September 30, 2025

To whom it may concern,

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Supplemental comments regarding termination of partnership with Novo Nordisk A/S

Heartseed Inc. (the "Company") has made a timely disclosure today, September 30, regarding the receipt of notice regarding the termination of the exclusive worldwide collaboration and license agreement (hereinafter referred to as the "License Agreement") from Novo Nordisk A/S, which was the Company's business partner.

As supplementary information for investors regarding this matter, we provide answers to anticipated questions and our perspective below.

Q1 Why was the license agreement with Novo Nordisk A/S terminated?

A1 Novo Nordisk A/S had publicly announced its intention to further concentrate on its core business areas of diabetes and obesity. Heartseed has been informed by Novo Nordisk A/S, that this termination results from the strategic reviews and shifts in the area of Novo Nordisk A/S's business.

Q2 Regarding the termination of the license agreement with Novo Nordisk A/S, why couldn't the Company have foreseen that the termination would happen?

The Company was aware of Novo Nordisk A/S's public disclosures that Novo Nordisk A/S started a company-wide organizational restructuring and strategic review regarding its business area. However, our collaboration with Novo Nordisk A/S has been progressing smoothly at the operational level, making it difficult to reasonably foresee the termination of the License Agreement. The Company only became formally aware of the termination upon receiving the written notification, which was issued after the internal decision had been made at Novo Nordisk A/S.

Furthermore, heart failure is a disease field closely related to diabetes and obesity. Given that Novo Nordisk A/S has conducted numerous clinical trials evaluating cardiovascular events and was actively involved at the European Society of Cardiology (ESC) Congress held this September, it was difficult to foresee the termination even considering Novo Nordisk A/S's external activities known to the Company.

Q3 What will happen to the handling of milestone payments receivable under the license agreement with Novo Nordisk A/S going forward?

A3 After the termination of the license agreement, the Company will no longer be eligible to receive milestone payments from Novo Nordisk A/S.

Q4 What will happen to the intellectual property licensed to Novo Nordisk A/S after the License Agreement is terminated? How will overseas partner strategies and business plans change?

A4 Following the termination of the License Agreement, all intellectual property licensed to Novo Nordisk A/S will be returned. Furthermore, as overseas clinical development, manufacturing, regulatory submissions, and commercialization were entrusted to Novo Nordisk A/S, this will impact our future business strategy. The Company will review the overseas partner strategy and business plan going forward.

There is no revision to the earnings forecast for the current fiscal year ending December 2025.

Q5 Regarding sales revenue in Japan, under the License Agreement, the Company had a 50:50 profit sharing arrangement with Novo Nordisk A/S. What happens after the License Agreement is terminated?

A5 All sales revenue generated in Japan will be attributed to the Company at 100% of the profit and loss. The Company has consistently aimed to operate business in Japan by retaining manufacturing and sales rights without Novo Nordisk A/S supports. The Company will continue to advance preparations for sales following regulatory approval.

Q6 Are there any issues with the technology or the clinical trial progress in the Company's cardiac remuscularization therapy?

A6 The clinical development is proceeding smoothly according to plan, and the Company's technology of the cardiac remuscularization therapy was highly regarded by Novo Nordisk A/S. Novo Nordisk A/S's decision of the License Agreement termination was solely based on the prioritization of its internal portfolio and is unrelated to the Company's technology and progress of our development.

Q7 Regarding the ongoing LAPiS study for the lead pipeline HS-001 (the therapeutic program for heart failure patients with ischemic heart disease by administration of allogeneic iPS cell-derived cardiomyocytes spheroids in conjunction with open heart surgery), is there any impact due to the termination of the License Agreement?

A7 Regarding the progress of the LAPiS study, there is no impact resulting from the termination of the License Agreement.

Q8 Regarding the future progress of the second pipeline, HS-005 (the catheter-based administration therapeutic program for heart failure patients with ischemic heart disease by administration of allogeneic iPS cell-derived cardiomyocytes spheroids), is there any impact due to the termination of the License Agreement?

A8 As explained in the Company's announcement dated September 11, 2025, "Notice regarding the new partner for delivery catheter system for allogeneic iPS cell-derived cardiomyocyte spheroid", the clinical trial for HS-005, which the Company plans to submit a clinical trial application for within 2025 and commence in Japan in 2026, will utilize the catheter system provided by Japan Lifeline Co., Ltd. Therefore, there will be no particular impact on our Japanese operations resulting from the termination of the license Agreement.

Regarding overseas business strategy, as outlined in "A4" above, the Company will carefully review the approach, including partner strategies, moving forward.

Q9 How will the Company fund overseas development?

A9 The Company will explore options including partnerships, but our current policy is to focus first on Japan development as outlined in the existing clinical trial plan for HS-001 and HS-005. For the time being, we have the resources to continue development as planned using our existing funds.

(Cautionary notice on forward-looking information)
The financial results forecasts and other forward-looking information contained in this document are based on the information currently available to the Company and certain assumptions considered reasonable by the Company. It is not a guarantee that the forecasts will be achieved, and actual results may differ significantly from such forecasts depending on various factors.