Series of
Stock Acquisition Rights
Terms of Issuance**

1. Name of the Stock Acquisition Rights

REPROCELL Inc. 17th Series of Stock Acquisition Rights (hereinafter referred to as the "Stock Acquisition Rights")

2. Subscription Date

June 11, 2026

3. Allotment Date

June 11, 2026

4. Payment Date

June 11, 2026

5. Method of Offering

All Stock Acquisition Rights will be allotted to CVI Investments, Inc. through third-party allotment.

6. Class and Total Number of Shares Subject to the Stock Acquisition Rights

(1) The class and total number of shares subject to the Stock Acquisition Rights shall be 2,932,000 common shares of the Company (the number of shares subject to one Stock Acquisition Right (hereinafter referred to as the "Number of Allotted Shares") shall be 100 shares). However, if the Number of Allotted Shares is adjusted pursuant to items (2) to (4) below, the total number of shares subject to the Stock Acquisition Rights shall be adjusted in accordance with the adjusted Number of Allotted Shares.

(2) If the Company conducts a split, allotment without contribution, or consolidation of its common shares, the Number of Allotted Shares shall be adjusted using the following formula. However, such adjustment shall be made only for the Number of Allotted Shares pertaining to the Stock Acquisition Rights that have not been exercised at that point in time, and any fraction of a share less than one share resulting from the adjustment shall be rounded down.

$$\text{Adjusted Number of Allotted Shares} = \text{Pre-adjustment Number of Allotted Shares} \times \text{Ratio of Split, Allotment without Contribution, or Consolidation}$$

The "Ratio of Allotment without Contribution" means the number obtained by dividing the total number of issued common shares after the allotment without contribution (excluding treasury shares) by the total number of issued common shares before the allotment without contribution (excluding treasury shares). In addition to the above, if any event occurs that necessitates an

adjustment to the adjusted Number of Allotted Shares, the Company may adjust the adjusted Number of Allotted Shares within a reasonable range.

(3) The adjusted Number of Allotted Shares shall apply from the day following the record date for the split in the case of a stock split, from the effective date of the consolidation in the case of a stock consolidation, from the effective date of the allotment without contribution in the case of an allotment of common shares without contribution, or from the day following the record date if a record date is set for the allotment without contribution.

(4) When an adjustment to the Number of Allotted Shares is to be made, the Company shall notify the holders of the Stock Acquisition Rights (hereinafter referred to as the "Stock Acquisition Right Holders") in writing of the fact that such adjustment will be made, the reason thereof, the pre-adjustment Number of Allotted Shares, the adjusted Number of Allotted Shares, the effective date of application, and other necessary matters by the day immediately preceding the effective date of application. However, if such notification cannot be given by the day immediately preceding the effective date of application, it shall be given promptly on or after the effective date of application.

7. Total Number of Stock Acquisition Rights

29,320 units

8. Paid-in Amount for Each Stock Acquisition Right

133 yen (1.33 yen per common share subject to the Stock Acquisition Rights)

9. Value of Property to be Contributed Upon Exercise of the Stock Acquisition Rights

(1) The property to be contributed upon the exercise of each Stock Acquisition Right shall be cash, and the value thereof shall be the exercise price multiplied by the Number of Allotted Shares.

(2) The amount of cash to be contributed per common share of the Company upon the exercise of the Stock Acquisition Rights (hereinafter referred to as the "Exercise Price") shall initially be 170 yen.

10. Revision of the Exercise Price

Not applicable

11. Adjustment of Exercise Price

(1) If, after the issuance of the Stock Acquisition Rights, the number of issued common shares of the Company changes or may change due to any of the events listed in item (2) below, and the paid-in amount for a new issuance of common shares of the Company or the disposal of treasury common shares held by the Company (or, in the case of item (2) ② below, the Acquisition Price, etc., as defined in item (2) ③ below when a put option pertaining to shares with put options or a stock acquisition right is exercised in accordance with the initial terms of issuance; or, in the case of item (2) ③ below, the Acquisition Price, etc., after a downward revision) falls below the Exercise Price in effect on the date specified as the effective date of application of the adjusted Exercise Price in item (2) below, the Exercise Price shall be adjusted to the same amount as such paid-in amount or Acquisition Price, etc.

(2) Adjustments to the Exercise Price due to the issuance of new shares, etc., and the timing of application of the adjusted Exercise Price shall be determined as follows.

① In the case of newly issuing common shares of the Company or disposing of treasury common shares held by the Company (hereinafter, newly issuing common shares of the Company or disposing of treasury common shares held by the Company shall be referred to as "Delivery") (excluding the case of an allotment without contribution). (Provided, however, that this excludes cases where common shares of the Company are delivered to directors, other officers, or employees of the Company or its affiliates (meaning affiliates as defined in Article 8, Paragraph 8 of the Regulations Concerning Terminology, Forms, and Preparation Methods of Financial Statements, etc.; the same applies hereinafter) based on a stock compensation plan; cases where common shares of the Company are delivered upon the exercise of stock acquisition rights (including those attached to bonds with stock acquisition rights), acquisition of shares with put options or shares subject to call, or exercise of other rights to request delivery of common shares of the Company; cases where common shares of the Company are delivered due to a company split, share exchange, share delivery, or merger; and cases where common shares of the Company are delivered by way of third-party allotment to CVI Investments, Inc. based on the EQUITY PROGRAM AGREEMENT dated May 27, 2026, between the Company and CVI Investments, Inc.)

The adjusted Exercise Price shall apply on and after the payment date (or the final day of the payment period if such a period is set for the offering), or on and after the day following the record date if there is a record date to grant shareholders the right to receive allotment for such Delivery.

② In the case of issuing or granting shares with put options that provide for the delivery of common shares of the Company, or stock acquisition rights (including those attached to bonds with stock acquisition rights) for common shares of the Company (including cases of allotment without contribution). (Provided, however, that this excludes cases where stock acquisition rights of the Company are issued or granted to directors, other officers, or employees of the Company or its affiliates based on a stock option plan, and cases where stock acquisition rights of the Company are issued to CVI Investments, Inc. by way of third-party allotment based on the EQUITY PROGRAM AGREEMENT dated May 27, 2026, between the Company and CVI Investments, Inc.; hereinafter collectively referred to as "Shares with Put Options, etc.")

The adjusted Exercise Price shall apply on and after the payment date (or the final day of the payment period if such a period is set, or the allotment date in the case of stock acquisition rights), or on and after the effective date in the case of an allotment without contribution. However, if there is a record date to grant shareholders the right to receive allotment, it shall apply on and after the day following such record date.

③ If a downward revision, etc., is made to the consideration per common share of the Company (hereinafter referred to as the "Acquisition Price, etc.") in accordance with the terms of issuance of the Shares with Put Options, etc. (excluding adjustments based on anti-dilution provisions similar to this section).

The adjusted Exercise Price shall apply on and after the date on which the Acquisition Price, etc., after the downward revision, etc., becomes applicable.

④ In the case of delivering common shares of the Company in exchange for the acquisition of shares subject to call or stock acquisition rights subject to call (including those attached to bonds with stock acquisition rights) issued by the Company.

The adjusted Exercise Price shall apply on and after the day following the acquisition date.

⑤ In the cases of sub-items ① and ② of this item, if a record date is set and the effectiveness is conditional upon approval by the general meeting of shareholders, the board of directors, or any other corporate organ of the Company on or after such record date, notwithstanding sub-items ① and ② of this item, the adjusted Exercise Price shall apply on and after the day following the date on which such approval is obtained. In this case, to the Stock Acquisition Right Holders who have requested the exercise of the Stock Acquisition Rights during the period from the day following such record date to the date on which such approval is obtained, common shares of the Company shall be delivered in accordance with the following calculation method:

$$\text{Number of Shares} = \frac{\left(\frac{\text{Pre-adjustment Exercise Price} - \text{Adjusted Exercise Price}}{\text{Adjusted Exercise Price}} \right) \times \frac{\text{Number of shares delivered within the relevant period at the pre-adjustment Exercise Price}}{\text{Adjusted Exercise Price}}}{\text{Adjusted Exercise Price}}$$

In this case, any fraction of a share less than one share shall be rounded down.

(3) If, after the issuance of the Stock Acquisition Rights, the number of common shares of the Company changes or may change due to any of the events listed in item (4) below, the Company shall adjust the Exercise Price using the following formula (hereinafter referred to as the "Exercise Price Adjustment Formula for Stock Splits, etc.").

$$\text{Adjusted Exercise Price} = \text{Pre-adjustment Exercise Price} \times \frac{1}{\text{Ratio of Split, Consolidation, or Allotment without Contribution}}$$

(4) Adjustments to the Exercise Price using the Exercise Price Adjustment Formula for Stock Splits, etc., and the timing of application of the adjusted Exercise Price shall be determined as follows.

① In the case of a stock split,

The adjusted Exercise Price shall apply on and after the day following the record date for the stock split.

② In the case of a stock consolidation,

The adjusted Exercise Price shall apply on and after the effective date thereof.

③ In the case of an allotment to shareholders without contribution,

The adjusted Exercise Price shall apply on and after the effective date of the allotment without contribution, or on and after the day following the record date if a record date is set for the allotment without contribution.

④ In the cases of sub-items ① and ③ of this item, if a record date is set and the effectiveness is conditional upon approval by the general meeting of shareholders, the board of directors, or any other corporate organ of the Company on or after such record date, notwithstanding sub-items ① and ③ of this item, the adjusted Exercise Price shall apply on and after the day following the date on which such approval is obtained. In this case, to the Stock Acquisition Right Holders who have requested the exercise of the Stock Acquisition Rights during the period from the day following such record date to the date on which such approval is obtained, common shares of the Company shall be delivered in accordance with the following calculation method:

$$\text{Number of Shares} = \frac{\left(\frac{\text{Pre-adjustment Exercise Price} - \text{Adjusted Exercise Price}}{\text{Adjusted Exercise Price}} \right) \times \frac{\text{Number of shares delivered within the relevant period at the pre-adjustment Exercise Price}}{\text{Adjusted Exercise Price}}}{\text{Adjusted Exercise Price}}$$

In this case, any fraction of a share less than one share shall be rounded down.

(5) If, after the issuance of the Stock Acquisition Rights, the Company pays a special dividend as specified in item (6) below, the Company shall adjust the Exercise Price using the following formula (hereinafter referred to as the "Exercise Price Adjustment Formula for Special Dividends," and collectively with the Exercise Price Adjustment Formula for Stock Splits, etc., referred to as the "Exercise Price Adjustment Formulas").

$$\text{Adjusted Exercise Price} = \text{Pre-adjustment Exercise Price} \times \frac{\text{Market Price} - \text{Special Dividend per Share}}{\text{Market Price}}$$

"Special Dividend per Share" means the amount obtained by dividing the special dividend by the Number of Allotted Shares as of the record date for the dividend of surplus. The Special Dividend per Share shall be calculated down to two decimal places of a yen and rounded off to the first decimal place.

(6) ① "Special Dividend" means the amount obtained by multiplying the amount of dividend of surplus per common share of the Company (including cash paid pursuant to the provisions of Article 455, Paragraph 2 and Article 456 of the Companies Act; in the case of a dividend of surplus where property other than cash is distributed as dividend property, the book value of such dividend property shall be the amount of the dividend) as of the record date for the dividend falling within the period up to the final day of the period during which the Stock Acquisition Rights can be exercised as described in Section 12, by the Number of Allotted Shares as of such record date.

② The adjustment of the Exercise Price due to a special dividend shall apply on and after the day following the date on which a resolution on the dividend of surplus as specified in Article

454 or Article 459 of the Companies Act is passed regarding the record date for each special dividend.

- (7) If the difference between the adjusted Exercise Price calculated by the Exercise Price Adjustment Formulas and the pre-adjustment Exercise Price is less than one yen, no adjustment to the Exercise Price shall be made. However, if an event requiring an adjustment to the Exercise Price subsequently occurs and the Exercise Price is to be adjusted, the amount obtained by subtracting this difference from the pre-adjustment Exercise Price shall be used in place of the pre-adjustment Exercise Price in the Exercise Price Adjustment Formulas.
- (8) ① The calculation using the Exercise Price Adjustment Formulas shall be performed down to two decimal places of a yen and rounded off to the first decimal place.
- ② The market price to be used in the Exercise Price Adjustment Formula for Special Dividends shall be the average of the closing prices of regular trading of the Company's common shares on the Tokyo Stock Exchange for the 30 trading days (excluding days on which no closing price is available) commencing on the 45th trading day preceding the record date for the relevant dividend of surplus. In this case, the average value shall be calculated down to two decimal places of a yen and rounded off to the first decimal place.
- (9) In addition to cases where adjustments to the Exercise Price are required as described in items (2), (4), and (5) above, the Company shall, upon consultation with and approval of the Stock Acquisition Right Holders, make necessary adjustments to the Exercise Price in the following cases.
- ① When an adjustment to the Exercise Price is required due to a company split, share exchange, share delivery, or merger.
- ② When an adjustment to the Exercise Price is required due to the occurrence of an event that causes or may cause a change in the number of common shares of the Company.
- ③ When multiple events that require adjustments to the Exercise Price occur in close succession, and it is necessary to consider the effect of one event on the market price to be used in calculating the adjusted Exercise Price based on the other event.
- (10) When an adjustment to the Exercise Price is to be made, the Company shall notify the Stock Acquisition Right Holders in writing of the fact that such adjustment will be made, the reason thereof, the pre-adjustment Exercise Price, the adjusted Exercise Price, the effective date of application, and other necessary matters by the day immediately preceding the effective date of application. However, in the cases specified in item (2) ⑤ and item (4) ④ above or other cases where such notification cannot be given by the day immediately preceding the effective date of application, it shall be given promptly on or after the effective date of application.

12. Period During Which the Stock Acquisition Rights Can Be Exercised

From June 12, 2026 to June 11, 2030.

13. Other Conditions for Exercise of the Stock Acquisition Rights

Partial exercise of each Stock Acquisition Right shall not be permitted.

14. Amounts of Stated Capital and Legal Capital Surplus to Be Increased if Shares Are Issued

Upon Exercise of the Stock Acquisition Rights

The amount of stated capital to be increased if shares are issued upon the exercise of the Stock Acquisition Rights shall be 0.5 times the maximum limit of increase in stated capital, etc., calculated in accordance with Article 17 of the Rules of Corporate Accounting, and any fraction of less than one yen resulting from the calculation shall be rounded up to the nearest yen. The amount of legal capital surplus to be increased shall be the maximum limit of increase in stated capital, etc., less the amount of stated capital to be increased.

15. Method for Requesting Exercise of the Stock Acquisition Rights

- (1) When exercising the Stock Acquisition Rights, a Stock Acquisition Right Holder shall notify the place for receiving exercise requests of the matters necessary for the exercise request during the period during which the Stock Acquisition Rights can be exercised as described in Section 12 above.
- (2) When exercising the Stock Acquisition Rights, in addition to the notification of the exercise request mentioned in the preceding item, the holder shall transfer the full amount of the value of the property to be contributed upon the exercise of the Stock Acquisition Rights in cash to an account designated by the Company at the place for handling payments specified in Section 19 below.
- (3) An exercise request for the Stock Acquisition Rights shall become effective on the date when all the matters necessary for the exercise request are notified to the place for receiving exercise requests described in Section 18 below, and the full amount of the value of the property to be contributed upon the exercise of the Stock Acquisition Rights is deposited into the account specified in the preceding item.

16. Non-issuance of Stock Acquisition Right Certificates

The Company shall not issue stock acquisition right certificates for the Stock Acquisition Rights.

17. Reasons for Calculation of the Paid-in Amount for the Stock Acquisition Rights and the Value of Property to Be Contributed Upon Exercise Thereof

Taking into account these Terms of Issuance and the various conditions specified in the EQUITY PROGRAM AGREEMENT dated May 27, 2026, between the Company and CVI Investments, Inc., the paid-in amount for one Stock Acquisition Right was set at 133 yen. This was determined by reference to the results of a valuation based on a Monte Carlo simulation, a general price calculation model, under certain assumptions regarding the Company's stock price, the liquidity of the Company's shares, the exercise behavior of the allottee, and the shareholding trends of the allottee, etc.

18. Place for Receiving Exercise Requests

IR Japan, Inc.

19. Place for Handling Payments

Sumitomo Mitsui Banking Corporation, Shinbashi Branch

20. Application of the Act on Book-Entry Transfer of Company Bonds, Shares, etc.

The Stock Acquisition Rights shall be book-entry stock acquisition rights as prescribed in the Act on Book-Entry Transfer of Company Bonds, Shares, etc., and all of them shall be subject to the provisions of the said Act. In addition, the handling of the Stock Acquisition Rights shall comply with the Book-entry Transfer Business Rules for Shares, etc., the enforcement regulations thereof, and other rules established by Japan Securities Depository Center, Incorporated.

21. Name and Address of Book-Entry Transfer Institution

Japan Securities Depository Center, Incorporated

7-1, Nihonbashi Kabuto-cho, Chuo-ku, Tokyo

22. Others

- (1) Each of the above items is subject to the shelf registration becoming effective under the Financial Instruments and Exchange Act and the filing of the supplement to the shelf registration statement.
- (2) All other matters necessary for the issuance of the Stock Acquisition Rights shall be left to the sole discretion of the Representative Director and President of the Company.