



CellSource

Earnings Presentation

Q3 FY10/2025

CellSource Co., Ltd (TSE Prime: 4880)

September 11, 2025

- 1 **Change in Management Structure in FY10/2026**
- 2 **Downward Revision of the Earnings Forecast for FY10/2025**
- 3 **Financial Results and Progress in Q3 FY10/2025**
- 4 **Upfront Investment Progress for Realizing CellSource Vision**
- 5 **Other Updates**

Details of change

- As disclosed on July 14, 2025, the Board of Directors at its meeting held on the same day resolved to change the leadership (representative director and CEO), effective November 1
 - Current Representative Director and CEO, Takashi Sawada, will assume the position of Chairman of the Board
 - Current Chairman of the Board, Masayuki Yamakawa, will become Representative Director and CEO

Background

- Steadily advanced the focus and prioritization of businesses, while making progress in reallocating management resources
- Established a framework to support management of key medical institution groups specializing in self-funded treatments
- For hybrid medical institutions, strengthened collaboration with key clients and achieved a recovery in contract processing orders

New management structure

- Under the leadership of the new CEO, who brings extensive expertise in regenerative medicine and self-funded treatments, we aim to drive growth from the next fiscal year onward
- With the transition to the new management structure, we are considering revising the timing of our medium-term management plan disclosure, which has previously taken place in December

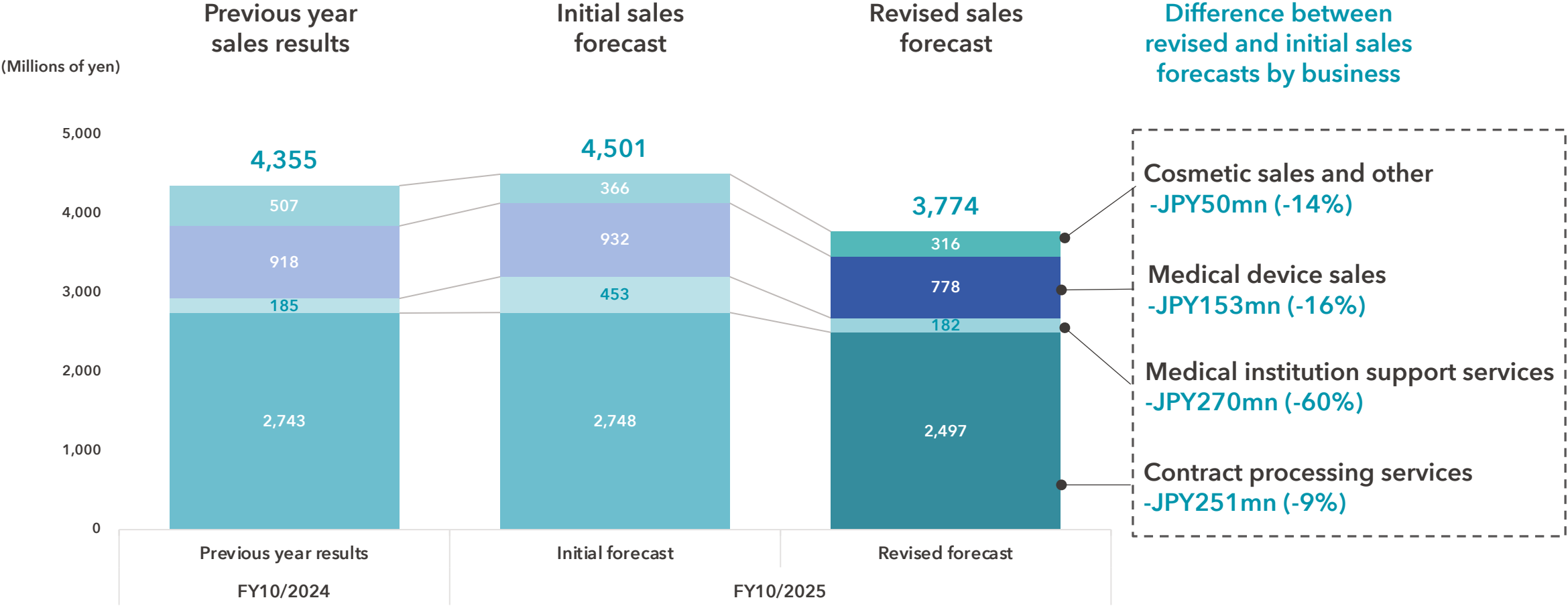
Downward Revision of the Earnings Forecast for FY10/2025

Revised down the full-year earnings forecast in light of progress through Q3 and current projections

[Millions of yen]	FY10/2025			
	Net sales	Operating profit	Ordinary profit	Profit
Previous forecast (A)	4,501	370	372	255
Revised forecast (B)	3,774	203	205	112
Change (B-A)	-727	-167	-167	-143
% change	-16.2%	-45.1%	-44.9%	-56.1%
Ref.: Results for the previous fiscal year (FY10/2024)	4,355	129	236	237

Downward Revision of the FY10/2025 Forecast: Breakdown of the Revised Sales Forecast

The sales forecast was lowered by JPY727 million, as sales, primarily in the medical institution support services, are expected to fall short of initial expectations



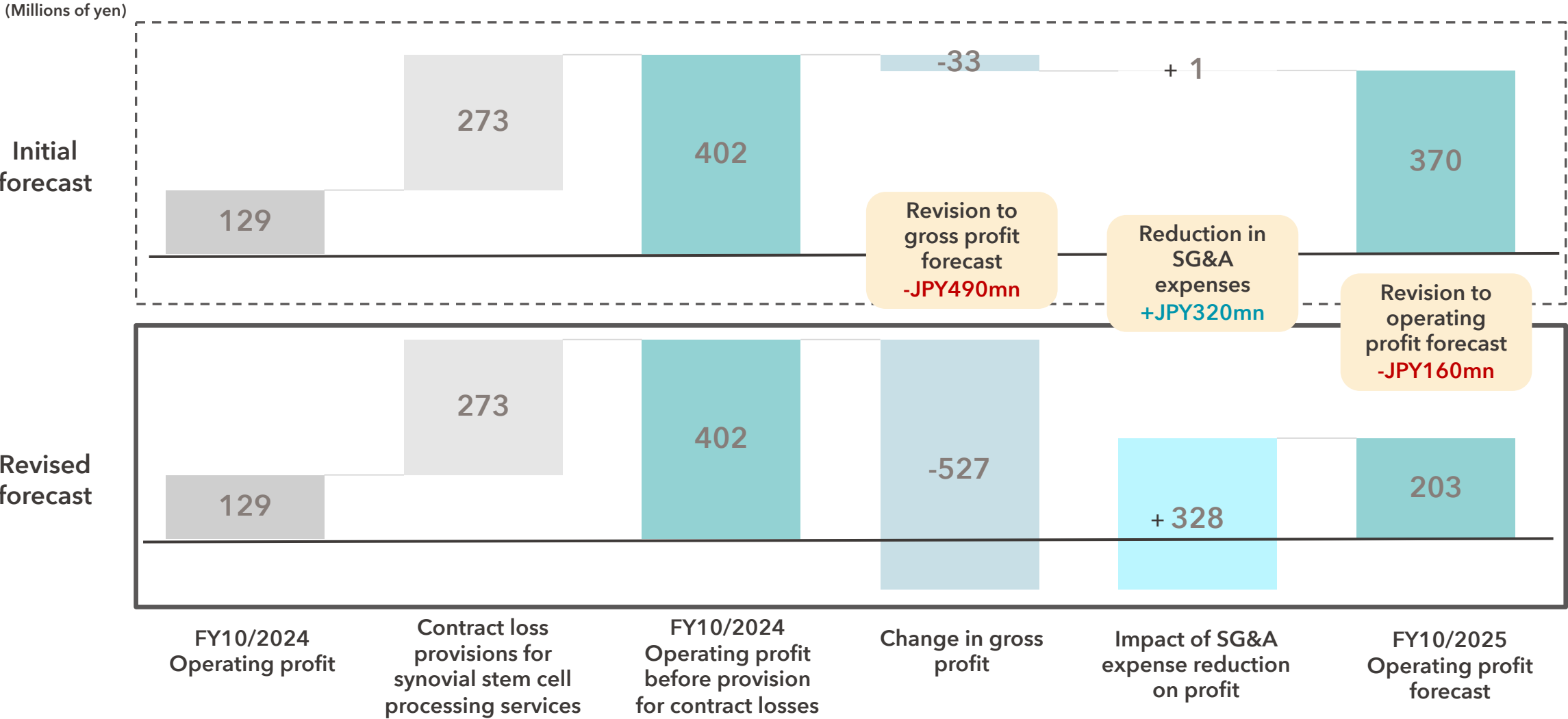
Downward Revision of the FY10/2025 Forecast:
Analysis of Reasons for the Revision of Sales Forecast

The significant downward revision to the sales forecast for medical institution support services reflects smaller-than-expected sales due to changes in support service contract details

Business	Sales forecast revisions	Services	Reasons
Contract processing	-JPY251mn (-9%)	Hybrid orthopedic clinics	Despite continued growth, sales fell short of projections as initiatives to expand orders required more time than expected to deliver results.
		Exosome-related	Because the business relies heavily on one-time, bulk orders, delays in order placement caused sharp fluctuations in sales, even though the business remained solid.
Medical institution support	-JPY270mn (-60%)	Management support	Sales undershot targets due to changes in support service contract details following discussions with client medical institutions.
Medical device sales	-JPY153mn (-16%)	Medical device sales	In the previous fiscal year, sales grew due to an increase in client medical institutions. In the current fiscal year, however, sales declined sharply due to the previous year's growth, leaving results below target.
Cosmetic sales and other	-JPY50mn (-14%)	Cosmetics raw material sales	Sales fell short of expectations due to difficulties in cultivating new sales channels for cosmetics raw materials.

Downward Revision of the FY10/2025 Forecast: Initial vs Revised Operating Profit Forecast

Despite a reduction in SG&A expenses, the operating profit forecast was revised down by JPY160 million, reflecting a larger-than-expected decline in gross profit due to the sales shortfall



Financial Results and Progress in Q3 FY10/2025

Net Sales

JPY **2.81** billion
(-15.7% YoY)

Operating Profit

JPY **123** million
(-68.2% YoY)

Profit

JPY **86** million
(-76.9% YoY)

Operating Profit
Margin

4.4%
(-7.2pp YoY)

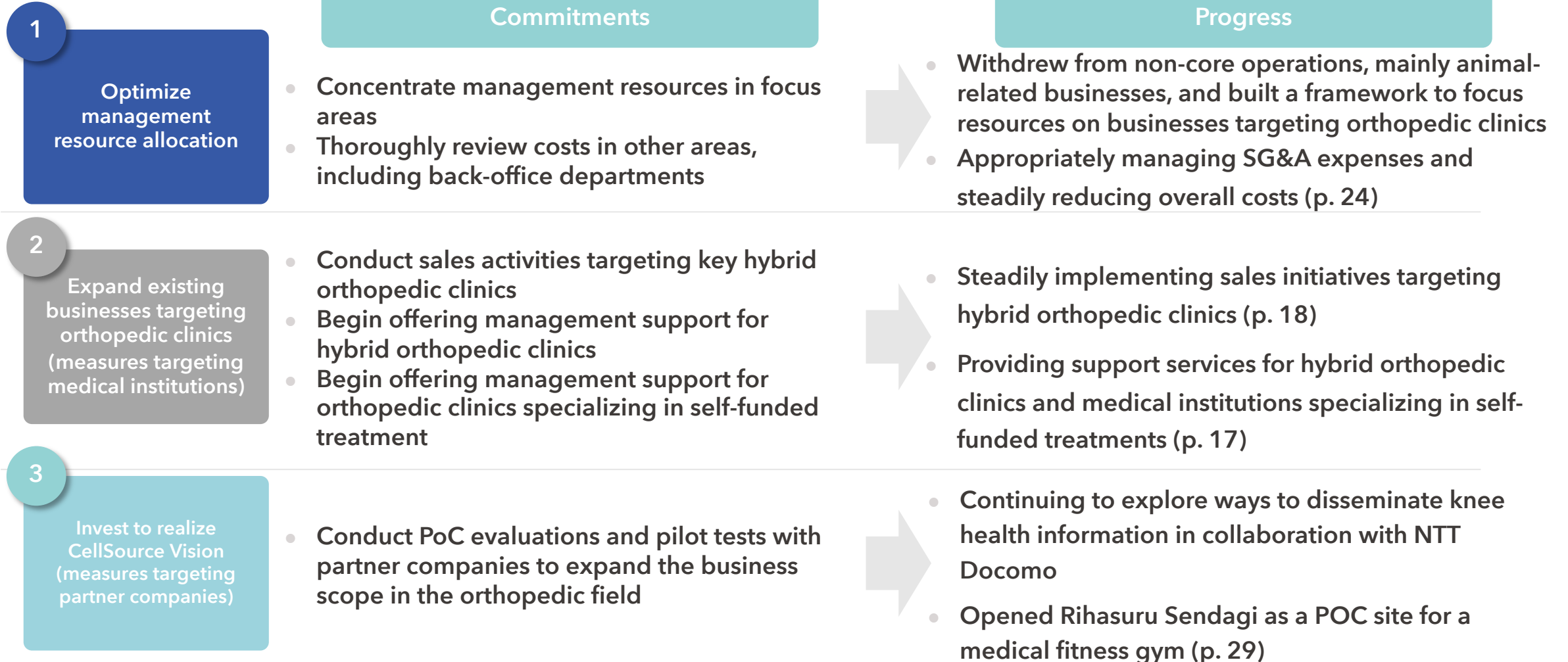
Blood-derived product
contract processing
orders

14,798
(-9.5% YoY)

ASC contract
processing orders

1,083
(-8.1% YoY)

Steadily working on "Year 0" commitments outlined in the CellSource Vision
Aim to release a medium-term management plan by the fiscal year-end

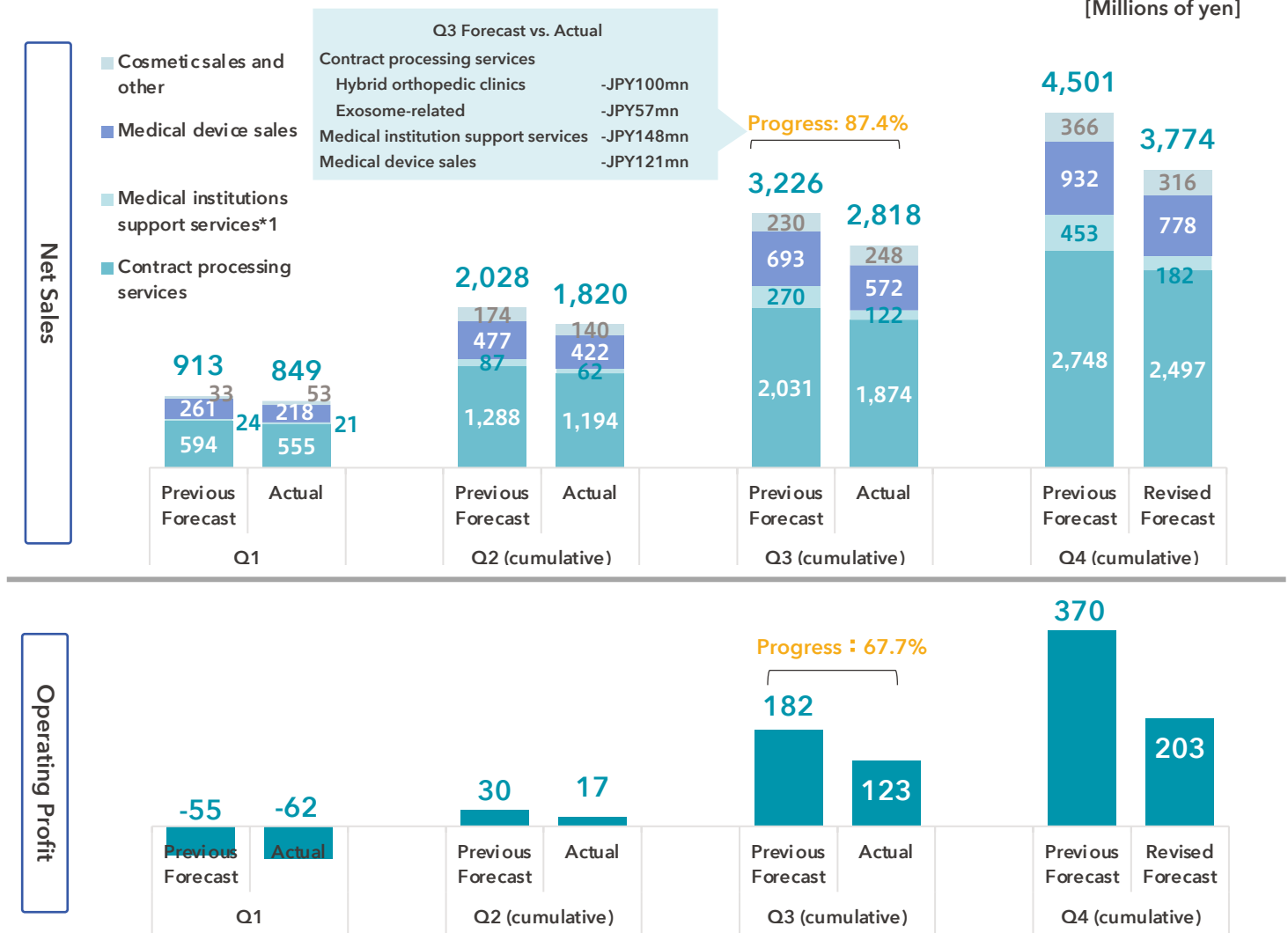


Cumulative sales through Q3 reached roughly 87% of our initial forecast, but although we reined in SG&A expenses, cumulative operating profit was 68% of the projected level due to the sales shortfall

Full-Year Forecast Assumptions:

- ✓ The effects of hands-on support for clinics specializing self-funded treatments are expected to materialize in the next fiscal year, so processing orders will remain flat this fiscal year.
- ✓ For hybrid-type processing orders, sales initiatives will focus on about 50 target medical institutions, and we aim for 1,000 orders per month by the end of Q4.
- ✓ Medical device sales and cosmetics will contribute steadily to revenue.
- ✓ Fees from medical institutions support starts generating revenue from Q2.
- ✓ We do not expect upfront investments to contribute to sales in the current fiscal year. These investments (PoC evaluations with partner companies) are aimed at realizing the CellSource vision.

*1: Formerly consulting services



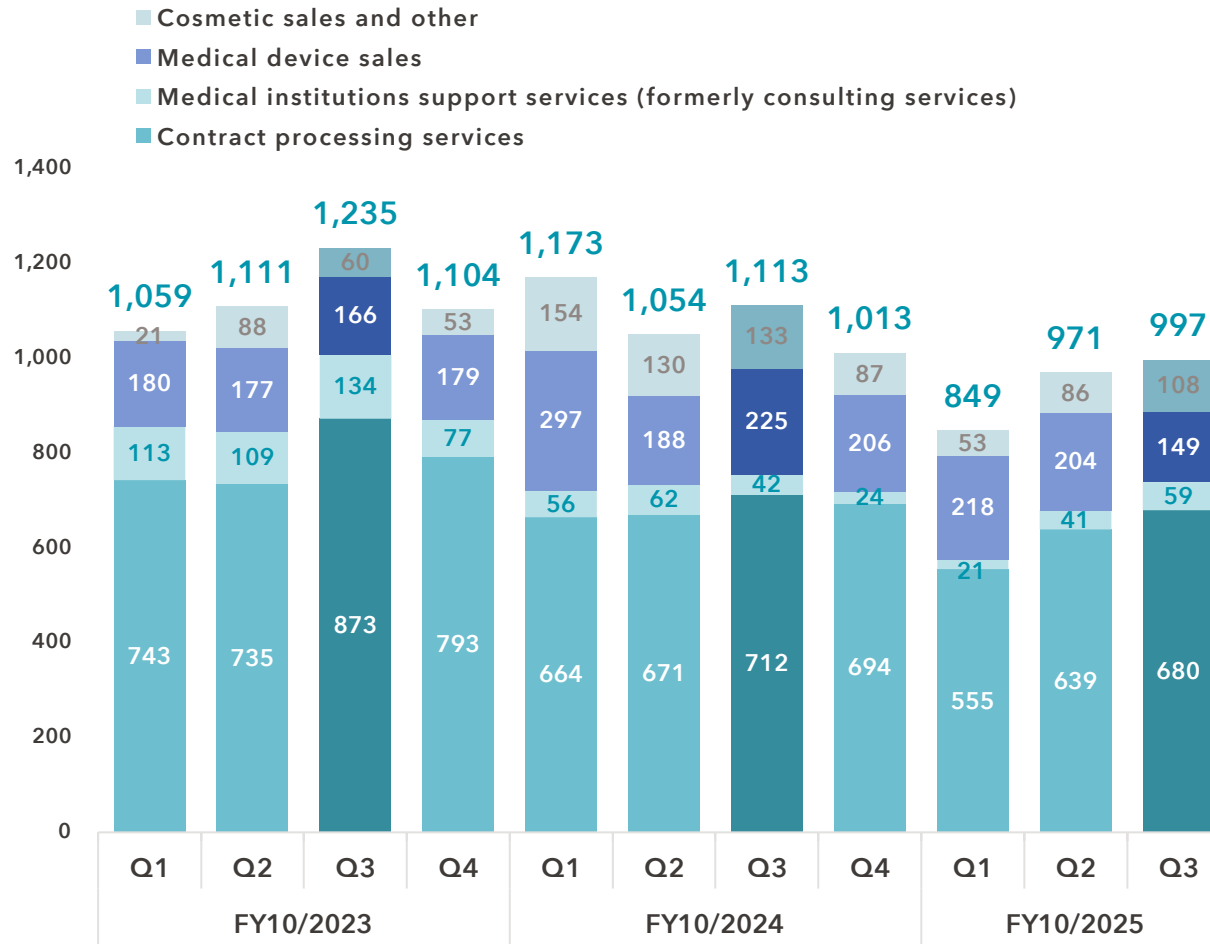
Sales recovered, primarily in contract processing services, leading to QoQ growth in sales and profit

[Millions of yen]	FY10/2025 Q2	FY10/2025 Q3	QoQ	FY10/2024 Cum. Q3	FY10/2025 Cum. Q3	YoY	Revised Forecast	Achievement rate
Net sales	971	997	+2.7%	3,341	2,818	-15.7%	3,774	74.7%
Gross profit	555	575	+3.6%	2,119	1,597	-24.7%	-	-
Gross profit margin	57.2%	57.7%	+0.5pt	63.4%	56.7%	-6.7pt	-	-
Operating profit	79	106	+34.1%	388	123	-68.2%	203	60.8%
Operating profit margin	8.2%	10.7%	+2.5pt	11.6%	4.4%	-7.2pt	-	-
Ordinary profit	79	108	+37.0%	495	127	-74.2%	205	62.3%
Profit	56	75	+32.6%	347	86	-76.9%	112	77.0%
Blood-derived product contract processing orders	4,941	5,221	+5.7%	16,348	14,798	-9.5%		
ASC contract processing orders	381	357	-6.3%	1,178	1,083	-8.1%		

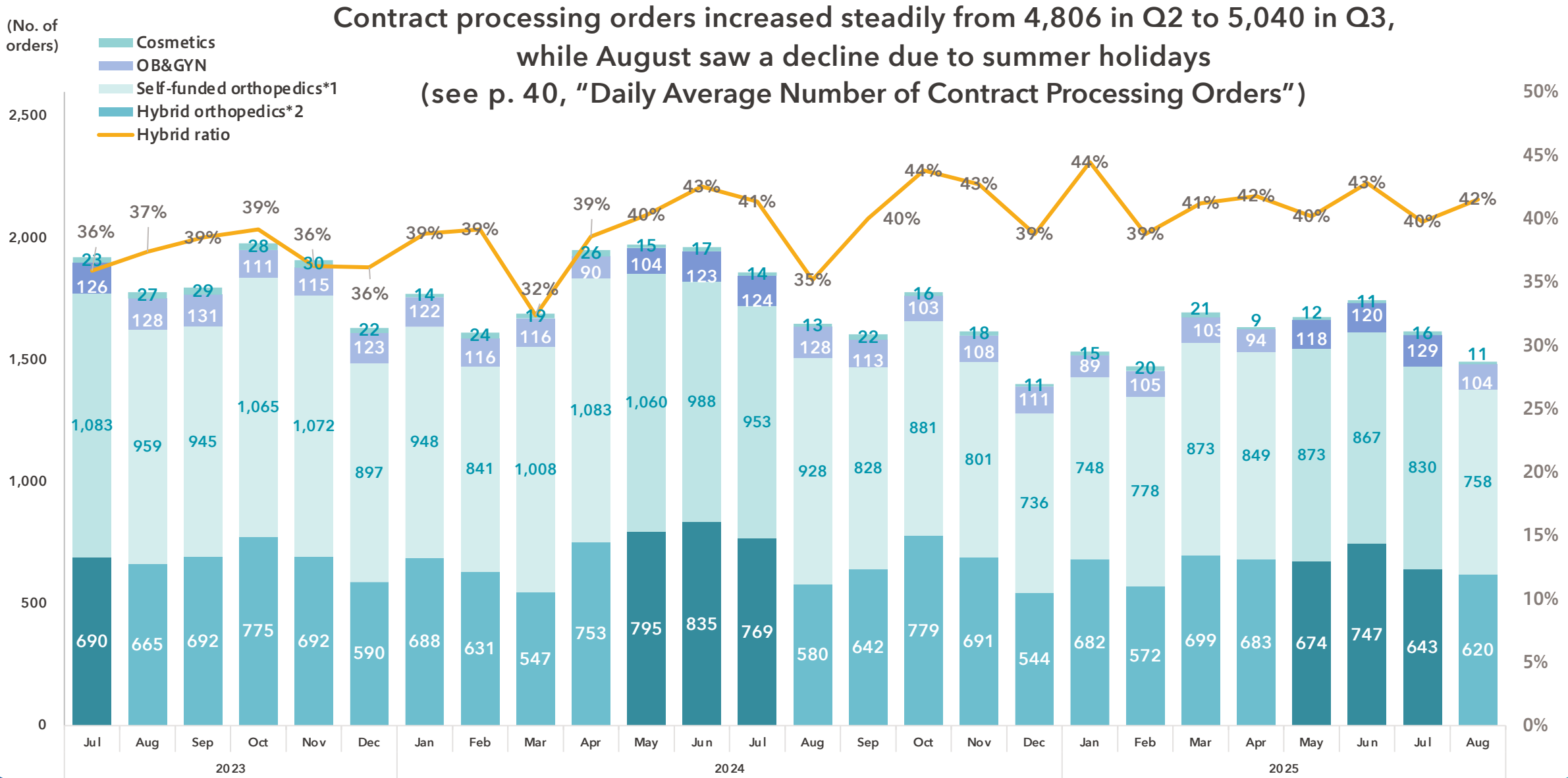
- **Sales:** Despite a decline in medical device sales, overall sales rose 2.7% QoQ, supported by sales growth across service categories
- **GPM:** Overall GPM remained flat QoQ
- **OPM:** OPM improved QoQ, supported by sales growth and a further reduction in SG&A expenses
- **Profit:** No significant QoQ change in non-operating items
- **Contract processing orders:** While ASC contract processing orders from medical institutions specializing in self-funded treatment declined, blood-derived product contract processing orders increased QoQ

Recovery in contract processing services drove overall sales growth.
While medical device sales declined, sales in medical institution support service and cosmetic sales and other rose QoQ.

[Millions of yen]



Cum.Q3 FY10/2024	Cum.Q3 FY10/2025	YoY
Total		
3,341	2,818	-15.7%
Contract processing services		
2,048	1,874	-8.5%
Medical institutions support services (formerly consulting services)		
161	122	-24.4%
Medical device sales		
711	572	-19.6%
Cosmetic sales and other		
419	248	-40.8%



Orders from medical institutions specializing in self-funded treatment were down YoY, but orders from hybrid medical institutions increased due to sales initiatives focused on key clinics

	FY10/2024		FY10/2025			
	Specializing in self-funded treatment* ¹		Hybrid* ²		Overall	
	Q3	Q3	Q3	Q3	Q3	Q3
Number of partner medical institutions	14	13	1,352	1,454	1,366	1,467
×						
Active ratio* ³	100.0%	100.0%	39.4%	35.3%	40.0%	35.9%
×						
No. of orders per active medical institution	214.4	197.7	4.5	4.0	9.9	8.8
No. of orders	3,001	2,570	2,391	2,064	5,392	4,634

1 Orders per active medical institution were in line with expectations, hitting bottom (166.7 in Q2 FY10/2025)

2 Maintained the no. of active medical institutions at little over 500, even while concentrating sales resources on key clients

3 Orders declined in reaction to a one-time increase due to the introduction of PFC-FD 2.0 in the previous year

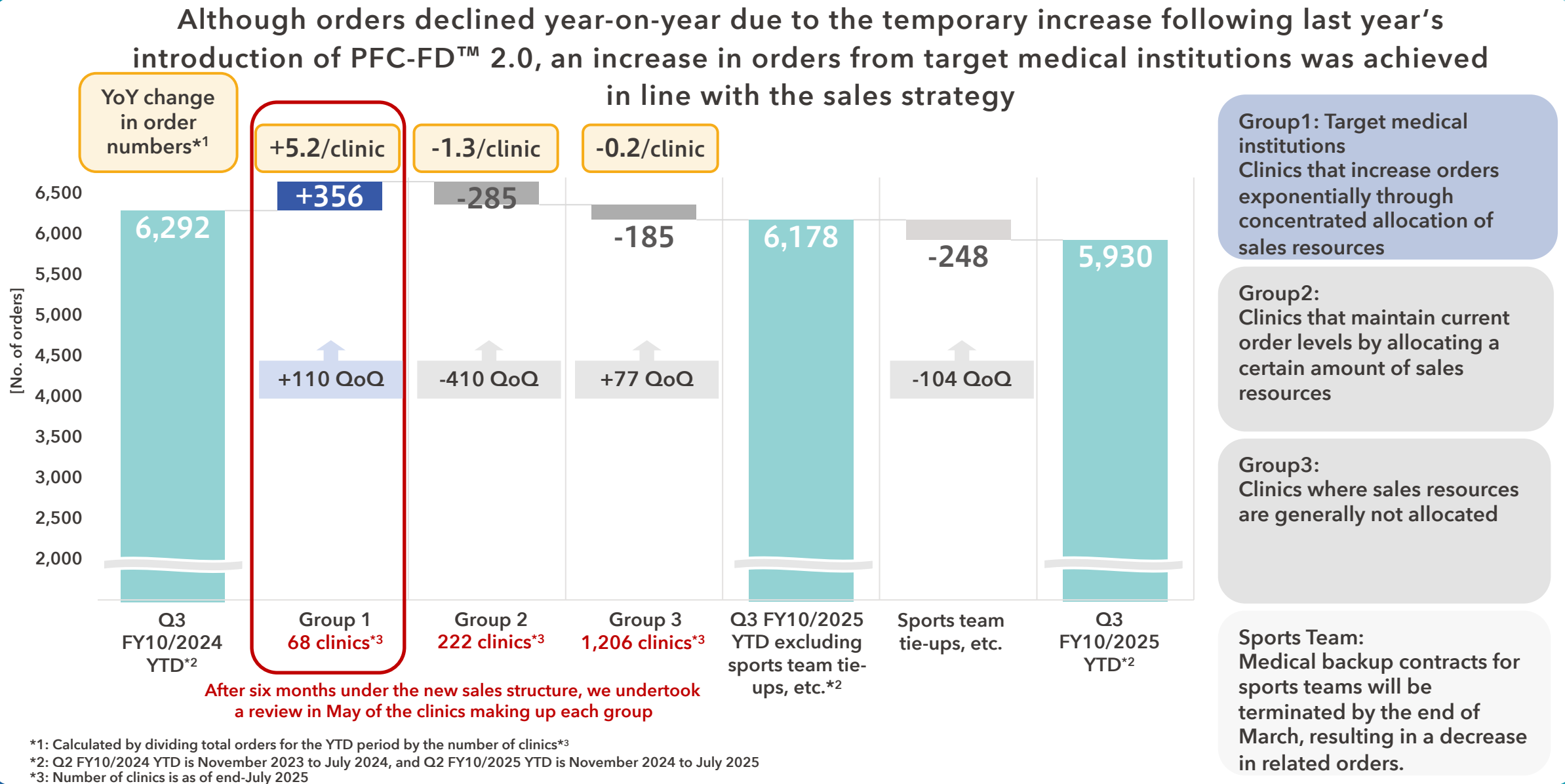
*1: Of the orthopedic clinics specializing in self-funded treatment, refer to those belonging to the key clinic groups. Excludes closed medical institutions specializing in self-funded treatment.

*2: Refer to orthopedic clinics excluding those specified in *1 above (those belonging to clinic groups specializing in self-funded treatment)

*3: The ratio of medical institutions from which we have received at least one order in the specified quarter

Implementing various initiatives addressing management issues that we have identified

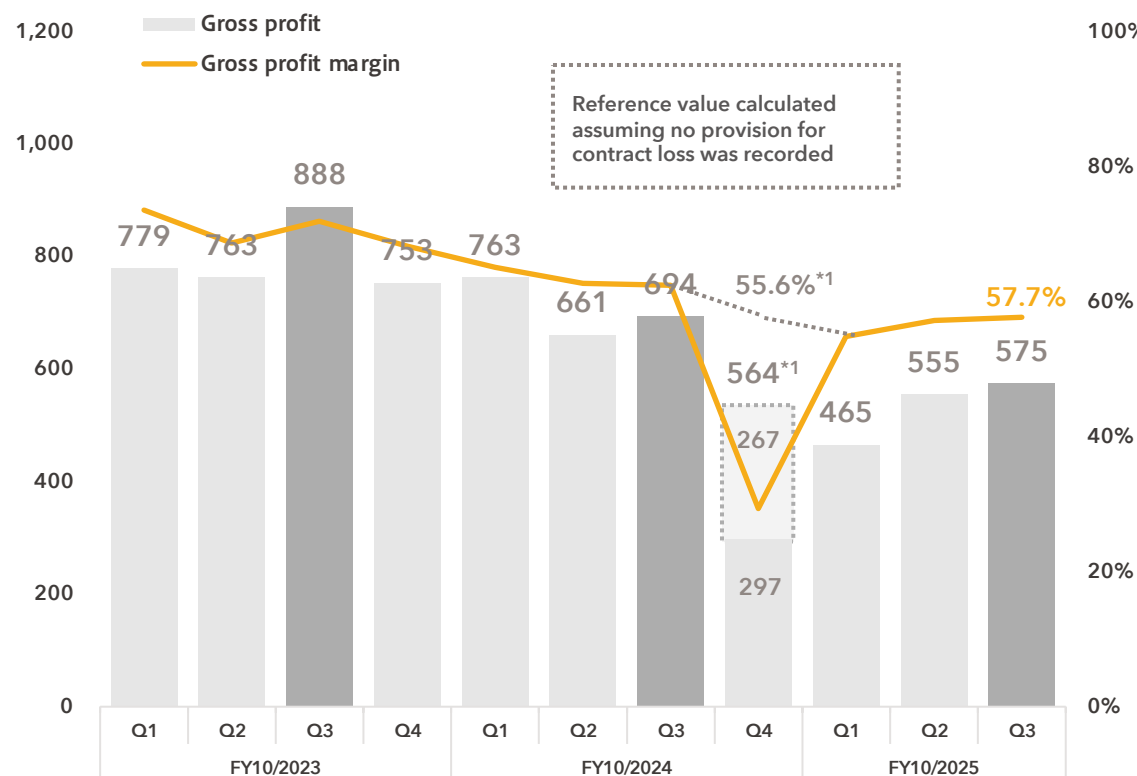
	Issues identified	Initiatives
Highly volatile patient acquisition framework	<ul style="list-style-type: none">Fluctuations in advertising effects have direct impact on earningsHigh advertising expenses are putting pressure on management	<ul style="list-style-type: none">[Ongoing] Strengthen patient acquisition through offline touchpoints beyond TV commercials[Ongoing] Enhance call center staff training to raise appointment success rates[New] Begin collaboration with hybrid medical institutions
Earnings structure dependent on physicians	<ul style="list-style-type: none">Technical capabilities and experience of physicians with specialized knowledge significantly influence earningsMonthly operating days are insufficient due to challenges in hiring and retaining physicians	<ul style="list-style-type: none">[Ongoing] Establish clear KPIs as behavioral targets for medical staff and strengthen physician support systems[Completed] Secured physicians and increased operating days per clinic[Completed] Streamlined operations by consolidating or closing clinics and improved productivity
Inefficiency in organizational management	<ul style="list-style-type: none">Rapid organizational expansion has strained the operational structure, resulting in inadequate managementCommunication between corporate headquarters and medical sites remain insufficient	<ul style="list-style-type: none">[New] Formulate a detailed business plan and a corresponding action plan in preparation for the October fiscal year start of certain medical corporations[New] Overhaul the HR system and transition to an organizational structure designed to improve achievement of the new business plan



Gross profit and operating profit both increased QoQ thanks to higher sales and a review of SG&A cost management

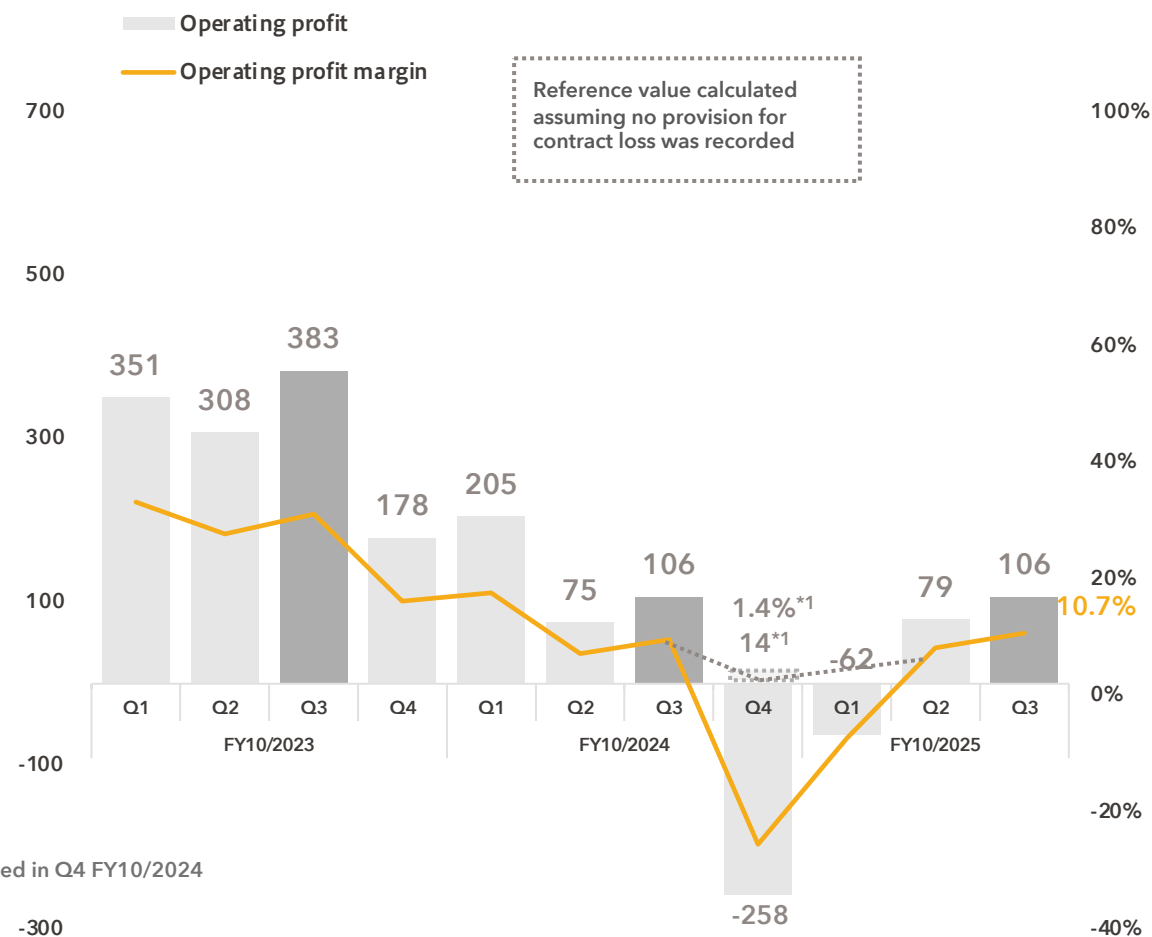
[Millions of yen]

Gross profit

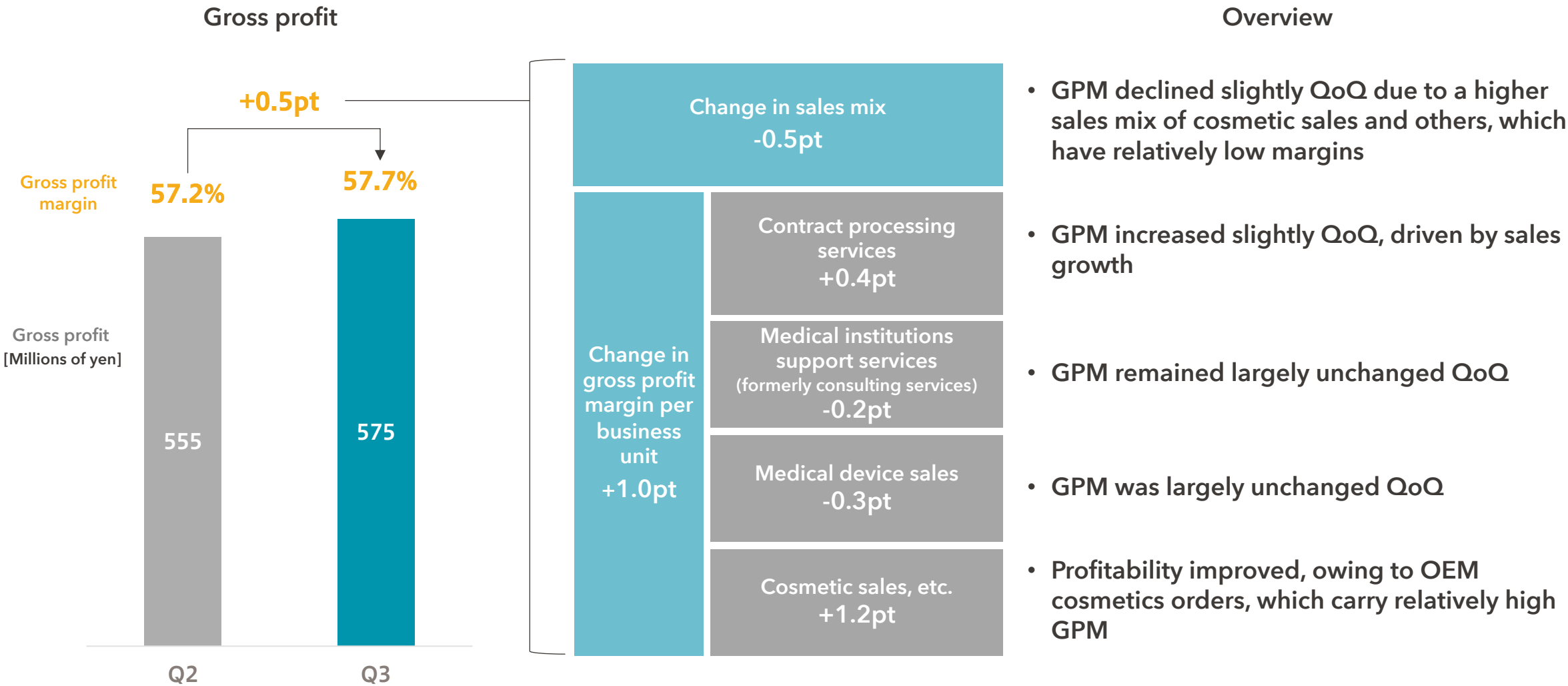


[Millions of yen]

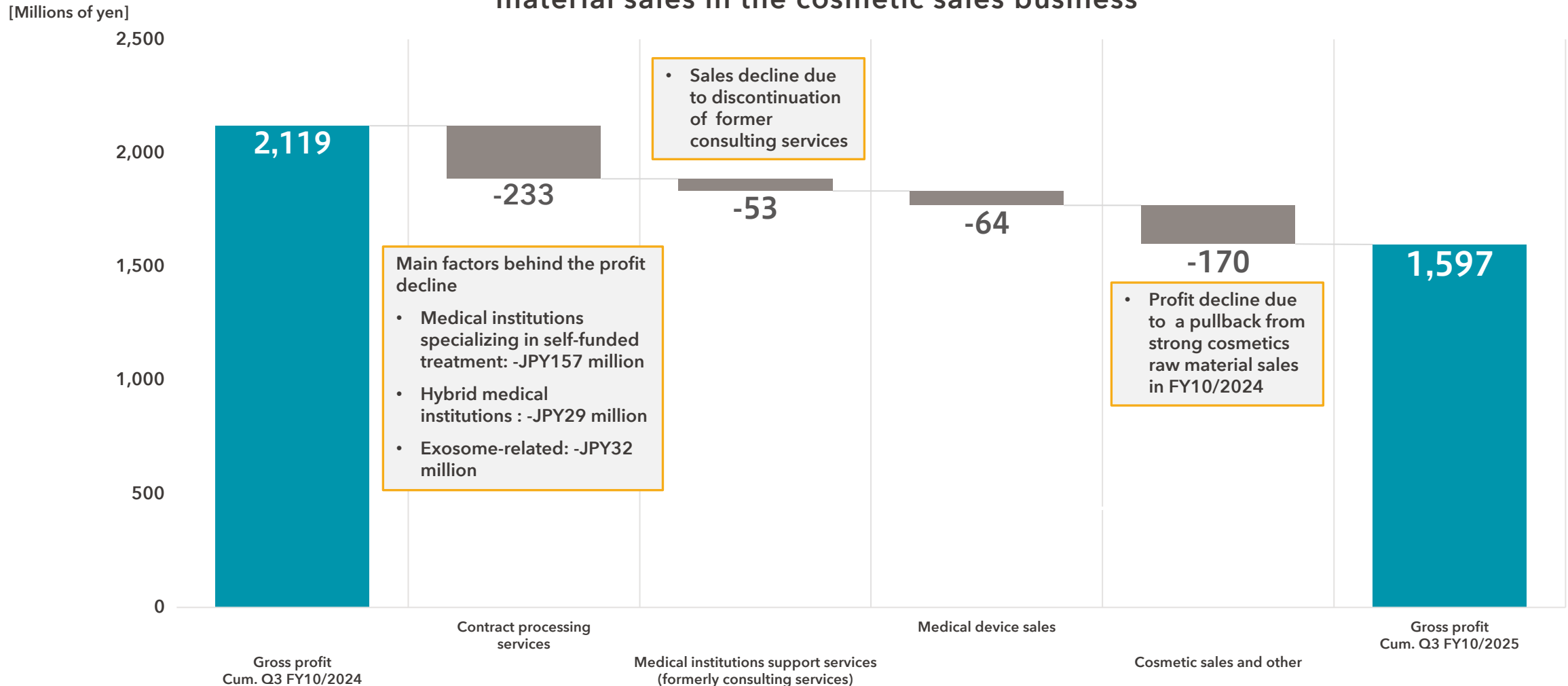
Operating profit



Gross profit margin (GPM) remained flat QoQ



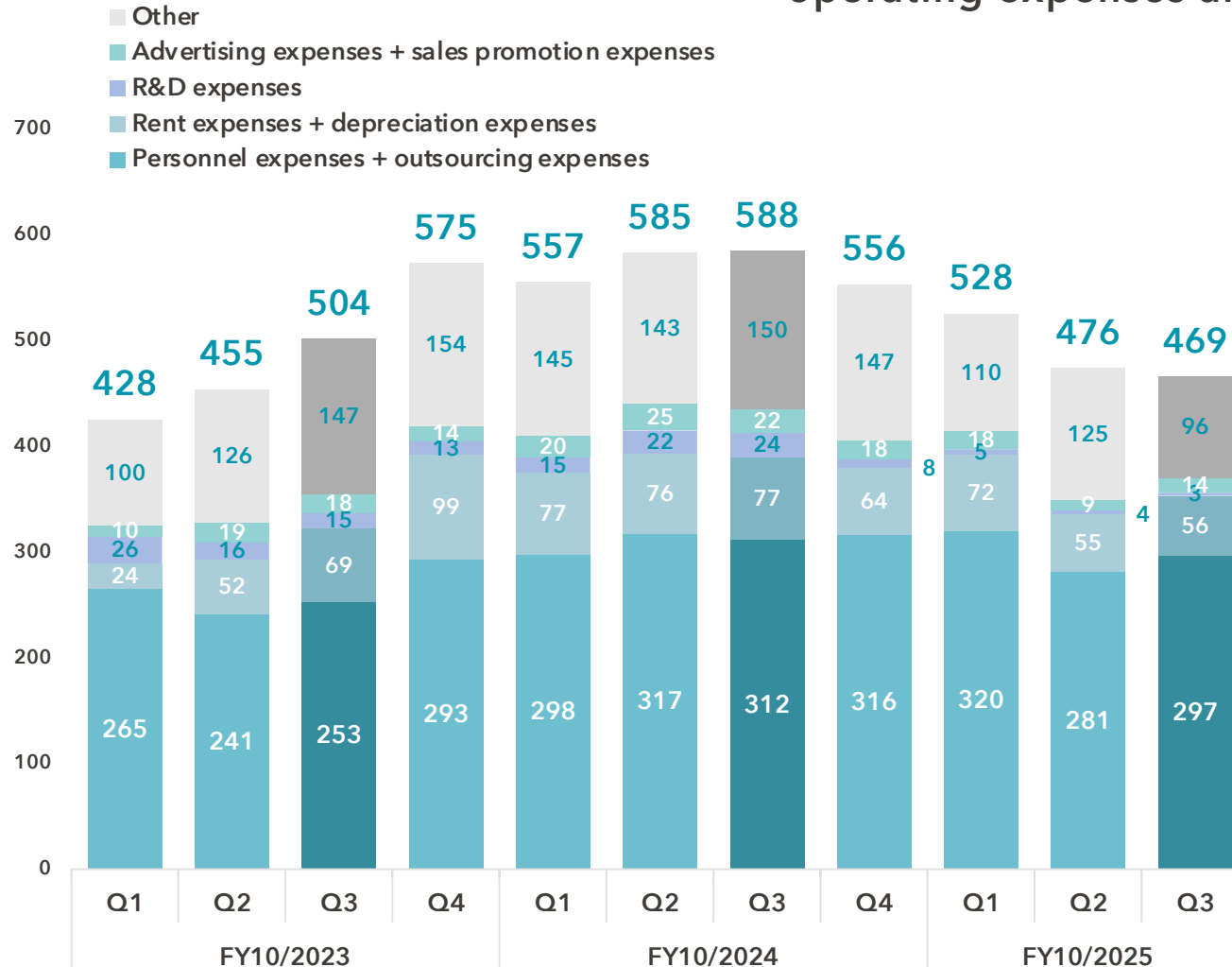
Q3 gross profit (cumulative) fell YoY due to decreases in sales to medical institutions specializing in self-funded treatment in the contract processing services segment, and snapback decline in raw material sales in the cosmetic sales business



We continued to reassess costs.

SG&A expenses declined QoQ, even as we continued allocating sufficient funds for operating expenses and other needs.

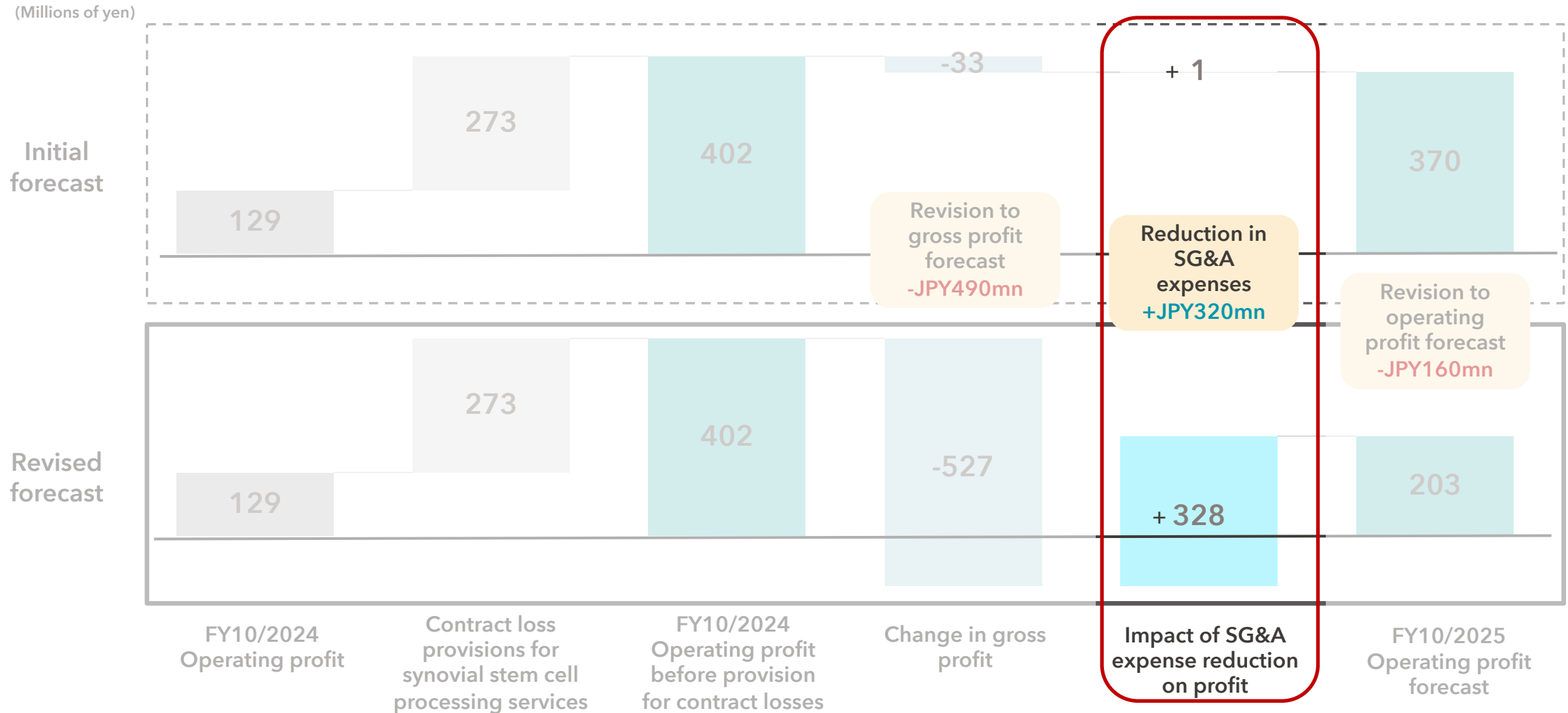
[Millions of yen]



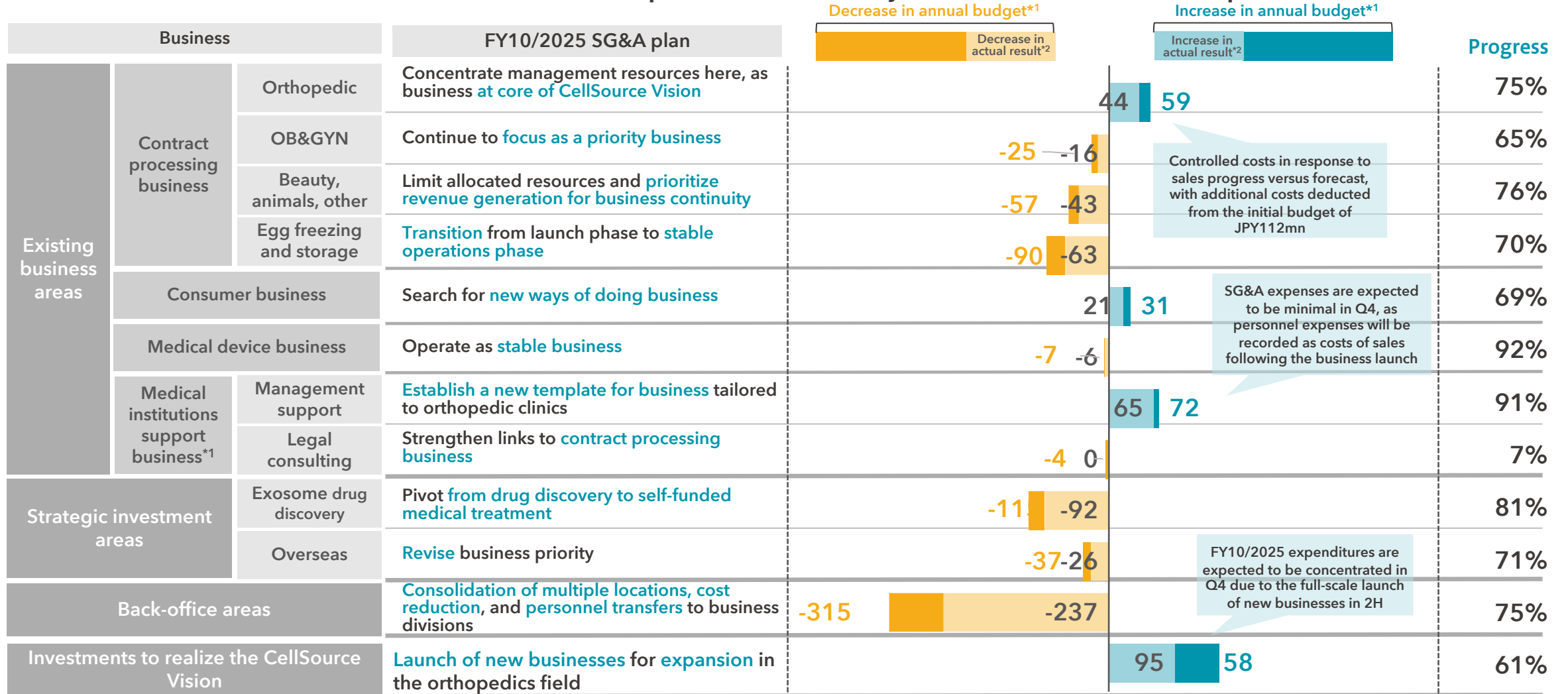
Cum.Q3 FY10/2024	Cum.Q3 FY10/2025	YoY
Total		
1,731	1,473	-14.9%
Personnel expenses + outsourcing expenses		
929	899	-3.2%
Rent expenses + depreciation expenses		
231	184	-20.3%
R&D expenses		
62	14	-77.3%
Advertising expenses + sales promotion expenses		
68	42	-38.4%
Other		
439	333	-24.3%

<Repost>Downward Revision of the FY10/2025 Forecast: Initial vs Revised Operating Profit Forecast

Despite a reduction in SG&A expenses, the operating profit forecast was revised down by JPY160 million, reflecting a larger-than-expected decline in gross profit due to the sales shortfall



Reallocation of SG&A expenses under way, in line with the initial plan



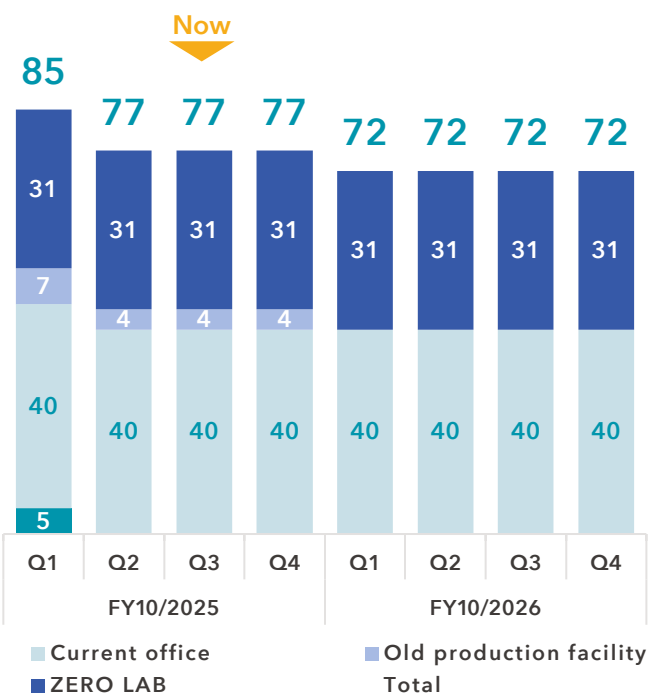
*1: Difference between FY10/2024 SG&A expense results and FY10/2025 SG&A expense budget

*2: Difference between FY10/2024 SG&A expense results and FY10/2025 SG&A expense results (YTD)

Rents expected to fall further in FY10/2026 as overlapping of facilities will be completely eliminated

Cost of sales + SG&A expenses

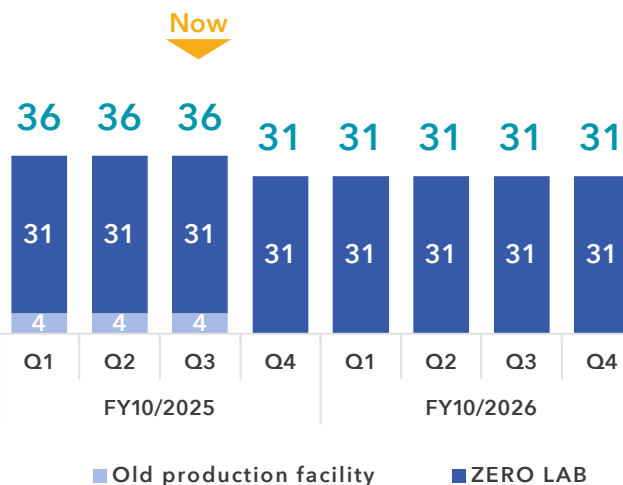
[Millions of yen]



Cost of sales

[Millions of yen]

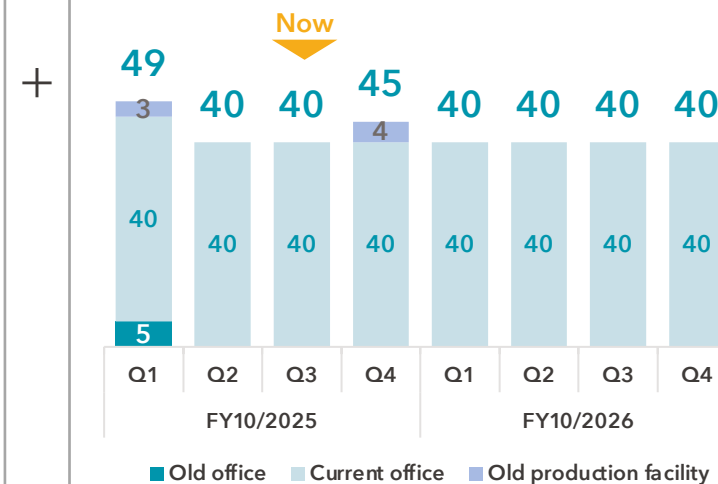
- Vacating a facility will drive up costs temporarily, but rents expected to fall further from FY10/2026



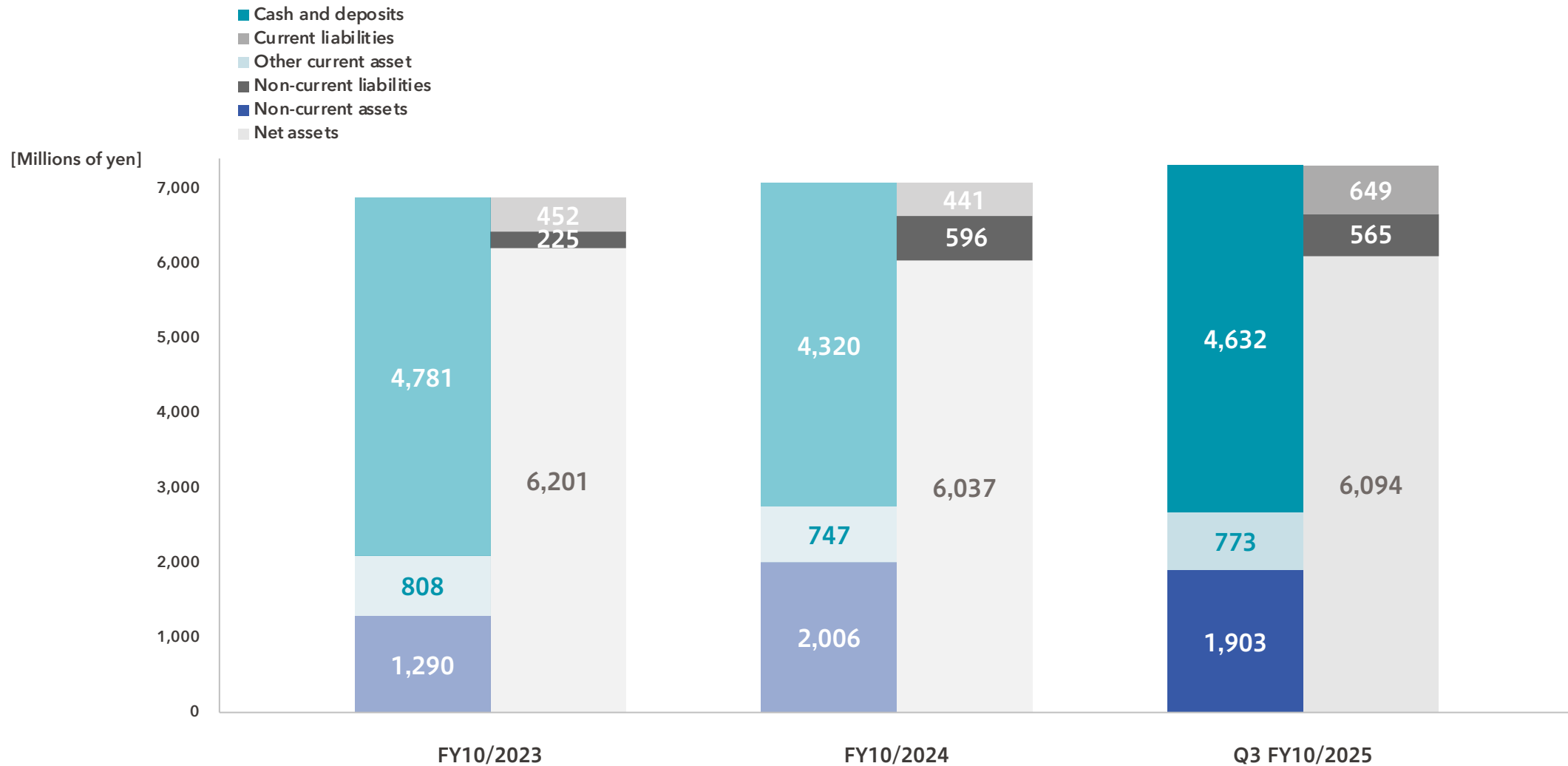
SG&A expenses

[Millions of yen]

- From Q2 FY10/2025 onward, rents under SG&A expenses include office rent only, after we fully vacated from the former office

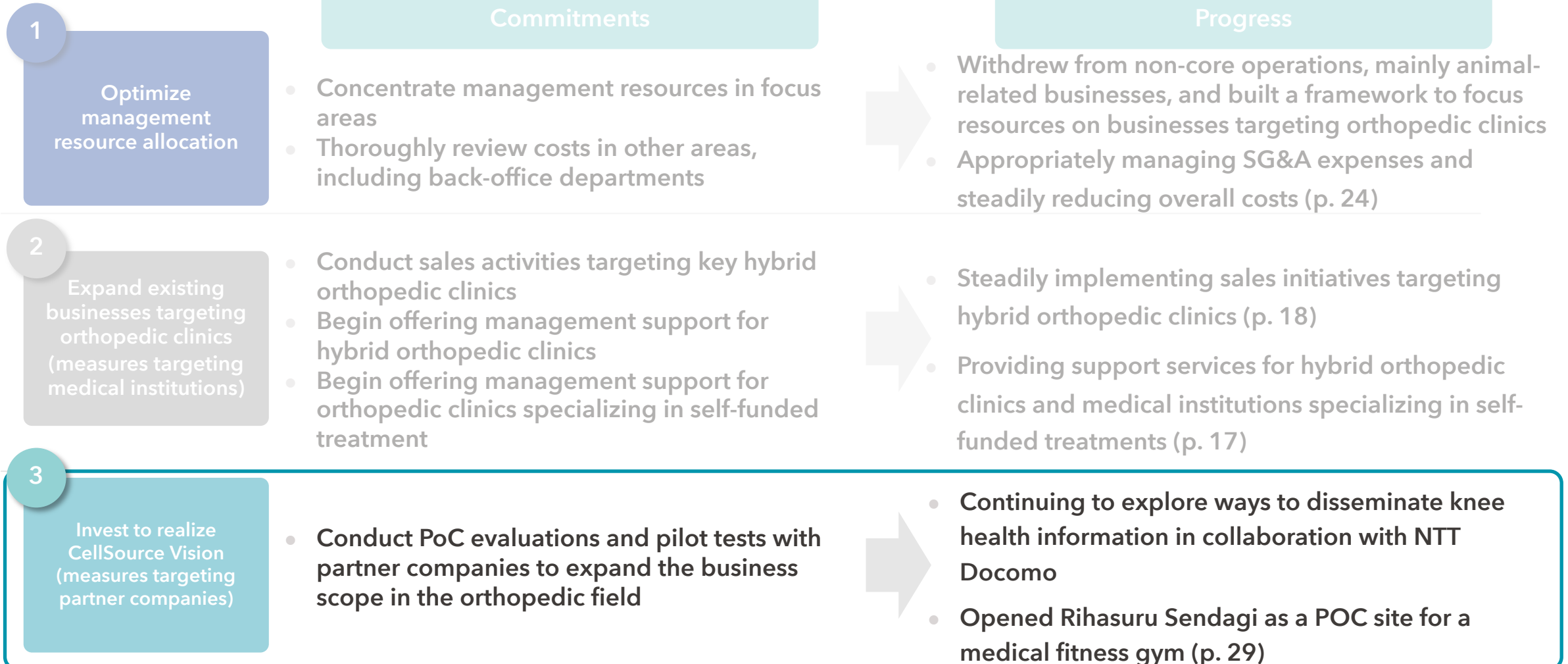


With no significant change in the balance sheet in Q3, we maintained a sound financial position



Upfront Investment Progress for Realizing CellSource Vision

Steadily working on "Year 0" commitments outlined in the CellSource Vision
Aim to release a medium-term management plan by the fiscal year-end



Opened Rihasuru™ Sendagi, a medical fitness gym aimed at extending healthy life expectancy by reducing stress from pain, preventing locomotive syndrome and frailty, and promoting greater activity and mobility

Development of exercise programs



PoC testing at a partner facility



PoC testing at a directly operated gym

Opened the first location!



Our first medical fitness gym, Rihasuru Sendagi, pre-opened on September 1 in Sendagi, Bunkyo-ku, Tokyo, with full opening scheduled for October 2. With the Sendagi location as the first site, we will conduct verification and aim to expand the Rihasuru gyms.

Began providing Balance Method™ on a full scale

専門家と一緒に「痛み改善」を目指す運動施設 リハスル

理学療法士が
徹底サポート

痛くない運動メニュー
をカラダの状態に合わ
せてあなた専用を作成
します



医師監修の
運動プログラム

医学的根拠にもとづ
いた痛み改善 & 健康
維持に必要な運動を
提供します



アトラス
整形外科
と提携

院長
滝田 泰人先生



Unlike ordinary fitness gyms, Rihasuru partners with clinics, where physical therapists carefully assess each member's condition and collaborate with trainers to provide appropriate exercise programs. As a preemptive approach before pain arises, the Balance Method™ promotes medical fitness that offers seniors and those with pain or difficulty exercising a medically supervised, low-burden exercise programs.



リハスル



Rihasuru promotes four types of exercise designed to improve strength, endurance, flexibility, and stability. Strength makes standing up easier, endurance reduces fatigue, flexibility supports smoother movement and injury prevention, and stability is essential for fall prevention. Enhancing these four interrelated elements in balance is the key to maintaining an active, healthy daily life. This is achieved through our medically supervised proprietary program, the Balance Method™.



今日の元気に、もっと。
リハスル

痛みを理由に、
運動を
あきらめない！



カラダづくりの専門家と一緒に、
無理なく続けられる運動を
始めませんか？

無料見学会開催
2025年
9/1
(月)
初心者の方も大歓迎

専門家と一緒に「痛み改善」を目指す運動施設 **リハスル**

理学療法士が徹底サポート

痛くない運動メニューをカラダの状態に合わせてあなた専用で作成します

医師監修の運動プログラム

医学的根拠にもとづいた痛み改善＆健康維持に必要な運動を提供します

あなたに必要な運動を常に提供

効果をみながら運動メニューを見直すため常に必要な運動に取り組みます

“痛いから動かない”を続けると、どうなる…？

身体機能が低下し、要介護のリスクが高まります。しかし一方で、痛みを抱えている方がご自身の判断だけで運動すると、悪化するおそれがあり危険です。

運動をやめた場合

体力が
おちる

↓

痛みが
ふえる

運動を
やめる

↓

負担が
ふえる

ますますごきげんなくなり、
カラダの機能がみるみるうちに低下します

カラダをうごかす場合

カラダを
うごかす

↓

痛みが
やわらぐ

運動の
好循環へ

↓

負担が
へる

正しく、無理なく、バランスよく
カラダをうごかすことがとても大切です

リハスルは、カラダづくりの専門家
『理学療法士』が常駐しているため
無理なく安全に運動できます！

国家資格を持つ
リハビリのプロ



痛くない運動
メニューを作成





痛み改善や元気な身体を保つためには
適切な運動を、継続することが大切です。

院長 **滝田 泰人** 先生

アトラス整形外科
千駄木リウマチ・スポーツクリニック

つまずきやすい方、骨粗しょう症予防の方も
9/1(月)開始 **ぜひ無料見学会へ**

お得な
3大特典

特典1
入会金
通常10,000円 **0円**

特典2
専門家の
カラダチェック

特典3
姿勢解析写真
プレゼント^{*2}

*1: 入会金0円は、2026年1月末までの期間中、初回来店時にご契約された方に限りです。*2: 姿勢解析写真プレゼントは、LINE登録者に限りです。

お問い合わせはこちらへ

リハスル 千駄木店

0120-11-6836

[受付時間] 9:00-18:00(平日のみ)

[営業時間] 9:00-13:00・15:00-18:00 [定休日] 水曜・日曜・年末年始

QR

rehasul.jp

9/1日は24時間受付中



アトラス整形外科からの行き方

- ① 建物を出て左へ
- ② 横断歩道を渡る
- ③ 衣屋店の2階へ

〒113-0022 東京都文京区千駄木3-24-7 道産山長ビル2F

Other Updates

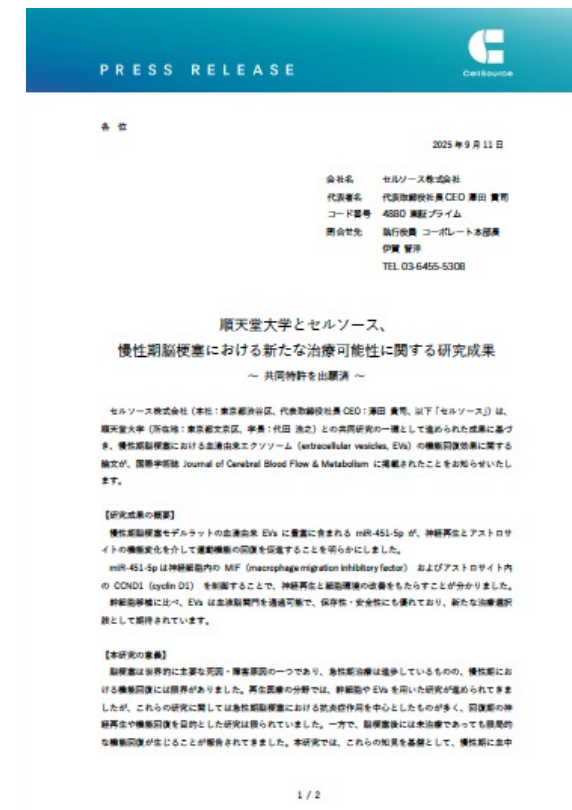
Filed an international patent application for a novel therapeutic approach utilizing the functional recovery effects of serum-derived extracellular vesicles (EVs)

Overview of patent application

- Our research demonstrated that miR-451-5p, abundantly contained in serum-derived EVs, promotes functional recovery in rat models of the chronic phase of cerebral infarction
- The study identified the mechanism by which miR-451-5p regulates MIF (in neurons) and CCND1 (in astrocytes), thereby promoting neural regeneration and improving the cellular environment
- Based on these findings, we jointly filed an international patent application with Juntendo University

Significance of the research and patent application

- Cerebral infarction is a leading cause of death and disability, with limited treatment options available in the chronic phase
- This research addresses unmet medical needs and presents new therapeutic possibilities
- Through the international patent application, we aim to strengthen our technological competitiveness and business development on a global scale



CellSource concluded a comprehensive business alliance agreement with Solallis Bio Inc. on July 22, 2025. By combining innovative technologies with on-site expertise, we aim to address challenges in regenerative medicine and accelerate practical implementation in society.

Overview and significance of the alliance

- By introducing Solallis Bio's advanced products—such as cryopreservation solutions free of organic solvents—we aim to enhance the safety, quality, and efficiency of our contract processing services
- By combining Solallis Bio's innovative technologies with on-site needs derived from our clinical network ("clinical frontlines") and CPC facilities ("manufacturing sites"), we will work to develop essential products for regenerative medicine, including cell preservation solutions



KPIs Appendix

Number of partner
medical institutions

2,057

(+134 YoY)

Blood-derived product
contract processing orders
(cumulative)

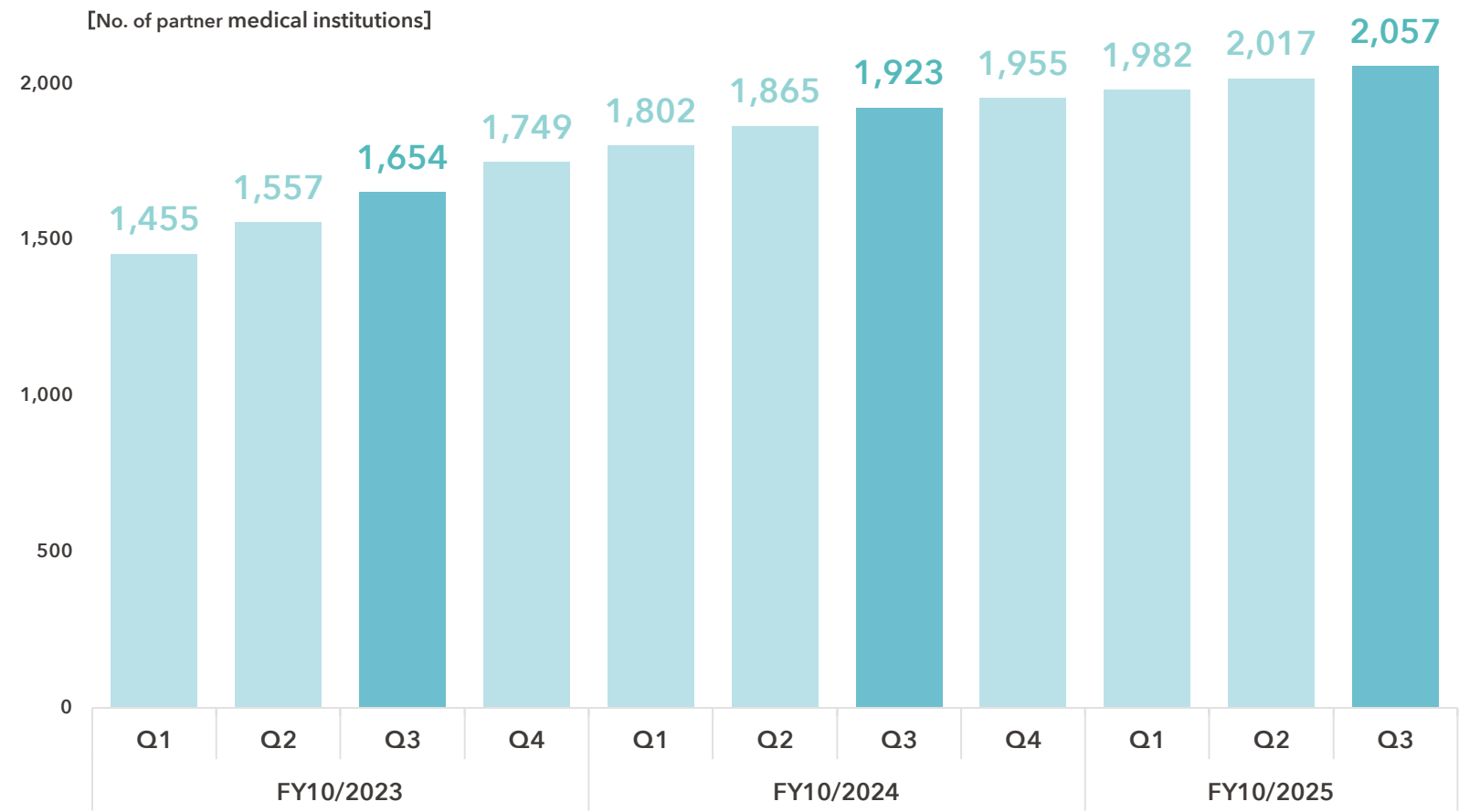
14,798

(-9.5% YoY)

Adipose-derived stem cell
contract processing orders
(cumulative)

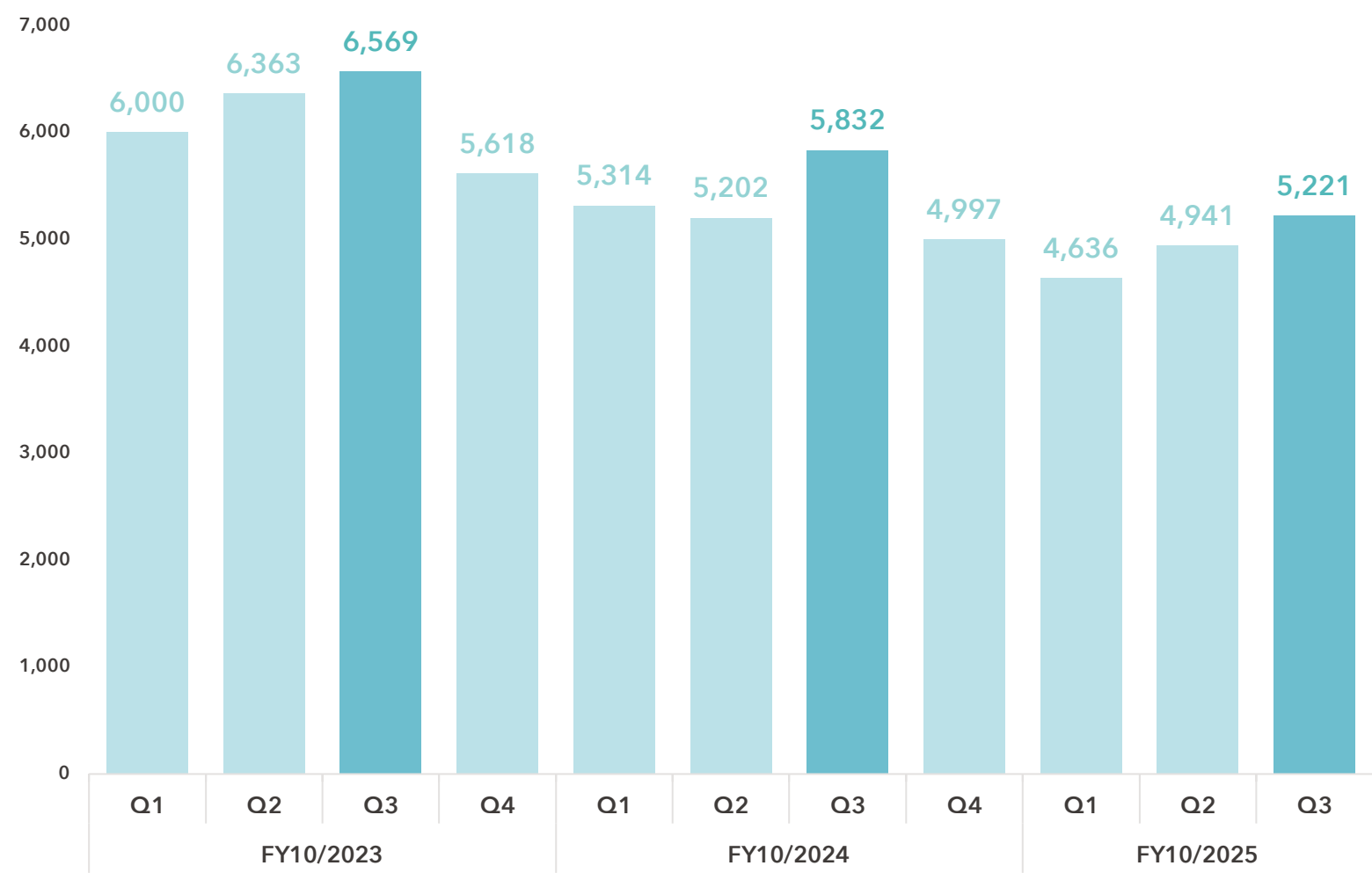
1,083

(-8.1% YoY)

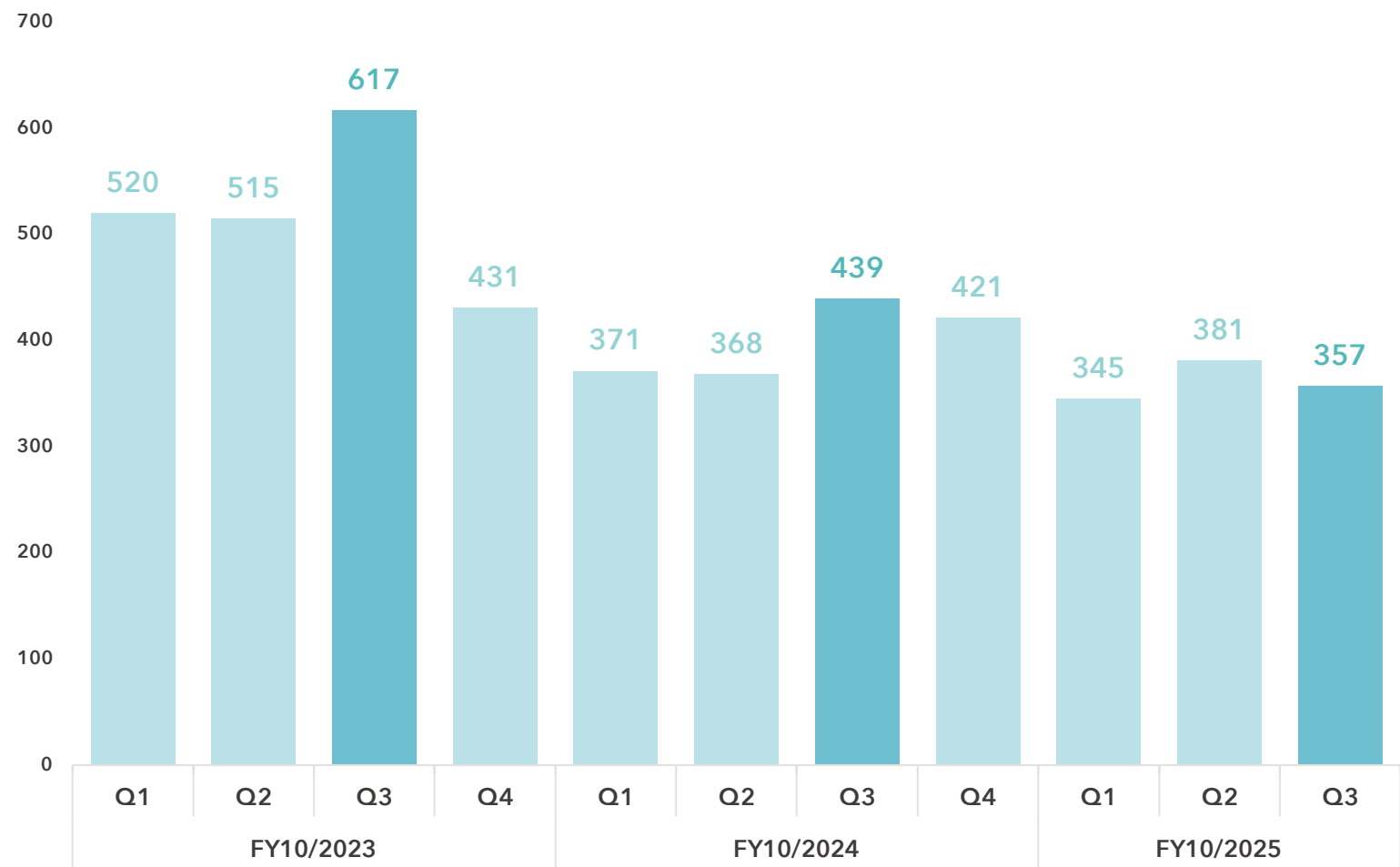


End Q3 FY10/2025
2,057
(+134 YoY)

*1: Excludes the number of closed medical institutions specializing in self-funded treatment

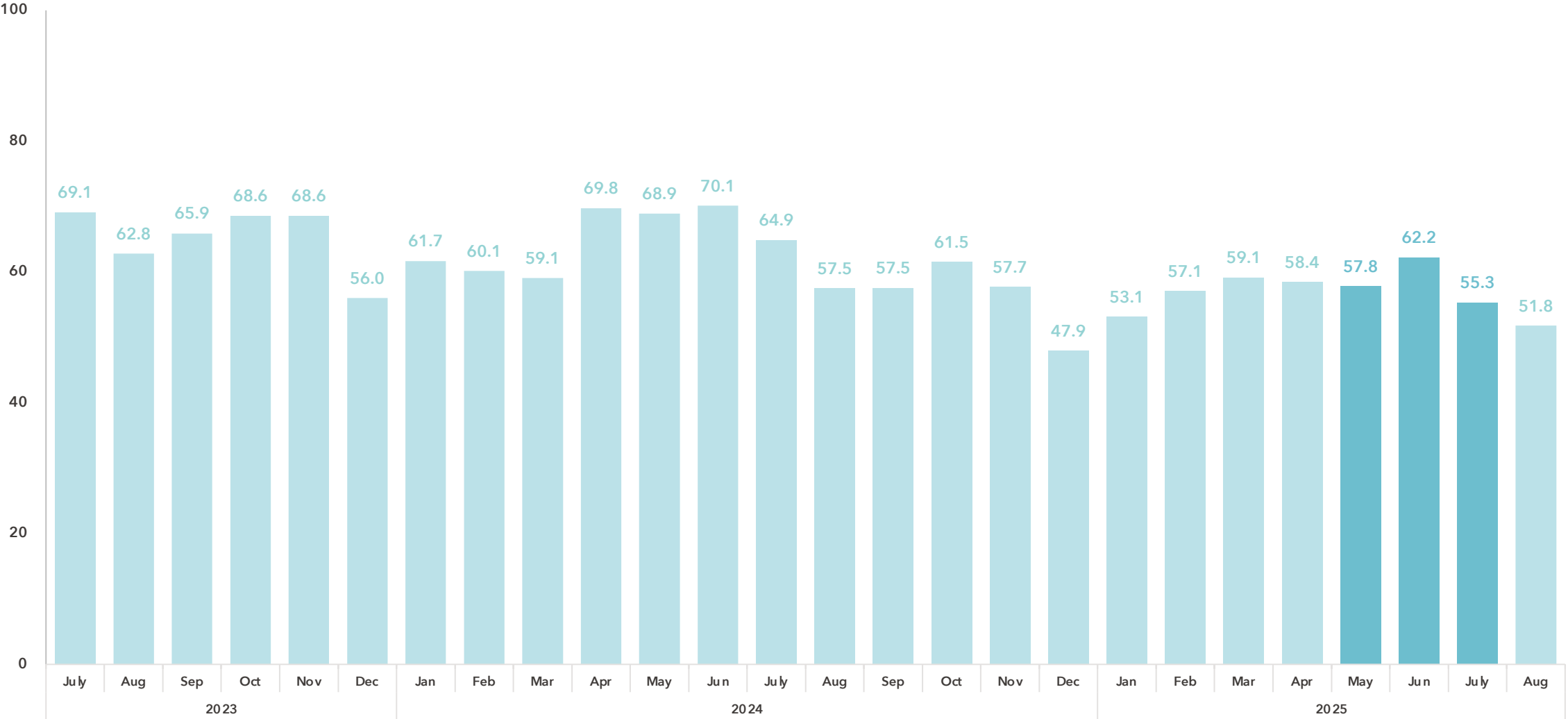


Q3 FY10/2025
5,221 orders
(-10.5% YoY)
Cumulative: **109,813**
orders

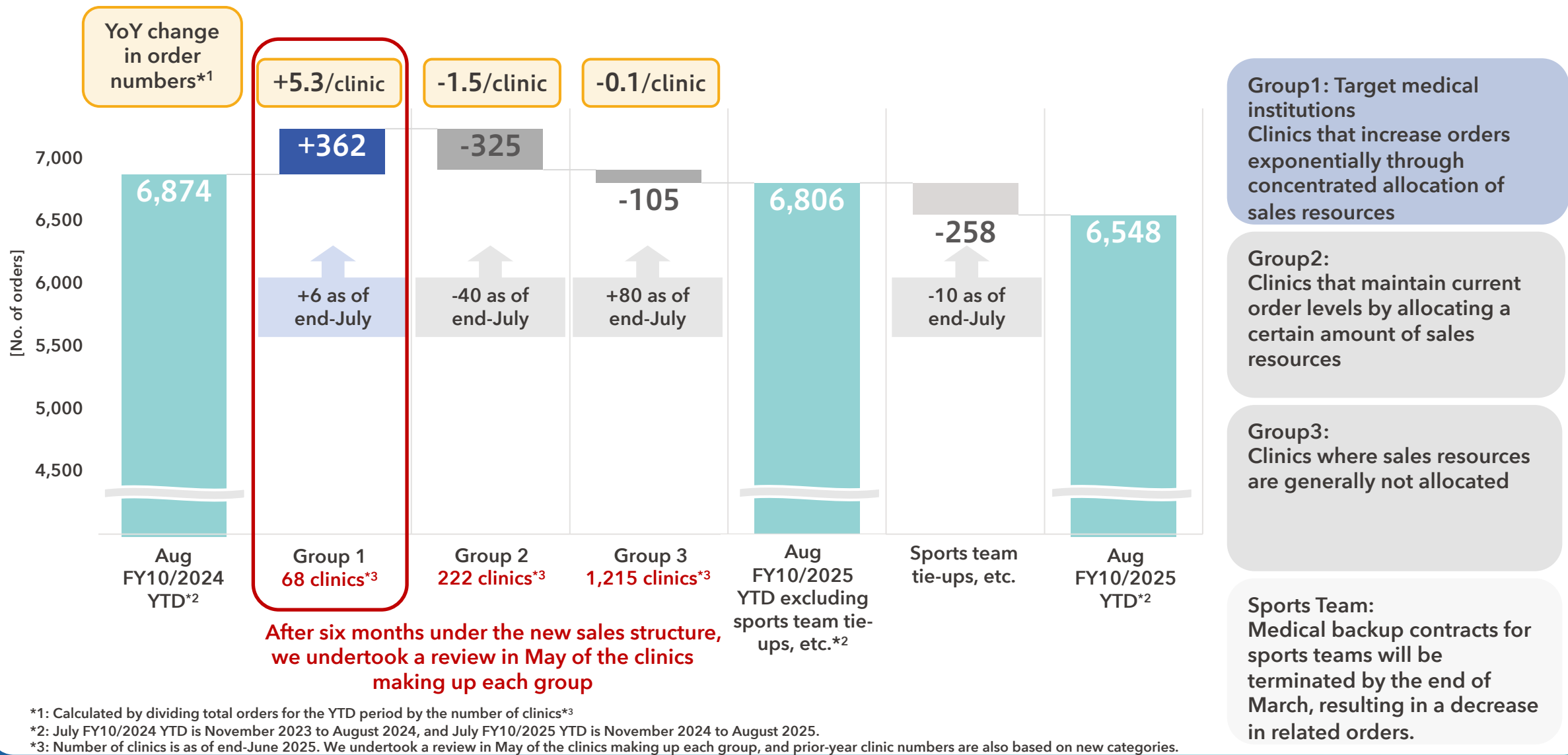


Q3 FY10/2025
357 orders
(-18.7% YoY)

Cumulative: **10,302** orders



YoY Change in Blood-Derived Product Processing Orders from Hybrid Clinics: As of end-Aug 2025



KPIs Comprising the No. of Blood-derived Product Processing Orders

		FY10/2024		FY10/2025			Q4/FY2023 ~ Q3/FY2024	Q4/FY2024 ~ Q3/FY2025
		Q3	Q4	Q1	Q2	Q3	Latest twelve months (LTM)	Latest twelve months (LTM)
Specializing in self-funded treatment* ¹	Number of partner medical institutions (quarter-end)	14	15	15	15	13	16	13
	Active ratio * ³	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	No. of orders per active medical institution	214.4	175.8	152.1	166.7	197.7	738.7	768.4
	No. of orders	3,001	2,637	2,282	2,500	2,570	11,819	9,989
Hybrid* ²	Number of partner medical institutions (quarter-end)	1,352	1,378	1,393	1,421	1,454	1,352	1,454
	Active ratio * ³	39.4%	36.6%	34.8%	34.3%	35.3%	57.0%	51.6%
	No. of orders per active medical institution	4.5	4.0	3.9	4.0	4.0	10.9	10.6
	No. of orders	2,392	2,003	1,912	1,954	2,064	8,424	7,933
Total	Number of partner medical institutions (quarter-end)	1,366	1,393	1,408	1,436	1,467	1,368	1,467
	Active ratio * ³	40.0%	37.3%	35.5%	35.0%	35.9%	57.5%	52.0%
	No. of orders per active medical institution	9.9	8.9	8.4	8.9	8.8	25.7	23.5
	No. of orders	5,393	4,640	4,194	4,454	4,634	20,243	17,922

*1: Of the orthopedic clinics specializing in self-funded treatment, refers to those belonging to key clinic groups

*2: Of orthopedic clinics, refers to medical institutions excluding those belonging to clinic groups specializing in self-funded treatment in *1 above

*3: The ratio of medical institutions from which we have received at least one order as of the end of the specified quarter

Quarterly Results

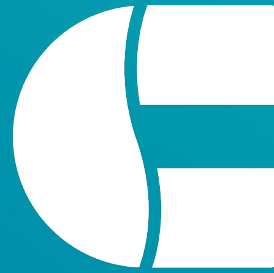
[Millions of yen]		FY10/2023				FY10/2024				FY10/2025		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net Sales		1,059	1,111	1,235	1,104	1,173	1,054	1,113	1,013	849	971	997
	Contract processing services	743	735	873	793	664	671	712	694	555	639	680
	Medical institutions support services (formerly consulting services)	113	109	134	77	56	62	42	24	21	41	59
	Medical device sales	180	177	166	179	297	188	225	206	218	204	149
	Cosmetic sales and other	21	88	60	53	154	130	133	87	53	86	108
SG&A expenses		428	455	504	575	557	585	588	556	528	476	469
Operating profit		351	308	383	178	205	75	106	-258	-62	79	106
Profit for the quarter		216	194	265	248	143	156	74	-136	-45	56	75
Total assets		4,416	4,812	5,017	6,879	6,807	6,876	6,864	7,074	6,882	6,941	7,309
Net assets		4,005	4,201	4,487	6,201	5,960	6,096	6,170	6,037	5,893	5,947	6,094
EBITDA		366	323	403	208	234	110	145	-206	-5	128	160
FTE ^{*1}		160	176	191	198	208	211	207	204	195	182	187
EBITDA per employee (unit:1,000yen) ^{*2}		2,297	1,836	2,112	1,050	1,129	522	702	-1,012	-26	707	861
Number of Contract Processing Orders ^{*3}		6,520	6,878	7,186	6,049	5,685	5,570	6,271	5,418	4,981	5,322	5,578
	ASC contract processing orders	520	515	617	431	371	368	439	421	345	381	357
	Blood-derived product contract processing orders	6,000	6,363	6,569	5,618	5,314	5,202	5,832	4,997	4,636	4,941	5,221
Number of partner medical institutions (quarter-end)		1,455	1,557	1,654	1,749	1,802	1,865	1,923	1,955	1,982	2,017	2,057

The materials and information provided in this presentation contain so-called "forward-looking statements."

These statements are based on current expectations, forecasts, and assumptions accompanying risks, and they may involve uncertainties that could cause actual results to differ materially from the expectations expressed in the forward-looking statements.

Such risks and uncertainties include, but are not limited to, market conditions, legal regulations, quality and safety assurance and production systems, specific business partners, reputational risk, research and development, advertising strategies, and system failures.

Note: This translated material is for reference purposes only and is not guaranteed to be accurate or complete. In the event of any translation error or misunderstanding, the original Japanese version shall prevail.



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