English Translation:
This is a translation of the original release in Japanese. In the event of any discrepancy, the original release in Japanese shall prevail.

Non-consolidated Financial Results for the Three Months Ended October 31, 2025 [Japanese GAAP]

December 10, 2025

Company name: StemRIM Inc.
Stock exchange listing: Tokyo Stock Exchange
Stock code: 4599
URL: https://stemrim.com
Representative: Masatsune Okajima, President & Chief Executive Officer
Contact: Shuhei Uematsu, Management & Administration Dept.
Phone: +81-72-648-7152

Scheduled date of commencing dividend payments: —
Supplementary briefing materials on financial results: None
Explanatory meeting on financial results: None

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

1. Financial Results for the Three Months Ended October 31, 2025 (August 1,2025 to October 31, 2025)

(1) Operating results

	Operating revenue		Operating income		Ordinary income		Net income	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
October 31, 2025	—	—	(541)	—	(530)	—	(527)	—
October 31, 2024	—	—	(573)	—	(573)	—	(560)	—

	Earnings per share Basic	Earnings per share diluted
Three months ended	Yen	Yen
October 31, 2025	(8.49)	—
October 31, 2024	(9.11)	—

Note: Earnings per share diluted is not stated because of a net loss per share.

(2) Financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of October 31, 2025	7,081	6,817	75.3
As of July 31, 2025	7,518	7,314	78.0

(Reference) Equity capital: As of October 31, 2025 5,333 Million yen
As of July 31, 2025 5,861 Million yen

2. Payment of Dividends

	Annual dividends				
	End Q1	End Q2	End Q3	Year-end	Total
Fiscal year ended	Yen	Yen	Yen	Yen	Yen
July 31, 2025	—	0.00	—	0.00	0.00
July 31, 2026	—				
July 31, 2026(forecast)		0.00	—	0.00	0.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Financial Forecasts for the Fiscal Year Ending July 31, 2026 (August 1, 2025 to July 31, 2026)

Most of the Company's current operating revenue comes from milestone revenues associated with the progress of development, and these revenues are highly dependent on the development strategies and schedules of our business partners. Therefore, it is difficult to predict when the Company will receive milestone revenues, and the amount of business revenue for each fiscal year may fluctuate significantly. Hence, the Company has not provided a forecast for the fiscal year ending July 31, 2026.

The Company will continue to research and develop the " Regeneration-Inducing Medicine™ " Redasemtide (a peptide medicine created from HMGB1) in the fiscal year ending July 31, 2026. In addition, the Company expects to continue to progress the development of Regeneration-Inducing Medicine™ candidate that follows Redasemtide for the clinical trials and negotiations for licensing out.

The cash outflow for the fiscal year ending July 31, 2026, is expected to be as follows.

・Forecast cash R&D expenses in the range of 1,300 million yen to 1,700 million yen.

・Forecast cash other selling, general and administrative expenses in the range of 230 million yen to 310 million yen.

・There is a possibility that upfront payments related to new partnerships.

・There is a possibility that milestone payments from existing partners for out-licensed pipelines.

The Company has secured sufficient funds for research and development activities through 2028.

*Notes

(1) Application of specific accounting for preparing the quarterly non-consolidated financial statements: None

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatements

(a)	Changes in accounting policies due to amendment to the accounting standards, etc.	: None
(b)	Changes in accounting policies other than (a) above	: None
(c)	Changes in accounting estimates	: None
(d)	Retrospective restatements	: None

(3) Number of shares issued (common stock)

(a) Number of shares issued at the end of the period (including treasury stock)

As of October 31, 2025	62,136,200 shares
As of July 31, 2025	62,136,200 shares

(b) Number of treasury stock at the end of the period

As of October 31, 2025	121 shares
As of July 31, 2025	121 shares

(c) Average number of shares during the period

Three months ended October 31, 2025	62,136,079 shares
Three months ended October 31, 2024	61,525,525 shares

* Review of the accompanying quarterly financial statements by a certified public accountant or auditing firm: None

* Explanation of the appropriate use of business forecasts and other special instructions

The forward-looking statements in this document are based on information currently available to the Company and certain assumptions deemed to be reasonable, and the Company does not assure the achievement of any of these. Furthermore, actual results may differ significantly due to various factors.

Attached Documents

Index of Appendix

1. Qualitative Information on Quarterly Financial Results for the Period under Review

(1) Explanation of operating results

The forward-looking statements in the text are based on the Company's judgment as of the date of submission.

During the three months ended October 31, 2025 (August 1, 2025, to October 31, 2025), in Japan's regenerative medicine and pharmaceutical industry, the government has implemented various initiatives to promote the creation of innovative new drugs and novel modalities. The U.S. Food and Drug Administration (FDA) has been advancing initiatives to make its drug review processes faster and more flexible, with the aim of accelerating approvals in strategically important therapeutic areas. In September 2025, the FDA released a draft guidance titled “Expedited Programs for Regenerative Medicine Therapies for Serious Conditions.” The draft outlines clearer pathways for using expedited review options, greater flexibility in clinical trial design, clarified CMC (Chemistry, Manufacturing, and Controls) requirements, and reinforced post-approval follow-up standards.

The United States has also seen a steady increase in approvals for regenerative medicine products, demonstrating real progress toward the practical adoption of innovative therapies. While these U.S. regulatory developments do not directly determine approval processes in Japan, they contribute to global validation of safety, efficacy, and social acceptability—ultimately offering indirect support for the commercialization of Japan-origin regenerative medicine products. Our company views these changes as favorable tailwinds and remains committed to advancing our development programs.

Meanwhile, the Japanese government is also implementing policy measures to strengthen the country’s drug discovery infrastructure. The Ministry of Education, Culture, Sports, Science and Technology (MEXT) is promoting enhanced research and development support in the medical and life sciences, cross-disciplinary basic research to foster innovative seeds, and system development in anticipation of future infectious disease emergencies. The Ministry of Health, Labour and Welfare (MHLW) is prioritizing the reinforcement of the drug discovery ecosystem, support for emerging modalities, and the practical implementation of promising pharmaceutical and medical device candidates. The Ministry of Economy, Trade and Industry (METI) is advancing the domestic production of pharmaceuticals and regenerative medicine products, the establishment of biotechnology hubs and technical support systems, and the commercialization of biotech venture innovations.

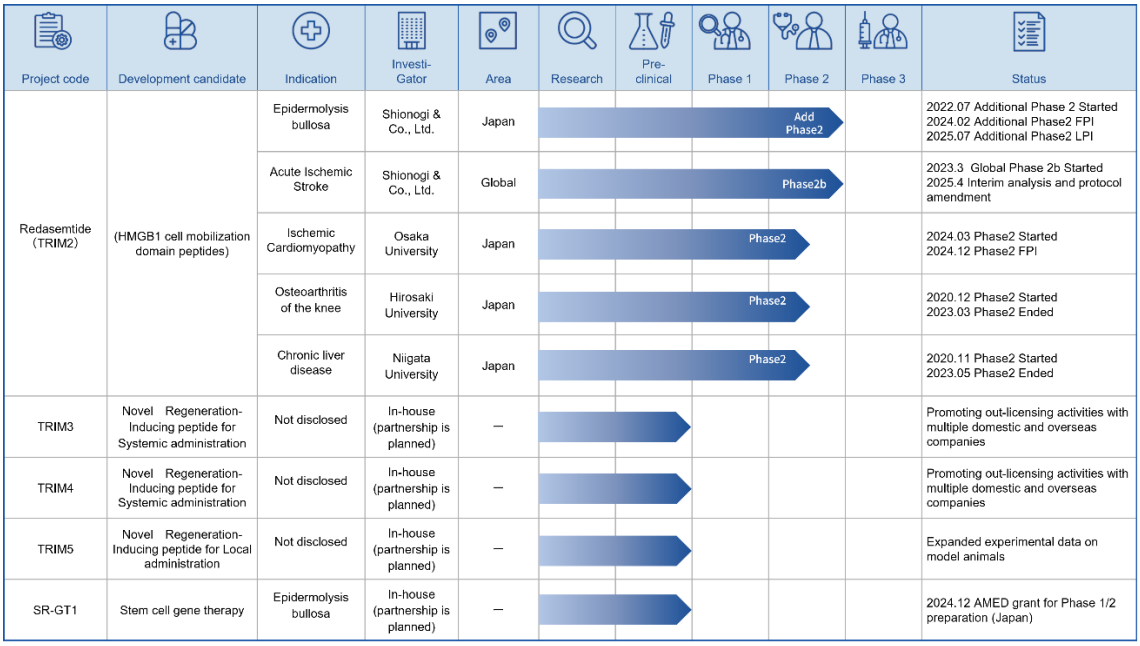
At the same time, despite the global acceleration in efforts to strengthen drug discovery capabilities, the regenerative medicine and pharmaceutical industries continue to face numerous challenges—including safety and efficacy concerns, increasing complexity in quality control and manufacturing processes, securing specialized talent, establishing stable supply systems, and aligning pricing and reimbursement frameworks with sustainable healthcare financing.

Under these circumstances, our company has continued to make progress in the research and development of "Regeneration-Inducing Medicine™" called Redasemtide—a peptide medicine created from High-mobility group protein B1 (HMGB1), toward the initiation of new clinical trials. Additionally, for next-generation "Regeneration-Inducing Medicine™"—TRIM3 and TRIM4, non-clinical development and business development activities aimed at licensing out have also shown continued progress.

"Regeneration-Inducing Medicine™" is a next-generation drug with a completely new mechanism of action, unlike conventional regenerative medicine. It does not require the transplantation of artificially cultured cells but induces mesenchymal stem cell accumulation within the patient's body through drug administration. This allows for easier and more cost-effective tissue regeneration, with effects comparable to or greater than those of traditional regenerative medicine and cell therapy. The administered substances include peptides and proteins, which can be manufactured, transported, stored, and administered using the same methods as traditional pharmaceuticals. As a result, compared to conventional regenerative medicine or cell therapy, it offers a more convenient and cost-effective means of promoting tissue regeneration, while delivering effects that are equal to or potentially greater than those of traditional methods.

Based on the concept of "realizing Regeneration-Inducing Medicine™ and cell therapy without the use of living cells, but through the administration of substances—compounds," "Regeneration-Inducing Medicine™" is expected to overcome numerous challenges associated with transplantation therapies and conventional regenerative medicine. As an innovative regenerative medical technology, it is anticipated to become a game changer not only in Japan but also globally within the regenerative medicine industry.

The progress of R&D in each pipeline is shown in the figure below.



Currently, clinical development is progressing for Redasemtide, candidate licensed out to Shionogi & Co., Ltd. The development targets include dystrophic epidermolysis bullosa, acute ischemic stroke, ischemic cardiomyopathy, osteoarthritis of the knee, and chronic liver disease.

In addition, for the next-generation "Regeneration-Inducing Medicine™" candidates TRIM3 and TRIM4, experimental data have been steadily accumulated using various disease model animals, and business development activities aimed at licensing out have continued to progress.

Furthermore, regarding SR-GT1, a stem cell gene therapy aimed at a curative treatment for epidermolysis bullosa, as disclosed on December 6, 2024, the project has been selected for the fiscal year 2024 "Project for Fundamental Technology Development toward Industrialization of Regenerative Medicine and Gene Therapy" conducted by the Japan Agency for Medical Research and Development (AMED).

This research builds upon the manufacturing framework for genetically modified cell products established in the fiscal year 2022 "Practical Research Project for Rare and Intractable Diseases" and incorporates advice received through the Risk-Based Approach (RS) consultation with the Pharmaceuticals and Medical Devices Agency (PMDA). The objective is to swiftly transition to physician-initiated clinical trials by producing investigational drugs with a focus on clinical application. For this research, two-thirds of the expenses incurred can be covered by subsidies from AMED, with a maximum total grant of 179 million yen over three years.

Under these circumstances, for the three months ended October 31, 2025, operating revenue was nothing (operating revenue was nothing in the same period of the previous year), operating loss was 541,963 thousand yen (operating loss of 573,218 thousand yen in the same period of the previous year), ordinary loss was 530,523 thousand yen (ordinary loss of 573,160 thousand yen in the same period of the previous year), and net loss was 527,718 thousand yen (net loss of 560,405 thousand yen in the same period of the previous year).

Since the Company operates solely in the field of "Regeneration-Inducing Medicine™", segment information is omitted.

(2) Explanation of financial position

Assets

Total current assets at the end of the first quarter of the fiscal year under review were 6,899,274 thousand yen, a decrease of 425,775 thousand yen from the end of the previous fiscal year. This was mainly due to a decrease of 605,827 thousand yen in cash and cash deposits. In addition, total fixed assets amounted to 181,816 thousand yen, a decrease of 11,793 thousand yen from the end of the previous fiscal year. This was due to a decrease of 11,215 thousand yen in property, plant and equipment resulting from asset acquisitions and depreciation, a decrease of 168 thousand yen in intangible assets due to depreciation of software, and a decrease of 409 thousand yen in investments and other assets. As a result, total assets were 7,081,091 thousand yen, a decrease of 437,568 thousand thousand yen from the previous fiscal year.

Liabilities

Total current liabilities at the end of the first quarter of the fiscal year under review were 146,596 thousand yen, an increase of 58,712 thousand yen from the end of the previous fiscal year. This was mainly due to an increase of 30,080 thousand yen in accounts payable and an increase of 29,986 thousand yen in advances received. Total non-current liabilities were 116,589 thousand yen, an increase of 43 thousand yen from the end of the previous fiscal year. This is

due to an increase of 43 thousand yen in asset retirement obligations. As a result, total liabilities were 263,186 thousand yen, an increase of 58,755 thousand yen from the previous fiscal year.

Net assets

Total net assets at the end of the first quarter of the fiscal year under review were 6,817,904 thousand yen, a decrease of 496,324 thousand yen from the end of the previous fiscal year. This was mainly due to the recording of 527,718 thousand yen in net loss.

(3) Financial forecasts for the fiscal year ending July 31, 2026

Most of the Company's current operating revenue comes from milestone revenues associated with the progress of development, and these revenues are highly dependent on the development strategies and schedules of our business partners. Therefore, it is difficult to predict when the Company will receive milestone revenues, and the amount of business revenue for each fiscal year may fluctuate significantly. Hence, the Company has not provided a forecast for the fiscal year ending July 31, 2026.

The Company will continue to research and develop the "Regeneration-Inducing Medicine™" Redasemtide (a peptide medicine created from HMGB1) in the fiscal year ending July 31, 2026. In addition, the Company expects to continue to progress the development of "Regeneration-Inducing Medicine™" candidate that follows Redasemtide for the clinical trials and negotiations for licensing out.

The cash outflow for the fiscal year ending July 31, 2026, is expected to be as follows.

・Forecast cash R&D expenses in the range of 1,300 million yen to 1,700 million yen.
・Forecast cash other selling, general and administrative expenses in the range of 230 million yen to 310 million yen.
・There is a possibility that upfront payments related to new partnerships.
・There is a possibility that milestone payments from existing partners for out-licensed pipelines.

The Company has secured sufficient funds for research and development activities through 2028.

2. Quarterly Financial Statements and Primary Notes

(1) Quarterly Balance Sheets

(Thousands of yen)

	As of July 31, 2025	As of October 31, 2025
Assets		
Current assets		
Cash and deposits	6,994,592	6,388,765
Supplies	16,721	8,801
Prepaid expenses	199,827	346,104
Other	113,907	155,603
Total current assets	7,325,049	6,899,274
Non-current assets		
Property, plant, and equipment	180,229	169,013
Intangible assets	2,300	2,131
Investments and other assets	11,080	10,671
Total non-current assets	193,610	181,816
Total assets	7,518,659	7,081,091
Liabilities		
Current liabilities		
Accounts payable-other	28,211	58,292
Accrued expenses	24,614	26,169
Income taxes payable	3,630	907
Advances received	27,126	57,112
Deposits received	4,301	4,114
Total current liabilities	87,884	146,596
Non-current liabilities		
Asset retirement obligations	108,553	108,597
Deferred tax liabilities	7,992	7,992
Total non-current liabilities	116,545	116,589
Total liabilities	204,430	263,186
Net assets		
Shareholders' equity		
Capital stock	10,000	10,000
Capital surplus	9,634,875	9,634,875
Retained earning	(3,783,253)	(4,310,971)
Treasury shares	(118)	(118)
Total shareholders' equity	5,861,503	5,333,785
Stock acquisition rights	1,452,725	1,484,119
Total net assets	7,314,229	6,817,904
Total liabilities and net assets	7,518,659	7,081,091

(2) Quarterly Statements of Income

For the Three Months Ended October 31, 2025

(Thousands of yen)

	For the three months ended October 31, 2024	For the three months ended October 31, 2025
Operating revenue	—	—
Operating expenses		
Research and development expenses	379,111	407,933
Other selling, general and administrative expenses	194,107	134,029
Total operating expenses	573,218	541,963
Operating income or loss	(573,218)	(541,963)
Non-operating income		
Interest income	4	9,715
Dividend income	—	1,729
Subsidy income	53	—
Total non-operating income	58	11,444
Non-operating expenses		
Foreign exchange loss	—	4
Total non-operating expenses	—	4
Ordinary income or loss	(573,160)	(530,523)
Extraordinary income		
Gain on reversal of stock acquisition rights	13,663	3,712
Total extraordinary income	13,663	3,712
Extraordinary loss		
Loss on disposal of fixed assets	—	0
Total extraordinary loss	—	0
Income or Loss before income taxes	(559,496)	(526,810)
Income taxes - current	908	907
Total income taxes	908	907
Net income or loss	(560,405)	(527,718)

(3) Notes to the Quarterly Financial Statements

(Notes regarding going concern assumption)
None

(Notes on significant changes in the amount of shareholders' equity)
None

(Notes on the quarterly cash flow statement)
The quarterly cash flow statement for the first quarter cumulative period has not been prepared.
However, the depreciation expenses for the first quarter cumulative period (including amortization of intangible fixed assets) are as follows:

	For the three months ended October 31, 2024	For the three months ended October 31, 2025
Depreciation Expenses	11,299 thousand yen	13,233 thousand yen

(Segment information, etc.)
[Segment information]
Since the Company is a single segment of the "Regeneration-Inducing Medicine™" business, the business results by segment are omitted.

(Significant Subsequent Events)
(Issuance of new shares as restricted stock compensation)
At the Board of Directors meeting held on November 12, 2025, our company resolved to issue new shares under the Restricted Stock Compensation Plan as outlined below. The payment procedures were completed on December 10, 2025.

1) Outline of the issuance

Payment date	December 10, 2025
Type and number of shares	545,000 shares of common stock
Issue Price	278 yen per share
Total amount of issued stocks	151,510,000 yen
Capitalized amount	139 yen per share
Allottees	Directors of the Company: 2 peoples 495,000 shares Auditors of the Company: 3 peoples 50,000 shares

2) Purpose of issuance of new shares as restricted stock compensation
The Company resolved at a meeting of the Board of Directors held on September 22, 2021, to introduce a stock-based compensation plan with restrictions on transfer that allocates shares with restrictions on transfer to the Company's directors (including outside directors) and corporate auditors. The purpose of issuance of new shares as restricted stock compensation is to promote the sustainable enhancement of the Company's corporate value over the medium to long term, to increase incentives for future increases in market capitalization, and to promote further value sharing with shareholders, including not only the benefits of rising stock prices but also the risks associated with falling stock prices. At the 16th Ordinary General Meeting of Shareholders of the Company held on October 27, 2021, a resolution was passed on the total amount of monetary remuneration claims to be paid as remuneration for the allotment of shares with transfer restrictions to the subject officers under this plan. It was decided at the meeting that the issue price of the restricted stock shall be up to 300 million yen per year for directors (including up to 60 million yen for outside directors) and up to 30 million yen per year for corporate auditors, the total number of shares of common stock to be issued up to 500 thousand shares per year for directors (including up to 100 thousand shares for outside directors) and up to 50 thousand shares per year for corporate auditors, the Company's board of directors shall determine the specific timing and distribution of the payment to each subject officer.