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 Six Months Ended September 30, 2026 (Under Japanese GAAP)

October 30, 2026

Stock exchange listings: Tokyo Growth

Company name: Japan Tissue Engineering Co., Ltd.

Securities code: 7774 URL https://www.jpte.co.jp

Representative: (Title) Representative Director, President & CEO (Name) Kazuto Yamada

Inquiries: (Title) Director, Corporate Officer, Head of Strategic Planning Office (Name) Akinobu Wakabayashi Tel 0533-66-2020

Semi-annual statement filing date (as planned): November 12, 2026

Dividend payable date (as planned): —

Supplementary materials for financial results : Yes

Convening briefing of results : Yes (For institutional investors and equity analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Non-consolidated financial results for the six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)

(1) Non-consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	1,499	50.1	0	—	7	—	4	—
September 30, 2025	998	(14.0)	(376)	—	(369)	—	(371)	—

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	0.10	—
September 30, 2025	(9.14)	—

(2) Non-consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	5,770	5,094	88.3
March 31, 2026	5,682	5,090	89.6

Reference:Owner's equity As of September 30, 2026 5,094 Millions of yen As of March 31, 2026 5,090 Millions of yen

2. Cash dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	—	0.00	—	0.00	0.00
Fiscal year ending March 31, 2027	—	0.00			
Fiscal year ending March 31, 2027 (Forecast)			—	0.00	0.00

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

3. Non-consolidated financial forecast for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
Fiscal year ending	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
March 31, 2027	3,070	40.6	100	—	110	—	100	—	2.46

Note:Revisions to the earnings forecasts most recently announced： None

* Notes

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

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations ： None

(ii) Changes in accounting policies due to other reasons ： None

(iii) Changes in accounting estimates ： None

(iv) Restatement ： None

(3) Number of issued shares (common shares)

① Number of issued and outstanding shares at the period end (including treasury stock)	As of September 30, 2026	40,610,200shares	As of March 31, 2026	40,610,200shares
② Number of treasury stock at the period end	As of September 30, 2026	250shares	As of March 31, 2026	250shares
③ Average number of shares	Six months ended September 30, 2026	40,609,950shares	Six months ended September 30, 2025	40,609,950shares

* Financial results reports are not subject to semi-annual review by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

（Caution Regarding Forward-Looking Statements）

The forward-looking statements, including business forecasts, contained in this document are based on information currently available to the Company and on certain assumptions deemed reasonable. They are not intended as a guarantee that such results will be achieved. Actual results may differ significantly due to various factors.

For the assumptions underlying the earnings forecasts and notes on their use, please refer to page 5 of the attached materials, "1. Overview of Business Results, (3) Explanation of Forward-Looking Information, Including Earnings Forecasts."

Supplementary information on financial results is available on the Company's website.

(https://www.jpte.co.jp/en/investors/library/financial/index.html)

Japan Tissue Engineering Co., Ltd.
Non-consolidated Financial Results for the Six Months Ended September 30, 2026
(April 1, 2026 - September 30, 2026)

2. Interim Financial Statements and Key Notes

(1) Non-consolidated Interim Balance Sheet

(Thousands of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	3,250,465	3,329,561
Accounts receivable - trade	512,669	530,002
Electronically recorded monetary claims - operating	33,918	36,713
Merchandise and finished goods	208	1,033
Work in process	20,284	21,557
Raw materials and supplies	214,705	235,387
Other	149,824	151,173
Total current assets	4,182,077	4,305,429
Non-current assets		
Property, plant and equipment		
Buildings, net	540,344	505,706
Land	582,770	582,770
Other, net	213,725	222,758
Total property, plant and equipment	1,336,840	1,311,235
Intangible assets	50,045	41,843
Investments and other assets	114,030	112,407
Total non-current assets	1,500,916	1,465,486
Total assets	5,682,993	5,770,916
Liabilities		
Current liabilities		
Accounts payable - trade	27,563	47,385
Electronically recorded obligations - operating	79,332	84,638
Income taxes payable	12,841	23,601
Provision for bonuses	124,236	120,708
Provision for bonuses for directors (and other officers)	449	-
Other	316,084	368,000
Total current liabilities	560,509	644,334
Non-current liabilities		
Provision for retirement benefits	2,200	2,200
Provision for retirement benefits for directors (and other officers)	30,000	30,000
Total non-current liabilities	32,200	32,200
Total liabilities	592,709	676,534
Net assets		
Shareholders' equity		
Share capital	3,997,673	3,997,673
Capital surplus	1,827,673	1,827,673
Retained earnings	(734,751)	(730,653)
Treasury shares	(311)	(311)
Total shareholders' equity	5,090,284	5,094,381
Total net assets	5,090,284	5,094,381
Total liabilities and net assets	5,682,993	5,770,916

(2) Non-consolidated Interim Statement of Income

(Thousands of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Net sales	998,679	1,499,024
Cost of sales	456,028	531,713
Gross profit	542,650	967,310
Selling, general and administrative expenses	918,743	967,258
Operating profit (loss)	(376,092)	51
Non-operating income		
Interest and dividend income	5,130	6,545
Other	2,205	1,555
Total non-operating income	7,336	8,101
Non-operating expenses		
Foreign exchange losses	128	694
Other	236	101
Total non-operating expenses	365	795
Ordinary profit (loss)	(369,121)	7,357
Extraordinary income		
Subsidy income	-	2,725
Total extraordinary income	-	2,725
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	-	2,725
Total extraordinary losses	-	2,725
Profit (loss) before income taxes	(369,121)	7,357
Income taxes - current	2,229	3,260
Total income taxes	2,229	3,260
Profit (loss)	(371,350)	4,097

(3) Non-consolidated Interim Statement of Cash Flows

(Thousands of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Cash flows from operating activities		
Profit (loss) before income taxes	(369,121)	7,357
Depreciation	79,009	68,610
Increase (decrease) in provision for bonuses	370	(3,528)
Increase (decrease) in provision for bonuses for directors (and other officers)	(3,247)	(449)
Increase (decrease) in provision for retirement benefits	(2,525)	—
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(16,000)	—
Loss on tax purpose reduction entry of non-current assets	—	2,725
Subsidy income	—	(2,725)
Interest and dividend income	(5,130)	(6,545)
Decrease (increase) in trade receivables	197,490	(20,128)
Decrease (increase) in inventories	(26,535)	(22,779)
Increase (decrease) in trade payables	(17,242)	25,128
Increase (decrease) in accounts payable - other	(27,591)	(10,390)
Increase (decrease) in accrued consumption taxes	(52,876)	62,365
Other, net	89,054	53,516
Subtotal	(154,344)	153,156
Interest and dividends received	1,260	1,450
Income taxes refund (paid)	2,370	(2,552)
Net cash provided by (used in) operating activities	(150,713)	152,053
Cash flows from investing activities		
Payments into time deposits	(100,000)	(100,000)
Proceeds from withdrawal of time deposits	100,000	—
Purchase of property, plant and equipment	(1,441)	(56,922)
Subsidies received	—	2,725
Purchase of intangible assets	(4,700)	(18,698)
Other, net	100	(60)
Net cash provided by (used in) investing activities	(6,041)	(172,956)
Cash flows from financing activities		
Net cash provided by (used in) financing activities	—	—
Effect of exchange rate change on cash and cash equivalents	—	(0)
Net increase (decrease) in cash and cash equivalents	(156,754)	(20,903)
Cash and cash equivalents at beginning of period	1,685,449	1,450,465
Cash and cash equivalents at end of period	1,528,694	1,429,561

(4) Notes to Interim Financial Statements

(Notes on Segment Information, etc.)

[Segment Information]

I. Previous Interim Period (From April 1, 2025 to September 30, 2025)

1. Information on Net Sales and Profit (Loss) for Each Reportable Segment

(Thousands of yen)

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

(Notes)

1. Adjustments are as follows:
   Adjustments to segment profit (loss) include corporate expenses that are not allocated to each reportable segment. Such corporate expenses mainly consist of new development expenses and general and administrative expenses that are not attributable to any reportable segment.
2. Segment profit (loss) has been reconciled to operating profit (loss) reported in the Interim Statement of Income.

2. Information on Impairment Losses on Non-current Assets and Goodwill by Reportable Segment
   Not applicable.

II. Current Interim Period（From April 1, 2026 to September 30, 2026）

1. Information on Net Sales and Profit (Loss) for Each Reportable Segment

(Thousands of yen)

	Reportable segments				Reconciling items	Per semi-annual financial statements
	Regenerative Medicine Business	Regenerative Medicine Contract Business	LabCyte Business	Reportable segments		
Sales						
Revenues from external customers	1,144,118	215,721	139,184	1,499,024	—	1,499,024
Transactions with other segments	—	—	—	—	—	—
Net sales	1,144,118	215,721	139,184	1,499,024	—	1,499,024
Operating profit	405,828	117,774	23,487	547,090	(547,038)	51

(Notes)

1. Adjustments are as follows:
   Adjustments to segment profit include corporate expenses that are not allocated to each reportable segment. Such corporate expenses mainly consist of new development expenses and general and administrative expenses that are not attributable to any reportable segment.
2. Segment profit is reconciled to operating profit reported in the Interim Statement of Income.

2. Information on Impairment Losses on Non-current Assets and Goodwill by Reportable Segment
   Not applicable.