

April 9, 2025

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March 2025 Monthly KPI Fiscal Year Ending October 2025

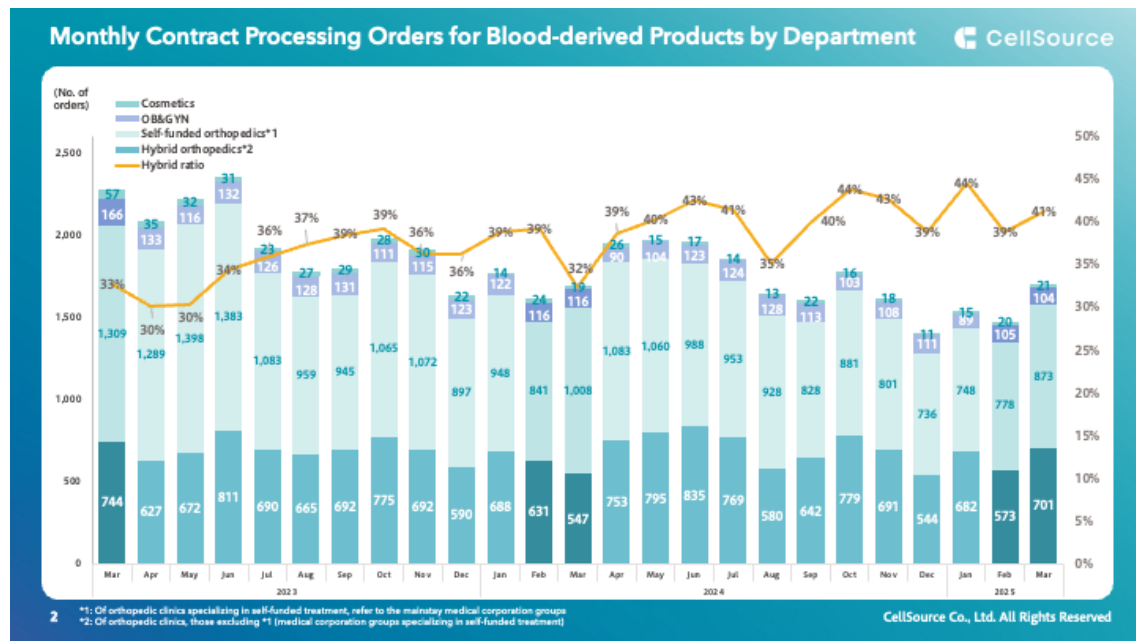
We are pleased to announce the KPI results for our contract processing services for March 2025, under the fiscal year ending October 2025. Please note that these figures are preliminary and may be subject to revision in quarterly reports or other disclosures.

1. Daily Average Number of Contract Processing Orders



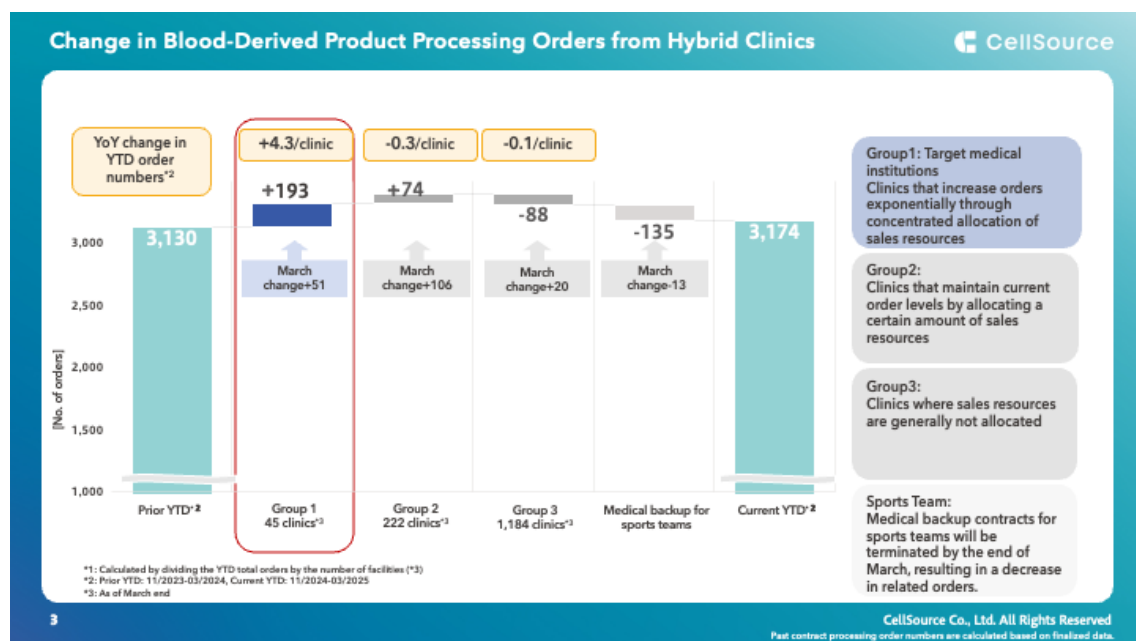
- With the recovery in order numbers from both self-funded orthopedics and hybrid orthopedics, the daily average number of contract processing orders reached 59.3 in March 2025. The daily average processing orders for blood-derived products and adipose-derived stem cell products have each increased for three consecutive months.

2. Monthly Contract Processing Orders for Blood-derived Products by Department




- In March 2025, the number of blood-derived product processing orders from self-funded orthopedics rose by 12% month-over-month to 873, while those of hybrid orthopedics increased by 22% to 701.
- Many hybrid orthopedic clinics do not provide services on holidays, meaning their operating days closely align with the number of weekdays. The higher number of weekdays in March contributed to the increase in contract processing orders for hybrid orthopedics to some extent. A detailed analysis of hybrid orthopedic contract processing orders will be provided later.
- The number of orders for self-funded orthopedics has recovered to the levels seen around August of last year. Efforts are underway to analyze the factors behind this recovery while working with medical institutions to achieve sustainable and reproducible growth in order numbers.
- There are no notable updates regarding OB&GYN and cosmetics.

3. Change in Blood-Derived Product Processing Orders from Hybrid Clinics



- Group 1, which consists of target medical institutions, has shown steady results from the “focused resource allocation” initiatives implemented so far. These initiatives will continue beyond April, aiming for further growth in order numbers.
- Group 2, which aims to maintain order numbers with limited sales resources, saw improvements in both the monthly active rate (the ratio of medical institutions with at least one order during the month) and the number of orders per active medical institution compared to February. Group 2 comprises medical institutions that consistently place orders and will continue to serve as a stable foundation for the business.
- Group 3, consisting of approximately 1,200 clinics, operates with minimal sales resource allocation but has remained almost flat year-on-year.
- New partner medical institutions have continued to increase organically, with 14 new institutions added in March alone (41 cumulative for the fiscal year). Among these are highly promising institutions as potential partners, and if more of them transition into Group 1 or Group 2, it is expected to contribute to an overall increase in order numbers.
- Excluding “medical backup for sports teams,” order numbers grew by approximately 5% year-on-year, with the growth in Group 1 orders driving the expected effects of the initiatives.


4. Other Update: Transfer of Patent Application Related to Animal Regenerative Medicine

Transfer of Patent Application Related to Animal Regenerative Medicine
 CellSource

Transfer of patent application related to animal regenerative medicine,
with transfer revenue to be recorded in Q2

Accelerating the optimization of management resource allocation toward realizing the “CellSource Vision”

Project Overview	<ul style="list-style-type: none"> • Subject of Transfer: 99% ownership of the patent application for canine platelet-derived growth factor (cPGF) therapy • Transferee: Anicom Specialty Medical Institute Inc.
Background of the Transaction	<ul style="list-style-type: none"> • Promoted research on evidence building for regenerative medicine in veterinary care and manufacturing technology through the Animal Regenerative Medicine Technology Research Consortium (PARM) • Provided cPGF therapy at animal hospitals operated by Anicom Specialty Medical Institute within the Anicom Animal Hospital Group
Project Highlights	<ul style="list-style-type: none"> • In response to increasing demand and expectations for veterinary care, the patent application was transferred to an optimal operator to address high treatment needs • Part of the optimization of management resource allocation based on the “CellSource Vision.” Revenue from the transfer is to be recorded in Q2 of FY ending October 2025



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- As disclosed on April 4, the patent application held for animal regenerative medicine has been transferred, and the resulting gain is scheduled to be recorded in the second quarter. Efforts to optimize the allocation of management resources are being accelerated toward realizing the “CellSource Vision.”

CellSource Co., Ltd.

CellSource specializes in advancing the industrialization of regenerative medicine, providing services such as processing adipose-derived stem cells, synovial-derived stem cells, and blood, as well as offering regulatory compliance support to medical institutions engaged in regenerative medicine. Operating under a Specific Cell Processing Manufacturing License (Facility Number: FA3240004) in accordance with the Act on the Safety of Regenerative Medicine, it has handled over 100,000 cell-related procedures. With a wealth of experience, it strives to offer reliable services to medical institutions and contribute to research and technological development.

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