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Translation

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Non-consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)

October 31, 2025

Company name:	Japan Tissue Engineering Co., Ltd.
Stock exchange listings:	Tokyo Stock Exchange
Securities code:	7774
URL:	https://www.jpte.co.jp
Representative:	Kazuto Yamada, President and CEO
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Supplementary materials for financial summaries:	Yes
Financial results briefing:	Yes (For institutional investors and securities analysts)

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

1. Non-consolidated Financial Results for the three months ended September 30, 2025 (from April 01, 2025 to September 30, 2025)

(1) Operating results (% represents the change rate from the previous period)

	Net sales		Operating profit		Ordinary profit		Net income	
Three months ended	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
September 30, 2025	998	-14.0	-376	—	-369	—	-371	—
September 30, 2024	1,161	-6.8	-207	—	-209	—	-225	—

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
September 30, 2025	-9.14	—
September 30, 2024	-5.55	—

(Reference) Investment profit (loss) on equity method Fiscal year ending March 2025 - million yen Fiscal year ended March 2024 - million yen

(2) Financial positions

	Total assets	Net assets	Equity to total assets ratio
As of	Million Yen	Million Yen	%
September 30, 2025	6,102	5,453	89.4
March 31, 2025	6,512	5,825	89.4

(Reference) Equity As of September 30, 2025: 5,453 million yen As of March 31, 2025: 5,825 million yen

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	0.00	—	0.00	0.00
Fiscal year ending March 31, 2026	—	0.00			
Fiscal year ending March 31, 2026 (Forecast)			—	0.00	0.00

3. Non-consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2026 (from April 01, 2025 to March 31, 2026)

	Net sales		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Fiscal year ending March 31, 2026	2,900～3,100	18.1～26.2	100～200	－	110～210	－	100～190	－	2.46～4.68

(Note) Regarding the forecasts for the fiscal year ending March 2026, due to the significant impact of external environmental factors on the nature of our business, and the potential fluctuations in performance during this period, we have omitted the forecasts for the six months ending in the second quarter and disclosed them in a range format.

* Notes

(1) Adoption of accounting treatment specific to the preparation of quarterly non-consolidated financial statements： None

(2) Changes in accounting policies, Changes in accounting estimates, Retrospective restatement

(i) Changes in accounting policies based on revisions of accounting standard: None

(ii) Changes in accounting policies other than (i): None

(iii) Changes in accounting estimates : None

(iv) Retrospective restatement : None

(3) Number of issued and outstanding shares (common stock)

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

As of September 30, 2025	40,610,200 shares
As of March 31, 2025	40,610,200 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2025	250 shares
As of March 31, 2025	250 shares

(iii) Average number of shares outstanding during the period

Three months ended September 30, 2025	40,609,950 shares
Three months ended September 30, 2024	40,609,952 shares

* Financial results are not subject to audit by certified public accountants or audit firms.

※ Notes for using forecasted information and Others

(Notice Regarding Forward-Looking Statements)

The forward-looking statements, including performance forecasts, contained in this document are based on information currently available to the company and certain assumptions deemed reasonable. They are not intended as a promise of achievement by the company. Actual performance may differ significantly due to various factors.

Japan Tissue Engineering Co., Ltd.
Non-consolidated Financial Statements for 2nd Quarter of FY2025
(April 1, 2025 – September 30, 2025)

(1) Non-consolidated Balance Sheets

(Thousands of yen)

	FY2024 As of March 31, 2025	**FY2025 2Q** As of September 30, 2025
Assets		
Current assets		
Cash and deposits	3,885,449	3,728,694
Notes and accounts receivable - trade	543,573	354,158
Electronically recorded monetary claims - operating	50,625	42,550
Merchandise and finished goods	1,928	—
Work in process	17,142	13,504
Raw materials and supplies	162,629	194,732
Other	163,600	135,816
Total current assets	4,824,949	4,469,456
Non-current assets		
Property, plant and equipment		
Buildings, net	608,302	573,626
Land	582,770	582,770
Other, net	229,182	220,332
Total property, plant and equipment	1,420,255	1,376,729
Intangible assets	96,750	89,737
Investments and other assets	171,034	166,298
Total non-current assets	1,688,040	1,632,765
Total assets	6,512,990	6,102,222
Liabilities		
Current liabilities		
Accounts payable - trade	24,890	24,245
Electronically recorded obligations - operating	84,391	67,794
Income taxes payable	21,264	18,109
Provision for bonuses	127,186	127,557
Provision for bonuses for directors (and other officers)	3,397	149
Other	376,099	378,480
Total current liabilities	637,229	616,337
Non-current liabilities		
Provision for retirement benefits	4,725	2,200
Provision for retirement benefits for directors (and other officers)	46,000	30,000
Total non-current liabilities	50,725	32,200
Total liabilities	687,954	648,537
Net assets		
Shareholders' equity		
Share capital	4,958,763	3,997,673
Capital surplus	2,788,763	1,827,673
Retained earnings	-1,922,179	-371,350
Treasury shares	-311	-311
Total shareholders' equity	5,825,035	5,453,684
Total net assets	5,825,035	5,453,684
Total liabilities and net assets	6,512,990	6,102,222

(2) Non-consolidated Statements of Income

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	1,161,856	998,679
Cost of sales	490,301	456,028
Gross profit	671,554	542,650
Selling, general and administrative expenses	878,881	918,743
Operating loss	-207,326	-376,092
Non-operating income		
Interest and dividend income	504	5,130
IncomeFromEmployee	474	474
Other	342	1,731
Total non-operating income	1,322	7,336
Non-operating expenses		
Foreign exchange losses	320	128
Loss on retirement of non-current assets	0	117
Consumption Tax Adjustment	77	119
Other	0	—
Total non-operating expenses	398	365
Ordinary loss	-206,402	-369,121
Loss before income taxes	-206,402	-369,121
Income taxes - current	18,909	2,229
Total income taxes	18,909	2,229
Loss	-225,312	-371,350

(3) Non-consolidated Statements of Cash Flows

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Loss before income taxes	-206,402	-369,121
Depreciation	79,092	79,009
Increase (decrease) in provision for bonuses	-32,729	370
Increase (decrease) in provision for bonuses for directors (and other officers)	1,132	-3,247
Increase (decrease) in provision for retirement benefits	3,300	-2,525
Increase (decrease) in provision for retirement benefits for directors (and other officers)	3,700	-16,000
Interest and dividend income	-504	-5,130
Decrease (increase) in trade receivables	94,312	197,490
Decrease (increase) in inventories	40,275	-26,535
Increase (decrease) in trade payables	-23,333	-17,242
Increase (decrease) in accounts payable - other	-30,748	-27,591
Increase (decrease) in accrued consumption taxes	-55,109	-52,876
Other, net	-39,187	89,054
Subtotal	-166,203	-154,344
Interest and dividends received	214	1,260
Income taxes refund (paid)	-20,743	2,370
Net cash provided by (used in) operating activities	-186,732	-150,713
Cash flows from investing activities		
Payments into time deposits	-300,000	-100,000
Proceeds from withdrawal of time deposits	300,000	100,000
Purchase of property, plant and equipment	-41,633	-1,441
Purchase of intangible assets	-2,355	-4,700
Other, net	1,136	100
Net cash provided by (used in) investing activities	-42,853	-6,041
Cash flows from financing activities		
Purchase of treasury shares	-3	—
Net cash provided by (used in) financing activities	-3	—
Net increase (decrease) in cash and cash equivalents	-229,589	-156,754
Cash and cash equivalents at beginning of period	2,066,344	1,685,449
Cash and cash equivalents at end of period	1,836,755	1,528,694

(4) Segment Information

I. FY2024 (April 1, 2024 – September 30, 2024)

(Unit: Thousands of yen)

	Reportable segments				Reconciling items	Per semi-annual financial statements
	Regenerative Medicine Business	Custom Development and Manufacturing Business	LabCyte Business	Reportable segments		
Sales						
Revenues from external customers	743,177	309,510	109,169	1,161,856	—	1,161,856
Transactions with other segments	—	—	—	—	—	—
Net sales	743,177	309,510	109,169	1,161,856	—	1,161,856
Operating profit (loss)	109,972	135,271	29,939	275,183	-482,509	-207,326

II. FY2025 (April 1, 2025 – September 30, 2025)

(Thousands of yen)

	Reportable segments				Reconciling items	Per semi-annual financial statements
	Regenerative Medicine Business	Custom Development and Manufacturing Business	LabCyte Business	Reportable segments		
Sales						
Revenues from external customers	633,552	227,291	137,835	998,679	—	998,679
Transactions with other segments	—	—	—	—	—	—
Net sales	633,552	227,291	137,835	998,679	—	998,679
Operating profit (loss)	588	116,526	42,507	159,621	-535,714	-376,092