Financial Results Briefing Materials for the Fiscal Year Ended March 2026

再生医療をあたりまえの医療に
Creating a Future for Regenerative Medicine

Japan Tissue Engineering Co., Ltd. (TSE Growth: 7774)

May 1, 2026

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- Starting from the financial results for the first quarter of the fiscal year ending March 2026, the reporting segment name "Research & Development Support Business" has been changed to "LabCyte Business."
- For detailed business strategies for the next fiscal year, please also refer to the "Matters Concerning Business Plans and Growth Potential" disclosed today.

Glossary of Our Products

Regenerative Medicine Products Business

We provide products cultured from the patient's own cells under insurance coverage.

NEPIC / OCURAL

Autologous Cultured Corneal Epithelium
Autologous Cultured Oral Mucosal Epithelium

■ Limbal Stem Cell Deficiency（LSCD）

JACE

Autologous Cultured Epidermis

■Severe burns ■Epidermolysis bullosa
■Giant congenital melanocytic nevus

JACEMIN

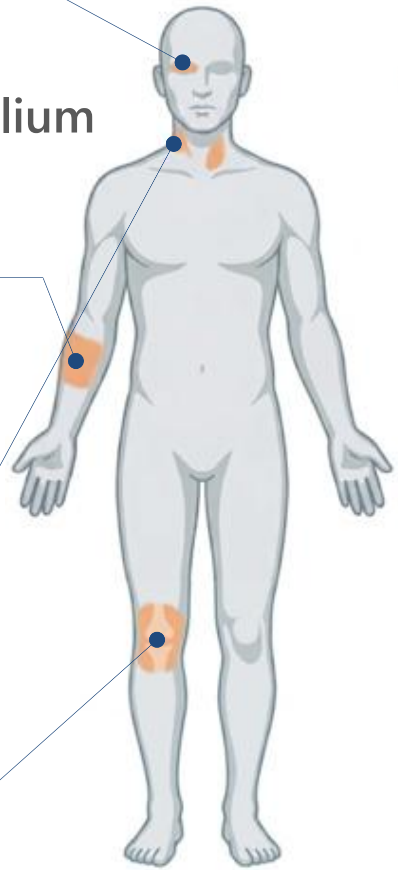
Autologous Cultured Epidermis Containing Melanocytes

■Vitiligo vulgaris.

JACC

Autologous Cultured Cartilage

■ Osteoarthritis of the knee（OA） ■ Traumatic cartilage defect / Osteochondritis dissecans



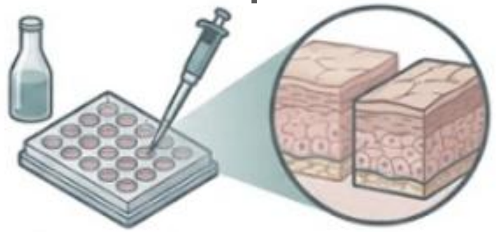
LabCyte Business

We sell kits to verify the safety of products like cosmetics and drugs using human cells as an alternative to animal testing

LabCyte

Human Cultured Tissue for Research

■Epidermis models
■Corneal epithelium models



EpiSensA

Skin Sensitization Test Method to evaluate the potential for substances to cause skin allergies, compliant with OECD guidelines

1. Financial Results Overview for FY2025 / Financial Forecast for FY2026

Summary

J-TEC The launch of JACC for OA marks a turning point, ending the upfront investment phase and moving into a phase of profitability

(Millions of yen)

FY2025 Results

Net Sales 2,182
YoY △272
vs. Forecast △27

Sales recognition for the LabCyte business shifted to the next term.

Operating Profit △549
YoY △311
vs. Forecast +0

Net Income △734
YoY △479
vs. Forecast △194

Recorded 149 million yen in valuation loss on investment securities.

FY2026 Forecast

Net Sales 3,070
YoY +887

Operating Profit 100
YoY +649

JACC is off to a strong start with 93 orders already received, representing 27% of the forecast.

Net Income 100
YoY +834

(As of April 30, 2026)

FY2025 Financial Results & FY2026 Forecast

J·TEC

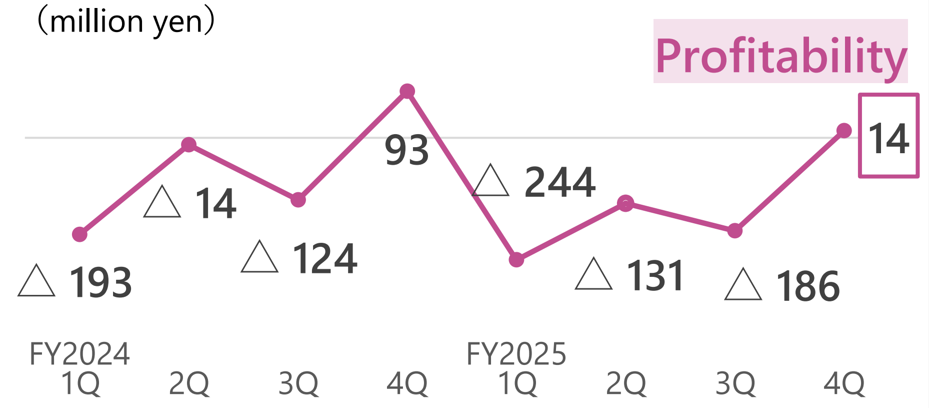
- ✓ FY2025: Significant decrease in revenue and profit due to lower JACE sales and absence of milestone income from Teijin
- ✓ FY2026: Expecting to achieve profitability through steady growth in all segments, especially with JACC and JACEMIN

Unit: Millions of Yen（rounded down to the nearest million yen）（percentage changes calculated based on yen units）	FY2024	FY2025			FY2026		
	Actual Results	Actual Results	YoY Change		Year Forecast	YoY Change	
			Amount	Percent		Amount	Percent
Regenerative Med Product Sales	1,493	1,354	△138	△9%	2,070	715	53%
Dermatology (JACE, JACEMIN)	985	819	△165	△17%	1,070	250	31%
Cartilage (JACC)	382	428	46	12%	900	471	110%
Cornea（NEPIC、OCURAL）	125	105	△19	△15%	100	△5	△5%
Regenerative Med Contract Sales	713	546	△167	△23%	640	93	17%
General Contracts	348	295	△54	△15%	430	134	46%
Teijin Contracts	364	251	△113	△31%	210	△41	△16%
LabCyte Business Sales	248	281	33	14%	360	78	28%
Total Sales	2,455	2,182	△272	△11%	3,070	887	41%
Gross Profit	1,511	1,267	△243	△16%	2,000	732	58%
SG&A	1,749	1,816	67	4%	1,900	83	5%
Operating Profit	△238	△549	△311	-	100	649	-
Ordinary Profit	△234	△537	△302	-	110	647	-
Net Income (Loss)	△255	△734	△479	-	100	834	-

Financial Results FY2025 Overview

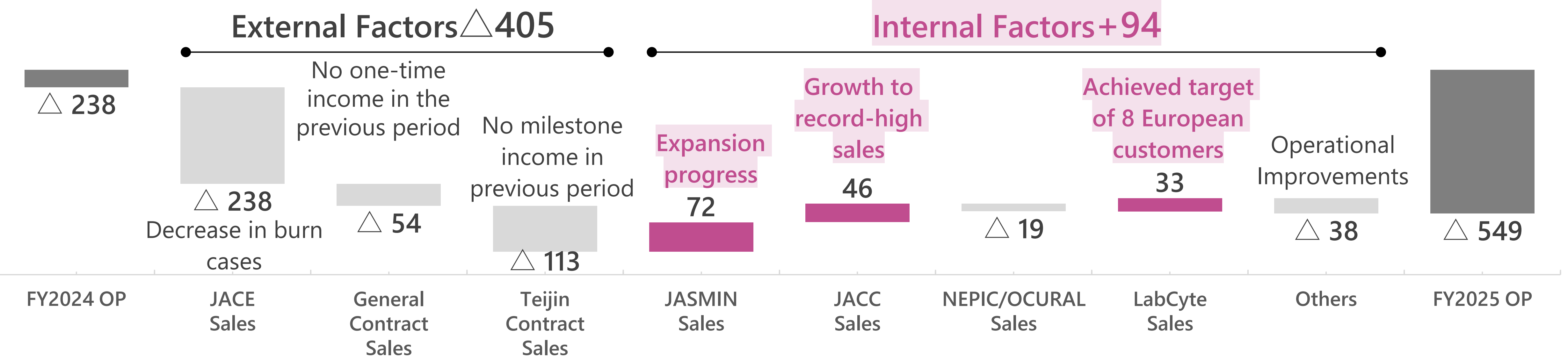
External Factors	✓JACE: Fewer burn cases through Q3, but rebounded Q4 (+25% vs Q3) ✓Contract business revenue down due to absence of one-time income from last year
Internal Factors	✓JACC: Expanded insurance coverage for osteoarthritis (OA); March reached a record 30 cases/month ✓JACEMIN: Expanded to 42 facilities, increasing orders ✓LabCyte Business: Overseas expansion progressing

Operating Profit Trend（Quarterly）



Change in Operating Profit（Year-on-Year）

(million yen)



Regenerative Medicine Products Business: Performance Overview

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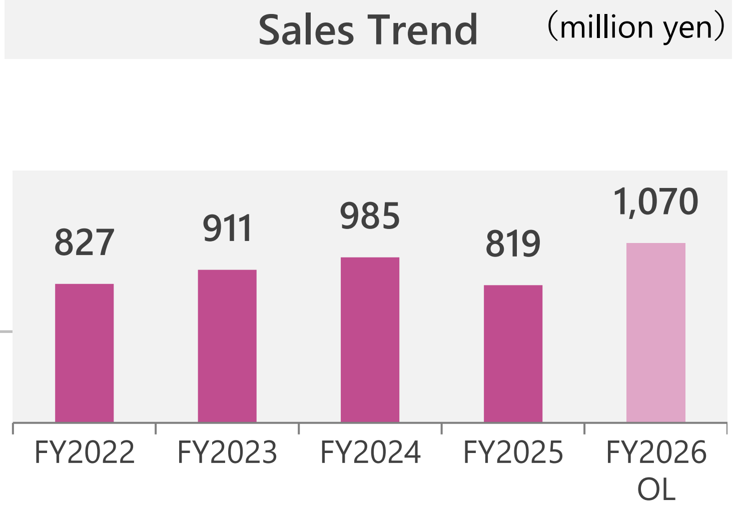
Dermatology

JACE

Although the number of eligible burn cases declined through December, **it recovered in Q4**(Recent recovery levels maintained)
Highly evaluated in severe burn treatment; driving further contributions to saving lives.

JACEMIN

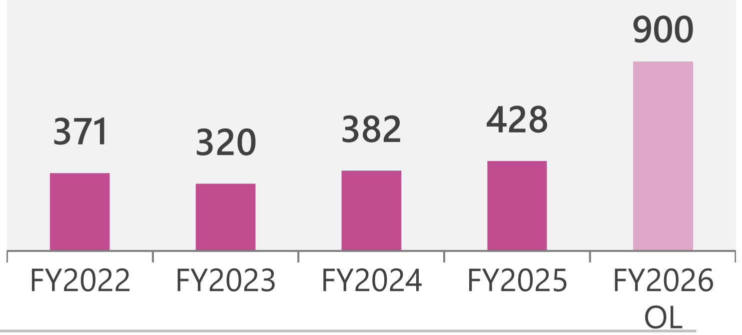
Expanded to 42 facilities after some delays to adoption, and patient awareness initiatives improved. As a result, new orders increased, contributing to full-scale revenue growth.



Cartilage

JACC

Following OA insurance coverage in January 2026, adoption at existing facilities accelerated through efficacy/safety communication and new surgical techniques. In March, a record **30 cases/month** was achieved, and contracted facilities expanded to **125 nationwide**.

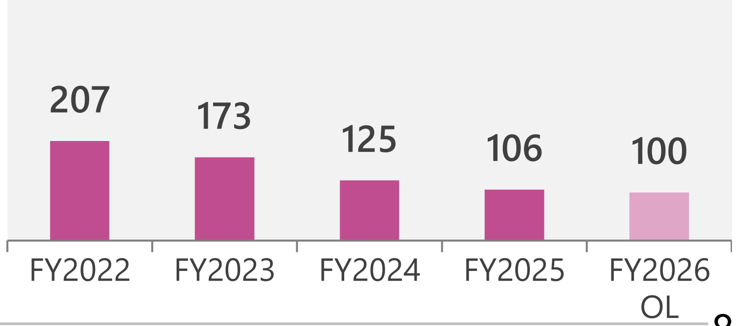


Cornea

NEPIC

OCURAL

Despite a small patient pool and slower new patient growth at existing sites, collaboration with NIDEK enabled **successful expansion into new facilities.** Growing adoption at specialized corneal clinics to broaden patient treatment opportunities.



CDMO Business & LabCyte Business Performance Overview

J·TEC

CDMO

General

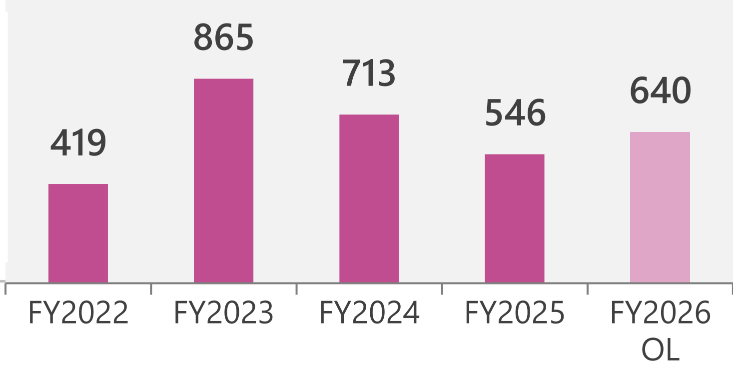
Revenue declined due to the loss of prior one-off income, while multiple projects **shifted to high-value clinical manufacturing**, building a more diversified revenue base

- Actualize Inc. — Completed domestic Phase II clinical trial (patient dosing)
- VC Cell Therapy Inc. — Began contract work toward normalizing iPS-derived products
- Metcela Inc. — Clinical trial product manufacturing contract signed
- AlliedCel Inc. — Started contract manufacturing for commercial production

Teijin

Revenue decreased as a milestone moved to the next fiscal year. Contract revenue from expertise provision has run its course

Sales Trend (million yen)



LABCYTE

Europe

Customer expansion for EpiSensA is accelerating. **Achieved 8 recurring customers, driving revenue growth**. Preparations are underway to establish a subsidiary in Germany for full-scale expansion through local production.

India

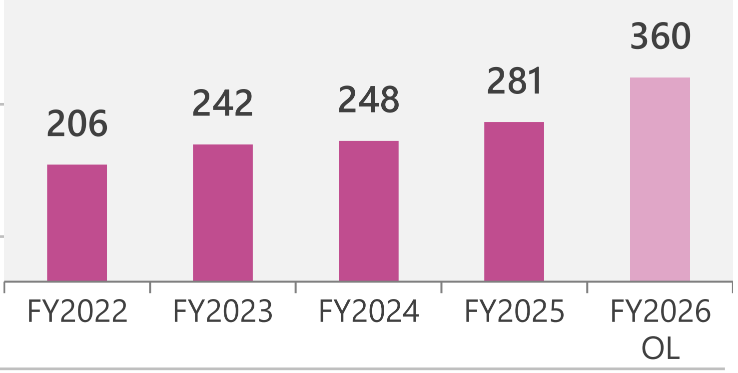
Market-aligned sales efforts expanded inquiries for the corneal model.

Japan

Orders growing via EpiSensA workshops and stronger operations

New Initiatives

Developing a research intestinal epithelial model.



Supplementary Financial Statements for FY Ending March 2026

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Operating Profit/Loss by Segment

Maintaining profitability across all business segments

Unit: million yen (Amounts rounded down to the nearest million yen)	Operating Profit/Loss			
	FY2024 Results	FY2025 Results	Change Amount	Factors
Product Business	218	78	△140	Fewer eligible burn cases for JACE
Contract Business	411	327	△84	Loss of prior year one-off revenue
LabCyte Business	67	52	△15	Strategic investment for overseas expansion
Adjustments	△936	△1,007	△71	Company-wide infrastructure and compensation upgrades
Total	△238	△549	△311	

Investment for Future Growth

Steadily advancing pipeline development

Unit: million yen (Amounts rounded down to the nearest million yen)	FY2024 Results	FY2025 Results	Change Amount
R&D Expenses	506	497	△9
Capital Expenditures (Tangible & Intangible Assets)	93	77	△16

Balance Sheet

Strong cash and net assets, maintaining a healthy financial position

Unit: million yen (Amounts rounded down to the nearest million yen)	March 31, 2025	March 31, 2026	Change Amount
Cash and Deposits	3,885	3,250	△635
Other Current Assets	939	931	△8
Non-current and deferred Assets	1,688	1,500	△187
Total Assets	6,512	5,682	△829
Current Liabilities	637	560	△76
Non-Current Liabilities	50	32	△18
Total Liabilities	687	592	△95
Share Capital	4,958	3,997	△961
Capital Surplus	2,788	1,827	△961
Retained Earnings	△1,922	△734	1,187
Net Assets	5,825	5,090	△734
Total Liabilities & Net Assets	6,512	5,682	△829

2. Growth Strategies for FY2026

FY2026- Full-Year Outlook: Path to Profitability

J-TEC

Four Engines Driving Profitability

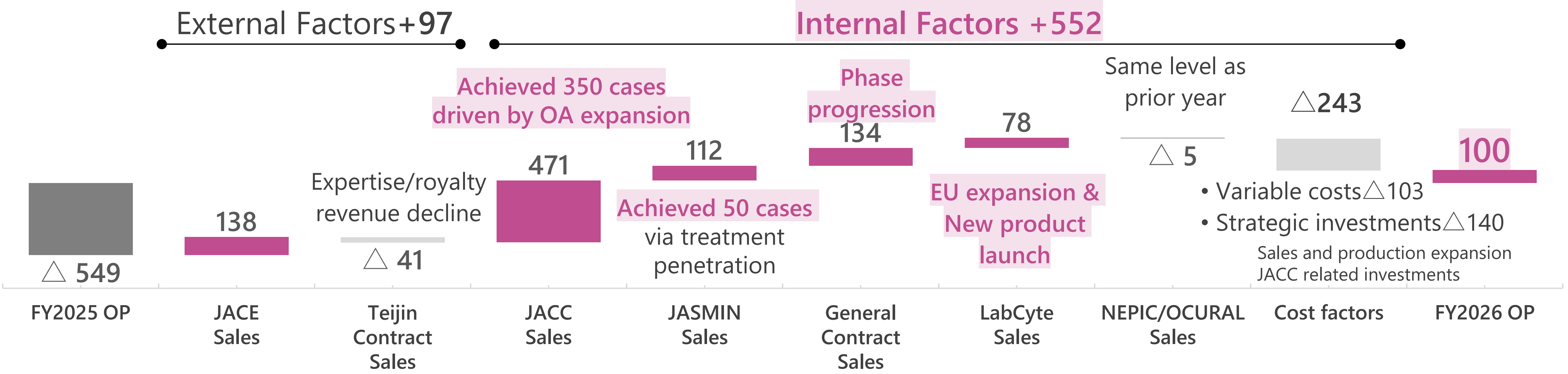
JACC OA Expansion (Core Pillar)
Stable pace of 30+ cases/month
Target: 350 cases

Nationwide Expansion of Vitiligo Treatment (JACEMIN)
Nationwide rollout & Driving Treatment Awareness

Contract Business (CDMO)
Advance existing projects and win new clients

LabCyte Sales
Expand in EU and launch new products

Operating Profit Bridge（YoY Change） (million yen)



Product Business: Measures to Achieve Growth

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Evolve into a Dynamic "Domain-Specialized Organization"

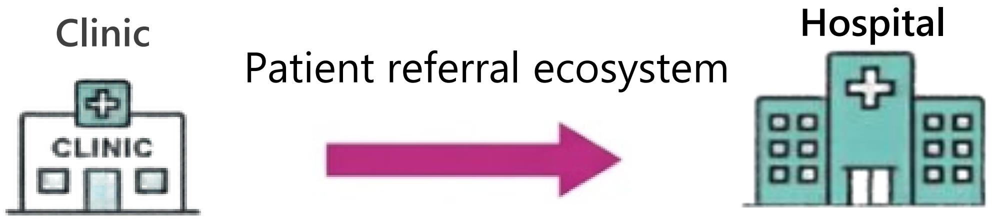
- Reorganize into specialized teams for: Orthopedic field and Epithelial Field
- Promote treatment proposals to new physicians and build patient referral pathways with clinics
- Develop untapped markets and drive continuous growth **through standardization of regenerative medicine**

Doubling JACC Sales

JACC Case Track Record

- FY2026 orders: **93 cases / 27%** progress (as of Apr 30, 2026)
- **Contracts completed at 125 facilities nationwide**
- Focus sales resources based on target selection
- Improving JACC repeat usage through comprehensive briefing sessions

JACEMIN Market Expansion



- Partner closely with **42 ready facilities nationwide** to expand Patient Access Initiatives
- Scale top-site treatment know-how across the network
- Strengthen patient outreach via new information channels

Contract Business: Toward Stable Growth

J·TEC

A robust portfolio not dependent on any single customer

- **Diversifying customer base with steady pipeline progress**
  Metcela, Actualize, VC Cell Therapy, AlliedCel, etc
- **Transitioning to higher-value phases**
  From clinical manufacturing to commercial production prep, supporting more stable revenue

Clinical Trial → CMO Prep

Unique Value as an Innovation Partner

- **End-to-end support from R&D design to commercial manufacturing**, delivering a high-value integrated model

Design → Manufacturing

- **Building next-generation capabilities**, supporting a wide range of technologies such as iPS cells

Creating Synergies with Teijin

- **Strengthening collaboration framework**, evolving from know-how sharing to coordinated customer acquisition
- **Accelerating seed acquisition**, strengthening joint sourcing through the Kashiwanoha regenerative medicine platform

Building a one-stop innovation hub, partnering with the National Cancer Center East Hospital and Mitsui Fudosan to support advanced therapies from research to production

LabCyte Business: Global Expansion and Entry into New Industries

J·TEC

Faster European Expansion & New Manufacturing Bases

- **Establishing a Stable Local Supply System**
  Final Stage of Establishing German Subsidiary for Faster, Stable Supply
  Milestones set to ensure completion by 1H FY2026

- **Gaining Global Market Share**
  Following the standardization of the "EpiSensA" skin sensitization assay, leverage local bases to secure launches with major European clients and gain market share

Expansion into New Industries

- **Entry into New Fields (Pharma & Food)**
  Launch of the 'Intestinal Model' to expand into pharma and food sectors; **timeline** reset to 2H FY2026 to prioritize robust quality evaluation systems
- **Expansion into New Industries (Medical Devices & Materials)**
  Accelerate outreach to medical device and materials manufacturers through trade shows
- **Evolution Toward Solution-Based Proposals**
  Shift from standalone test kits to high-value solutions integrating third-party devices

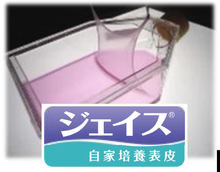
Pipeline Progress

J·TEC

Expanding pipeline beyond 2 products, strengthening discovery through industry-academia collaboration

Area	Product Name	Indication	Target Launch	Basic Research	Preclinical	Clinical Trials	Regulatory Approval	Insurance Listing
Skin	Allo-JaCE03	Skin defects including burns	FY2027	One year delay due to establishing a stable manufacturing process			Approval application completed in Mar 2026	
Cancer	JPCAR019	Acute lymphoblastic leukemia	TBD			Investigator-initiated Phase I/II clinical trial in progress, expected completion: FY2026		

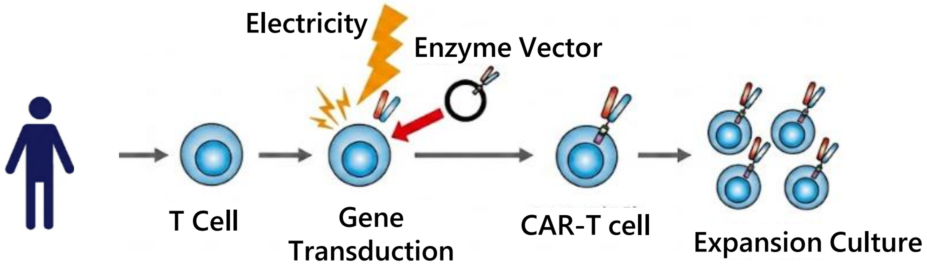
Dried Allogeneic Cultured Epidermis: Allo-JaCE03 (Medical Device)



Uses donor cells; enables mass production and storage

- World's first dried allogeneic cultured epidermis
- Proprietary drying enables room-temperature storage and immediate use
- Ready for emergencies, reducing burden on patients and healthcare staff
- Efficacy and safety clinically verified

Autologous CAR-T Cells: JPCAR019



- Non-viral (enzymatic) vectors reduce manufacturing costs
- Commercialization may expand treatment options for patients not eligible under existing therapies
- Commenced evaluation of business expansion into non-cancer indications

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　All forward-looking statements in this document are based on information available at the time and our current assumptions. Actual results may differ significantly due to changes in economic conditions or other factors affecting the underlying assumptions

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