

Summary of Consolidated Financial Results for the Three Months Ended March 2026

(Based on Japanese GAAP, QUICK TRANSLATION)

May 13, 2026

Company name: Innovacell Inc. Stock exchange listing: Tokyo
 Stock code: 504A URL <https://innovacell.com>
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 Representative (Title) Representative Director / Co-CEO (Name) Jason Sieger
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 Scheduled date of commencing dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding financial results briefing session: Yes

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

1. Results of Operations for the three months ended March 2026 (January 1, 2026 to March 31, 2026)

(1) Consolidated Results of Operations

(% indicates change from the previous corresponding period.)

	Operating revenue		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended March 2026	—	—	-723	—	-952	—	-953	—
March 2025	—	—	—	—	—	—	—	—

(Note) Comprehensive income Three months ended March 2026 -926million yen (—%) Three months ended March 2025 —million yen (—%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended March 2026	-25.26	—
March 2025	—	—

(Note) 1. As quarterly consolidated financial statements were not prepared for the first quarter of the fiscal year ended December 2025, figures for that period, the year-on-year change rates, and comparative data are not presented.
 2. Diluted net income per share is not shown because, although dilutive shares exist, the per-share figure represents a net loss for both periods. For the first quarter of the fiscal year ended December 2025, the average market price could not be determined as the Company's shares were unlisted.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2026	12,877	10,194	79.1	—
December 31, 2025	5,092	-630	-51.7	—

(Reference) Equity capital As of March 31, 2026 10,192million yen As of December 31, 2025 -2,631million yen

2. Cash dividends

	Annual dividends per share				
	1st quarter end	2nd quarter end	3rd quarter end	Fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 2025	—	0.00	—	0.00	0.00
Year ending December 2026	—				
Year ending December 2026 (forecast)		0.00	—	0.00	0.00

(Note) Revision to the forecast of cash dividends most recently announced: No

3. Forecast of consolidated financial results for the year ending December 2026 (January 1, 2026, to December 31, 2026)

(Percentages represent changes from the previous fiscal year for the full year.)

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	1,000	—	-3,337	—	-3,461	—	-3,463	—	-81.46

(Note) Revision to the forecast of consolidated financial results most recently announced: No

* Notes

- (1) Significant changes in the scope of consolidation during the period: No
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and retrospective restatement
 - 1) Changes in accounting policies due to revisions to accounting standards and other regulations: No
 - 2) Changes in accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: No
 - 4) Retrospective restatement: No

(4) Total number of shares issued (common stock)

1) Total number of issued shares at the end of the period (including treasury shares)	As of March 31, 2026	45,098,744 shares	As of December 31, 2025	33,335,702 shares
2) Number of treasury shares at the end of the period	As of March 31, 2026	— shares	As of December 31, 2025	— shares
3) Average number of shares during the period	Three months ended March 2026	37,726,866 shares	Three months ended March 2025	— shares

* Note: As quarterly consolidated financial statements were not prepared for the first quarter of the fiscal year ending December 31, 2025, the average number of shares outstanding for the first quarter of the fiscal year ending December 31, 2025 is not disclosed.

* Review of the accompanying quarterly consolidated financial statements by a certified public accountant or auditing firm: No

* Explanation on the appropriate use of financial results forecasts, and other notes

(Cautionary note on forward-looking statements)

Earnings forecasts and other forward-looking statements in this material are based on information currently available to the Company and certain assumptions judged to be reasonable, and are not intended as a promise by the Company that they will be achieved. In addition, actual results may differ significantly due to a variety of factors. For matters related to the above earnings forecasts, please refer to "1. Summary of Business Results, etc. (3) Explanation of Forecast of Consolidated Financial Results and Other Forward-looking Statements" on page 3 of the attached document.

(How to access the financial results supplementary explanation video)

The Company plans to post the financial results supplementary explanation video on its website promptly after the announcement of financial results.

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1. Summary of Business Results, etc.

(1) Explanation of Operating Results

During the first quarter under review, the global economy continued to face uncertainty due to several factors: developments in U.S. trade policy, destabilization of the international situation, and the prolonged geopolitical risks in the Middle East region.

In Japan, while the economy maintained a moderate recovery trend supported by improvements in employment and income conditions, price levels remained persistently high due to rising import prices driven by the depreciation of the yen. In particular, rising prices of daily necessities, centered on food and energy-related products, placed pressure on household finances, and improvement in consumer sentiment with respect to personal consumption remained gradual.

In the regenerative medicine sector, in Japan, following the establishment of the Act on the Safety of Regenerative Medicine and the revision of the Pharmaceuticals and Medical Devices Act in 2014, which created a regulatory environment conducive to the practical application of regenerative medicine products, research and development and commercialization efforts have continued to advance steadily. With regard to regenerative medicine products, the introduction of the conditional and time-limited approval system has enabled early practical application once a certain level of efficacy and safety has been confirmed, and the number of cases obtaining manufacturing and marketing authorization has continued to increase. In March 2026, a regenerative medicine product using iPS cells became the first of its kind in the world to receive approval, drawing significant attention.

In the United States as well, under the 21st Century Cures Act enacted in 2016, the RMAT (Regenerative Medicine Advanced Therapy) designation program was established to support the expedited development and approval of regenerative medicine products targeting serious diseases, and development and approval efforts utilizing this program have been progressing. In this way, institutional support in the regenerative medicine field continues to be strengthened, particularly in Japan and the United States.

On the technological front, in addition to advances in stem cell therapy and gene therapy, the application of innovative technologies such as cell processing technology and genome editing technology has progressed, and the range of target diseases has expanded, centering on rare and intractable diseases. Accompanying this, the number of regenerative medicine-related projects at universities, research institutions, and pharmaceutical companies continues to grow, and demand for related products and services spanning from research and development through to manufacturing and quality control is also expanding.

Against this backdrop, the regenerative medicine market is expected to achieve strong growth over the medium to long term, and further expansion of market scale is anticipated going forward, driven by increased research and development investment and continued progress in regulatory development.

Operating within this environment, we concentrated on advancing the ICEF15 Phase III global clinical trial (the "Trial"), initiated in 2022. We have therefore implemented various patient recruitment strategies in conjunction with our CRO (Contract Research Organization) partners, including the optimization of site participation across all active regions including Japan and the dissemination of recruitment advertisements. As of March 31, 2026, 222 patients worldwide had undergone muscle tissue biopsies and were randomized, with 191 patients having completed implantation.

On the corporate front, during the cumulative consolidated period of the first quarter, the Company completed its listing on the Growth Market of the Tokyo Stock Exchange. In connection with the listing, the Company raised 11,750,862 thousand yen through a public offering of new shares and a third-party allotment of shares related to the over-allotment option. Using the proceeds from the listing, the Company's consolidated subsidiary fully repaid, on March 31, 2026, a total of 3,212,009 thousand yen (17 million euros) comprising venture debt borrowed from the European Investment Bank (EIB) and accrued interest through the repayment date. Note that a royalty agreement is attached to the loan agreement, and as both agreements are considered to constitute substantially a single transaction, royalties are accounted for as part of the interest expense on the loan. Accordingly, the present value of estimated future royalty payments continues to be recognized as long-term loans payable. The estimated future royalty payments are based on projections such as future revenue plans, and should the assumptions or conditions underlying such estimates change, there is a possibility that the consolidated financial statements for the second quarter and beyond could be materially affected.

As a result of these business activities, the Company recorded consolidated financial results for the three months ended March 31, 2026 as follows: an operating loss of 723,849 thousand yen, primarily due to research and development expenses of 517,497 thousand yen; an ordinary loss of 952,727 thousand yen; and a net loss attributable to owners of the parent of 953,053 thousand yen.

As Innovacell has only a single segment of the cell therapy and regenerative medicine research and development business, we have omitted segment-specific performance disclosures.

(2) Explanation of Financial Position

(Assets)

Current assets as of March 31, 2026 under review amounted to 12,294,836 thousand yen, an increase of 7,798,538 thousand yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 7,544,640 thousand yen in cash

and deposits. Non-current assets amounted to 583,081 thousand yen, a decrease of 13,183 thousand yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 11,278 thousand yen in property, plant and equipment resulting from the recording of depreciation and other factors.

As a result, total assets amounted to 12,877,917 thousand yen, an increase of 7,785,355 thousand yen from the end of the previous consolidated fiscal year.

(Liabilities)

Current liabilities as of March 31, 2026 under review amounted to 431,522 thousand yen, a decrease of 624 thousand yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 30,824 thousand yen in the current portion of long-term loans payable, partially offset by an increase of 17,133 thousand yen in income taxes payable, an increase of 8,069 thousand yen in other payables, and an increase of 5,757 thousand yen in other current liabilities. Non-current liabilities amounted to 2,252,081 thousand yen, a decrease of 3,038,587 thousand yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 3,023,185 thousand yen in long-term loans payable.

As a result, total liabilities amounted to 2,683,603 thousand yen, a decrease of 3,039,212 thousand yen from the end of the previous consolidated fiscal year.

(Net assets)

Net assets as of March 31, 2026 under review amounted to 10,194,313 thousand yen, an increase of 10,824,567 thousand yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 5,875,431 thousand yen each in share capital and capital surplus through the issuance of new shares via public offering and a third-party allotment of shares related to the over-allotment option, partially offset by the recording of a net loss attributable to owners of the parent of 953,053 thousand yen for the period.

(3) Explanation of Forecast of Consolidated Financial Results and Other Forward-looking Statements

There have been no revisions to the forecast of consolidated financial results for the fiscal year ending December 2026, which was announced at the time of the Company's stock exchange listing on February 24, 2026.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(Unit: Thousand yen)

	As of December 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	4,101,476	11,646,116
Raw materials and supplies	38,939	28,674
Other receivables	260,157	332,562
Advance payments to suppliers	8,765	8,755
Others	86,959	278,726
Total current assets	4,496,297	12,294,836
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	17,834	22,396
Tools, furniture and fixtures (net)	15,005	14,040
Machinery, equipment and vehicles (net)	79,329	73,355
Right-of-use assets, net	431,297	421,811
Construction in progress	-	583
Total property, plant and equipment	543,465	532,187
Intangible assets		
Software	20,832	19,181
Total intangible assets	20,832	19,181
Investments and other assets		
Other	31,965	31,712
Total investments and other assets	31,965	31,712
Total non-current assets	596,264	583,081
Total assets	5,092,561	12,877,917
Liabilities		
Current liabilities		
Current portion of long-term loans payable	86,953	56,128
Lease liabilities	16,813	17,133
Other payables	217,321	225,391
Accrued expenses	10,072	10,388
Income taxes payable	8,360	25,494
Provision for bonuses	2,157	761
Others	90,466	96,224
Total current liabilities	432,146	431,522
Non-current liabilities		
Long-term loans payable	4,588,003	1,564,818
Lease liabilities	504,408	497,453
Long-term unearned revenue	198,256	189,809
Total non-current liabilities	5,290,669	2,252,081
Total liabilities	5,722,816	2,683,603
Net assets		
Shareholders' equity		
Share capital	4,131,360	11,006,792
Capital surplus	2,333,391	8,454,910
Retained earnings	-8,366,145	-8,565,286
Total shareholders' equity	-1,901,393	10,896,416
Accumulated other comprehensive income		
Foreign currency translation adjustment	-730,527	-703,768
Total accumulated other comprehensive income	-730,527	-703,768
Subscription rights to shares	2,001,666	1,666
Total net assets	-630,254	10,194,313
Total liabilities and net assets	5,092,561	12,877,917

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
(Quarterly Consolidated Statement of Income)

(Unit: Thousand yen)

	Three months ended March 31, 2026
Operating revenue	—
Operating expenses	
Research and development expenses	517,497
Other selling, general and administrative expenses	206,351
Total operating expenses	723,849
Operating loss (-)	-723,849
Non-operating income	
Interest income	3,633
Subsidy income	81,625
Total non-operating income	85,258
Non-operating expenses	
Interest expenses	194,370
Foreign exchange loss	18,618
Financing expenses	70,161
Others	30,987
Total non-operating expenses	314,137
Ordinary loss (-)	-952,727
Net loss before taxes (-)	-952,727
Income taxes - current	325
Total income taxes	325
Quarterly Net loss (-)	-953,053
Quarterly Net loss attributable to owners of the parent (-)	-953,053

(Quarterly Consolidated Statement of Comprehensive Income)

(Unit: Thousand yen)

	Three months ended March 31, 2026
Quarterly Net loss (-)	-953,053
Other comprehensive income	
Foreign currency translation adjustment	26,758
Total other comprehensive income	26,758
Quarterly Comprehensive income	-926,294
Attributable to	
Quarterly Comprehensive income attributable to owners of parent	-926,294
Quarterly Comprehensive income attributable to non-controlling interests	—

(3) Notes Regarding Quarterly Consolidated Financial Statements

(Segment Information)

Segment information

Three months ended March 31, 2026

As the Group operates as a single segment in the cell therapy and regenerative medicine research and development business, this disclosure has been omitted.

(Notes for Material Changes in Shareholders' Equity)

The Company was listed on the Growth Market of the Tokyo Stock Exchange on February 24, 2026. As a result of the listing, a public offering of new shares, a third-party allotment related to over-allotment, and the conversion of ratchet-type subscription rights to shares were completed during the first quarter, resulting in increases in share capital and capital surplus. The details are as follows.

1. Issuance of new shares via public offering (general offering)

(1) Type and number of shares issued	Common stock: 8,400,000 shares
(2) Issue price	1,350 yen per share
(3) Total issue price	11,340,000 thousand yen
(4) Underwriting price	1,248.75 yen per share
(5) Total underwriting price	10,489,500 thousand yen
(6) Increase in share capital and capital surplus	Capital: 5,244,750 thousand yen Capital surplus: 5,244,750 thousand yen
(7) Payment date	February 23, 2026

2. Issuance of new shares via third-party allotment (related to over-allotment)

(1) Type and number of shares issued	Common stock: 1,010,100 shares
(2) Allotment price	1,248.75 yen per share
(3) Total allotment price	1,261,362 thousand yen
(4) Increase in share capital and capital surplus	Capital: 630,681 thousand yen Capital surplus: 630,681 thousand yen
(5) Payment date	March 25, 2026
(6) Allottee	Nomura Securities Co., Ltd.

3. Conversion of ratchet-type subscription rights to shares

(1) Number of subscription rights converted	1
(2) Face value of converted subscription rights	2,000,000 thousand yen
(3) Type and number of shares issued	Common stock: 2,352,942 shares
(4) Conversion date	February 24, 2026
(5) Increase in share capital and capital surplus	Capital: 1,000,000 thousand yen Capital surplus: 1,000,000 thousand yen

As a result of the above, share capital and capital surplus each increased by 6,875,431 thousand yen.

(Notes Regarding Going-Concern Assumption)

Not applicable.

(Notes to Quarterly Consolidated Statements of Cash Flows)

Quarterly consolidated statements of cash flows have not been prepared for the three months ended March 31, 2026.

Depreciation (including amortization related to intangible assets excluding goodwill) for the period under review is as follows.

(Unit: Thousand yen)

	Three months ended March 31, 2026
Depreciation	17,213

(Significant Subsequent Events)

(Issuance of New Shares as Restricted Stock Compensation)

At the Board of Directors meeting held on April 23, 2026, the Company resolved to issue new shares as restricted stock compensation (the "New Share Issuance") as described below. Payment is scheduled to be completed on May 22, 2026.

1. Overview of the Issuance

(1) Payment date	May 22, 2026
(2) Type and number of shares to be issued	Common stock: 53,400 shares
(3) Issue price	685 yen per share
(4) Total issue price	36,579,000 yen
(5) Allottees and number of shares	3 Directors of the Company (excluding outside directors): 53,400 shares

2. Purpose and Rationale for the Issuance

At the Board of Directors meeting held on February 26, 2026, the Company resolved to introduce a new restricted stock compensation plan (the "Plan") as a compensation structure for the Company's directors (excluding outside directors; hereinafter, the "Eligible Directors"), with the aim of both providing incentives to sustainably enhance the Company's corporate value and further aligning interests with shareholders. At the 5th Annual General Meeting of Shareholders held on March 26, 2026, shareholders approved the grant to Eligible Directors of monetary claims, up to 100 million yen per year, to be used as consideration for the acquisition of restricted stock, and the issuance or disposal of up to 100,000 shares of common stock per year. The transfer restriction period shall extend from the date of allotment until immediately after the Eligible Director retires or resigns from all positions as a director, executive officer, corporate auditor, advisor, counselor, or employee of the Company or its subsidiaries, as determined in advance by the Board of Directors.

3. Overview of the Plan

Under the Plan, Eligible Directors shall contribute the entire amount of the monetary claims granted by the Company as in-kind contributions to receive issuance or disposal of common shares of the Company. The issue price per share shall be determined by the Board of Directors based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day preceding the date of the Board of Directors resolution, at a level that is not particularly favorable to the Eligible Directors.

In connection with the issuance or disposal of common shares under this Plan, the Company and each Eligible Director shall enter into a Restricted Stock Allocation Agreement, which shall include: (i) a prohibition on transfer, pledge, or any other disposal of the allotted shares during the transfer restriction period; and (ii) the Company's right to acquire the shares without compensation upon the occurrence of certain specified events.

For the current issuance, taking into consideration the objectives of the Plan, the Company's business conditions, and the scope of responsibilities of each Eligible Director, the Company has decided to grant monetary claims totaling 36,579,000 yen (the "Monetary Claims") and 53,400 shares of common stock to further enhance the motivation of each Eligible Director.

Under the New Share Issuance, Eligible Directors (3 persons) shall contribute the entire amount of the Monetary Claims as in-kind contributions to receive issuance of common shares of the Company (the "Allotted Shares").

4. Overview of the Restricted Stock Allocation Agreement

In connection with the New Share Issuance, the Company and each Eligible Director shall individually enter into a Restricted Stock Allocation Agreement. The key terms are as follows:

(1) Transfer restriction period	From May 22, 2026 until immediately after the Eligible Director retires or resigns from all positions as a director, executive officer (not concurrently serving as a director), corporate auditor, advisor, counselor, or employee of the Company or any of its subsidiaries.
(2) Lifting of transfer restrictions	Subject to the condition that the Eligible Director continuously holds any of the positions of director, executive officer, corporate auditor, advisor, counselor, or employee of the Company or its subsidiaries throughout the service period (from the date services begin through immediately before the conclusion of the first Annual General Meeting of Shareholders thereafter; the "Service Period"), transfer restrictions on all Allotted Shares shall be lifted at the end of the transfer restriction period. (i) Timing: If an Eligible Director retires or resigns due to the expiration of the term or other legitimate reasons (including death), transfer restrictions shall be lifted immediately after such retirement or resignation.
(3) Treatment upon legitimate retirement or resignation during the Service Period	(ii) Number of shares: The number of Allotted Shares for which transfer restrictions shall be lifted shall equal the number of Allotted Shares held at the time of such retirement or resignation, multiplied by the number of months from the month of the allotment resolution to the month of retirement or resignation, divided by the total months of the Service Period (12), capped at 1 (fractions of less than one unit share rounded down). If an Eligible Director engages in conduct in violation of laws or regulations, or if certain other specified events occur during the transfer restriction period, the Company shall automatically acquire without compensation all Allotted Shares held at that time.
(4) Acquisition without compensation by the Company	Furthermore, at the expiration of the transfer restriction period or immediately after the lifting of transfer restrictions as set forth in (3) above, the Company shall automatically acquire without compensation any Allotted Shares for which transfer restrictions have not been lifted.

(5) Treatment in the event of organizational restructuring	If, during the transfer restriction period, approval is obtained at a General Meeting of Shareholders (or, if shareholder approval is not required, at a Board of Directors meeting) for a merger in which the Company is the dissolving company, a share exchange or share transfer making the Company a wholly owned subsidiary, or other organizational restructuring, the Board of Directors may resolve to lift transfer restrictions proportionally (based on the number of months elapsed from the month of the allotment resolution to the month of such approval, divided by the total months of the Service Period (12), capped at 1, with fractions of less than one unit share rounded down), effective immediately before the business day preceding the effective date of such restructuring. Any Allotted Shares for which transfer restrictions have not been lifted shall then be acquired by the Company without compensation immediately thereafter. The Allotted Shares shall be managed in a dedicated account opened by each Eligible Director at Nomura Securities Co., Ltd. during the transfer restriction period to prevent any transfer, pledge, or other disposal. The Company has entered into an agreement with Nomura Securities Co., Ltd. in connection with the management of such accounts. Each Eligible Director shall consent to the terms of such account management.
(6) Share management	

5. Basis for Determining the Issue Price

The New Share Issuance is being conducted as restricted stock compensation for the 6th fiscal year of the Company under the Plan, with the Monetary Claims granted to Eligible Directors to be contributed as in-kind contributions. The issue price has been set at 685 yen, the closing price of the Company's common shares on the Growth Market of the Tokyo Stock Exchange on April 22, 2026 (the business day preceding the date of the Board of Directors resolution), in order to exclude any arbitrariness. This represents the market price immediately preceding the date of the Board of Directors resolution and is considered reasonable and not particularly favorable to the recipients.

(Reference)

For non-resident directors among the Eligible Directors, instead of the restricted stock allotment under this Plan, stock-price-linked cash compensation (phantom stock) based on terms equivalent to those of this Plan will be provided.