

FY2027 Q1 Financial Results Briefing Materials

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)

July 30, 2026



FY2027 Q1 Results Summary

Q1 achieved significant revenue growth and profitability driven by JACC for OA, making progress toward building a stable profitable base.

FY2027 Q1 Results

Net Sales **766**
YoY +340

Operating Profit **59**
YoY +303

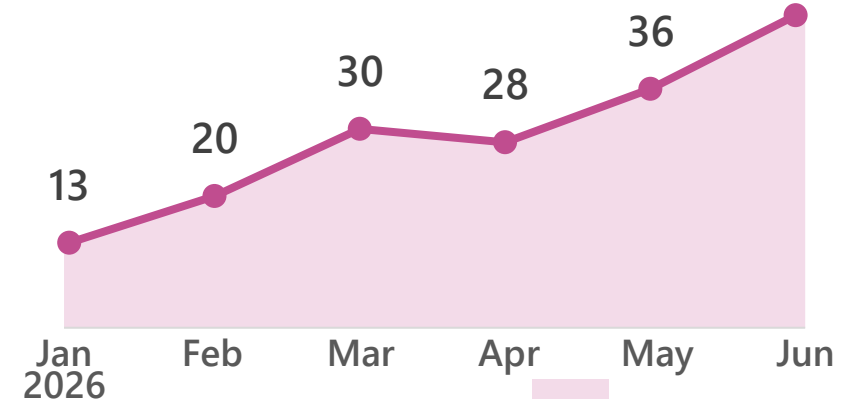
Net Income **52**
YoY +294
(Millions of yen)

Profitability Achieved
Driven by JACC
Sales Growth

JACC Orders Received

Annual Target

350 cases 111 cases in Q1
47



- JACC Orders Received: **111** cases in Q1.
- Including orders from Q2 onwards, the total for this fiscal year is **220** cases.※
- Contracts completed with **143** facilities.※

FY2027 Q1 Financial Results

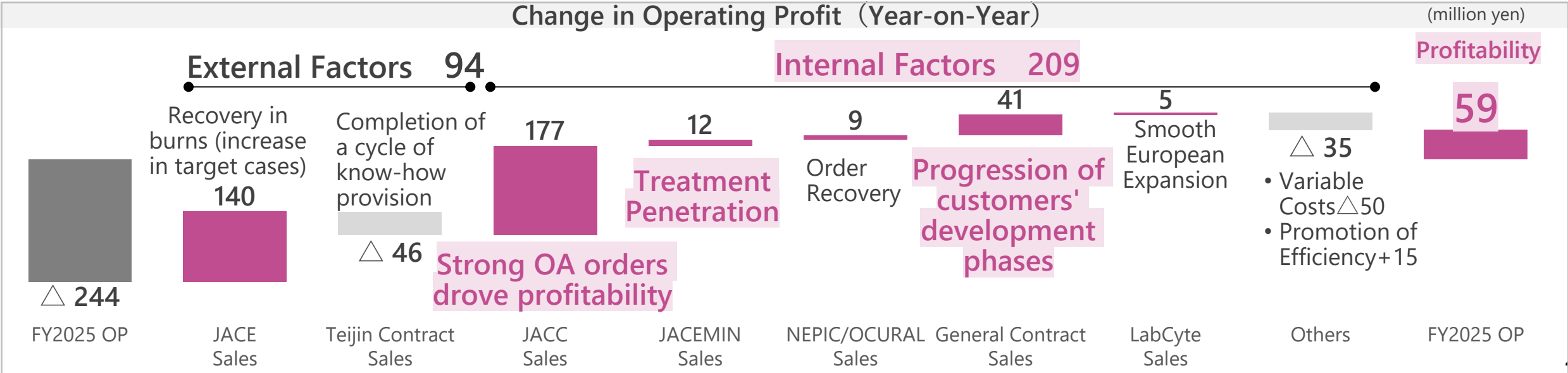
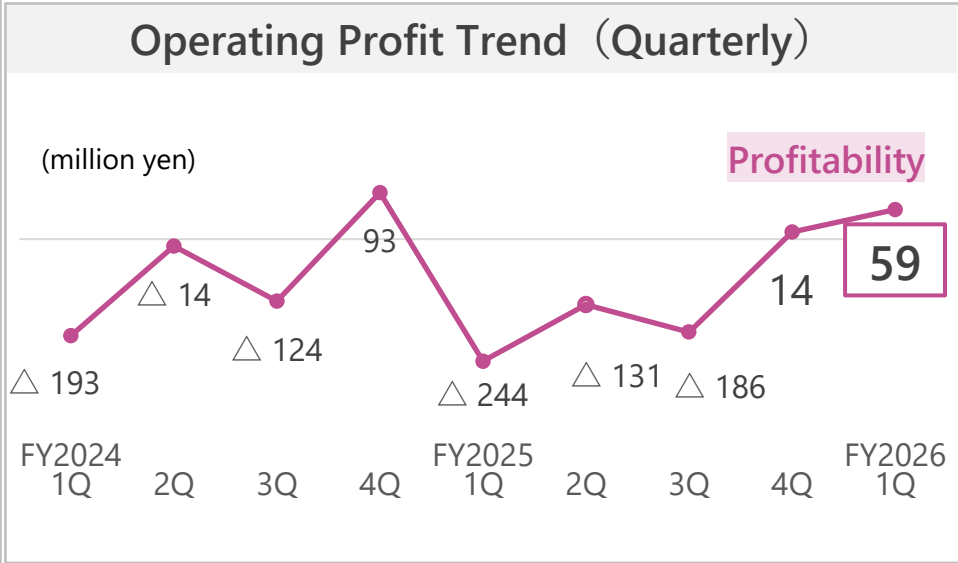
- ✓ Achieved revenue growth in all businesses except Teijin CDMO.
- ✓ Significant revenue increase in JACC drove profitability.

Unit : Millions of Yen (rounded down to the nearest million yen) (percentage changes calculated based on yen units)	FY2025	FY2026			
	Q1 Actual	Q1 Actual	YoY Change		Year Forecast Disclosed May 1, 2026
			Amount	Percent	
Regenerative Medicine Product Sales	262	603	340	130%	2,070
Dermatology (JACE, JACEMIN)	162	316	153	94%	1,070
Cartilage (JACC)	78	255	✓ 177	226%	900
Cornea (NEPIC, OCURAL)	21	30	9	47%	100
Regenerative Medicine Contract Sales	100	94	△5	△5%	640
General Contracts	45	87	41	90%	430
Teijin Contracts	54	7	△46	△85%	210
LabCyte Business Sales	63	68	5	8%	360
Total Sales	426	766	340	80%	3,070
Gross Profit	216	512	296	137%	2,000
SG & A	460	453	△7	△2%	1,900
Operating Profit	△244	✓ 59	303	-	100
Ordinary Profit	△241	63	304	-	110
Net Income	△242	52	294	-	100

Overview of FY2027 Q1 Results

External Factors	✓ For JACE, the number of target burn cases, which dropped in the previous year, has recovered. ✓ Teijin CDMO saw a decrease in revenue due to the completion of know-how provision.
Internal Factors	✓ For JACC, orders increased significantly following the expansion of the OA indication. Facility expansion is also progressing smoothly (111 cases acquired in Q1, contracts completed with 143 facilities.※). ✓ For JASMINE, facility expansion and patient awareness initiatives were successful, leading to increased orders. ✓ The CDMO business saw revenue growth due to the progression of customers' development phases.

※ : As of July 29, 2026



Progress on Growth Strategies: Regenerative Medical Products Business

Expansion of JACC usage facilities through sales partnerships



OSferion
Biomaterials

- OA patients require a comprehensive treatment approach combining "cartilage repair" and "osteotomy^{※1}," which corrects joint misalignment and reduces mechanical stress.
- Approximately **13,500^{※2}** osteotomy procedures are performed annually. In addition, **60%^{※3}** of JACC procedures for osteoarthritis are performed in combination with osteotomy.
- **By partnering with OsferionBiomaterials Corp.,** which holds the top domestic market share in artificial bone and bone grafting materials for osteotomies, **we aim to expand facilities using the "cartilage repair + osteotomy" treatment and strengthen our proposal capabilities.**
- We aim to further accelerate the momentum of JACC orders from Q1 and **establish a solid foundation for achieving 1,000 annual cases in the coming years through the promotion of knee joint preservation therapy.**

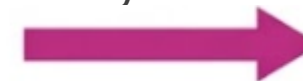


Accelerating clinic-hospital collaboration for JACEMIN and creating a patient referral system

Clinics



Creating a Patient Referral
System



Core Hospitals



- Against an annual target of 50 orders, **Q1 achieved 9 cases, and the current fiscal year total has progressed to 26 cases^{※4}.**
- **Strengthening clinic-hospital collaboration** (creating a patient referral system) **with 52 facilities^{※3} nationwide** that have established treatment systems.
- In addition, **promoting the horizontal rollout of treatment track records from top facilities and patient awareness activities.**

※1: A surgical procedure that relieves pain by correcting bone alignment and redistributing load through osteotomy, while preserving the patient's own joint.

※2: Source: National Database of Health Insurance Claims and Specific Health Checkups of Japan (NDB), Ministry of Health, Labour and Welfare, FY2024.

※3: As of July 29, 2026

※4: Total for this fiscal year: Figures as of July 29, 2026, including orders from Q2 onwards.⁵

Progress on Growth Strategies: Regenerative Medicine CDMO Business / LabCyte Business

Strengthening the CDMO Business Portfolio



Autologous cell therapy product "JRM-001" for functional single ventricle.



Regenerative medical cell product "AE101" for bullous keratopathy.



Induced regulatory T cells "JB-101" for suppressing immune rejection in organ transplant treatments.



Product "MastCT-03" using iPS cells for retinal degenerative diseases.

- In addition to diversifying the customer base, development pipelines progressed to high-value-added phases, contributing to revenue growth.
- Strengthening our unique value proposition as an "Innovation Partner" more than ever before.

Establishment of a German Subsidiary for the LabCyte Business Manufacturing Base



Manufacturing Base

Company Name:

Japan Tissue Engineering Europe GmbH

Location: Heidelberg, Germany

Business Description: Development, manufacturing, and sales of LabCyte products

Start of Operations: During the second half of FY2026

- Decided to establish a manufacturing subsidiary in Germany to overcome barriers such as the short shelf life of living cells and transportation risks.
- Partnering with fully equipped local shared labs to quickly establish a robust local production and stable supply system.
- Aiming to expand market share in Europe, an advanced market for alternative methods to animal testing.

Progress on Growth Strategies: New Pipeline Area

Area	Product Name	Indication	Target Launch	Basic Research	Preclinical Trials	Clinical Trials	Regulatory Approval	Insurance Listing
Skin	Allo-JaCE03	Skin defects including burns	FY2027				Approval application completed in Mar 2026	
Cancer	JPCAR019	Acute lymphoblastic leukemia	TBD				Phase I/II investigator-initiated clinical trial ongoing, with completion of the Phase I portion expected in FY2026.	

Medical Device

Dry allogeneic cultured epidermis Allo-JaCE03

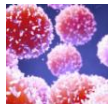


A new product made from allogeneic cells that can be mass-produced and stocked.

Aiming for a wider range of indications than JACE.

Progressing smoothly toward approval during the current fiscal year.

Autologous CAR-T cells JPCAR019



Non-viral vectors reduce manufacturing costs.

Expanding treatment options for patients who are not eligible for existing treatments.

Progressing smoothly toward transition to the Phase II portion during the current fiscal year.

Commenced evaluation of business expansion into non-cancer indications.

New Exploration : Started establishing basic technology for "hair follicle organoids" as a new technology exploration for alopecia.

Selected for the "New Aichi Creative Research and Development Subsidy".

Regenerative Medicine Products Business: Performance Overview

Dermatology

JACE



Recovered from the decrease in target severe burn patients in the previous year, with strong orders in Q1.
We will steadily contribute to saving lives in severe burn treatment.

JACEMIN

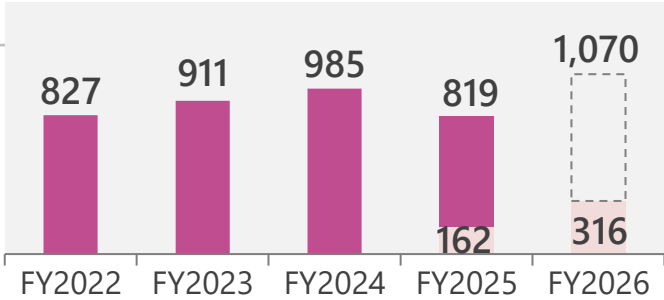


Q1 orders were **9 cases**; including orders from Q2 onwards, **the total for this fiscal year has progressed to 26 cases.** ※1
Strengthening clinic-hospital collaboration with 52 facilities nationwide that have established treatment systems, **while promoting the horizontal rollout of treatment track records from top facilities and patient awareness activities.**

※1 : As of July 29, 2026

Sales Trend (million yen)

Q1 Actual Q2-Q4 Forecast



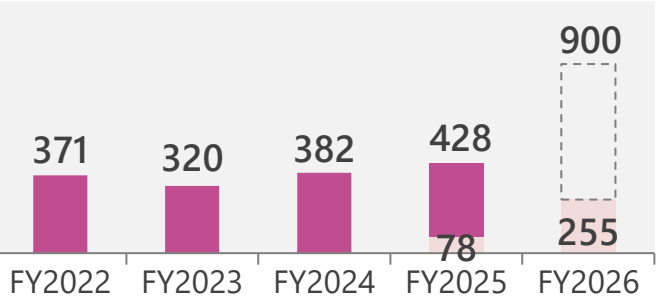
Cartilage

JACC



Q1 orders were **111 cases**; including orders from Q2 onwards, **the total for this fiscal year has progressed to 220 cases.** ※1
By focusing on carefully selected targets and increasing expectations for JACC in OA knee treatment, the number of user facilities has steadily expanded. We will promote further treatment penetration through collaboration with OsferionBiomaterials Corp., etc.

※1 : As of July 29, 2026

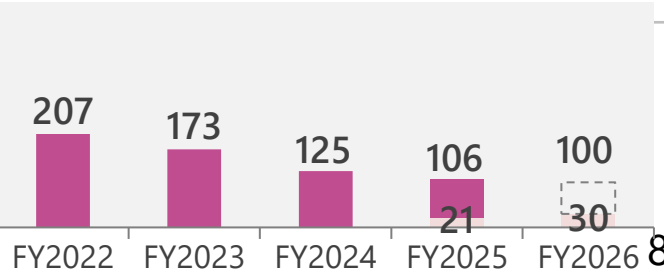


Cornea

NEPIC
OCURAL



The decline in target cases at existing facilities has bottomed out, and **increasing orders from new facilities have driven growth.**
Product evaluations from medical institutions remain favorable. We will continue promotional activities with NIDEK CO., LTD.



CDMO Business & LabCyte Business : Performance Overview

CDMO

General

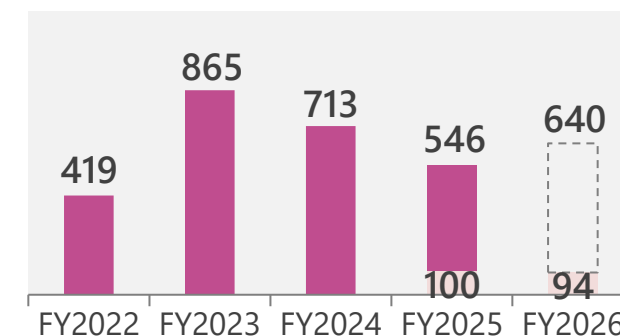


Multiple projects transitioned to the high-value-added "clinical trial product manufacturing phase", contributing to revenue growth.

- ActualEyes Inc. Preparation for domestic Phase III clinical trials started.
- VC Cell Therapy Inc. Continued CDMO services toward the commercialization of iPS-derived products.
- Metcela Inc. Concluded a clinical trial product manufacturing contract, and manufacturing is progressing.
- AlliedCel Corp. Concluded a contract with a view to post-launch manufacturing, and commenced CDMO services.

Sales Trend (million yen)

Q1 Actual Q2-Q4 Forecast



Teijin

CDMO revenue decreased as know-how provision completed a cycle. Planned on the assumption that milestones will be recorded in Q4.

LabCyte

Europe

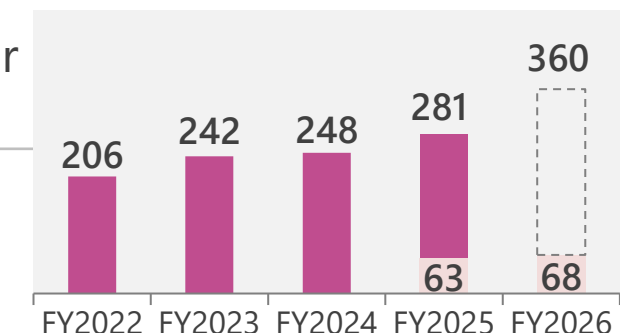


Decided to establish a subsidiary in Germany for full-scale deployment via local production, moving forward toward starting production and expanding sales in the second half of the year.

Providing careful follow-up to 8 regular customers, while new customer acquisition activities are also progressing smoothly.

Japan

Fully commencing approaches to the medical device and materials markets, shifting from the previous cosmetics and chemical products-centric markets.



New Initiatives

Development is progressing toward the launch of an intestinal epithelium model for research use during the second half of the year.

FY2027 Q1 Financial Statements Supplementary Information



Operating Profit/Loss by Segment

Regenerative Medical Products Business drives profitability

Unit: million yen (Amounts rounded down to the nearest million yen)	Operating Profit/Loss			Factors
	FY2025 Q1 Actual	FY2026 Q1 Actual	Change Amount	
Product Business	△35	240	205	Significant revenue increase from JACC for OA
Contract Business	50	45	△5	In-house cultivation is strong, but know-how provision for Teijin CDMO has completed a cycle
LabCyte Business	18	14	△4	Strategic investments for overseas expansion
Adjustments	△277	△241	36	Promotion of Efficiency
Total	△244	59	303	

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, 2026	June 30, 2026	Change Amount
Cash and Deposits	3,250	3,347	96
Other Current Assets	931	1,078	146
Non-current and Deferred Assets	1,500	1,483	△17
Total Assets	5,682	5,908	225
Current Liabilities	560	733	173
Non-current Liabilities	32	32	-
Total Liabilities	592	766	173
Share Capital	3,997	3,997	-
Capital Surplus	1,827	1,827	-
Retained Earnings	△734	△682	52
Net Assets	5,090	5,142	52
Total Liabilities & Net Assets	5,682	5,908	225 10

This document is provided for informational purposes only and includes forward-looking business plans. It is not intended as an investment solicitation. Any evaluation of our plans or investment decisions should be made at the investor's own discretion.

The Company does not guarantee the achievement or realization of any business targets or projections and assumes no responsibility for them.

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

.

Japan Tissue Engineering Co., Ltd.

〒443-0022 6-209-1Miyakita-dori, Gamagori City, Aichi Prefecture

TEL: 0533-66-2020 FAX: 0533-66-2019

Email: jtec-info@jpte.co.jp 11

Reference Materials

Excerpted from “Business Plan and Growth Potential,” disclosed on May 1, 2026.

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



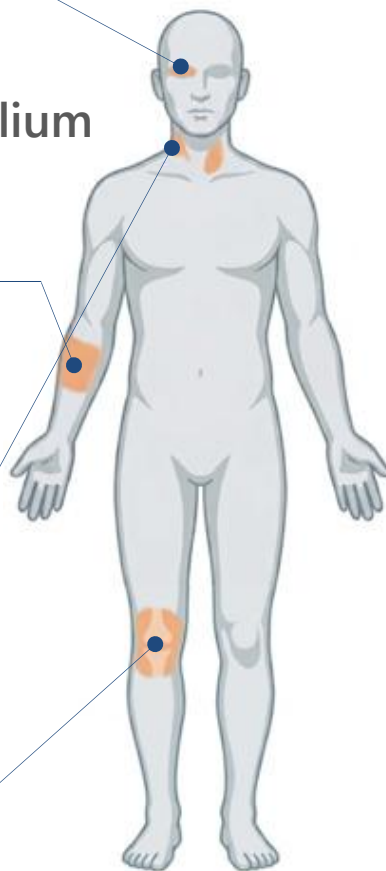
JACEMIN

Autologous Cultured Epidermis
Containing Melanocytes
■ Vitiligo vulgaris.



JACC

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



LabCyte Business

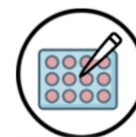
We sell kits to verify the safety of products like cosmetics and drugs using human cells as an alternative to animal testing



LabCyte

Human Cultured Tissue for Research

- Epidermis models
- Corneal epithelium models

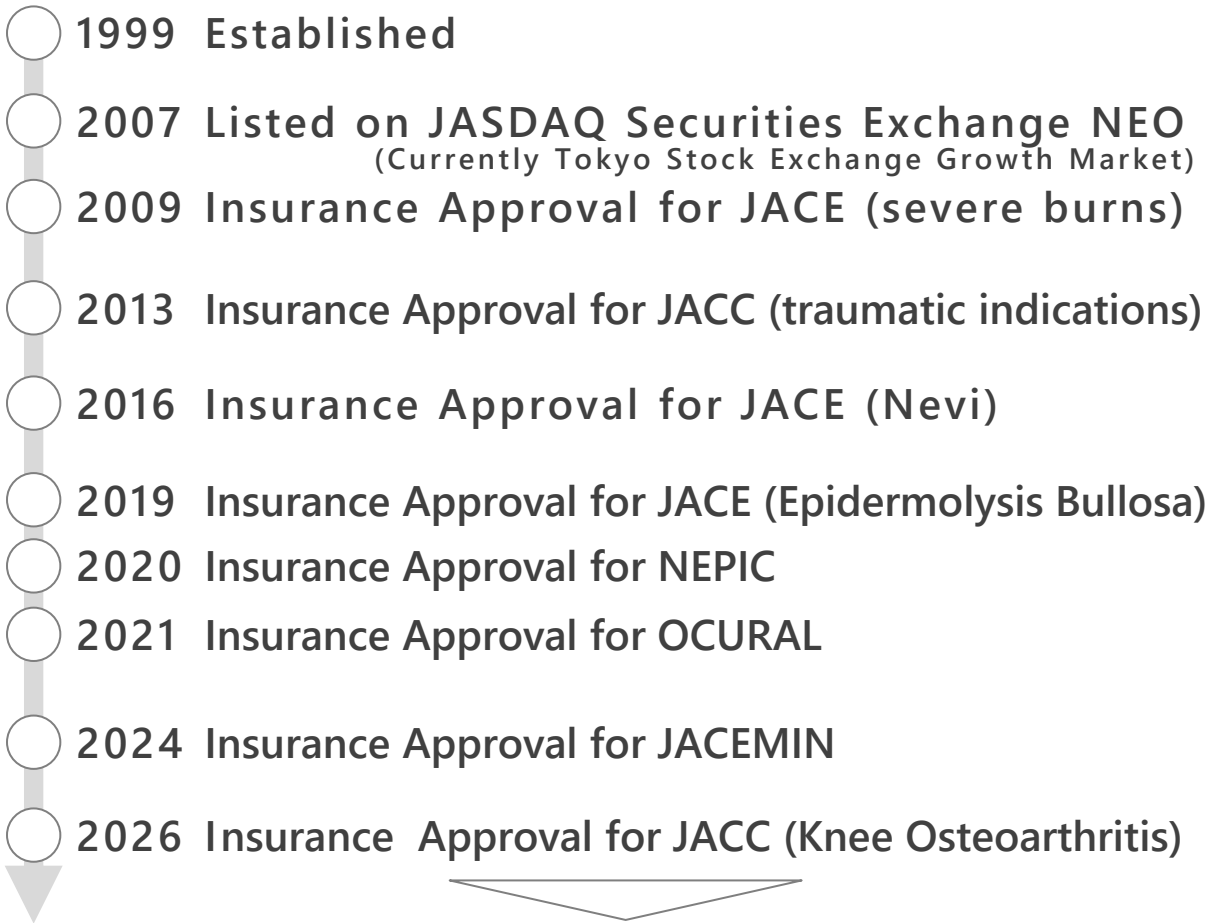


EpiSensa

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

Leveraging a quarter century of experience in launching five products, we have established a unique platform for autologous cell therapies, distinct from traditional pharmaceuticals

Company Name	Japan Tissue Engineering Co., Ltd. (J-TEC)
Headquarters	Gamagori City, Aichi Prefecture
Representative Director	President and CEO: Kazuto Yamada
Established	February 1st, 1999
Share Capital	3,997,670,000 yen
Employees	200 (As of March 31, 2026)
Business Areas	1. Regenerative Medicine Product Business 2. Regenerative Medicine Contract Business 3. LabCyte Business
Major Shareholders	Teijin Limited (57.7%) NIDEK Co., Ltd. (10.4%)



Social Implementation Phase

As Japan's first regenerative medicine platform company, we strive to establish a stable revenue foundation and drive rapid growth



【Achievements】 Japan's first Regenerative Medicine Platformer

Founded in 1999, leading Japan's regenerative medicine industry for over 25 years.

5

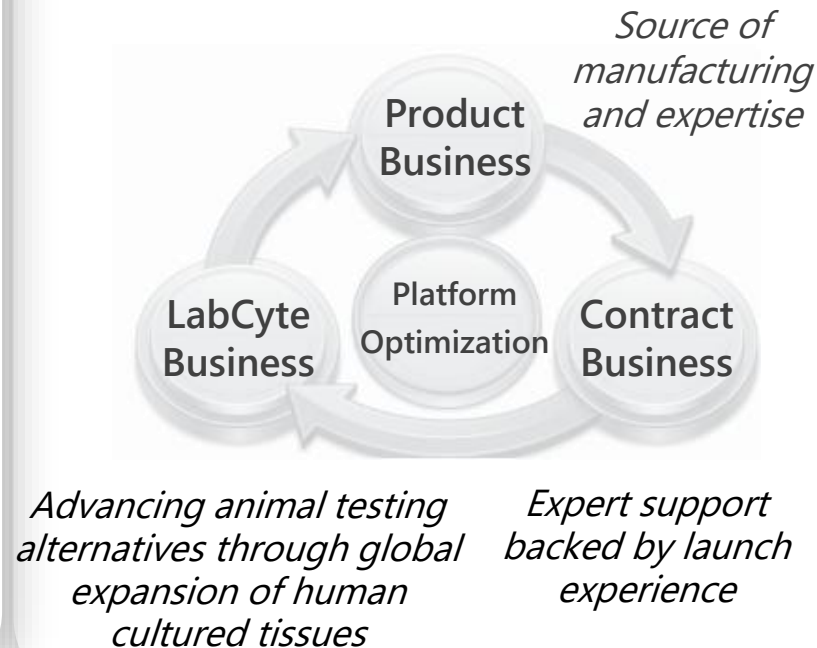
5 products approved-Global track record

3,700+

3,700+ patients treated and a strong physician network



【Foundation】 Strong Three-Pillar Business Model



【Growth】 Growth drivers for reaching ¥5B in revenue



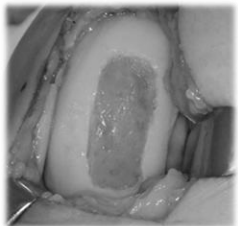
Reimbursed JACC for knee osteoarthritis (target: ¥3B revenue)



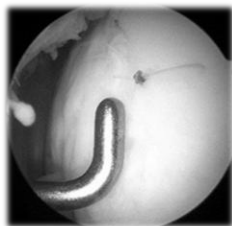
Completed regulatory filing for manufacturing and marketing approval of dried allogeneic cultured epidermis Allo-JaCE03

Competitive Advantage

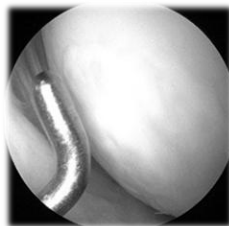
- ✓ A **unique, potentially curative approach distinct from conservative therapy** (exercise/drugs) and joint replacement
#Cartilage has very limited natural healing once damaged
- ✓ **No products with the same mechanism currently**
- ✓ 10+ years of real-world use data
- ✓ **Proven efficacy and safety** from clinical trials



Pre-transplant



6 months post-transplant



1 Year post-transplant

Clinical trial results: 97.4% showed repair

Market Potential

- ✓ Target common diseases to boost awareness of regenerative medicine through insurance coverage

Symptomatic OA

Approx. 10M

Eligible Population

Approx. 10K cases/year

Initial Target

Approx. 1,000 cases/ year

*Estimated based on surgical volume and product indication criteria

Insurance coverage criteria for "JACC"

Patients diagnosed with OA

Not improved with conservative therapy
(exercise/medication)

Cartilage defect area $\geq 2 \text{ cm}^2$ * And a sufficient amount of normal cartilage remains

Regenerative Medicine Product Business: Product Lineup

Product	Autologous Cultured Epidermis 	Autologous Cultured Cartilage 	Autologous Cultured Corneal Epithelium 	Autologous Cultured Oral Mucosal Epithelium 	Autologous Cultured Epidermis Containing Melanocytes 
	Japan's First Regenerative Medicine Product	Japan's 2 nd Regenerative medicine product	First Regenerative Medicine Product in Japan for Corneal Field	2 nd Regenerative Medicine Product in Japan for Corneal Field	Regenerative Medicine Product for Vitiligo
Approval Insurance	Oct. 2007 Jan. 2009	①Jul. 2012 ②May 2025 ①Apr. 2013 ②Jan. 2026	Mar. 2020 Jun. 2020	Jun. 2021 Dec. 2021	Mar. 2023 Oct. 2024
Indications	①Severe Burns ②Congenital giant pigmented nevus ③Epidermolysis bullosa	① Cartilage defects or osteochondritis of the knee ② Osteoarthritis	Limbal stem cell deficiency	Limbal stem cell deficiency	Intractable Vitiligo unresponsive to non-surgical treatment
Insurance Price	Harvesting/Culturing kit 4,460,000 yen Processing/Transplant kit 154,000 yen / per sheet	Harvesting/Culturing kit 1,000,000 yen Processing/Transplant kit 1,890,000 yen	Harvesting/Culturing kit 4,280,000 yen Processing/Transplant kit 5,470,000 yen	Harvesting/Culturing kit 4,280,000 yen Processing/Transplant kit 5,470,000 yen	Harvesting/Culturing kit 4,460,000 yen Processing/Transplant kit 154,000 yen / per sheet
Technology Origin	Harvard University Professor Howard Green	Hiroshima University Professor Mitsuo Ochi	University of Modena Professor G Pellegrini Professor M De Luca	Osaka University Professor Koji Nishida	University of Modena Professor G Pellegrini Professor M De Luca

- ✓ As an innovation partner in regenerative medicine, we support end-to-end product development from customer seeds.

Value built by J-TEC

Development Expertise

Regulatory Capability

Track Record in Commercialization and manufacturing

Network and Trust

Full range of in-house functions



J-TEC



Customer
Relations



Clinical settings
Collaboration



TEIJIN
Collaboration

Building systems to deliver products
together with partners

Commissioned **296** cases
projects Items cases

Product development support

Tech transfer, test cultures, preclinical studies, analytical validation, and SOP/document preparation

121

Regulatory affairs support

PMDA consultations (pre-meetings & formal advice) and compliance with the Act on Safety of Regenerative Medicine, etc

30

Manufacturing & Testing support

Investigational products and cell-processed materials

42

Clinical development support

Protocol outlines, statistical analysis, data management, and clinical study reports

28

Facility & equipment support

Consulting on the design and operation of manufacturing facilities

7

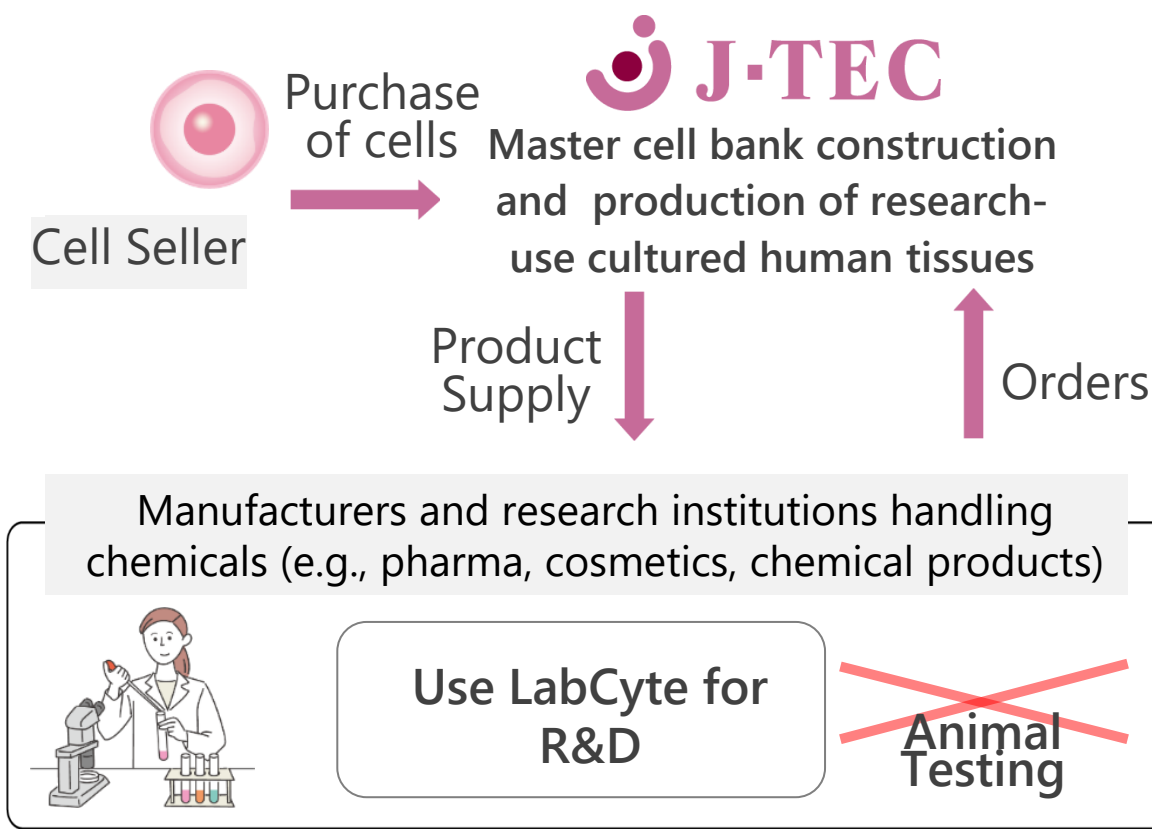
Others

Sales support, equipment setup, and cell storage

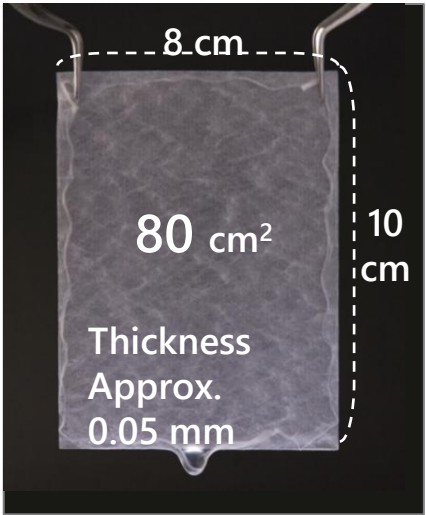
68

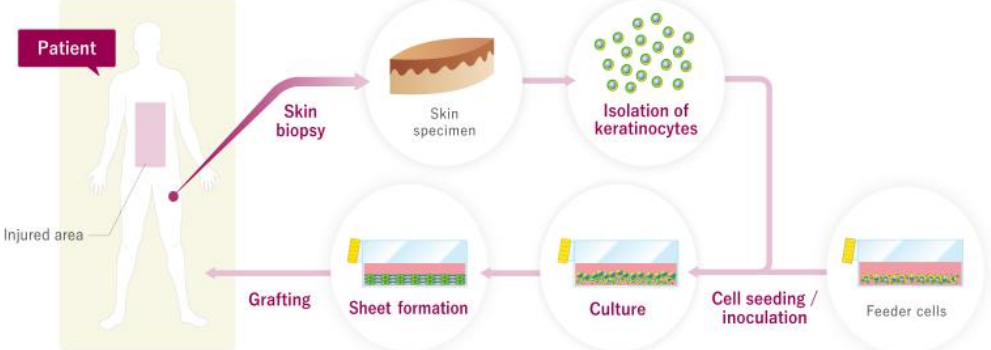
- ✓ Advanced culture tech applied to offer “LabCyte Series” human tissues for research
- ✓ 3D human tissues for **topical drugs, cosmetics, and skin/cornea research**

Product Delivery Process



	LabCyte EPI-MODEL	LabCyte EPI-KIT	LabCyte Corneal Model
Product	3D Cultured Human Epidermis 	Epidermis Model Kit 	3D Cultured human corneal Epithelium 
OECD Test Guidelines	Skin irritation test (TG439) Skin Corrosion test (TG431) Skin Sensitization test (TG442D)	—	Eye Irritation test (TG492)
ISO (Medical Devices)	Skin Irritation test (ISO10993-23)	—	—
Launch Date	March 2005	April 2013	July 2010



Indications	① Severe Burns Indicated for burns where deep second- and third-degree areas total ≥30% total body surface area (TBSA) ② Congenital Giant Pigmented Nevus Indicated for nevi ≥5% TBSA or when standard treatments cannot adequately remove the lesion ③ Epidermolysis bullosa dystrophica and junctional epidermolysis bullosa Indicated for erosions/ulcers persisting ~4 weeks or recurrent ulceration with repeated epithelialization
Insurance reimbursement price	•Harvesting/Culturing kit: 4,460,000 yen •Processing/Transplant kit: 154,000 yen per sheet ※ Eligible for high-cost medical expense coverage Limits: (Severe burns) 40sheets ※if medically necessary, up to 50sheets (nevi) 30sheets (epidermolysis bullosa) 50sheets
Technology	Originated from Professor Howard Green of Harvard University
Facility Standards	Severe burns: limited to facilities meeting required standards; not applicable to giant congenital nevi or epidermolysis bullosa
Healing timeline	Manufacturing and culture period: approximately 3 weeks from tissue collection to delivery Product shelf life: 56 hours Engraftment period: engraftment occurs within 1 week, with the epidermis stabilizing in approximately 1 month
Process	

Autologous Cultured Epidermis Containing Melanocytes “JACEMIN” J-TEC



Indications

- ① **Vitiligo***
- Vitiligo patients ≥ 12 years old unresponsive to or unsuitable for topical or light therapy.
 - Symptoms remain stable (unchanged) for about 12 months

Insurance reimbursement price

- Harvesting/Culturing Kit: 4,460,000 yen
- Cultured Epidermis Package: 154,000 yen per sheet

※ Covered by the High-Cost Medical Expense Benefit system; out-of-pocket cost for an average-income person is about ¥220,000 (varies by income)

Technology

Originated from Professors G Pellegrini and M De Luca of the University of Modena (Italy)

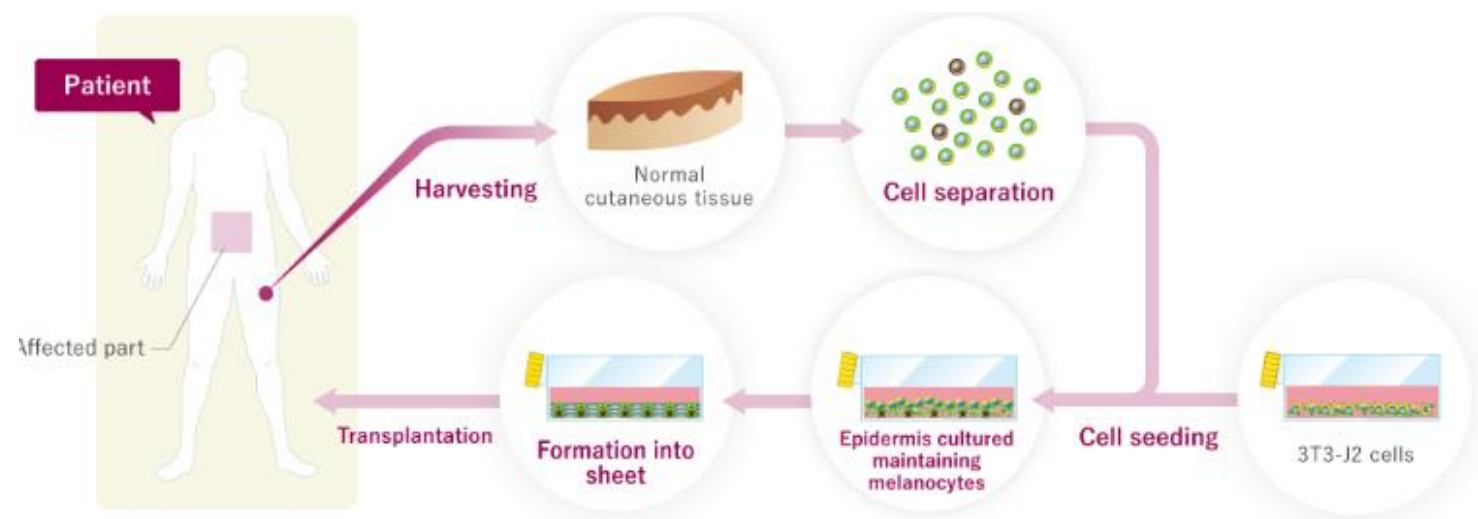
Facility Standards

A full-time physician with experience performing **at least three skin graft procedures**, or a full-time physician who performs such surgeries under the supervision of an experienced doctor

Healing timeline

Manufacturing & culture period: About 5 weeks from tissue collection to delivery
Product shelf life: 60 hours
Engraftment period: Takes in about 1 week; epidermis stabilizes in ~1 month

Process



* Complete depigmented patches due to vitiligo, Vogt-Koyanagi-Harada disease, chemical causes or congenital conditions such as piebaldism

Autologous Cultured Cartilage “JACC”



Indications

- ① **Traumatic cartilage defect or osteochondritis dissecans.**
However, it is limited to cases where no other treatment options are available, and the cartilage defect area is 4cm² or larger.
- ② **Osteoarthritis of the knee**
However, this is limited to cases where clinical symptoms do not improve through conservative treatments such as exercise therapy, and cartilage defect area is 2cm² or larger

Insurance reimbursement price

- **Harvesting/Culturing Kit: 1,000,000 yen**
- **Processing/Transplant Kit: 1,890,000 yen**
number used not limited
- ※ Covered by the High-Cost Medical Expense Benefit system; out-of-pocket cost for an average-income person is about ¥250,000 (varies by income)

Technology

Originated from Professor Mitsuo Ochi of Hiroshima University

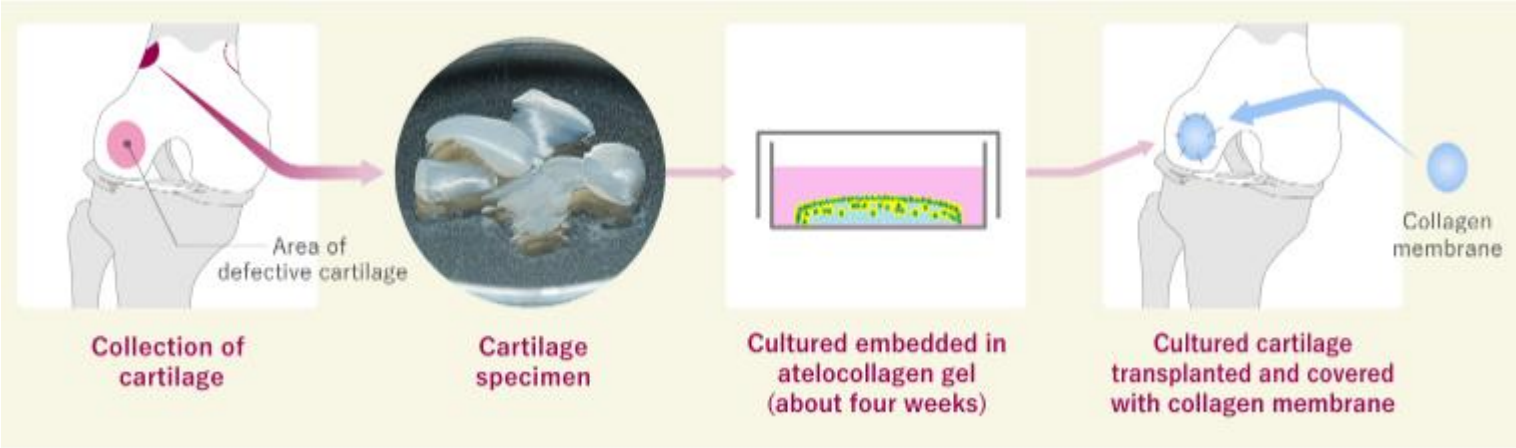
Facility Standards

A university hospital or other teaching/research institution, or a facility that performs at least 100 knee surgeries per year

Healing timeline

Manufacturing & culture period: About 4 weeks from cartilage tissue harvest to delivery
Product shelf life: 80 hours
Engraftment period: Use crutches or a brace (non-weight-bearing) for about 4 weeks post-op until the repair tissue stabilizes

Process

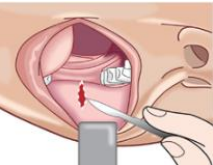


Autologous Cultured Corneal Epithelium "NEPIC"

Autologous Cultured Oral Mucosal Epithelium "OCURAL"



Seller: NIDEK Co., Ltd.

Indications	Limbal Stem Cell Deficiency (LSCD)*		
Insurance reimbursement price	•Harvesting/Culturing Kit: 4,280,000 yen •Cultured Corneal Epithelium Package: 5,470,000 yen		※ Eligible for high-cost medical expense coverage
Technology	NEPIC Originated from Professors G Pellegrini and M De Luca of the University of Modena (Italy) OCURAL Originated from Professor Koji Nishida of Osaka University		
Facility Standards	The facility must have a full-time physician with experience performing corneal transplantation		
Healing timeline	Manufacturing & culture period: About 4 weeks from tissue collection to delivery Product shelf life: 60 hours Engraftment period: Takes in about 12 weeks; ocular surface stabilizes in 6–12 months		
Process	Patients NEPIC  Harvesting of corneal limbal tissue OCURAL  Harvesting of oral mucosal tissue Transplantation Enzymatic treatment Seeding onto feeder cells for cell expansion Isolation of cells Culturing Sheet formation Sheet detachment		

*Candidates for NEPIC exclude patients with congenital corneal epithelial stem cell deficiency (such as Stevens-Johnson syndrome, ocular cicatricial pemphigoid, graft-versus-host disease, and aniridia), recurrent pterygium, and idiopathic corneal epithelial stem cell deficiency.