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Consolidated Financial Results for the Six Months Ended September 30, 2026 (Under Japanese GAAP)

November 10, 2026

Company name SEIKAGAKU CORPORATION Stock exchange listings: Tokyo Prime

Securities code 4548 URL https://www.seikagaku.co.jp/en/

Dividend payable date (as planned) December 2, 2026

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

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

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	18,219	1.7	(1,415)	—	602	13.4	(1,221)	—
September 30, 2025	17,910	(11.4)	(557)	—	531	(77.4)	229	(88.1)

Note:Comprehensive income For the six months ended September 30, 2026 (1,991)Millions of yen (—%) For the six months ended September 30, 2025 (140)Millions of yen (—%)

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	(22.36)	—
September 30, 2025	4.21	—

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	84,503	72,504	85.8
March 31, 2026	86,344	75,299	87.2

Reference:Owner's equity As of September 30, 2026 72,504Millions of yen As of March 31, 2026 75,299Millions 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	—	15.00	—	15.00	30.00
Fiscal year ending March 31, 2027	—	10.00			
Fiscal year ending March 31, 2027 (Forecast)			—	10.00	20.00

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

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

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2027	37,100	1.2	(2,900)	—	(650)	—	(2,700)	—	(49.43)

Note:Revisions to the earnings forecasts most recently announced: Yes

* Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes

(3) 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

(4) 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	56,814,093shares	As of March 31, 2026	56,814,093shares
② Number of treasury stock at the period end	As of September 30, 2026	2,188,997shares	As of March 31, 2026	2,211,301shares
③Average number of shares issued during the period (six months)	Six months ended September 30, 2026	54,618,573shares	Six months ended September 30, 2025	54,588,222shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Disclaimer regarding forward-looking information including appropriate use of forecasted financial results

The forecast shown in these materials are based on information currently available and certain assumptions that the Company regards as reasonable. Actual performance and other results may differ materially from these forecasted figures due to various factors.

1. Results of Operations for the First Six Months of Fiscal 2026 (Six-Month Period Ended September 30, 2026)

(1) Qualitative explanation on quarterly financial results

In the first six months (April 1 to September 30, 2026) of the fiscal year ending March 31, 2027 (fiscal 2026), net sales were ¥18,219 million, up 1.7% from the first six months of fiscal 2025. The increase is partly attributable to higher sales from the LAL business, despite lower sales of overseas pharmaceuticals.

Increases in manufacturing costs and R&D expenses resulted in an operating loss of ¥1,415 million (compared with an operating loss of ¥557 million in the same period of the previous fiscal year). Sales of investment securities contributed to ordinary income, which increased 13.4% to ¥602 million. However, an increase in tax expenses due to the reversal of deferred tax assets resulted in a net loss attributable to owners of parent of ¥1,221 million (compared with net income attributable to owners of parent of ¥229 million in the same period of the previous fiscal year).

1) Net sales by segment

Pharmaceutical Business

Seikagaku has adopted a business model of focusing management resources on R&D and manufacturing by forming alliances with domestic and overseas companies that have expertise in the Company's product fields and entrusting sales to these business partners, rather than having an in-house pharmaceuticals sales division. Also, royalty income related to the pharmaceutical business is mainly milestone royalty income received in accordance with R&D or sales progress.

- Domestic Pharmaceuticals (¥6,248 million, up 7.1% year on year)

The market for joint function improvement agents is seeing a diversification of treatment options for osteoarthritis amid the aging of the population, and injectable products are flat on a volume basis. Meanwhile, the market for ophthalmic viscosurgical devices is showing a volume expansion trend driven by the growth in the elderly population. In this market environment, the joint function improvement agent ARTZ and the OPEGAN series of ophthalmic viscoelastic devices continue to hold the top share in their respective markets.

Revenue from domestic pharmaceuticals rose 7.1% year on year, mainly due to higher shipment volumes of ARTZ and the OPEGAN series of ophthalmic viscoelastic devices.

- Overseas Pharmaceuticals (¥2,834 million, down 35.8% year on year)

The U.S. market for joint function improvement agents, one of the key markets, is seeing an increase in patient numbers, but market expansion on a value basis is limited due to intensifying price competition. Meanwhile, the market for joint function improvement agents in China is showing a gradual growth trend against a backdrop of a growing elderly population. At the same time, uncertainty surrounding the impact of government policies on the pharmaceutical industry in the U.S. remains, and the expansion of centralized procurement systems by the government and provinces in China continues to make it difficult to forecast market trends.

Revenue from overseas pharmaceuticals fell 35.8% year on year, mainly due to lower sales of both Gel-One, an intra-articular single-injection viscosupplement for the treatment of knee osteoarthritis in the U.S. market, and ARTZ for China. The decline in sales of Gel-One is attributable to shipment timing. The decline in sales of ARTZ for China resulted from a pause in shipments because of procedures accompanying a changeover of materials, and shipments are scheduled to resume during the third quarter.

As a result of these developments, coupled with an increase in revenue from bulk products and contract development and manufacturing services (¥2,324 million, up 23.7% year on year) and an increase in royalty income (¥33 million, -), sales from the Pharmaceutical business segment fell 5.7% year on year to ¥11,441 million.

LAL Business

In the market for endotoxin-detecting reagents, used mainly in quality control of pharmaceutical manufacturing processes, the Company projects stable growth from conventional products produced using horseshoe crab blood as well as from recombinant products manufactured from non-animal-derived raw materials. The market for beta-glucan-detecting in vitro diagnostics is growing, mainly in the U.S., and the Company projects continued growth.

Revenue from the LAL business segment increased 17.3% year on year to ¥6,778 million, driven by strong overseas sales of endotoxin-detecting reagents and Fungitell (a beta-glucan-detecting in vitro diagnostic).

(2) Explanation of forward-looking information, including the forecast of consolidated financial results

In light of the recent business results trend, the Company has revised its forecast of consolidated financial results for the fiscal year ending March 31, 2027, announced on September 24, 2026. For details, please refer to the document "Seikagaku Announces Revision of Full-Year Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2027," disclosed on November 10, 2026.

The full-year consolidated earnings forecast has been prepared on the basis of economic circumstances, market trends, and other assumptions made at the time of disclosure of this document. Actual results may differ from the forecast due to a variety of factors.

(3) Research and Development Activities

To contribute to healthy and fulfilling lives for people around the world, the Seikagaku Group focuses its research and development on glycoscience as its area of specialization and aims to create original pharmaceuticals and medical devices.

To achieve early and continuous launching of new products, which hold the key to future business growth, the Group will engage in efficient R&D activities focused on target compounds and high-priority target diseases and make efforts to increase the number of projects through reinforcement of unique drug-discovery technologies and utilization of open innovation.

Total R&D expenses in the first six months of fiscal 2026 were ¥3,337 million, or 18.4% of net sales (excluding royalties). The status of progress of principal R&D activities is described below.

-SI-6603 (treatment for lumbar disc herniation: developed in the U.S.)

The Company resubmitted to the U.S. Food and Drug Administration (FDA) a biologics license application (BLA) for SI-6603 in March 2026. However, in September the Company received from the FDA a second Complete Response Letter (CRL) indicating that the application could not be approved in its present form.

The reason the FDA issued the CRL this time is that, in addition to the fact that the deficiencies identified during the inspection of the drug substance manufacturing facility have not yet been fully resolved, deficiencies were also identified during the newly conducted cGMP inspection of the contract manufacturing facility for the drug product, and it was determined that improvements are required. No concerns were expressed regarding the clinical study results, including the efficacy and safety of SI-6603, and no additional clinical studies were required.

The Company will consider the timing of resubmission of the BLA in partnership with Ferring Pharmaceuticals, with which the Company has concluded a license agreement for SI-6603.

Although at this time the Company expects that resubmission will take approximately 1 to 1.5 years from the receipt of the CRL, the projected timeline is subject to change since it is difficult for the Company alone to manage progress in areas such as the response to the observations made at the contract manufacturing facility for the drug product.

SI-6603, which contains condoliase as its active pharmaceutical ingredient, is a drug directly injected into the intervertebral disc. It was developed as a minimally invasive treatment method that does not require general anesthesia. Since it is expected to reduce the physical burden on patients, the Company aims to provide it as a new treatment option in the U.S.

-SI-449 (adhesion barrier: developed in Japan)

In April 2026, the Company obtained marketing approval for SI-449, a surgical adhesion barrier (product name: cs barrier), and decided on Covidien Japan Inc. ("Covidien Japan") as a sales partner in Japan. An insurance reimbursement price of ¥34,100 per gram was decided in September, and the Company plans for SI-449 to be included in insurance coverage beginning in December.

SI-449 is a powdered medical device whose main ingredient is cross-linked chondroitin sulfate developed using Seikagaku's own glycosaminoglycan cross-linking technology. It is designed to form a barrier between the surgical wound site and surrounding tissues after application by absorbing moisture and swelling, and has been confirmed in clinical experience to demonstrate efficacy in preventing postoperative adhesions.

Also, it has been confirmed in a pilot study in the field of gynecology conducted in Japan that SI-449, as a powdered formulation, adheres well to uneven tissue surfaces and offers excellent utility in laparoscopic surgery, a common surgical procedure.

Seikagaku will proceed with development of SI-449 with a view to introducing it globally, not only in Japan.

There is no substantial change on the other R&D activities.

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