



February 24, 2026

To Whom It May Concern

Company name Innovacell Inc.
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 Director, Co-CEO
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Notice Regarding Financial Results and Other Information in Connection with Listing on the Growth Market of the Tokyo Stock Exchange

We are pleased to announce that the Company was listed on the Tokyo Stock Exchange (TSE) Growth Market today, February 24, 2026.

The consolidated earnings forecast for the fiscal year ending December 31, 2026 (from January 1, 2026, to December 31, 2026), hereinafter referred to as "FY12/2026", is as follows. In addition, our recent financial information is provided in the attachment.

【Consolidated Earnings Forecast】

(Units: Millions yen, %)

Item	FY12/2026 (Forecast)			FY12/2025 (Actual)			FY 12/2024 (Actual)	
		% of OR	YoY Change		% of OR	YoY Change		% of OR
Operating Revenue (O R)	1,000	100.0	—	—	100.0	—	—	100.0
Operating loss (-)	-3,337	—	—	-2,231	—	—	-1,872	—
Ordinary loss (-)	-3,461	—	—	-2,853	—	—	-2,391	—
Net loss attributable to owners of parent (-)	-3,463	—	—	-2,855	—	—	-2,392	—
Net loss per share (-)	-81.46 yen			-89.00 yen			-89.42 yen	
Dividends per share	0.00 yen			0.00 yen			0.00 yen	

Note 1: Net loss per share for FY12/2024 (Actual) and FY12/2025 (Actual) is calculated based on the average number of shares outstanding during the period. Net loss per share for FY12/2026 (Forecast) is calculated based on the estimated average number of shares outstanding during the period, including the planned public offering (8,400,000 shares) and the conversion of ratchet-type stock acquisition rights (2,352,942 shares), without considering the third-party allotment related to the over-allotment (up to 1,368,700 shares).

Note 2: The forecast for FY12/2025, as disclosed in the "Notice Regarding Financial Forecasts for the Fiscal Years Ending December 31, 2026 and 2025"¹ published on our website on January 19, 2026, has been updated to actual results following the completion of year-end closing procedures. Accordingly, these actual figures differ from the previously disclosed forecast values.

¹ This document is published in Japanese only.

[Innovacell Group's Business]

(1) Group Overview

The Innovacell group (hereinafter referred to as "the Group") originated as Innovacell GmbH, a cell therapy R&D company spun out from the Medical University of Innsbruck in Austria. The parent company, Innovacell Inc., was established in Japan in 2021 and transitioned to the current group structure by making the aforementioned Austrian company (Innovacell GmbH) its subsidiary through a corporate inversion (i.e., a group restructuring whereby the Japanese parent company became the holding company of the Austrian operating subsidiary).

The Group is engaged in research on human skeletal muscle cell culture technology. It has developed clinical applications that aim for functional regeneration by harvesting a patient's own muscle tissue, preparing myoblasts from satellite cells (muscle stem cells), and injecting them into the target muscle tissue that is damaged or has decreased function. For preparation of myoblasts, it has established a facility compliant with GMP (Good Manufacturing Practice) and established technology to supply cell products with the high quality required for pharmaceuticals.

(2) Target Business Areas

The Group's primary objective is to search for and identify promising early-stage therapeutic and medical device candidates ("seeds") worldwide, incorporate them into its own pipeline for development, and contribute to the improvement of patients' health and Quality of Life (QoL) through commercialization in the global market. Currently, the Group is primarily focusing its R&D efforts on pipelines in the field of regenerative medicine and cell therapy.

(3) Status of Pipeline and Business Model

Currently, the Group is working on the R&D of a pipeline consisting of the following three autologous cell therapy products targeting the incontinence area (fecal incontinence, urinary incontinence).

- ICEF15 (Target indication: Urge fecal incontinence; Cell type: Autologous skeletal muscle-derived cells (aSMDC))
- ICEF16 (Target indication: Passive fecal incontinence; Cell type: Skeletal muscle-derived smooth muscle cells (skSMC))
- ICES13 (Target indication: Stress urinary incontinence; Cell type: Autologous skeletal muscle-derived cells (aSMDC))

Among these R&D pipelines, ICEF15, which targets urge fecal incontinence, is at the most advanced development stage. The Group has completed a total of three clinical trials, including a late-stage Phase II clinical trial (STEFFI trial), and is currently conducting a Phase III international multi-regional clinical trial (Fidelia trial). It plans to enroll a total of 290 subjects in this trial, and as of December 31, 2025, 204 subjects have been enrolled. The trial is currently being conducted in 11 European countries and Japan. Furthermore, preparations are underway to add the United States and other regions as trial sites.

ICES13, targeting stress urinary incontinence, has completed late-stage Phase II clinical trials in Europe. Meanwhile, ICEF16, targeting passive fecal incontinence, is currently in the preparation stage for Phase I/II clinical trials.

For ICEF15, the Group will independently manage the process up to obtaining regulatory approval. For the marketing and sales functions required post-approval, the Group plans to outsource these activities to external strategic partners.

Should the Group enter into a co-promotion agreement with a pharmaceutical company in Japan, the Group expects to receive an upfront payment and milestone payments based on the terms of such agreement. Under the partnership, it intends to engage in co-promotional efforts and distribute our products through pharmaceutical wholesalers, establishing a revenue stream from product wholesale sales.

We expect that our subsidiary, Innovacell GmbH, will handle commercial manufacturing for the first few years following the market launch. Subsequently, the Group plans to transfer the manufacturing process to an external contract manufacturer.

However, for the commercialization of ICEF15 in Europe, we plan to have the subsidiary handle the commercial manufacturing leveraging the existing manufacturing capabilities, even after obtaining regulatory approval. We believe that conducting commercial manufacturing within the Group will enable us to maintain higher profitability compared to outsourcing manufacturing to external parties.

For our other pipelines, we intend to determine the most strategic business models while taking into account the future progress of their respective development. Similar to ICEF15, the Group plans to independently manage development through to regulatory approval; however, we may also consider licensing out the pipelines under development to mitigate the R&D cost burden. In such cases, the Group would transfer the commercialization rights of the target pipeline to a pharmaceutical company. In consideration for this transfer, we would receive some or all of the following: upfront payments, development cooperation fees, milestone payments, and royalty payments.

< Developmental Pipeline >

Product	Target indication	Cell type	Development stage				Approved
			Preclinical	Phase I	Phase II	Phase III	
ICEF15	Urge fecal incontinence	Autologous skeletal muscle-derived cells (aSMDC)	<ul style="list-style-type: none"> Japan-Europe multi-regional Phase III clinical trial (ongoing) (EudraCT #: 2021-001376-42, clinicaltrials.gov #: NCT04976153) 				
ICES13	Stress urinary incontinence	Autologous skeletal muscle-derived cells (aSMDC)	<ul style="list-style-type: none"> Phase II clinical trials completed Preparations underway for Phase III clinical trial 				
ICEF16	Passive fecal incontinence	Skeletal muscle-derived smooth muscle cells (skSMC)	<ul style="list-style-type: none"> Large animal preclinical trials ongoing 				
TBD*1	Dysphagia	Autologous skeletal muscle-derived cells (aSMDC)	<ul style="list-style-type: none"> Preparation for preclinical trials 				

*1: Joint research with Saga University (National University Corporation) is currently in preparation.

【Assumptions for the FY12/2026 Earnings Forecast】

Currently, the Group is working on the R&D of a pipeline consisting of the following three autologous cell therapy products targeting the incontinence area (fecal incontinence, urinary incontinence): ICEF15 (target indication: urge fecal incontinence), ICEF16 (target indication: passive fecal incontinence), and ICES13 (target indication: stress urinary incontinence). Among these, ICEF15 is at the most advanced development stage. The Group is currently conducting Phase III international multi-regional clinical trial while simultaneously advancing preparations for commercialization.

The forecast for FY12/2025, as disclosed in the "Notice Regarding Financial Forecasts for the Fiscal Years Ending December 31, 2026 and 2025" published on our website on January 19, 2026, has been updated to actual results following the completion of year-end closing procedures. Consequently, while the forecast figures for FY12/2026 remain unchanged, the comparative information with respect to FY12/2025, –i.e., the "previous period" and "year-on-year change" figures– has been updated.

For FY12/2026, the Group plans to negotiate and conclude a co-promotion agreement in Japan, promote the ongoing ICEF15 Phase III international multi-regional clinical trial (including completion of subject enrollment), and prepare for or start clinical trials for other pipelines. Under these circumstances, for FY12/2026, the Group expects operating revenue of 1,000 million yen (FY12/2025 actual: no operating revenue recorded), operating loss of 3,337 million yen (FY12/2025 actual: 2,231 million yen), ordinary loss of 3,461 million yen (FY12/2025 actual: 2,853 million yen), and net loss attributable to owners of parent of 3,463 million yen (FY12/2025 actual: 2,855 million yen).

(Operating Revenue, Operating Costs)

The Group expects to record 1,000 million yen as an upfront payment related to ICEF15 (the pipeline targeting urge fecal incontinence).

(R&D, Other SG&A, Operating Loss)

For FY12/2026, the Group expects R&D expenses of 3,309 million yen (up 49.0% YoY) and other SG&A expenses of 1,028 million yen (up 47.0% YoY).

R&D expenses are planned based on the development (clinical trial) schedule, historical track record, and contract terms with external vendors including CROs. The year-on-year increase in FY12/2026 reflects efforts to complete patient enrollment in the ICEF15 Phase III international multi-regional clinical trial and activities to commence clinical trials for other pipelines.

As a result, we forecast an operating loss of 3,337 million yen (FY12/2025 actual: 2,231 million yen).

(Non-operating Income and Expenses, Ordinary Loss)

Regarding non-operating income and expenses for FY12/2026, we forecast non-operating income of 291 million

yen (up 4.5% YoY) and non-operating expenses of 415 million yen (down 53.9% YoY). As a result, we forecast an ordinary loss of 3,461 million yen (FY12/2025 actual: 2,853 million yen).

The primary component of non-operating income is grant income received by our subsidiary. Planned amounts are formulated based on our R&D roadmap, and we expect expenditures to increase year-on-year due to the intensification of our research and development activities.

The primary component of non-operating expenses is interest expenses. Interest expenses include the amortized cost determined by the effective interest method under IFRS 9 "Financial Instruments," applied to the loan and royalty agreements between our subsidiary and the European Investment Bank. This amount differs from the actual cash interest payments.

(Extraordinary Income and Loss, Net Loss Attributable to Owners of Parent)

For FY12/2026, we do not anticipate any extraordinary income or loss. We forecast a net loss attributable to owners of parent of 3,463 million yen (FY12/2025 actual: 2,855 million yen).

【Disclaimer Regarding Earnings Forecasts】

The earnings forecasts and other forward-looking statements in this document are based on information currently available to the Group and certain assumptions deemed reasonable, and actual results may differ significantly due to various factors. For information regarding general risks associated with drug discovery biotech startups, please refer to the following website.

「<https://www.jpx.co.jp/listing/others/risk-info/>」

As we are engaged in the research and development of cell therapy products, investment decisions should be made based on an understanding of our specific risks. For detailed information regarding these risks, please refer to the sections titled "Business Description," "Management Policy, Operating Environment, and Issues to be Addressed," "Business Risks," and "Material Contracts" in the "Securities Report for New Listing Application" (Part I)².

End

² This document is published in Japanese only.

Summary of Consolidated Financial Results for the Year Ended December 2025 (Based on Japanese GAAP, QUICK TRANSLATION)

February 24, 2026

Company name: Innovacell Inc. Stock exchange listing: Tokyo
 Stock code: 504A URL <http://www.innovacell.co.jp>
 Representative (Title) Representative Director / Co-CEO (Name) Colin Novick
 Representative (Title) Representative Director / Co-CEO (Name) Jason Sieger
 Inquiries (Title) Director / CFO (Name) Yasushi Hosono Tel. +81-3-6555-4437
 Scheduled date of ordinary general meeting of shareholders: March 26, 2026
 Scheduled date of securities report: March 26, 2026
 Preparation of supplementary material on financial results: No
 Holding financial results briefing session: No

(Amounts of less than one million yen are rounded down.)

1. Results of Operations for the year ended December 2025 (January 1, 2025 to December 31, 2025)

(1) Consolidated Results of Operations (% indicates change from the previous corresponding period.)

	Operating revenue		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended December 2025	—	—	-2,231	—	-2,853	—	-2,855	—
Year ended December 2024	—	—	-1,872	—	-2,391	—	-2,392	—

(Note) Comprehensive income Year ended December 2025 -3,235million yen (—%) Year ended December 2024 -2,498million yen (—%)

	Net income per share	Diluted net income per share	Return on equity	Return on asset	Operating margin
	Yen	Yen	%	%	%
Year ended December 2025	-89.00	—	—	-72.0	—
Year ended December 2024	-89.42	—	—	-91.3	—

(Reference) Equity in net income of affiliates Year ended December 2025 —million yen Year ended December 2024 —million yen

(Note) 1. Diluted net income per share is not presented for the years ended December 31, 2024 and 2025 because, although potential shares exist, the company recorded a net loss per share for both periods and therefore there was no dilutive effect.

2. Return on equity and operating profit margin are not presented because the Company incurred a net loss and an operating loss for the period.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended December 2025	5,092	-630	-51.7	-78.95
Year ended December 2024	2,834	-1,956	-69.1	-64.57

(Reference) Equity capital Year ended December 2025 -2,631million yen Year ended December 2024 -1,957million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Year ended December 2025	-1,995	-53	4,089	4,101
Year ended December 2024	-1,297	-11	2,142	1,961

2. Cash dividends

	Annual dividends per share					Cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter end	2nd quarter end	3rd quarter end	Fiscal year end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended December 2024	—	0.00	—	0.00	0.00	—	—	—
Year ended December 2025	—	0.00	—	0.00	0.00	—	—	—
Year ending December 2026 (forecast)	—	0.00	—	0.00	0.00		—	

3. Forecast of consolidated financial results for the year ending December 2026 (January 1, 2026, to December 31, 2026)

(Percentages indicate year-on-year changes on a full-year basis.)

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	1,000	—	-3,337	—	-3,461	—	-3,463	—	-81.46

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying change in scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates, and retrospective restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: Yes

4) Retrospective restatement: None

(Note) Please refer to “3. Consolidated Financial Statements and Notes (5) Notes Regarding Consolidated Financial Statements (Change in Accounting Estimates)” on page 11 of this document.

(3) Total number of shares issued (common stock)

1) Total number of issued shares at the end of the period (including treasury shares)

Year ended December 2025	33,335,702 shares	Year ended December 2024	30,322,235 shares
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2) Number of treasury shares at the end of the period

Year ended December 2025	— shares	Year ended December 2024	— shares
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3) Average number of shares during the period

Year ended December 2025	32,078,573 shares	Year ended December 2024	26,753,802 shares
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* The summary of consolidated financial results is not subject to audit by certified public accountants or audit corporations.

* Explanation on the appropriate use of financial results forecasts, and other notes

(Explanation on the appropriate use of financial results forecasts, and other notes)

Earnings forecasts regarding future performance and other forward-looking statements in this material are based on information currently available to the Company and certain assumptions judged to be reasonable and are not intended as a promise by the Company that they will be achieved. In addition, actual results may differ significantly due to a variety of factors. For the assumptions used in forecasting business results and precautions regarding the use of business results forecasts, please refer to “1. Overview of Operating Results (4) Future Prospects” on page 3 of this document.

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1. Overview of Operating Results

(1) Overview of Operating Results for the Year

During the consolidated fiscal year, the global economy continued to show a generally resilient recovery, although disparities remained across regions. While the overall pace of recovery moderated somewhat due to economic slowdowns in major countries such as the United States and China, a moderate growth trajectory is expected to be maintained going forward. In the United States, although signs of weakness were observed in economic activity in the near term amid trends in prices and employment conditions, easing inflationary pressures and changes in monetary policy are expected to gradually take effect, creating an environment in which an economic rebound is anticipated from the next fiscal year onward. In Europe, while tariff policies and weak external demand acted as headwinds, fiscal spending and domestic demand in major countries supported economic activity, resulting in a continued moderate recovery. During the same period, the Japanese economy maintained a moderate recovery driven mainly by domestic demand, with personal consumption supported by the widespread implementation of wage increases and a temporary easing of price inflation, as well as steady corporate capital investment. Under these circumstances, the economy as a whole maintained a stable recovery trend. However, uncertainty surrounding the global economy persists due to factors regarding fluctuations in AI-related investment; adjustments in financial markets; and heightened geopolitical risks including the situations in Ukraine and the Middle East, necessitating continued careful monitoring.

With respect to the business environment surrounding the regenerative medicine sector, the market continues to expand over the medium to long term, supported by demographic trends such as population aging and an increase in patients with chronic diseases. Research and development in advanced technologies, including stem cell therapy, tissue engineering, and gene therapy, has become increasingly active, with particular progress being made in initiatives utilizing iPS cells in the field of cell therapy. In Japan, improvements to the regulatory framework for regenerative medicine products and the acceleration of review processes are creating an environment that facilitates the timely market introduction of new products. Globally, expectations for regenerative medicine continue to rise amid increasingly sophisticated medical needs and ongoing technological innovation, and the sector is expected to remain one of the key growth areas within the pharmaceutical and healthcare industries.

Under these economic conditions, we focused on advancing the ICEF15 Phase III global clinical trial (the "Trial"), which has been underway since 2022. During the consolidated fiscal year, in collaboration with our contract research organization (CRO), we promoted patient enrollment by reviewing clinical trial sites and implementing patient recruitment advertising in Japan and Europe. As a result, as of the end of the consolidated fiscal year, a total of 204 patients globally had undergone muscle tissue collection (randomization), of whom 164 patients had completed implantation.

On the group management side, during the consolidated fiscal year, the Company raised a total of 4,280,328 thousand yen through the issuance of common stock and ratchet-type share subscription rights (excluding funding through Debt-Equity-Swaps), with the aim of further accelerating the progress of the Trial. Regarding the listing process, the Company obtained listing approval from the Tokyo Stock Exchange on January 19, 2026, and was listed on the TSE Growth Market on February 24, 2026.

As a result of the above business activities, we recorded research and development expenses of 1,687,279 thousand yen, an operating loss of 2,231,686 thousand yen, an ordinary loss of 2,853,829 thousand yen, and a net loss attributable to owners of the parent of 2,855,124 thousand yen for the consolidated fiscal year.

As the Group operates a single business segment focused on cell therapy and regenerative medicine research and development, segment-related information is omitted.

(2) Overview of Financial Position for the Year

(Assets)

Current assets at the end of the consolidated fiscal year under review amounted to 4,496,297 thousand yen, an increase of 2,179,345 thousand yen from the end of the previous fiscal year. This was mainly due to an increase of 2,140,165 thousand yen in cash and deposits. Non-current assets amounted to 596,264 thousand yen, an increase of 78,701 thousand yen from the previous consolidated fiscal year, primarily reflecting an increase of 69,740 thousand yen in property, plant and equipment.

As a result, total assets amounted to 5,092,561 thousand yen, an increase of 2,258,047 thousand yen from the end of the previous fiscal year.

(Liabilities)

Current liabilities at the end of the consolidated fiscal year under review amounted to 432,146 thousand yen, a decrease of 79,736 thousand yen from the end of the previous fiscal year. This was mainly due to a decrease of 100,715 thousand yen in accounts payable, despite increases of 10,226 thousand yen in the current portion of long-term loans payable and 8,167 thousand yen in lease liabilities. Non-current liabilities amounted to 5,290,669 thousand yen, an increase of 1,011,937 thousand yen from the end of the previous fiscal year. This was primarily attributable to an increase of 941,075 thousand yen in long-term loans payable.

As a result, total liabilities amounted to 5,722,816 thousand yen, an increase of 932,201 thousand yen from the end of the

previous fiscal year.

(Net assets)

Net assets at the end of the consolidated fiscal year under review amounted to (630,254) thousand yen, an increase of 1,325,845 thousand yen from the end of the previous fiscal year. This was mainly due to increases of 1,280,723 thousand yen in share capital and capital surplus resulting from the issuance of new shares, an increase of 2,000,000 thousand yen in subscription rights to shares, and the recording of a net loss attributable to owners of the parent of 2,855,124 thousand yen for the fiscal year.

As a result, the equity ratio was (51.7)% ((69.1)% at the end of the previous fiscal year).

(3) Overview of Cash Flows for the Year

Cash and cash equivalents (hereinafter referred to as "cash") during the consolidated fiscal year under review increased by 2,140,165 thousand yen from the end of the previous fiscal year to 4,101,476 thousand yen. This increase was mainly attributable to a loss before income taxes of 2,853,829 thousand yen and interest expenses of 857,195 thousand yen, among other factors.

The status of the different cash flows and the contributing factors during the consolidated fiscal year under review are as follows.

(Cash flows from operating activities)

Cash used in operating activities amounted to 1,995,296 thousand yen (1,297,900 thousand yen used in the previous fiscal year). This was mainly due to loss before income taxes of 2,853,829 thousand yen and interest expenses of 857,195 thousand yen.

(Cash flows from investing activities)

Cash used in investing activities amounted to 53,732 thousand yen (11,088 thousand yen used in the previous fiscal year). This was mainly due to purchase of property, plant and equipment of 42,758 thousand yen and purchase of intangible assets of 9,841 thousand yen.

(Cash flows from financing activities)

Cash procured in financing activities amounted to 4,089,625 thousand yen (2,142,505 thousand yen gained in the previous fiscal year). This was mainly due to proceeds from the issuance of new shares of 2,280,328 thousand yen and proceeds from the issuance of subscription rights to shares of 2,000,000 thousand yen, partially offset by payments of funding-related expenses of 125,813 thousand yen.

(4) Future Prospects

In the next consolidated fiscal year (the year ending December 31, 2026), the Group plans to continue advancing the ongoing ICEF15 Phase III global clinical trial and to complete patient enrollment within the next consolidated fiscal year. In addition, the Group plans to further proceed with contract negotiations aimed at the global commercialization of ICEF15, including the conclusion of a licensing agreement for the Japanese market and the acquisition of an upfront payment based on such agreement. Furthermore, the Group intends to concurrently undertake initiatives to expand its pipeline that will contribute to enhancing corporate value, as well as to strengthen its organizational structure as necessary to promote these activities and the initiatives described above. In the next consolidated fiscal year. In addition, as preparation for the early repayment of the EIB (European Investment Bank) loan in the following consolidated fiscal year, we resolved at the Board of Directors meeting held on January 22, 2026, to make an additional capital contribution of EUR 18,000 thousand to our consolidated subsidiary, Innovacell GmbH, on February 27, 2026 (planned).

Based on the above plans and policies, the consolidated financial forecasts for the next consolidated fiscal year (year ending December 31, 2026) are operating revenue of 1,000,000 thousand yen, operating loss of 3,337,605 thousand yen, ordinary loss of 3,461,735 thousand yen, and net loss attributable to owners of the parent of 3,463,540 thousand yen.

These consolidated forecasts are based on an assumed exchange rate of 170 yen to 1 EUR.

2. Basic Approach to the Selection of Accounting Standards

Taking into consideration the comparability of the consolidated financial statements between periods and comparability between companies, the Group's policy for the time being is to prepare its consolidated financial statements in accordance with Japanese GAAP.

The Group intends to examine the adoption of International Financial Reporting Standards (IFRS), taking into account the various circumstances in Japan and overseas.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Unit: Thousand yen)

	As of December 31, 2024	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	1,961,311	4,101,476
Raw materials and supplies	37,927	38,939
Other receivables	243,000	260,157
Advance payments to suppliers	11,091	8,765
Others	63,621	86,959
Total current assets	2,316,952	4,496,297
Non-current assets		
Property, plant and equipment		
Buildings and structures	332,196	369,055
Accumulated depreciation	-312,939	-351,221
Buildings and structures, net	19,257	17,834
Tools, furniture, and fixtures	144,511	160,966
Accumulated depreciation	-132,009	-145,961
Tools, furniture, and fixtures, net	12,501	15,005
Machinery and vehicles	311,057	363,981
Accumulated depreciation	-236,044	-284,652
Machinery and vehicles, net	75,013	79,329
Right-of-use assets	456,584	559,946
Accumulated depreciation	-89,632	-128,649
Right-of-use assets, net	366,952	431,297
Total property, plant and equipment	473,725	543,465
Intangible assets		
Software	13,938	20,832
Total intangible assets	13,938	20,832
Investment and other assets		
Others	29,899	31,965
Total investment and other assets	29,899	31,965
Total non-current assets	517,562	596,264
Total assets	2,834,514	5,092,561

(Unit: Thousand yen)

	As of December 31, 2024	As of December 31, 2025
Liabilities		
Current liabilities		
Current portion of long-term loans payable	76,727	86,953
Current portion of Lease liabilities	8,645	16,813
Other payables	318,037	217,321
Accrued expenses	26,475	10,072
Income taxes payable	5,969	8,360
Provision for bonuses	4,147	2,157
Others	71,881	90,466
Total current liabilities	511,883	432,146
Non-current liabilities		
Long-term loans payable	3,646,927	4,588,003
Lease liabilities	426,949	504,408
Long-term unearned revenue	204,853	198,256
Total non-current liabilities	4,278,731	5,290,669
Total liabilities	4,790,614	5,722,816
Net assets		
Shareholders' equity		
Share capital	2,850,637	4,131,360
Capital surplus	1,825,567	2,333,391
Retained earnings	-6,283,920	-8,366,145
Total shareholders' equity	-1,607,716	-1,901,393
Accumulated other comprehensive income		
Foreign currency translation adjustment	-350,049	-730,527
Total accumulated other comprehensive income	-350,049	-730,527
Subscription rights to shares	1,666	2,001,666
Total net assets	-1,956,100	-630,254
Total liabilities and net assets	2,834,514	5,092,561

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated statement of income)

(Unit: Thousand yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Operating revenue	—	—
Operating expenses		
Research and development expenses	1,385,478	1,687,279
Other selling, general and administrative expenses	487,129	544,406
Total operating expenses	1,872,608	2,231,686
Operating loss (-)	-1,872,608	-2,231,686
Non-operating income		
Interest income	482	1,972
Subsidy income	216,609	270,819
Others	811	5,838
Total non-operating income	217,904	278,630
Non-operating expenses		
Interest expenses	614,465	857,195
Financing expenses	99,239	32,000
Foreign exchange loss	15,341	11,464
Others	7,801	113
Total non-operating expenses	736,847	900,773
Ordinary loss (-)	-2,391,551	-2,853,829
Net loss before taxes (-)	-2,391,551	-2,853,829
Income taxes - current	888	1,294
Total income taxes	888	1,294
Net loss (-)	-2,392,439	-2,855,124
Net loss attributable to owners of the parent (-)	-2,392,439	-2,855,124

(Consolidated Statement of Comprehensive Income)

(Unit: Thousand yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Net loss (-)	-2,392,439	-2,855,124
Other comprehensive income		
Foreign currency translation adjustment	-106,205	-380,477
Total other comprehensive income	-106,205	-380,477
Comprehensive income	-2,498,644	-3,235,602
Attributable to		
Comprehensive income attributable to owners of parent	-2,498,644	-3,235,602
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Changes in Net Assets

Fiscal year ended December 31, 2024

(Unit: Thousand yen)

	Shareholders' equity			
	Share capital	Capital surplus	Retained earnings	Total shareholders' equity
Balance at beginning of fiscal year	1,665,156	1,930,798	-5,926,692	-2,330,738
Changes during period				
Issuance of new shares	1,557,730	1,557,730		3,115,461
Net loss attributable to owners of the parent (-)			-2,392,439	-2,392,439
Capital reduction	-372,249	372,249		—
Deficit disposition		-2,035,212	2,035,212	—
Net changes of items other than shareholders' equity				
Total changes in the period	1,185,480	-105,231	-357,227	723,021
Balance at end of fiscal year	2,850,637	1,825,567	-6,283,920	-1,607,716

	Accumulated other comprehensive income		Subscription rights to shares	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of fiscal year	-243,844	-243,844	836,666	-1,737,916
Changes during period				
Issuance of new shares				3,115,461
Net loss attributable to owners of the parent (-)				-2,392,439
Capital reduction				—
Deficit disposition				—
Net changes of items other than shareholders' equity	-106,205	-106,205	-835,000	-941,205
Total changes in the period	-106,205	-106,205	-835,000	-218,183
Balance at end of fiscal year	-350,049	-350,049	1,666	-1,956,100

Fiscal year ended December 31, 2025

(Unit: Thousand yen)

	Shareholders' equity			
	Share capital	Capital surplus	Retained earnings	Total shareholders' equity
Balance at beginning of fiscal year	2,850,637	1,825,567	-6,283,920	-1,607,716
Changes during period				
Issuance of new shares	1,280,723	1,280,723		2,561,447
Net loss attributable to owners of the parent (-)			-2,855,124	-2,855,124
Deficit disposition		-772,899	772,899	—
Net changes of items other than shareholders' equity				
Total changes in the period	1,280,723	507,824	-2,082,224	-293,677
Balance at end of fiscal year	4,131,360	2,333,391	-8,366,145	-1,901,393

	Accumulated other comprehensive income		Subscription rights to shares	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of fiscal year	-350,049	-350,049	1,666	-1,956,100
Changes during period				
Issuance of new shares				2,561,447
Net loss attributable to owners of the parent (-)				-2,855,124
Deficit disposition				—
Net changes of items other than shareholders' equity	-380,477	-380,477	2,000,000	1,619,522
Total changes in the period	-380,477	-380,477	2,000,000	1,325,845
Balance at end of fiscal year	-730,527	-730,527	2,001,666	-630,254

(4) Consolidated Statement of Cash Flows

(Unit: Thousand yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Cash flows from operating activities		
Loss before income taxes	-2,391,551	-2,853,829
Depreciation	54,062	63,986
Interest income	-482	-1,972
Subsidy income	-216,609	-270,819
Interest expenses	614,465	857,195
Foreign exchange loss	13,559	11,180
Financing expenses	99,239	32,000
Increase (decrease) in inventories (- indicates increase)	7,932	3,168
Increase (decrease) in other receivables (- indicates increase)	-44,313	51,174
Increase (decrease) in advance payments to suppliers (- indicates increase)	485,440	3,281
Increase (decrease) in other payables (- indicates decrease)	-78,530	-8,842
Increase (decrease) in accrued expenses (- indicates decrease)	578	1,674
Increase (decrease) in provision for bonuses (- indicates decrease)	4,147	-1,989
Others	991	-6,681
Subtotal	<u>-1,451,069</u>	<u>-2,120,472</u>
Interest income received	411	1,743
Proceeds from subsidy income	225,090	201,946
Interest expenses paid	-72,574	-77,481
Income taxes refunded	1,274	2
Income taxes paid	-1,032	-1,034
Cash flows from operating activities	<u>-1,297,900</u>	<u>-1,995,296</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	-12,048	-42,758
Purchase of intangible assets	—	-9,841
Payments into lease deposits	—	-1,132
Others	960	—
Cash flows from investing activities	<u>-11,088</u>	<u>-53,732</u>
Cash flows from financing activities		
Repayments of long-term loans payable	-49,707	-51,264
Repayments of lease liabilities	-8,112	-13,625
Proceeds from issuance of new shares	2,095,825	2,280,328
Payments of financing expenses	-15,500	-125,813
Proceeds from issuance of subscription rights to shares	120,000	2,000,000
Cash flows from financing activities	<u>2,142,505</u>	<u>4,089,625</u>
Effect of exchange rate change on cash and cash equivalents	30,835	99,568
Net increase (decrease) in cash and cash equivalents (- indicates decrease)	<u>864,352</u>	<u>2,140,165</u>
Cash and cash equivalents at beginning of fiscal year	<u>1,096,958</u>	<u>1,961,311</u>
Cash and cash equivalents at end of fiscal year	<u>1,961,311</u>	<u>4,101,476</u>

(5) Notes Regarding Consolidated Financial Statements

(Notes Regarding Going-Concern Assumption)

Not applicable.

(Change in Accounting Estimates)

(Accounting treatment for EIB (European Investment Bank) loan)

With regard to the loan agreement and the royalty agreement between EIB and Innovacell GmbH, a consolidated foreign subsidiary, the future revenue plan, which is the basis for the expected royalty payment included in the amortized cost calculation, has been changed based on the progress of pipeline development status and the reconsideration of commercialization schemes.

As a result, the balance of long-term loans payable increased by JPY 197 million (EUR 1,134 thousand). In addition, since interest expenses increased by JPY 187 million (EUR 1,134 thousand) due to this change, both ordinary loss and loss before income taxes increased by the same amount.

Estimates of expected royalty payments are based on information available at the time the consolidated financial statements were prepared. However, there are uncertainties in the assumptions used for the estimates, and changes in sales plans, market conditions, and other factors may cause changes in the conditions and assumptions used for the estimates, which, if they occur, could have a material impact on the consolidated financial statements in the following fiscal years and thereafter.

(Segment Information)

Segment information

Fiscal year ended December 31, 2024

This information is omitted as the Group has only the single segment of the cell therapy and regenerative medicine research and development business.

Fiscal year ended December 31, 2025

This information is omitted as the Group has only the single segment of the cell therapy and regenerative medicine research and development business.

Related Information

Fiscal year ended December 31, 2024

1. Information by product and service

This information is omitted as no operating revenue from external customers in a single product and service category was recognized.

2. Information by geographic region

(1) Operating revenue

This information is omitted as no operating revenue from external customers in a single product and service category was recognized.

(2) Property, plant, and equipment

(Unit: Thousand yen)

Japan	Austria	Total
23,102	450,623	473,725

3. Information by major customers

This information is omitted as no operating revenue from external customers in a single product and service category was recognized.

Fiscal year ended December 31, 2025

1. Information by product and service

This information is omitted as no operating revenue from external customers in a single product and service category was recognized.

2. Information by geographic region

(1) Operating revenue

This information is omitted as no operating revenue from external customers in a single product and service category was recognized.

(2) Property, plant, and equipment

(Unit: Thousand yen)

Japan	Austria	Total
20,192	523,273	543,465

3. Information by major customers

This information is omitted as no operating revenue from external customers in a single product and service category was recognized.

Information on impairment losses of non-current assets by reportable segment

Fiscal year ended December 31, 2024

Not applicable.

Fiscal year ended December 31, 2025

Not applicable.

Information on amortization of goodwill and unamortized balance by reportable segment

Fiscal year ended December 31, 2024

Not applicable.

Fiscal year ended December 31, 2025

Not applicable.

Information on gain on negative goodwill by reportable segment

Fiscal year ended December 31, 2024

Not applicable.

Fiscal year ended December 31, 2025

Not applicable.

(Per share information)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Net assets per share	-64.57 yen	-78.95 yen
Net loss per share (-)	-89.42 yen	-89.00 yen

(Notes) 1. Diluted net income per share is not shown for the year ended December 31, 2024 and 2025 because although there are dilutive shares, there was a net loss per share.

2. The basis for calculation of net loss per share is as follows.

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Net loss attributable to owners of parent (-) (Thousand yen)	-2,392,439	-2,855,124
Amount not attributable to common shareholders (Thousand yen)	—	—
Net loss attributable to owners of parent relating to common stock (-) (Thousand yen)	-2,392,439	-2,855,124
Average number of shares during the period	26,753,802	32,078,573
The following potential shares were excluded as they had no dilutive effect.	—	—

(Significant subsequent events)

(Issuance of new Shares by Public Offering and Third-Party Allotment, and Secondary Offering of Shares)

The Company obtained listing approval from the Tokyo Stock Exchange and its shares were listed on the TSE Growth Market on February 24, 2026. In connection with this listing, at the Board of Directors meeting held on January 19, 2026, the Company resolved to issue new shares by way of a public offering and a third-party allotment, to conduct a secondary offering through purchase and underwriting by the underwriters, and to conduct a secondary offering by way of over-allotment, and the offering conditions were determined on February 12, 2026. With respect to the issuance of new shares by public offering, payment was completed by February 23, 2026. With respect to the issuance of new shares by way of third-party allotment, payment is expected to be received on March 25, 2026.

The overview of the new share is as follows:

1. Issuance of new shares through public offering (Public Offering)

(1)	Method of Offering	Offering through the book-building method
(2)	Type and number of shares to be issued	8,400,000 shares of common shares
(3)	Issue price	1,350 yen per share
(4)	Total issue amount	11,340,000 thousand yen
(5)	Amount paid by the underwriters	1,248.75 yen per share
(6)	Total amount paid by the underwriters	10,489,500 thousand yen
(7)	Amount of share capital and capital reserve to be increased	Share capital: 5,244,750 thousand yen Capital reserve: 5,244,750 thousand yen
(8)	Payment date	February 23, 2026

(Note) This price represents the amount the Company received from the underwriters as the payment per share for the newly issued shares. The total difference between the issue price and the amount paid by the underwriters constitutes the underwriters' proceeds.

2. Secondary Offering of Shares (Underwritten Offering by the Underwriters)

(1)	Type and number of shares to be sold	725,300 shares of common shares
(2)	Selling price	1,350 yen per share
(3)	Total selling price	979,155 thousand yen
(4)	Underwriters' purchase price	1,248.75 yen per share
(5)	Total price paid by the underwriters	905,718 thousand yen
(6)	Delivery date	February 24, 2026

3. Secondary Offering of Shares (Sale by Selling Shareholders through Over-allotment)

(1)	Type and number of shares to be sold	Common stock: up to 1,368,700 shares
(2)	Selling price	1,350 yen per share
(3)	Total selling price	Up to 1,847,745 thousand yen
(4)	Delivery date	February 24, 2026

4. Issuance of New Shares by Way of Third-party Allotment

(1)	Type and number of shares to be issued	1,368,700 shares of common shares
(2)	Amount to be paid	1,248.75 yen per share
(3)	Total amount to be paid	1,709,164 thousand yen
(4)	Amount of share capital and capital reserve to be increased	Share capital: 854,582 thousand yen Capital reserve: 854,582 thousand yen
(5)	Application date	March 24, 2026
(6)	Payment date	March 25, 2026
(7)	Allottee	Nomura Securities Co., Ltd.

5. Use of Proceeds and Planned Timing of Expenditures

Use of proceeds	Amount (thousand yen)	Planned timing of expenditures
Research and development expenses for ICEF15, for which a global clinical trial is currently underway	6,932,000	Fiscal years 2026 to 2027
Early repayment of EIB loan	3,100,000	March 31, 2026
Personnel expenses, commercialization-related preparation expenses, capital expenditures, etc.	2,107,364	Fiscal years 2026 to 2027

(Conversion of Ratchet-type Share Subscription Rights)

With respect to the ratchet-type share subscription rights to shares issued by the Company, conversion into shares is scheduled to be conducted on February 24, 2026, upon completion of the IPO.

The outline of such conversion is as follows:

(1)	Number of share subscription rights converted	1
(2)	Total amount of share subscription rights converted	2,000,000 thousand yen
(3)	Type and number of shares to be issued	2,352,942 shares of common shares
(4)	Amount of share capital and capital reserve to be increased	Share capital: 1,000,000 thousand yen Capital reserve: 1,000,000 thousand yen