Translation

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

April 30, 2025

Company name:	Japan Tissue Engineering Co., Ltd.
Stock exchange listings:	Tokyo Stock Exchange
Stock code:	7774
URL:	https://www.jpte.co.jp
Representative:	Ken-ichiro Hata, President and CEO
Contact:	Akinobu Wakabayashi, Executive Officer, Head of Strategic Planning Office
TEL:	+81 533-66-2020
Scheduled date for ordinary general meeting of shareholders:	June 19, 2025
Scheduled date for dividend payment:	-
Scheduled date for submission of securities report:	June 19, 2025
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 Fiscal Year Ended March 31, 2025 (from April 01, 2024 to March 31, 2025)

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

	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
March 31, 2025	2,455	(2.3)	(238)	―	(234)	―	(255)	―
March 31, 2024	2,514	23.7	144	―	147	―	143	―

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit margin on sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	(6.29)	―	(4.3)	(3.5)	(9.7)
March 31, 2024	3.53	―	2.4	2.1	5.7

(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	Net assets per share
As of	Million Yen	Million Yen	%	Yen
March 31, 2025	6,512	5,825	89.4	143.44
March 31, 2024	6,988	6,080	87.0	149.73

(Reference) Equity Fiscal year ending March 2025: 5,825 million yen Fiscal year ending March 2024: 6,080 million yen

(3) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and equivalents, end of period
Fiscal year ended	Million Yen	Million Yen	Million Yen	Million Yen
March 31, 2025	(148)	(232)	(0)	1,685
March 31, 2024	274	(242)	(0)	2,066

2. Cash dividends

	Annual dividends per share					Total Dividends (Total)	Payout ratio	Ratio of dividends to net assets
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million Yen	%	%
Fiscal year ended March 31, 2024	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ended March 31, 2025	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ending March 31, 2026 (Forecast)	—	0.00	—	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. For details, please refer to the attached document on P.6 "1. Overview of Operating Results, etc. (4) Future Outlook."

* Notes

(1) 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

(2) 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 March 31, 2025	40,610,200 shares
As of March 31, 2024	40,610,200 shares

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

As of March 31, 2025	250 shares
As of March 31, 2024	246 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	40,609,951 shares
Fiscal year ended March 31, 2024	40,609,955 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. For the conditions underlying the forecasts and precautions for using the forecasts, please refer to the attached document on P.6 "1. Overview of Operating Results, etc. (4) Future Outlook."

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1. Overview of Business Performance

(1) Overview of Business Performance for the Current Fiscal Year

In the fiscal year (April 1, 2024, to March 31, 2025), the Japanese economy showed signs of a mild recovery due to factors such as increased inbound demand. However, concerns remain about a domestic economic slowdown caused by rising prices amid U.S. policy shifts following a change in administration. As a result, the economic outlook remains uncertain.

In the field of regenerative and cellular medicine, although the *Act on the Safety of Regenerative Medicine* and the revised *Pharmaceutical and Medical Device Act* enacted in November 2014 have aimed to promote the industrialization of regenerative medicine, the progress has been slow. Of the two products approved under conditional and time-limited approval—HeartSheet and Collategene—the former was ultimately not approved, and the latter's application was withdrawn. This outcome has led to discussions regarding the structure of the conditional and time-limited approval system itself. Meanwhile, in July 2024, the brain injury treatment "Akuugo" (manufactured and marketed by SanBio Co., Ltd,) was approved. As of the end of March 2025, a total of 19 products, including 5 of our company's products, have been granted marketing approval as regenerative medical products. This indicates that societal expectations for further development in this field remain strong.

Given this situation, we are engaged in the development of businesses related to regenerative medical products, regenerative medical contracting services, and research and development support. At the same time, we are working on the development of new pipelines. Details on segment information and major initiatives related to pipeline development are provided below.

（Reference）Segment Information

Units：millions of yen (rounded down to nearest million yen) (increase/decrease is calculated in yen)	FY March 2024	FY March 2025			
			Year-on-Year		Forecast (As of 2025.1.31)
	Results	Results	Change (amount)	Change (percentage)	
Total Net Sales	2,514	2,455	(58)	(2.3%)	2,500
Regenerative Medical Products Business	1,406	1,493	86	6.2%	1,560
Skin Line（JACE, JACEMIN）	911	985	74	8.1%	950
Cartilage Line（JACC）	321	382	61	19.1%	452
Ophthalmology Line (NEPIC,OCURAL)	173	125	(48)	(28.0%)	158
Regenerative Medicine Contract Business	865	713	(151)	(17.5%)	695
Non-Teijin Clients	395	348	(47)	(11.8%)	-
Teijin	469	364	(104)	(22.3%)	-
R&D Support Business	242	248	6	2.6%	245
Gross Profit	1,690	1,511	(179)	(10.6%)	-
SG&A Expenses	1,546	1,749	203	13.2%	-
Operating Loss	144	(238)	(382)	-	(200)
Ordinary Loss	147	(234)	(381)	-	(202)
Net Loss	143	(255)	(398)	-	(223)

[Regenerative Medical Products Business]

Sales from the regenerative medical products business for the current fiscal year totaled 1,493,211,000 yen (a 6.2% increase compared to the previous period).

＜Skin Line：Autologous Cultured Epidermis "JACE"＞

In the case of burns, this treatment is widely recognized as one of the standard therapies for the disease. As a result of sustained promotional activities aimed at broad acceptance, the downturn was reversed in the fourth quarter, and performance returned to approximately the same level as the previous fiscal year. We will continue to strengthen our sales efforts to contribute to saving the lives of even more patients.

At facilities where new combination therapies were introduced during JACE transplantation for the treatment of congenital giant melanocytic nevus, demand increased significantly, resulting in a substantial rise in sales. Going forward, we will evaluate further improvements in treatment outcomes with this therapy and promote initiatives aimed at wider adoption.

＜Skin Line：Autologous Cultured Epidermis Containing Melanocytes "JACEMIN"＞

Following its inclusion in insurance coverage in October 2024, we proceeded with efforts to have the product adopted by medical institutions serving as key hubs and worked to improve the usage environment. As a result, we received our first order in January, and the number of orders during the fiscal year increased to six. Since then, treatment provision for patients on the waiting list has been progressing smoothly.

＜Skin Line：Self-Funded Medical Treatment＞

In November 2024, in collaboration with Kizu to Kizuato Clinic®, a medical institution specializing in wound and scar treatment, we began offering cultured epidermis for the treatment of scars as part of self-funded medical services.

＜Cartilage Line：Autologous Cultured Cartilage “JACC”＞

In addition to the insurance reimbursement price being raised due to the revision of the medical service fee schedule in FY2024, we conducted promotional activities highlighting the effectiveness of JACC, such as holding seminars in conjunction with the Japanese Knee Society. As a result, sales increased.

Additionally, at the meeting held by the Ministry of Health, Labour and Welfare on April 18, 2025, the “Pharmaceuticals and Medical Devices Evaluation Subcommittee on Regenerative and Cellular Therapy Products and Biotechnologies” approved a partial change application to add osteoarthritis of the knee as an approved indication. To make JACC available to patients as a new treatment for osteoarthritis of the knee as soon as possible, we will proceed with building a delivery framework, aiming for insurance coverage by the end of March 2026.

＜Corneal Line：Autologous Cultured Corneal Epithelium “NEPIC” / Autologous Cultured Oral Mucosal Epithelium “OCURAL”＞

Although transplants to patients on the waiting list have been progressing and sales have stabilized, we have begun receiving orders for transplants to the opposite eye in patients with bilateral eye disease who have already received OCURAL in one eye. Additionally, to accelerate the identification of treatment opportunities and the discovery of potential patients by corneal specialists, we have launched new initiatives with proactive investment of our resources, alongside the sales activities of NIDEK Co., Ltd. which oversees distribution. Through collaboration between the two companies, progress is being made in developing candidate facilities and identifying potential patients.

[Regenerative Medicine Contract Business]

In the current fiscal year, sales from the regenerative medicine contract business amounted to 713,964,000 yen (a 17.5% decreased compared to the previous year). This decline was due to reduced revenue from Teijin Limited-related business, which affected overall sales. However, sales from contracts with general customers (non-Teijin) were steady and recorded a favorable performance.

＜Commissioned Projects from General Clients＞

We have been providing services related to the development and manufacturing outsourcing (CDMO) and development operations outsourcing (CRO) to our clients. At the request of ActualEyes Inc., a domestic Phase II clinical trial for regenerative medical products has commenced, and dosing to the subjects has been completed. Additionally, we began a commissioned project in collaboration with VC Cell Therapy Inc., for the commercialization of regenerative medical products using iPS cells through a capital and business alliance. Furthermore, we entered a commissioned contract with Metcela Inc., for the manufacturing of investigational regenerative medical products targeting functional single ventricular disease.

As we expand into new fields such as iPS cells and the cardiovascular domain, we will focus on enhancing product value through relationships with clients and on developing frameworks for CDMO business operations, thereby contributing to the advancement of regenerative medicine in Japan.

＜Teijin-Related＞

In the current fiscal year, revenue decreased compared to the previous fiscal year, which had milestone income and commissioned income, due to delays in planned milestones and a reduction in commissions associated with the establishment of Teijin Regenet Co., Ltd. Furthermore, there were delays in achieving the milestones planned for this fiscal year. Moving forward, we aim to achieve the milestones and expand commissioned income by profiting initiatives to enhance the value of both companies through collaboration with Teijin.

* Milestone Revenue from Teijin

Previous Fiscal Year（ended March 2024）：170,000,000 yen　　Current Fiscal Year（ending March 2025）：100,000,000 yen

[Research and Development Support Business]

Sales from the R&D Support Business for the current fiscal year amounted to 248,298,000 yen (a 2.6% increase compared to the previous fiscal year). Although revenue was affected by the completion of major research projects from large domestic clients, there was a slight increase in sales due to growing demand from new domestic and international clients, supported by the inclusion of the EpiSensA test, a skin sensitization testing method used as an alternative to animal testing, from LabCyte.

In Japan, we have launched a testing consignment business using EpiSensA. By collaborating with the Teijin Structural Analysis Center as an external testing consignment organization, we aim to expand sales of LabCyte by increasing the number of EpiSensA test requests, which are seeing growing demand.

Overseas, we have signed a distributor agreement with India’s Shiven Biotech and have started promotional activities. Additionally, we have begun sales to multiple companies in Europe as well.

In March 2025, we obtained the development rights for a research-use intestinal epithelial model using human iPS cells and organoid technology. We are proceeding with development aiming for a product launch in the first quarter of the fiscal year ending March 2027. Alongside expanding from our current focus on the cosmetics market to the pharmaceutical development market, we also plan to expand in the U.S., Europe, and Asia, aiming to achieve sales in the hundreds of millions of yen range at an early stage.

[New Pipeline Development]

＜Skin Line＞

The autologous cultured epidermis containing melanocytes “JACEMIN” [*1] was included in insurance coverage as a result of efforts toward insurance listing and has been covered by insurance since October 1, 2024. Sales have now commenced.

The allogenic (same species) cultured epidermis (Allo-JaCE03) [*2] has completed clinical trials targeting patients with deep second-degree burns, a representative condition of skin damage[*3]. With the goal of launching by the fiscal year ending March

2027, we are steadily proceeding with the application for manufacturing and marketing approval. This product leverages its unique characteristics as a dried and allogenic product, accelerating its expansion not only in the domestic market but also in overseas markets.

＜Cartilage Line＞

Autologous cultured cartilage “JACC” received approval for a partial modification to add osteoarthritis of the knee as an indication on April 18, 2025, by the Pharmaceutical Affairs Committee – Subcommittee on Regenerative Medicine Products and Biologics. Official approval is expected soon, and we are working to build a supply system aiming for insurance coverage with the fiscal year ending March 2026.

We are also jointly working with Teijin on the development of new products aimed at treating conditions in the knee area.

＜Cancer Line＞

Our in-house manufactured CAR-T cell therapy product*4 has begun physician-led clinical trials at Nagoya University for malignant lymphoma. In addition, trials have commenced for acute lymphoblastic leukemia as well.

Operations have begun at the development and contract base within the Kashiwa “Regenerative Medicine Platform”. In collaboration with Teijin Limited, the National Cancer Center Japan, and Mitsui Fudosan Co., Ltd., we are fully engaged in developing a robust business in the oncology field.

＜Building a Growth Foundation＞

We signed a basic agreement with Sysmex Corporation to enhance manufacturing functionality. In March 2025, we concluded a joint research agreement to co-develop quality control tests by integrating Sysmex’s quality control inspection system with our experience in developing and manufacturing regenerative medical products.

*1 A product containing melanocytes intended for the treatment of vitiligo, where non-surgical treatments are ineffective or not suitable

*2 The first off-the-shelf product in Japan made from allogenic (donor) skin tissue as raw material (a product that is manufactured and stored in advance allowing it to be used promptly when needed)

*3 The epithelialization rate at the application site of Allo-JaCE03 on Day 7 after the initial application, which is the primary evaluation item, was shown to be statistically significantly higher than the estimated epithelialization rate of existing treatments. Furthermore, no safety issues or adverse events of concern were observed.

*4 A patent license agreement was signed with Nagoya University and Shinshu University for the development of an in-house CAR-T cell-based therapy aimed at treating CD-19 positive acute lymphoblastic leukemia, which can be manufactured at low cost.

As a result, although sales in the regenerative medical products business expanded and sales in the R&D support business also grew steadily, the decline in the regenerative medicine contract business led to a total sales figure of 2,455,474,000 yen for the current fiscal year (a 2.3% decrease from the previous year). The operating loss was 238,315,000 yen (compared to an operating profit of 144,506,000 yen in the previous year), the ordinary loss was 234,487,000 yen (compared to an ordinary profit of 147,009,000 yen in the previous year), and the net loss for the period was 255,304,000 yen (compared to a net profit of 143,169,000 yen in the previous year).

Sales by business segment is as follows:

-Regenerative Medicine Products Business: 1,493,211,000 yen (a 6.2% increase from the previous year)

-Regenerative Medicine Contract Business: 713,964,000 yen (a 17.5% decrease from the previous year)

-Research and Development Support Business: 248,298,000 yen (a 2.6% increase from the previous year)

（Reference）Overview of Each Business Segment

[Regenerative Medical Products Business]

In our regenerative medical products business, we manufacture and sell the following products: Autologous Cultured Epidermis (JACE), Autologous Cultured Cartilage (JACC), Autologous Cultured Corneal Epithelium (NEPIC), Autologous Cultured Oral Mucosal Epithelium (OCURAL), and Autologous Cultured Epidermis Containing Melanocytes (JACEMIN).

・Autologous Cultured Epidermis “JACE”（Skin Line）

JACE is Japan’s first regenerative medical product covered by insurance, approved in January 2009 for the treatment of severe burns. Its approved indications have since expanded to include giant congenital melanocytic nevus and epidermolysis bullosa (specifically, the Dystrophic and junctional types). Regarding insurance coverage for JACE, a maximum number of sheets covered per patient is set. For burns, up to 40 sheets (up to 50 if medically necessary); for giant congenital melanocytic nevus, up to 30 sheets; and for epidermolysis bullosa (specifically, the Dystrophic and junctional types), up to 50 sheets.

・Autologous Cultured Cartilage “JACC”（Cartilage Line）

JACC is Japan’s second regenerative medical product to be covered by insurance, approved in April 2013. It is indicated for articular cartilage defects or damage in the knee (excluding osteoarthritis of the knee) due to trauma. In January 2019, a partial modification approval was obtained to replace the patient’s own periosteum, previously used during transplantation, with an artificial collagen membrane. This improved surgical simplicity and reduced invasiveness. In June 2022, a re-examination of the post-marketing surveillance was completed, reaffirming the effectiveness and safety of the product at the time of approval. In June 2024, a partial modification application expanding the indication to osteoarthritis of the knee was submitted to the Ministry of Health, Labour and Welfare. It was approved at the committee meeting held on April 18, 2025.

・Autologous Cultured Corneal Epithelium “NEPIC”（Corneal Line）

NEPIC is the first regenerative medical product in Japan’s ophthalmology field to be covered by insurance, approved in June 2020. It is indicated for limbal stem cell deficiency with the exception of the following patients such as Stevens-Johnson syndrome, ocular pemphigoid, graft-versus-host disease, and aniridia or other congenital corneal epithelial stem cell dysplasia, as well as for recurrent pterygium and idiopathic limbal stem cell deficiency.

・Autologous Cultured Oral Mucosal Epithelium（Corneal Line）

OCURAL is indicated for limbal stem cell deficiency and was covered by insurance in December 2021. By using epithelial cells from the oral mucosa, it is the world's first regenerative medical product capable of treating bilateral stem cell deficiency.

・Autologous Cultured Epidermis Containing Melanocytes "JACEMIN"（Skin Line）

JACEMIN is a cultured epidermal sheet in which melanocytes (pigment cells) are preserved. It was approved for insurance coverage in October 2024 for the treatment of vitiligo, where non-surgical treatments are ineffective or not appropriate.

[Regenerative Medicine Contract Business]

In our regenerative medicine contract business, we undertake contract development of regenerative medical products, as well as provide consulting services and contract manufacturing of specified processed cell products.

・Contract Development of Regenerative Medical Products

In compliance with the Pharmaceuticals and Medical Devices Act, we provide development and manufacturing support services (CDMO) and development operations outsourcing (CRO) services for regenerative medical products, targeting academic institutions conducting clinical research, medical institutions conducting physician-led clinical trials, and companies developing such products. Leveraging our experience and knowledge gained through the development, manufacturing, and sale of our own products--as well as our extensive track record in regulatory compliance, GCTP-compliant manufacturing facilities, and more--we offer seamless, end-to-end support form early-stage development to commercialization. This support covers various cell types (somatic cells, stem cells, iPS cells) and product formats.

・Consulting and Contract Manufacturing of Specified Processed Cell Products

Under the Act on the Safety of Regenerative Medicine, we provide consulting and contract manufacturing services for specified processed cell products to institutions offering regenerative medical care. Our consulting services support activities such as creating regenerative medicine provision plans, establishing operational frameworks for cell processing facilities, and completing the necessary administrative procedures for providing clinical research and treatments. In the area of contract manufacturing, we undertake the manufacturing of specified cell products at our own cell culture and processing facilities, which are licensed by the Ministry of Health, Labour and Welfare.

In the areas of contract development of regenerative medicine-related products, consulting, and contract manufacturing of specified processed cell products, we maximize our strengths to enhance the value provided to our clients.

＜Our Strengths＞

①Development and launch of five approved products (7 indications)

We have developed and launched five regenerative medical products—autologous cultured epidermis, autologous cultured cartilage, autologous cultured corneal epithelium, autologous cultured oral mucosal epithelium, and autologous cultured epidermis containing melanocytes—covering seven approved indications and have a proven track record of providing them stably to patients.

②Possessing the Entire Value Chain

We possess all the functions, personnel, and experience necessary for the development, manufacturing, and marketing of regenerative medical products—including research and development, clinical development, regulatory affairs, manufacturing, quality assurance, and sales.

③Incorporating Feedback from Clinical Setting into Product Development（Reverse Translational Research）

Based on our experience in collaborating with physicians to promote the use of regenerative medical products, we have established a system that incorporates feedback from clinical settings into product design and development processes to optimize outcome.

[Research and Development Support Business]

In our R&D support business, we manufacture and sell research-use human cultured tissues, applying the advanced culturing technologies accumulated through the development of our in-house products.

・LabCyte Series

The LabCyte series of research-use human cultured tissues are designed to serve as an alternative to animal testing. These products are sold to companies handling chemicals such as daily necessities, pharmaceuticals, cosmetics, and chemical products. The product lineup includes: a 3D cultured epidermis model, Epi-Model/EPI-KIT, and a 3D human cultured corneal epithelium model. The skin irritation test method and skin corrosion test method using EPI-Model 24, as well as the skin sensitization test method EpiSensA developed by Kao corporation, and the eye irritation test method using the corneal model 24, are included in the OECD's Test Guidelines as standard methods. In Japan, these models hold the top market share.

(2) Overview of the Financial Position for the Fiscal Year

At the end of the current fiscal year, total assets amounted to 6,512,990,000 yen (a decrease of 475,784,000 yen compared to the previous fiscal year), liabilities were 687,954,000 yen (a decrease of 220,477,000 yen compared to the previous fiscal year), and net assets were 5,825,035,000 yen (a decrease of 255,307,000 yen compared to the previous fiscal year). An analysis of the status of assets, liabilities, and net assets for the current fiscal year is provided below.

(Current Assets)

At the end of the current fiscal year, the balance of current assets was 4,824,949,000 yen, a decrease of 514,329,000 yen compared to the previous fiscal year. The main reason was a decline in cash and deposits.

(Fixed Assets)

At the end of the current fiscal year, the balance of fixed assets was 1,688,040,000 yen, an increase of 38,545,000 yen from the end of the previous fiscal year. The main reason for this increase was the acquisition of investment securities and a reduction in impairment losses.

(Current Liabilities)

At the end of the current fiscal year, the balance of current liabilities was 637,229,000 yen, a decrease of 236,302,000 yen from the end of the previous fiscal year. The main reason for this decrease was the reduction in temporary receipts included in "other" under current liabilities.

(Fixed Liabilities)

At the end of the current fiscal year, the balance of fixed liabilities was 50,725,000 yen, an increase of 15,825,000 yen from the end of the previous fiscal year. The main reason for this increase was the rise in retirement allowances and retirement benefit reserves for employees.

(Net Assets)

At the end of the current fiscal period, the balance of net assets was 5,825,035,000 yen, a decrease of 255,307,000 yen compared to the previous fiscal year. The main reason for this decrease is the recording of a net loss for the current fiscal year.

(3) Overview of Cash Flows for the Fiscal Year

Cash and cash equivalents at the end of the current fiscal year decreased by 380,894,000 yen compared to the end of the previous fiscal year, amounting to 1,685,449,000 yen. The status of cash flows for the current fiscal year is as follows.

(Cash Flows from Operating Activities)

The amount of funds used as a result of operating activities was 148,365,000 yen (compared to a gain of 274,138,000 yen in the previous fiscal year). This was mainly due to the loss before income taxes for the current fiscal year (238,487,000 yen) and depreciation expenses (158,474,000 yen).

(Cash Flows from Investing Activities)

The amount of funds used as a result of investing activities was 232,526,000 yen (compared to 242,230,000 yen used in the previous fiscal year). This was mainly due to expenditures related to the acquisition of investment securities (150,000,000 yen).

(Cash Flows from Financing Activities)

The amount of funds used as a result of financing activities was 3,000 yen (compared to 134,000 yen used in the previous fiscal year). This was mainly due to expenditures related to the acquisition of treasury stock.

(4) Future Outlook

Regarding the expansion of the indication of our autologous cultured cartilage product "JACC" to osteoarthritis of the knee, it is difficult to predict the timing of insurance coverage, and the impact is significant. Therefore, for this outlook, we have adopted a rage-based approach: the upper end of the range assumes that insurance coverage will be obtained by the end of March 2026, while the lower end assumes a delay in coverage until after the end of March 2027.

	Net Sales		Operating Profit		Ordinary Profit		Net Income		Net Income per Share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Fiscal Year	2,900 ～3,100	18.1 ～26.2	100 ～200	－	110 ～210	－	100 ～190	－	2.46 ～4.68

The statements regarding the future mentioned above are forecasts based on certain assumptions and the information currently available and deemed reasonable by our company. They involve risks and uncertainties. Actual performance may vary due to various uncertain factors in the future. For further details, please refer to the financial results explanatory materials.

（Reference）Trends in Cash Flow-Related Indicators

	FY March 2021	FY March 2022	FY March 2023	FY March 2024	FY March 2025
Equity Ratio（%）	88.2	87.7	86.3	87.0	89.4
Market Value-Based Equity Ratio（%）	377.6	274.2	307.4	396.9	285.0
Cash Flow to Interest-Bearing Debt Ratio（Years）	–	–	–	–	–
Interest Coverage Ratio（Times）	–	–	–	–	–

Equity ratio ：Equity／Total Assets

Market Value-Based Equity Ratio ：Market Capitalization / Total Assets

Cash Flow to Interest-Bearing Debt Ratio ：Interest-Bearing Debt / Cash Flow

Interest Coverage Ratio ：Cash Flow / Interest Payments

（Note）1 Market Capitalization is calculated using the formula: closing stock price at the end of the period times the number of shares issued at the end of the period.

2 Cash flow refers to operating cash flow.

3 Interest-bearing debt includes all liabilities listed on the balance sheet for which interest is paid.

4 For the fiscal years ending March 2021, March 2022, March 2023, and March 2025, the Cash Flow to Interest-Bearing Debt Ratio and Interest Coverage Ratio are not provided because operating cash flow was negative or there was no interest-bearing debt.

5 For the fiscal year ending March 2024, the Cash-Flow to Interest-Bearing Debt ratio and Interest Coverage Ratio are not provided because there was no interest-bearing debt.

2. Basic Approach to the Selection of Accounting Standards

Our company prepares its financial statements in accordance with the “Regulation on Terminology, Forms, and Preparation Methods of Financial Statements” (Ministry of Finance Ordinance No. 59 of 1963) to ensure comparability between companies and across fiscal years.

In preparation for the future adoption of International Financial Reporting Standards (IFRS), our company is undertaking initiatives such as acquiring knowledge of IFRS, analyzing the differences between Japanese standards and IFRS, and conducting impact assessments related to implementation. However, the timing of IFRS adoption has not yet been determined.

3. Financial Statements and Notes

(1) Non-consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	4,266,344	3,885,449
Notes receivable - trade	4,371	4,371
Accounts receivable - trade	521,923	539,201
Electronically recorded monetary claims - operating	82,362	50,625
Merchandise and finished goods	—	1,928
Work in process	55,679	17,142
Raw materials and supplies	172,886	162,629
Prepaid expenses	32,059	30,969
Others	203,651	132,630
Total current assets	5,339,279	4,824,949
Non-current assets		
Property, plant and equipment		
Buildings	2,016,976	2,017,226
Accumulated depreciation	(1,339,491)	(1,408,924)
Buildings, net	677,485	608,302
Structures	20,382	20,382
Accumulated depreciation	(18,904)	(18,974)
Structures, net	1,477	1,408
Machinery and equipment	497,224	537,305
Accumulated depreciation	(372,761)	(386,758)
Machinery and equipment, net	124,462	150,547
Tools, furniture and fixtures	391,777	410,803
Accumulated depreciation	(330,389)	(348,236)
Tools, furniture and fixtures, net	61,387	62,566
Land	582,770	582,770
Construction in progress	63,296	14,660
Total property, plant and equipment	※ 1,510,880	※ 1,420,255
Intangible assets		
Software	23,165	76,753
Others	79,362	19,997
Total intangible assets	102,527	96,750
Investments and Others assets		
Investment securities	—	150,000
Investments in capital	20	20
Long-term prepaid expenses	34,172	20,107
Others	1,894	906
Total Investments and Other Assets	36,086	171,034
Total non-current assets	1,649,495	1,688,040
Total Assets	6,988,774	6,512,990

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	19,573	24,890
Electronically recorded obligations - operating	64,014	84,391
Accounts payable - Others	210,469	187,195
Accrued expenses	19,646	21,260
Income taxes payable	35,443	21,264
Contract liabilities	82,395	39,798
Deposits received	16,972	10,210
Provision for bonuses	161,792	127,186
Provision for bonuses for directors (and Others officers)	—	3,397
Others	263,224	117,633
Total current liabilities	873,531	637,229
Non-current liabilities		
Provision for retirement benefits	—	4,725
Provision for retirement benefits for directors (and Others officers)	34,900	46,000
Total non-current liabilities	34,900	50,725
Total Liabilities	908,431	687,954
Net assets		
Shareholders' equity		
Share capital	4,958,763	4,958,763
Capital surplus		
Legal capital surplus	2,788,763	2,788,763
Total capital surplus	2,788,763	2,788,763
Retained earnings		
Others retained earnings		
Retained earnings brought forward	(1,666,875)	(1,922,179)
Total retained earnings	(1,666,875)	(1,922,179)
Treasury shares	(308)	(311)
Total shareholders' equity	6,080,342	5,825,035
Total net assets	6,080,342	5,825,035
Total liabilities and net assets	6,988,774	6,512,990

(2) Non-consolidated Statements of Income

(Thousands of yen)

	The previous fiscal year (from April 1, 2023 to March 31, 2024)	For the fiscal year ended March 31, 2025
Net sales		
Contract development revenue	865,533	732,064
Net sales of merchandise and finished goods	1,648,656	1,723,410
Net salesTotal	2,514,190	2,455,474
Cost of sales		
Contract development cost	182,316	256,347
Cost of merchandise and finished goods sold		
Cost of products manufactured	667,131	694,838
Total	667,131	694,838
Transfer to Others account	※1 25,891	※1 5,017
Ending inventory of merchandise and finished goods	—	1,928
Cost of merchandise and finished goods sold	641,239	687,892
Cost of salesTotal	823,556	944,240
Gross profit	1,690,634	1,511,234
Selling, general and administrative expenses		
Remuneration for directors (and Others officers)	51,528	52,751
Salaries and allowances	426,440	478,795
Bonuses	48,486	49,722
Provision for bonuses for directors (and Others officers)	—	3,397
Provision for bonuses	86,984	43,249
Retirement benefit expenses	4,571	8,266
Provision for retirement benefits for directors (and Others officers)	—	11,100
Rent expenses on land and buildings	15,113	16,193
Taxes and dues	59,500	55,971
Depreciation	23,850	41,920
Research and development expenses	※2 407,014	※2 506,730
Commission expenses	53,187	57,379
Supplies expenses	9,686	16,053
Donations	93	79
Others	359,670	407,939
Selling, general and administrative expensesTotal	1,546,127	1,749,550
Operating profit or operating loss (-)	144,506	(238,315)
Non-operating income		
Interest income	782	1,641
Interest on securities	—	969
Dividend income	0	0
Employee parking revenue	929	957
Received incentives	1,000	—
Miscellaneous income	717	917
Non-operating incomeTotal	3,429	4,487
Non-operating expenses		
Foreign exchange losses	927	579
Miscellaneous losses	0	80
Non-operating expensesTotal	927	659
Ordinary profit or ordinary loss (-)	147,009	(234,487)
Extraordinary income		
Subsidy income	130,789	10,360
Extraordinary incomeTotal	130,789	10,360
Extraordinary losses		

Loss on tax purpose reduction entry of non-current assets	130,789	10,360
Extraordinary lossesTotal	130,789	10,360
Net income before tax or net loss before tax (-)	147,009	(234,487)
Income taxes - current	3,840	20,816
Income taxesTotal	3,840	20,816
Net income or net loss (-)	143,169	(255,304)

(3) Statement of Changes in Shareholders' Equity

Previous Fiscal Year (From April 1, 2023 to March 31, 2024)

(Unit: Thousands of Yen)

	Shareholders' Equity					Total Net Assets
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity	
		Legal Capital Surplus	Other Retained Earnings			
			Retained Earnings Brought Forward			
Balance at Beginning of Current Period	4,958,763	2,788,763	(1,810,045)	(307)	5,937,173	5,937,173
Changes During the Period						
Net Profit of Period			143,169		143,169	143,169
Acquisition of Treasury Stock				(0)	(0)	(0)
Total Changes During the Period	–	–	143,169	(0)	143,168	143,168
Balance at the End of Current Period	4,958,763	2,788,763	(1,666,875)	(308)	6,080,342	6,080,342

Current Fiscal Year (From April 1, 2024 to March 31, 2025)

(Unit: Thousands of Yen)

	Shareholders' Equity					Total Net Assets
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity	
		Legal Capital Surplus	Other Retained Earnings			
			Retained Earnings Brought Forward			
Balance at Beginning of Current Period	4,958,763	2,788,763	(1,666,875)	(308)	6,080,342	6,080,342
Changes During the Period						
Net Loss of Period			(255,304)		(255,304)	(255,304)
Acquisition of Treasury Stock				(3)	(3)	(3)
Total Changes During the Period	–	–	(255,304)	(3)	(255,307)	(255,307)
Balance at the End of Current Period	4,958,763	2,788,763	(1,922,179)	(311)	5,825,035	5,825,035

(4) Non-consolidated Statement of Cash Flows

(Thousands of yen)

	The previous fiscal year (from April 1, 2023 to March 31, 2024)	For the fiscal year ended March 31, 2025)
Cash flows from operating activities		
Net income before tax or net loss before tax (-)	147,009	(234,487)
Depreciation	134,048	158,474
Increase (decrease) in provision for bonuses	34,439	(34,605)
Increase (decrease) in provision for bonuses for directors (and Others officers)	(3,685)	3,397
Increase (decrease) in provision for retirement benefits	—	4,725
Increase (decrease) in provision for retirement benefits for directors (and Others officers)	—	11,100
Interest and dividend income	(782)	(2,612)
Subsidy income	(130,789)	(10,360)
Loss on tax purpose reduction entry of non-current assets	130,789	10,360
Decrease (increase) in trade receivables	(32,428)	14,458
Decrease (increase) in inventories	9,056	46,864
Increase (decrease) in trade payables	(52,333)	25,693
Increase (decrease) in accounts payable - Others	(49,221)	(757)
Increase (decrease) in accrued consumption taxes	79,003	(28,370)
Others	12,114	(86,624)
Subtotal	277,219	(122,742)
Interest and dividends received	689	1,627
Income taxes paid	(3,770)	(27,250)
Net cash provided by (used in) operating activities	274,138	(148,365)
Cash flows from investing activities		
Payments into time deposits	(2,200,000)	(2,200,000)
Proceeds from withdrawal of time deposits	2,100,000	2,200,000
Purchase of property, plant and equipment	(195,909)	(76,119)
Subsidies received	130,789	10,360
Purchase of investment securities	—	(150,000)
Purchase of intangible assets	(77,291)	(17,755)
Others	180	987
Net cash provided by (used in) investing activities	(242,230)	(232,526)
Cash flows from financing activities		
Repayments of lease liabilities	(133)	—
Purchase of treasury shares	(0)	(3)
Net cash provided by (used in) financing activities	(134)	(3)
Net increase (decrease) in cash and cash equivalents	31,773	(380,894)
Cash and cash equivalents at the beginning of the period	2,034,570	2,066,344
Cash and cash equivalents at end of period	※ 2,066,344	※ 1,685,449

(5) Notes to the Financial Statements

(Note on the Assumption of a Going Concern)
There are no applicable matters.

(Significant Accounting Policies)

1. Evaluation standards and methods for securities
Other securities Except for stocks without market prices
We adopt the market value method (valuation differences are processed by the comprehensive direct inclusion method in net assets, and the selling price is calculated by the moving average method).

2. Standards and Methods for Valuation of Inventories
The cost method based on the moving average method is adopted. (For the balance sheet amount, the method of writing down book value based on the decline in profitability is used.)

3. Depreciation Method for Fixed Assets
(1) Tangible Fixed Assets (excluding leased assets)
The straight-line method is applied
The principal useful lives are as follows:
Buildings: 2 to 31 years
Machinery and Equipment: 2 to 7 years
(2) Intangible Fixed Assets (excluding leased assets)
The straight-line method is applied.
For internally used software, the depreciation is based on the usable life within the company (5 years).
(3) Leased Assets
The lease period is deemed the useful life, and the straight-line method is applied assuming no residual value.

4. Basis for Provision Recording
(1) Provision for Bonuses
To prepare for the payment of employee bonuses, an estimated amount corresponding to the portion attributable tot he current fiscal year is recorded based on the expected payment amount.
(2) Provision for Directors' Bonuses
To prepare for the payment of directors' bonuses, the estimated amount to be paid for the current fiscal year is recorded.
(3) Provision for Retirement Benefits
To prepare for expenditures related to employee retirement benefits, the amount required at the end of the period based on regulations is recorded.
(4) Provision for Directors' Retirement Benefits
To prepare for the payment of directors' retirement benefits, the required amount at the fiscal year-end is recorded in accordance with internal regulations.

5. Basis for Revenue and Expense Recording
The major performance obligations in our core businesses related to revenue from contracts with customers, the content of those obligations, and the typical timing at which those obligations are fulfilled are as follows.

(1) Sales of Goods and Products
In the Regenerative Medical Products Business and Research and Development Support Business, the Company manufactures and sells regenerative medical products and cultured human tissues for research purposes. Revenue from the sale of such goods and products is recognized at the time control of each good or product is transferred to the customer. Additionally, for those sales transactions in which the Company acts as an agent, revenue is recognized on a net basis--i.e., the amount received from the customer in exchange for the goods provided by another party is recognized as revenue after deducting the amount paid to that other party.
(2) Provision of Contract Development And Manufacturing Services
In the Regenerative Medicine Contract Service Business, the Company provides development and manufacturing services (CDMO services) and contract research services (CRO services) specialized in regenerative medicine products, based on the "Pharmaceuticals and Medical Devices Act." In addition, the Company offers consulting and specified cell processing product manufacturing services based on the "Act on the Safety of Regenerative Medicine." Revenue from such services is recognized at the point in time when the performance obligations under the contract--i.e., delivery of deliverables or completion of services--are fulfilled.

6. Scope of Funds in the Statement of Cash Flows
Cash and cash equivalents include cash on hand, demand deposits, and short-term investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and have a maturity of three months or less from the date of acquisition.

（**Notes for the Balance Sheet**）

※ During the current fiscal period, a compression entry in the amount of 10,360,000 yen was recorded due to the receipt of a government subsidy.
Furthermore, the cumulative amount of compression entries resulting from government subsidies related to fixed assets is as follows:

	Previous Fiscal Year (From April 1, 2023 To March 31, 2024)	Current Fiscal Year (From April 1, 2024 To March 31, 2025)
Tangible Fixed Assets	122,122,000 Yen	132,483,000 Yen
Intangible Fixed Assets	8,666	8,666
Total	130,789	141,150

（**Notes for the Statement of Income**）

※１ The breakdown of the balance of other special reserves is as follow:

	Previous Fiscal Year (From April 1, 2023 To March 31, 2024)	Current Fiscal Year (From April 1, 2024 To March 31, 2025)
Research and Development Expenses	24,499,000 Yen	3,749,000 Yen
Advertising and Promotion Expenses	1,392	1,267
Total	25,891	5,017

※２ The major expense items and their amounts among the research and development expenses included in general administrative expenses are as follows:

Previous Fiscal Year (From April 1, 2023 To March 31, 2024)		Current Fiscal Year (From April 1, 2024 To March 31, 2025)	
Salaries and Allowances	296,932,000 Yen	Salaries and Allowances	209,204,000 Yen
Commission Fees	104,542	Commission Fees	89,528
Research Material Expenses	77,629	Research Material Expenses	60,885
Offset Amount of Subsidy Income	(370,644)	Offset Amount of Subsidy Income	(78,124)

（**Notes for the Statement of Cash Flows**）

※ The relationship between the year-end balance of cash and cash equivalents and the amounts recorded in the balance sheet is as follows:

	Previous Fiscal Year (From April 1, 2023 To March 31, 2024)	Current Fiscal Year (From April 1, 2024 To March 31, 2025)
Fixed Deposits	4,266,344,000 Yen	3,885,449,000 Yen
Time Deposits with a Maturity of More Than Three Months	(2,200,000)	(2,200,000)
Cash and Cash Equivalents	2,066,344	1,685,449

（**Losses from the Equity Method**）

Previous Fiscal Year (From April 1, 2023 to March 31, 2024)
There are no applicable items. as there are no affiliated companies.
Current Fiscal Year (From April 1, 2024 to March 31, 2025)
There are no applicable items, as there are no affiliated companies.

(Notes on Segment Information)

[Segment Information]

1. Overview of Reportable Segments

The reportable segments of our company are those organizational units for which separate financial information is available, and which are subject to periodic review by the highest decision-making body--our Board of Directors--for the purpose of making decisions regarding the allocation of management resources and evaluating business performance. Our company operates the following three segments, which are classified as reportable segments: Regenerative Medicine Products Business, Regenerative Medical Contract Services Business, and Research and Development Support Business. The "Regenerative Medical Products Business" engages in the manufacturing and sales of autologous cultured epidermis (JACE), autologous cultured cartilage (JACC), and other related products. The "Regenerative Medicine Contract Services Business" handles the manufacturing and clinical development of regenerative medical products, as well as providing contract services for regenerative medicine under the Act on the Safety of Regenerative Medicine. This includes consulting and the manufacturing of specified cell-processed products. The "Research and Development Support Business" conducts manufacturing and sales of human cultured tissues for research use, applying advanced culturing technologies developed through the company's own product development.

2. The methods used to calculate the amounts of sales, profit or loss, assets, liabilities, and other items for each reportable segment are consistent with those described in "Significant Accounting Policies" for the Company's business segments. The profit figures for each reportable segment are based on operating profit.

3. Information on the amounts of sales, profit or loss, assets, liabilities, and other items by reportable segment (For the previous fiscal year: from April 1, 2023 to March 31, 2024)

(Unit: Thousands of Yen)

	Reportable Segments				Adjustment Amount (Note 1)	Amount Recorded in Financial Statements
	Regenerative Medical Products Business	Regenerative Medicine Contract Services Business	Research and Development Support Business	Total		
Net Sales						
Sales to External Customers	1,406,614	865,533	242,042	2,514,190	－	2,514,190
Inter-segment Sales or Transfers	－	－	－	－	－	－
Total	1,406,614	865,533	242,042	2,514,190	－	2,514,190
Segment Profit	273,500	611,027	93,900	978,428	(833,921)	144,506
Segment Assets	1,479,178	330,480	96,675	1,906,333	5,082,440	6,988,774
Other Items						
Depreciation Expense	64,444	13,949	4,322	82,716	51,331	134,048
Increase in Tangible and Intangible Fixed Assets	42,477	7,852	3,018	53,349	33,044	86,393

(Notes)

1.The adjustment amounts are as follows: The adjustments to segment profit include company-wide expenses not allocated to each reportable segment. Company-wide expenses primarily consist of new business development and general administrative expenses that are not attributable to specific reportable segments. Adjustments to segment assets include company-wide assets such as new development-related assets and corporate assets not allocated to any specific reportable segment. Company-wide assets primarily consist of cash and deposits, and company buildings, among others.

2. Segment profit is consistent with operating profit stated in the statement of income.

Current Fiscal Year (From April 1, 2024 to March 31, 2025)

(Unit: Thousands of Yen)

	Reportable Segments				Adjustment Amount (Note 1)	Amount Recorded in Financial Statements
	Regenerative Medical Products Business	Regenerative Medicine Contract Services Business	Research and Development Support Business	Total		
Net Sales						
Sales to External Customers	1,493,211	713,964	248,298	2,455,474	－	2,455,474
Inter-segment Sales or Transfers	－	－	－	－	－	－
Total	1,493,211	713,964	248,298	2,455,474	－	2,455,474
Segment Profit or Segment Loss	218,639	411,876	67,511	698,028	(936,344)	(238,315)
Segment Assets	1,288,056	288,907	95,747	1,672,711	4,840,278	6,512,990
Other Items						
Depreciation Expense	66,307	10,384	5,022	81,714	76,760	158,474
Increase in Tangible and Intangible Fixed Assets	23,516	3,430	1,687	28,634	33,437	62,072

(Notes)

1.The adjustment amounts are as follows: The adjustments to segment profit or loss (△ indicates a loss) include company-wide expenses not allocated to each reportable segment. Company-wide expenses primarily consist of new business development and general administrative expenses that are not attributable to specific reportable segments. Adjustments to segment assets include company-wide assets such as new development-related assets and corporate assets not allocated to any specific reportable segment. Company-wide assets primarily consist of cash and deposits, and company buildings, among others. 2. Segment profit or Segment Loss(△) is consistent with operating profit stated in the statement of income.

【Related Information】

Previous Fiscal Year (From April 1, 2023 to March 31, 2024)

1. Information by Product and Service

(Unit: Thousands of Yen)

	Regenerative Medical Products Business	Regenerative Medicine Contract Services Business	Research and Development Support Business	Total
Net Sales to External Customers	1,406,614	865,533	242,042	2,514,190

2. Information by Region

(1) Net Sales

As sales to external customer in Japan account for more than 90% of total net sales on the statement of income, the details are omitted.

(2) Tangible Fixed Assets

As 100% of the amount of tangible fixed assets recorded on the balance sheet is located in Japan, the details are omitted.

3. Information on Major Customers

(Unit: Thousands of Yen)

Customer Name or Surname	Sales Amount	Related Segment Name
Teijin Limited	325,763	Regenerative Medicine Contract Services Business

Current Fiscal Year (From April 1, 2024 to March 31, 2025)

1. Information by Products and Services

(Unit: Thousands of Yen)

	Regenerative Medical Products Business	Regenerative Medicine Contract Services Business	Research and Development Support Business	Total
Net Sales to External Customers	1,493,211	713,964	248,298	2,455,474

2．Information by Region

(1) Net Sales

As sales to external customer in Japan account for more than 90% of total net sales on the statement of income, the details are omitted.

(2) Tangible Fixed Assets

As 100% of the amount of tangible fixed assets recorded on the balance sheet is located in Japan, the details are omitted.

3．Information on Major Customers

(Unit: Thousands of Yen)

Customer Name or Surname	Sales Amount	Related Segment Name
Teijin Regenet CO., LTD.	307,083	Regenerative Medicine Contract Services Business

[Information on Impairment Loss of Fixed Assets by Reportable Segment]

There are no applicable items.

[Information on the Amount of Goodwill and the Remaining Balance of Unamortized Goodwill by Reportable Segment]

There are no applicable items.

[Information on Gains Arising from Negative Goodwill by Reportable Segment]

There are no applicable items.

(Per Share Information)

Item	Previous Fiscal Year (From April 1, 2023 To March 31, 2024)	Current Fiscal Year (From April 1, 2024 To March 31, 2025)
Net Assets per Share	149.73 Yen	143.44 Yen
Net income per Share or Net Loss per Share	3.53 Yen	(6.29 Yen)

(Notes) 1 With regard to diluted net income per share for the current fiscal year, it has not been disclosed as there are no dilutive shares. Additionally, with regard to diluted net income per share for the previous fiscal year, it has also no been disclosed since there was a net loss per share and no dilutive shares existed.

2 The basis for the calculation of net income per share or net loss per share is as follows:

Item	Previous Fiscal Year (From April 1, 2023 To March 31, 2024)	Current Fiscal Year (From April 1, 2024 To March 31, 2025)
Net income or net loss for the current period (thousands of yen)	143,169	(255,304)
Amount not attributable to common shareholders (thousands of yen)	–	–
Net income or net loss fr the current period attributable to common share (thousands of yen)	143,169	(255,304)
Average number of common shares during the period (shares)	40,609,955	40,609,951

(Significant Subsequent Events)

There are no applicable items.