



February 26, 2026

To Whom It May Concern

Company Name	Innovacell Inc.
Representative	Representative Director, Co-CEO Colin Novick Representative Director, Co-CEO Jason Sieger
	Securities Code: 504A (Tokyo Stock Exchange Growth Market)
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Notice Concerning Reduction of Capital reserves and Appropriation of Surplus

Innovacell Inc. (the “Company”) hereby announces that it has resolved, at a meeting of the Board of Directors held on February 26, 2026, to submit a proposal regarding reduction of capital reserves and appropriation of surplus at the 5th Annual General Meeting of Shareholders scheduled to be held on March 26, 2026. The details are described below.

1. Purpose of reduction of capital reserves

To cover the deficit in retained earnings brought forward as of December 31, 2025, and to improve the financial position of the Company.

2. Overview of reduction of capital reserves

(1) Amount of capital reserves to be reduced

Of the capital reserves amounting to JPY 8,310,305,380 as of February 24, 2026, JPY 753,912,866 will be reduced, resulting in a balance of JPY 7,556,392,514. The entire amount of the reduction in capital reserves will be transferred to other capital surplus. In addition, the amount of capital reserves may change due to a third-party allotment capital increase conducted in connection with the offering by way of over-allotment.

(2) The effective date of the reduction of the capital reserves

March 27, 2026 (Scheduled)

3. Overview of Appropriation of surplus

Subject to the effectiveness of the above reduction of the capital reserves, and pursuant to Article 452 of the Companies Act, the Company will apply an amount equivalent to the accumulated deficit in retained earnings brought forward as of December 31, 2025, to offset such deficit as described as follows.

(1) Surplus to be reduced and the amounts

Other capital surplus: JPY 753,912,866

(2) Surplus to be increased and the amounts
Retained earnings brought forward: JPY 753,912,866

4. Timetable (scheduled)

(1) Date of Board of Directors Resolution	February 26, 2026
(2) Date of General Meeting of Shareholders Resolution	March 26, 2026 (scheduled)
(3) Effective date	March 31, 2026 (scheduled)

5. Future Outlook

This matter constitutes an internal transfer between items within the “Net Assets” section and therefore does not result in any change in the total amount of net assets, nor does it have any impact on the Company’s consolidated or non-consolidated financial results. In addition, the above matters are subject to approval at the 5th Annual General Meeting of Shareholders scheduled to be held on March 26, 2026.

End