Consolidated Financial Results for the Three Months Ended June 30, 2026 (Under Japanese GAAP)

August 13, 2026

Company name	REPROCELL Inc.			Stock exchange listings: Tokyo Growth
Securities code	4978	URL https://reprocell.co.jp		
Representative	(Title)	Representative Director and President	(Name)Chikafumi Yokoyama	
Inquiries	(Title)	GM of Corporate Management Dept.	(Name)Koji Yamane	Tel 045-475-3887
Dividend payable date (as planned)		―		
Supplemental material of results	:	None		
Convening briefing of results	:	None		

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

1. Consolidated financial results for the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	546	14.9	(310)	―	(149)	―	(149)	―
June 30, 2025	475	(23.2)	(291)	―	(301)	―	(304)	―

Note:Comprehensive income For the three months ended June 30, 2026 (150) Millions of yen (―%) For the three months ended June 30, 2025 (325) Millions of yen (―%)

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	(1.56)	―
June 30, 2025	(3.21)	―

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2026	9,800	9,072	92.5	92.57
March 31, 2026	9,652	8,846	91.7	93.09

Reference:Owner's equity As of June 30, 2026 9,068 Millions of yen As of March 31, 2026 8,846 Millions of yen

2. Cash dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	―	0.00	―	0.00	0.00
Fiscal year ending March 31, 2027	―				

	Annual dividend				
	First quarter	Second quarter	Third quarter	Year end	Annual
Fiscal year ending March 31, 2027 (Forecast)		0.00	—	0.00	0.00

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

3. Consolidated financial forecast for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2027	2,629	17.7	(630)	—	(458)	—	(458)	—	(4.68)

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

The Company conducted a capital increase through third-party allotment on June 11, 2026. Basic earnings per share in the consolidated financial forecast for the fiscal year ending March 31, 2027 reflects the impact of this capital increase through third-party allotment.

* Notes

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

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

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

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

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

(iii) Changes in accounting estimates : No ne

(iv) Restatement : No ne

(4) Number of issued shares (common shares)

① Number of issued and outstanding shares at the period end (including treasury stock)	As of June 30, 2026	98,079,891 shares	As of March 31, 2026	95,147,891 shares
② Number of treasury stock at the period end	As of June 30, 2026	117,256 shares	As of March 31, 2026	117,256 shares
③ Average number of shares (quarterly period-YTD)	Three months ended June 30, 2026	95,675,031 shares	Three months ended June 30, 2025	94,685,635 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm：None

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including earnings forecasts, contained in this document are based on information currently available to the Company and on certain assumptions deemed reasonable by the Company. Actual results and other outcomes may differ significantly due to various factors. For the assumptions underlying the earnings forecasts and other notes concerning the use of the earnings forecasts, please refer to page 6 of the attached materials, "Explanation of Consolidated Financial Forecasts and Other Forward-Looking Information."

○Table of Contents of Attached Materials

1. Qualitative Information on Financial Results for the First Quarter

Forward-looking statements herein are based on judgments made as of the end of the cumulative quarterly period under review.

(1) Explanation of Operating Results

The iPS cell technology that serves as the core technology of the Group has seen increasingly active research worldwide since Professor Shinya Yamanaka established human iPS cells. In recent years, research and development toward practical application has accelerated, including applications in disease elucidation and regenerative medicine. In March 2026, marketing approval was granted for the first time, on a conditional and time-limited basis, for two regenerative medical products using iPS cells for severe heart failure and Parkinson's disease, making the practical application of therapeutic products using iPS cells originating in Japan a reality. In addition, clinical trials are also being conducted for indications such as age-related macular degeneration, spinal cord injury, and head and neck cancer. Progress has also been reported in disease elucidation using patient-derived iPS cells from patients with rare intractable diseases and in clinical trials of new drug candidates.

Against this backdrop, the Group promotes businesses that utilize iPS cell technology by classifying them into two segments: the Research Support Business and the Medical Business. The Research Support Business focuses primarily on applying iPS cells to disease elucidation and drug discovery research, thereby building a short- to medium-term earnings base. Meanwhile, the Medical Business engages in the research and development of regenerative medical products centered on four items - Stemchymal, iPS cell-derived neural glial cell products, TIL therapy, and GPC-1 CAR-T therapy - as well as contract manufacturing of regenerative medical products and clinical laboratory testing services, and is positioned as a pillar of medium- to long-term growth.

The Research Support Business serves customers such as universities, public research institutions, and pharmaceutical companies, providing research reagents, cells, contract iPS cell generation services, cell measurement instruments, and other products and services. Because these products and services are for research use, they do not require marketing approval as pharmaceuticals do, and their distinguishing feature is the ability to commercialize and monetize new technologies in a relatively short period of time. The Group possesses a broad "Human Cell Business Platform" centered on iPS cell technology, and aims to secure stable earnings by globally deploying products and services with strong competitive advantages.

The regenerative medical products being developed in the Medical Business require clinical trials and marketing approval before market launch, and therefore require more time for commercialization than the Research Support Business. However, legal revisions in Japan in 2014 established an environment suitable for the industrialization of regenerative medicine. In particular, the system under the Pharmaceuticals and Medical Devices Act that grants conditional and time-limited approval to regenerative medical products for which safety has been confirmed and efficacy is presumed supports early practical application. Related guidance published by the Ministry of Health, Labour and Welfare in March 2024 clarified the operational standards for this approval system, and is expected to enable the earlier provision of new treatment opportunities to patients. According to a report by the Ministry of Economy, Trade and Industry, the global market size of the regenerative medicine industry is projected to reach approximately ¥17 trillion in 2030, making this a field in which extremely significant growth is expected. In this growth market, the Group will focus management resources on the development of innovative regenerative medical product pipelines and aim to maximize corporate value by addressing unmet medical needs.

By advancing both the Research Support Business, which serves as a short- to medium-term earnings base, and the Medical Business, which serves as a medium- to long-term growth driver, the Group will work to achieve sustainable growth.

As a result, for the three months under review, net sales were ¥546 million, up 14.9% year on year; operating loss was ¥310 million, compared with an operating loss of ¥291 million in the same period of the previous fiscal year; ordinary loss was ¥149 million, compared with an ordinary loss of ¥301 million in the same period of the previous fiscal year; and loss attributable to owners of parent was ¥149 million, compared with a loss attributable to owners of parent of ¥304 million in the same period of the previous fiscal year.

Operating results by segment were as follows.

a. Research Support Business

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

In recent years, the pharmaceutical industry has been accelerating a shift "from animal experiments to human cell experiments" due to issues such as animal welfare and differences in results arising from species differences between humans and animals. This trend is expected to significantly shorten the new drug development process and enable the development of new drugs with greater efficacy. Human iPS cells, in particular, are attracting attention as a central element of this shift. For example, the use of iPS cells derived from patients with Alzheimer's disease is expected to accelerate disease elucidation and new drug development.

The Group possesses world-leading technology platforms for human iPS cells, including RNA reprogramming technology, genome editing technology, and technologies for inducing differentiation into various types of cells. The Group has also built an extensive network that enables the procurement of cancer cells and human tissue from medical institutions. Through its "Human Cell Business Platform," which integrates these capabilities, the Group is developing businesses that anticipate the transition "from animal experiments to human cell experiments." Specifically, the Group provides research reagent products, services for generating disease model cells using iPS cells, the banking and provision of human biological samples, and services for pharmacological efficacy testing of new drugs using human tissue. Leveraging these technological capabilities, in April 2025 the Group developed and began selling the "StemEdit™ Human iPSC non-HLA" series of HLA knockout iPS cell lines, which significantly reduce the risk of immune rejection in regenerative medicine. This product will accelerate research and development of "universal donor cells" that address immune rejection, a major challenge in cell transplantation therapy using allogeneic iPS cells.

In addition to its internally developed products, the Group is actively engaged in the introduction and distributor sales of products from other companies. The Group handles a diverse range of research instruments, including electrophysiological cell measurement instruments manufactured by Nanion Technologies of Germany, microbiological testing instruments manufactured by INTERSCIENCE of France, and live imaging systems manufactured by InnoME of Germany. By combining these instruments with the Group's cells and reagents, the Group provides comprehensive solutions to customers.

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

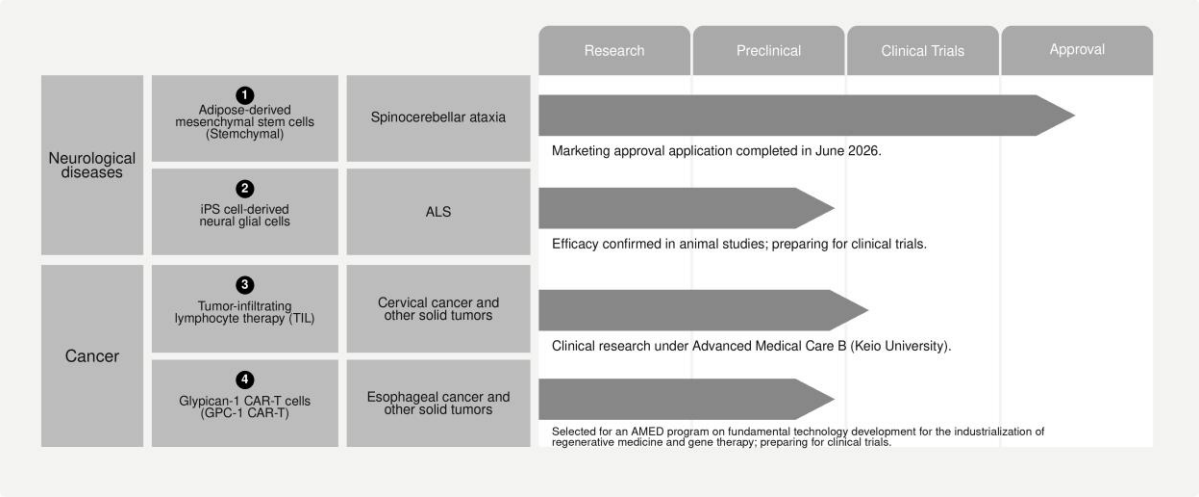
As a result, net sales were ¥483 million, up 10.3% year on year, and segment profit was ¥20 million, compared with a segment loss of ¥26 million in the same period of the previous fiscal year.

b. Medical Business

In the field of regenerative medicine, research aimed at clinical applications of human somatic stem cells and human iPS cells is being actively pursued worldwide, and regenerative medical products are expected to grow into a huge global industry in the future.

In particular, iPS cells, which possess unlimited proliferative capacity and pluripotency, have the potential to become groundbreaking therapies for intractable diseases for which no effective treatments exist, and there are high expectations for their clinical application. A key issue in the clinical application of iPS cells is ensuring safety. The Group has developed and possesses RNA reprogramming technology for generating high-quality iPS cells optimally suited for clinical application. Leveraging this technological advantage, the Group is vigorously promoting the following businesses in order to achieve early clinical application of iPS cells and related technologies.

The Medical Business promotes the following businesses.



Reference Information

*1: Amyotrophic lateral sclerosis (ALS)

Amyotrophic lateral sclerosis (ALS) is a disease in which the nervous system responsible for bodily movement (motor neurons) degenerates, causing symptoms such as motor impairment due to muscle weakness and dysphagia. Although the disease progresses extremely rapidly, no curative treatment has been established, although drug therapies and other treatments to slow its progression are available. In Japan, ALS is designated as an intractable disease, and the number of patients nationwide is estimated at approximately 10,000.

(a) Somatic Stem Cell Product Stemchymal

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

Spinocerebellar ataxia is a rare disease of unknown cause that results in ataxia, including gait disturbance and dysphagia, due to degeneration of nerve cells in the cerebellum, brainstem, and spinal cord. Stemchymal is expected to inhibit the progression of symptoms, and because it is administered by intravenous infusion, it is a less invasive treatment option for patients.

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

In addition, the Phase II clinical trial conducted by Steminent in Taiwan showed no safety concerns and confirmed improvements in SARA scores and an effect of suppressing disease progression, thereby supporting the results of the Japanese trial. Furthermore, in a clinical trial conducted in the United States involving one patient, long-term improvement in the SARA score over approximately one and a half years was also observed. In November 2024, Steminent was accredited by the Minister of Health, Labour and Welfare as a foreign manufacturer of regenerative medical products, satisfying one of the requirements for the Company to obtain marketing approval in Japan. In addition, Steminent, the product's developer, plans to commence a Phase II clinical trial of the product in the United States going forward, accelerating its global expansion.

This product was designated as an orphan regenerative medical product in December 2018, making it eligible for support measures such as development cost subsidies of up to 50%, preferential tax treatment, and priority review. Leveraging these results and the benefits of the designation, on June 24, 2026, the Group formally completed the filing in Japan of an application for marketing approval for the indication of suppressing the progression of ataxia in spinocerebellar ataxia (SCA type 3 and SCA type 6). The product is eligible for priority review, which is expected to be completed within a target period of nine months from acceptance of the application. Following approval, Steminent is expected to manufacture the product, while the Company is expected to handle sales and distribution in Japan. In addition, to establish a system enabling prompt sales and distribution following approval, on June 18, 2026 the Company applied to Kanagawa Prefecture for a regenerative medical product marketing license, which is legally required for the marketing authorization holder that bears ultimate legal responsibility for product quality and safety. The Group will make every effort toward obtaining approval so that it can deliver a new treatment option as soon as possible.

* SARA score: An index widely used to evaluate symptoms of spinocerebellar ataxia. It comprehensively quantifies gait, stance,

speech, finger movements, and other functions on a scale of 0 to 40 points. The score increases as symptoms worsen.

(b) iPS Cell-Derived Neural Glial Cell Products
The Group generates neural glial cells from iPS cells and conducts research and development of these cells as iPS cell-based regenerative medical products for various neurodegenerative diseases. The Group is currently preparing for the early commencement of a clinical trial for ALS.
In experiments using ALS model rats, meaning rats that reproduce the pathological condition of ALS, the Group obtained results showing that the decline in motor function was significantly suppressed in the group administered iPS cell-derived neural glial cells compared with the non-administered group. It has also been confirmed that the administered iPS cell-derived neural glial cells engrafted in the rats for a long period and activated motor neurons.
Based on these promising non-clinical data, the Group is proceeding with preparations for the early commencement of a clinical trial for ALS.

(c) Tumor-Infiltrating Lymphocyte Infusion Therapy (TIL Therapy)
TIL therapy is a type of adoptive immunotherapy in which tumor-infiltrating lymphocytes, or TILs, are collected from a patient's own cancer tissue, expanded ex vivo on a large scale, and then re-administered to the patient. Since the 1980s, TIL therapy has been used primarily in the United States for advanced malignant melanoma, and high therapeutic efficacy has been reported. The response rate is said to be approximately 70%, and the complete response rate approximately 20%; it is known that many complete responders do not experience recurrence. In February 2024, TIL therapy for metastatic melanoma was approved by the U.S. FDA as the first cellular immunotherapy for a solid tumor, with a drug price of US$515,000.
In June 2023, the Company entered into a joint research agreement with the Department of Obstetrics and Gynecology, Keio University School of Medicine, concerning technology transfer of the TIL manufacturing method for "Advanced Medical Care B: Phase II Clinical Trial of Short-Term Cultured Anti-Tumor Lymphocyte Infusion Therapy Using Non-Myeloablative Preconditioning and Low-Dose IL-2 for Advanced Cervical Cancer," and completed the technology transfer. Because TIL therapy requires advanced culture technology, the number of facilities capable of implementing it is limited worldwide.
In November 2024, this Advanced Medical Care program was resumed at Keio University, and the second patient was administered TILs manufactured by the Company. Going forward, the program is scheduled to be conducted in a total of 10 patients by 2026.
In parallel with the contract manufacturing of TILs in this clinical trial, the Group positions TIL therapy as one of the pillars of its regenerative medical product pipeline. In October 2024, the Company entered into a new joint research agreement with the Department of Obstetrics and Gynecology, Keio University School of Medicine, concerning a novel TIL culture method, with the aim of early commercialization.

(d) Glypican-1 Chimeric Antigen Receptor T-cell Therapy (GPC-1 CAR-T Therapy)
Chimeric antigen receptor T cell therapy, or CAR-T therapy, is an immune cell therapy in which a patient's own T cells, which are immune cells, are genetically modified to recognize and attack specific cancer antigens, and are then returned to the patient. CAR-T therapy has already been put into practical use for hematologic cancers, and research and development for its application to solid tumors is being vigorously pursued worldwide.
In this business, the Group conducts research and development of GPC-1 CAR-T cell therapy, which targets the cancer antigen glypican-1, or GPC-1. GPC-1 is rarely expressed in normal adult tissues, while it is specifically and highly expressed in a wide range of solid tumors, including esophageal cancer, cervical cancer, lung squamous cell carcinoma, and pancreatic cancer. Accordingly, CAR-T therapy targeting GPC-1 is expected to be a promising treatment for these intractable solid tumors.
In December 2024, this research and development project was selected for the "Project for the Development of Fundamental Technologies for the Industrialization of Regenerative Medicine and Gene Therapy," a publicly solicited program of the Japan Agency for Medical Research and Development (AMED). The Group has entered into commissioned research agreements with the Department of Early Medical Development, Graduate School of Medicine, Kyoto University, and the Department of Immunology, School of Medicine, International University of Health and Welfare, and is conducting joint research.
The Group is currently preparing for the early commencement of a clinical trial for esophageal cancer.

(e) Contract Manufacturing Business for iPS Cell-Based Regenerative Medical Products
Research and development of regenerative medicine using iPS cells is being actively pursued worldwide for indications such as age-related macular degeneration, Parkinson's disease, ischemic cardiomyopathy, and spinal cord injury. iPS cells used in regenerative medicine must meet extremely high safety and quality standards, and compliance with the stringent regulatory guidelines of each country is essential.
The Group has developed and possesses cutting-edge RNA reprogramming technology that minimizes the risk of genetic mutations

and the residual risk of exogenous genes and viruses, enabling the safe and high-quality generation of iPS cells optimally suited for clinical application. The Group's products and services in this business are broadly classified into "clinical-grade iPS cells" primarily for pharmaceutical companies and other corporate customers, and "Personal iPS" for individuals.
For "clinical-grade iPS cells," the Group provides iPS cells manufactured under a GMP (Good Manufacturing Practice) compliant manufacturing system as starting materials for regenerative medical products. A strength of the Company's iPS cells is that they comply with pharmaceutical regulatory requirements in Japan, the United States, and Europe, and can therefore be widely used globally. In addition, the Company's clinical-grade iPS cells have been registered in a Drug Master File (DMF) with the U.S. Food and Drug Administration (FDA), which can simplify procedures when customer companies file approval applications in the United States. Their high safety and quality have been demonstrated, among other things, through the fact that in February 2025, Gameto Inc. of the United States, to which the Company supplies cells, obtained IND clearance from the FDA for a Phase III clinical trial using technology based on those iPS cells.
During the fiscal year under review, based on the robust foundation described above, the Group further advanced global expansion and the establishment of integrated contract services.
With respect to its site structure, in addition to the existing cell processing facility "Tonomachi REPROCELL Regenerative Medicine Center" located in the Kanagawa Life Innovation Center, a licensed facility for the manufacture of specified processed cells (Facility No. FA3200006), and the GMP facilities of REPROCELL USA Inc. in the United States, Histocell of Spain, a partner company in which the Company has invested, obtained GMP certification from the Spanish Agency of Medicines and Medical Devices (AEMPS) in October 2025 for the manufacture of master cell banks (MCBs) and working cell banks (WCBs) using the Company's clinical-grade iPS cells. This established a framework for globally expanding the contract manufacturing business through a three-site structure in Japan, the United States, and Europe.
On the technology side, in January 2026 the Company began providing "StemEdit™," a clinical-grade gene editing service based on the AI-designed genome editing system "OpenCRISPR-1™." This technology is an artificial design system based on a large language model (LLM), and has high editing efficiency and the ability to reduce off-target effects. This enables the efficient generation of universal donor iPS cells with a reduced risk of immune rejection. In addition, as an alternative to conventional gene editing technologies that involve complex licensing issues, it has groundbreaking features that resolve intellectual property and commercial challenges and reduce barriers to commercialization in the development of cell therapy products.
Subsequently, in March 2026, the Company began MCB manufacturing services for clinical-grade iPS cells at the GMP manufacturing facility of REPROCELL USA Inc. in the United States. As a result, the Group has established a framework that can provide a series of workflows in an integrated manner, from "donor selection," "seed clone manufacturing," and "clinical-grade gene editing using StemEdit™" through to "GMP cell banking." By using the Company's services, customer companies can reduce uncertainties related to regulatory requirements and manufacturing processes in each country, and can build more rational and feasible development roadmaps.
"Personal iPS" is a service that generates and stores an individual's iPS cells in preparation for future illness. By preparing individual-specific iPS cells in advance, the service is expected to shorten treatment time when needed and minimize the risk of immune rejection. The Company is continuing to develop sales to domestic customers and foreign visitors to Japan through collaboration with JTB Corp. ("JTB").
iPS cell-derived exosomes are granular substances with diameters of 50 to 150 nm that play a role in intercellular communication, and are attracting attention as next-generation medical tools. The Group manufactures exosomes derived from iPS cells generated using a virus-free mRNA method, thereby eliminating the risk of contamination by exogenous viruses, at GMP-compliant facilities. The Company has entered into a general distributor agreement with JTB for this product, and is seeking to expand sales by leveraging JTB's global network.

(f) Contract Clinical Laboratory Testing Services
Since registering as a clinical laboratory in 2005, the Group has conducted clinical tests related to organ transplantation, including HLA typing and anti-HLA antibody testing, and has a track record of transactions with more than 300 medical institutions nationwide. In April 2023, the Group launched "Well-Mill," a mail-in testing service that enables users to conveniently check their health status at home. Using saliva as the specimen, the service measures hormones related to "stress," "menopause," "male hormones," and "female hormones," and can be used for day-to-day health management. In addition, in January 2026 the Group began providing a "Gene Age Measurement Kit" that measures an individual's biological age, or gene age, by analyzing how genes function in cells contained in saliva, based on the latest epigenetics research. This service contributes to people's health management and improved quality of life (QOL) by enabling them to objectively understand their own biological age and use that information to improve lifestyle habits. The Group will continue to actively add new test items and services and expand the business.
The Group also provides a "Neoantigen Detection Service" as a new service related to personalized cancer medicine. This service analyzes genetic information from each patient's cancer tissue and identifies neoantigens, which are unique markers.

For pharmaceutical companies, the Group provides contract testing services in clinical trials. The Group has research facilities in four locations - Japan, the United States, the United Kingdom, and India - and has established a system capable of supporting global-scale clinical trials. Through this system, the Group provides high-quality testing services that support pharmaceutical companies' new drug development and has earned international trust.
The Group is also advancing initiatives in personalized medicine. REPROCELL Europe Ltd. of the Group, together with IBM Research and the United Kingdom's STFC Hartree Centre, successfully developed "Pharmacology-AI," a machine learning platform specialized for personalized medicine. This platform enables big data analysis in pharmaceutical development and data analysis required for personalized medicine. Going forward, the Group will create new businesses using Pharmacology-AI and strengthen its promotion of personalized medicine and support for pharmaceutical companies. As a specific initiative, the Group established "ReproRegistry," a United Kingdom-based medical volunteer registration system. This system works in conjunction with Pharmacology-AI to identify subjects best suited for clinical trials with a high degree of precision, and the Group will develop it into a core foundation for next-generation clinical trial support services.

As a result, net sales were ¥63 million, up 69.2% year on year, and segment loss was ¥13 million, compared with a segment loss of ¥58 million in the same period of the previous fiscal year.

In addition, corporate expenses not allocated to individual business segments, such as expenses related to administrative departments, amounted to ¥156 million, compared with ¥217 million in the same period of the previous fiscal year.

(2) Explanation of Financial Position
(Assets)
Current assets at the end of the first quarter decreased by ¥810 million compared with the end of the previous fiscal year, to ¥6,518 million. This was mainly due to decreases of ¥608 million in cash and deposits and ¥284 million in securities. Non-current assets increased by ¥958 million compared with the end of the previous fiscal year, to ¥3,281 million. This was mainly due to an increase of ¥980 million in investment securities.

(Liabilities)
Current liabilities at the end of the first quarter decreased by ¥67 million compared with the end of the previous fiscal year, to ¥549 million. This was mainly due to a decrease of ¥83 million in advances received, despite an increase of ¥24 million in accounts payable - trade. Non-current liabilities decreased by ¥10 million compared with the end of the previous fiscal year, to ¥178 million. This was mainly due to a decrease of ¥10 million in deferred tax liabilities.

(Net Assets)
Net assets at the end of the first quarter increased by ¥225 million compared with the end of the previous fiscal year, to ¥9,072 million. This was mainly due to increases of ¥186 million in share capital, ¥186 million in capital surplus, and ¥11 million in foreign currency translation adjustment, partially offset by decreases of ¥149 million in retained earnings and ¥12 million in valuation difference on available-for-sale securities.

(3) Explanation of Consolidated Financial Forecasts and Other Forward-Looking Information
There is no change to the full-year consolidated financial forecast for the fiscal year ending March 31, 2027 announced on May 14, 2026.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	2,603,703	1,995,568
Accounts receivable - trade	336,054	324,153
Securities	3,904,102	3,619,502
Merchandise and finished goods	127,359	137,238
Work in process	69,659	101,312
Raw materials and supplies	79,848	83,397
Other	213,173	262,215
Allowance for doubtful accounts	(4,539)	(4,593)
Total current assets	7,329,361	6,518,796
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	24,581	23,437
Machinery, equipment and vehicles, net	146,648	140,977
Tools, furniture and fixtures, net	111,179	104,325
Total property, plant and equipment	282,409	268,741
Intangible assets		
Goodwill	5,426	4,747
Other	8,421	7,767
Total intangible assets	13,847	12,514
Investments and other assets		
Investment securities	1,914,189	2,894,748
Deferred tax assets	59,155	60,084
Other	58,402	50,283
Allowance for doubtful accounts	(5,049)	(4,941)
Total investments and other assets	2,026,697	3,000,174
Total non-current assets	2,322,954	3,281,431
Total assets	9,652,315	9,800,227

(Thousands of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	141,808	166,266
Accounts payable - other	87,367	88,953
Income taxes payable	25,537	12,816
Contract liabilities	40,672	30,855
Advances received	116,629	32,964
Provision for bonuses	8,710	5,984
Other	196,508	211,856
Total current liabilities	617,234	549,698
Non-current liabilities		
Deferred tax liabilities	176,741	166,197
Asset retirement obligations	9,125	9,136
Other	2,487	2,741
Total non-current liabilities	188,354	178,075
Total liabilities	805,589	727,774
Net assets		
Shareholders' equity		
Share capital	2,720,149	2,906,331
Capital surplus	6,276,107	6,462,289
Retained earnings	(533,398)	(682,902)
Treasury shares	(916)	(916)
Total shareholders' equity	8,461,940	8,684,800
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	325,433	312,817
Foreign currency translation adjustment	59,352	70,935
Total accumulated other comprehensive income	384,785	383,752
Share acquisition rights	-	3,899
Total net assets	8,846,726	9,072,453
Total liabilities and net assets	9,652,315	9,800,227

（２）Quarterly Consolidated Statements of Income and Comprehensive Income

（Quarterly Consolidated Statements of Income）

(Thousands of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Net sales		
Net sales of finished goods	283,128	366,016
Service revenue	192,717	180,683
Total net sales	475,845	546,700
Cost of sales		
Cost of finished goods sold	176,523	197,104
Cost of service operations	104,827	104,502
Total cost of sales	281,351	301,607
Gross profit	194,494	245,092
Selling, general and administrative expenses		
Research and development expenses	162,401	207,588
Other Selling, general and administrative expenses	323,159	348,451
Total selling, general and administrative expenses	485,560	556,039
Operating loss	(291,066)	(310,947)
Non-operating income		
Interest income	16,892	25,440
Subsidy income	—	89,692
Foreign exchange gains	—	47,492
Other	450	146
Total non-operating income	17,343	162,772
Non-operating expenses		
Share of loss of entities accounted for using equity method	23,470	—
Foreign exchange losses	4,102	—
Other	570	846
Total non-operating expenses	28,143	846
Ordinary loss	(301,866)	(149,021)
Loss before income taxes	(301,866)	(149,021)
Income taxes - current	2,455	482
Total income taxes	2,455	482
Loss	(304,321)	(149,503)
Loss attributable to owners of parent	(304,321)	(149,503)

（Quarterly Consolidated Statements of Comprehensive Income）

(Thousands of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Loss	(304,321)	(149,503)
Other comprehensive income		
Valuation difference on available-for-sale securities	(18,285)	(12,615)
Foreign currency translation adjustment	(16,355)	11,583
Share of other comprehensive income of entities accounted for using equity method	13,576	-
Total other comprehensive income	(21,064)	(1,032)
Comprehensive income	(325,386)	(150,535)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(325,386)	(150,535)

（３）Notes to Quarterly Consolidated Financial Statements

（Notes on Going Concern Assumption）

Not applicable.

（Notes in the Event of Significant Changes in Shareholders' Equity）

On June 11, 2026, the Company received payment from CVI Investments, Inc. for a capital increase through third-party allotment. As a result, share capital and capital surplus each increased by ¥186 million during the cumulative first-quarter period, and at the end of the first quarter, share capital amounted to ¥2,906 million and capital surplus amounted to ¥6,462 million.

（Changes in Accounting Policies）

Not applicable.

（Note on Quarterly Consolidated Statements of Cash Flows）

The Company did not prepare quarterly consolidated statements of cash flows for the cumulative first-quarter period. Depreciation and amortization (including amortization of intangible assets other than goodwill) and amortization of goodwill for the cumulative first-quarter period were as follows.

	Previous first-quarter cumulative period (From April 1, 2025 to June 30, 2025)	Current first-quarter cumulative period (From April 1, 2026 to June 30, 2026)
Depreciation	¥15,891 thousand	¥20,182 thousand
Amortization of goodwill	¥678 thousand	¥678 thousand

(Notes on Segment Information, etc.)

【Segment Information】

Ⅰ Previous first-quarter cumulative period (from April 1, 2025 to June 30, 2025)

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

(Thousands of yen)

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

Note: 1 The adjustment to segment loss, negative ¥217,479 thousand, mainly represents corporate expenses such as general and administrative expenses not attributable to reportable segments.

2. Segment loss is reconciled with ordinary loss in the quarterly consolidated statements of income.

2. Information on Impairment Losses on Non-Current Assets or Goodwill, etc. by Reportable Segment

Not applicable.

Ⅱ Current first-quarter cumulative period (from April 1, 2026 to June 30, 2026)

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

(Thousands of yen)

	Reportable segments			Reconciling items	Per quarterly consolidated financial statements
	Research Support Business	Medical Business	Reportable segments		
Sales					
Japan	66,829	63,152	129,982	—	129,982
United States	250,116	—	250,116	—	250,116
United Kingdom	142,847	—	142,847	—	142,847
India	23,753	—	23,753	—	23,753
Revenue arising from contracts with customers	483,547	63,152	546,700	—	546,700
Revenues from external customers	483,547	63,152	546,700	—	546,700
Transactions with other segments	—	—	—	—	—
Net sales	483,547	63,152	546,700	—	546,700
Segment profit (loss)	20,372	(13,166)	7,205	(156,226)	(149,021)

Note: 1. The adjustment to segment profit (loss), negative ¥156,226 thousand, mainly represents corporate expenses such as general and administrative expenses not attributable to reportable segments.

2. Segment profit (loss) is reconciled with ordinary loss in the quarterly consolidated statements of income.

2. Information on Impairment Losses on Non-Current Assets or Goodwill, etc. by Reportable Segment

Not applicable.

（Significant Subsequent Events）

（Issuance of New Shares and 18th Series of Share Acquisition Rights through Third-Party Allotment）

Based on a resolution of the Company's Board of Directors dated May 27, 2026, the Company entered into an Equity Program Agreement (the "Equity Program Agreement") with CVI Investments, Inc. (the "Prospective Allottee"), managed by U.S. institutional investor Heights Capital Management, Inc., for the establishment of a share and share acquisition rights issuance program, and established a share and share acquisition rights issuance program (the "Program") pursuant to the Equity Program Agreement.

As the first issuance under the Program, on June 11, 2026 the Company issued new shares and the 17th series of share acquisition rights of REPROCELL Inc. to the Prospective Allottee through third-party allotment.

In addition, at a meeting held on July 1, 2026, the Board of Directors resolved as follows regarding the issuance of new shares and the 18th series of share acquisition rights of REPROCELL Inc. to the Prospective Allottee through third-party allotment as the second issuance under the Program (the "Second Third-Party Allotment").

１．Overview of the Offering

（１）Overview of Issuance of Common Shares in the Second Third-Party Allotment

①	Payment date	July 16, 2026
②	Number of new shares to be issued	2,932,000 common shares
③	Issue price	¥112 per share
④	Amount of funds to be raised	¥328,384,000
⑤	Method of offering or allotment	Through third-party allotment.
⑥	Prospective allottee	CVI Investments, Inc.
⑦	Other	Each of the above items is subject to the shelf registration under the Financial Instruments and Exchange Act becoming effective and the filing of a shelf registration supplement.

（２）Overview of Issuance of Share Acquisition Rights in the Second Third-Party Allotment

①	Allotment date	July 16, 2026
②	Total number of share acquisition rights	29,320 units (100 shares per share acquisition right)
③	Issue price	¥113 per share acquisition right
④	Number of potential shares resulting from the issuance	2,932,000 shares
⑤	Amount of funds to be raised	¥440,181,160 (Breakdown) Proceeds from issuance of share acquisition rights: ¥3,313,160 Proceeds from exercise of share acquisition rights: ¥436,868,000
⑥	Exercise price	¥149 per share
⑦	Exercise period	From July 17, 2026 to July 16, 2030
⑧	Method of offering or allotment	Through third-party allotment.
⑨	Prospective allottee	CVI Investments, Inc.
⑩	Other	Each of the above items is subject to the shelf registration under the Financial Instruments and Exchange Act becoming effective and the filing of a shelf registration supplement.

The planned uses of the proceeds to be raised through the Second Third-Party Allotment are as follows.

Specific use of proceeds	Amount (millions of yen)	Scheduled expenditure period
① Costs related to clinical trials and preparation for approval applications for the TIL therapy project	300	July 2026 to March 2028

② Costs related to research and development and preparation for commencement of clinical trials of GPC-1 CAR-T therapy for refractory solid tumors	295	July 2026 to June 2029
③ Working capital, etc.	165	July 2026 to March 2029
Total	760	-

Note: 1. The proceeds will be held in a bank account until actually disbursed.

2. Of the proceeds, the estimated net proceeds of ¥324 million from the ¥328 million to be raised through the issuance of common shares in the Second Third-Party Allotment are planned to be used as follows: ¥200 million for costs related to clinical trials and preparation for approval applications for the TIL therapy project; ¥42 million for costs related to research and development and preparation for commencement of clinical trials of GPC-1 CAR-T therapy for refractory solid tumors; and ¥82 million for working capital and other purposes.

3. Other

Material Events or Conditions Related to the Going Concern Assumption

Due to reasons such as research and development expenses and clinical trial expenses for iPS cells and regenerative medical products being incurred in advance of revenue, the Company continues to record operating losses, and there are events or conditions that may raise significant doubt regarding the going concern assumption.

However, at the end of the first quarter, the Group had a stable financial base, with cash and deposits of ¥1,995 million and securities of ¥3,619 million used for short-term fund management. In order to resolve this situation, the Group is actively promoting sales by utilizing its global sales platform. To improve the operating efficiency of the Group management structure, the Group is minimizing investment and running costs while developing sales and marketing activities tailored to the characteristics of each region and promoting cooperation among Group companies in both sales and technology, with the aim of achieving profitability at an early stage.