

Consolidated Financial Results for the Fiscal Year Ended January 31, 2026 [Japanese GAAP]



March 17, 2026

Company name: SanBio Company Limited
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 4592
 URL: <https://www.sanbio.com/>
 Representative: Keita Mori, Representative Director and President
 Contact: Yoshihiro Kakutani, Corporate Officer of Management Administration
 Phone: +81-3-6264-3481
 Scheduled date of the Annual General Meeting of Shareholders: April 22, 2026
 Scheduled date of commencing dividend payments: —
 Scheduled date of filing annual securities report: April 20, 2026
 Availability of supplementary briefing material on financial results: Yes
 Schedule of financial results briefing session: Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Fiscal Year Ended January 31, 2026 (February 1, 2025 to January 31, 2026)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Operating revenue		Operating income		Ordinary income		Net income attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
January 31, 2026	—	—	(3,794)	—	(4,291)	—	(3,842)	—
January 31, 2025	—	—	(3,516)	—	(3,022)	—	(2,882)	—

(Note) Comprehensive income: Fiscal year ended January 31, 2026: ¥(3,520) million [–%]
 Fiscal year ended January 31, 2025: ¥(3,524) million [–%]

	Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to operating revenue
Fiscal year ended	Yen	Yen	%	%	%
January 31, 2026	(52.55)	—	(51.6)	(45.0)	—
January 31, 2025	(41.86)	—	(139.2)	(71.2)	—

(Reference) Equity earnings (losses) of affiliates: Fiscal year ended January 31, 2026: ¥– million
 Fiscal year ended January 31, 2025: ¥– million

(Note) Diluted net income per share is not stated as net loss per share was recorded although there are potential shares with dilutive effect.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of January 31, 2026	15,621	13,604	85.4	170.93
As of January 31, 2025	3,447	1,762	45.1	21.93

(Reference) Equity: As of January 31, 2026: ¥13,338 million
 As of January 31, 2025: ¥1,555 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
January 31, 2026	(3,760)	(231)	15,962	14,815
January 31, 2025	(3,603)	(4)	2,091	2,853

2. Dividends

	Annual dividends					Total dividends (Total)	Payout ratio (Consolidated)	Dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
January 31, 2025	–	0.00	–	0.00	0.00	–	–	–
January 31, 2026	–	0.00	–	0.00	0.00	–	–	–
Fiscal year ending January 31, 2027 (Forecast)	–	0.00	–	0.00	0.00		–	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending January 31, 2027 (February 1, 2026 to January 31, 2027)

(% indicates changes from the previous corresponding period.)

	Operating revenue		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	–	–	(2,906)	–	(2,908)	–	(2,909)	–	(37.28)
Full year	–	–	(5,625)	–	(5,632)	–	(5,635)	–	(72.21)

(Note) In preparing the above financial results forecast, the Company has refrained from incorporating any operating revenue related to AKUUGO® in the current forecast, as its pricing has not been determined at this time. Once its pricing is completed, the Company plans to consider disclosing operating revenue and other items and revise the consolidated financial results forecast.

Notes:

(1) Significant changes in the scope of consolidation during the period under review: No

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

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(Note) For details, please refer to “3. Consolidated Financial Statements and Primary Notes, (5) Notes to the Consolidated Financial Statements, (Notes on changes in accounting policies)” on page 11 of the attachment.

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

January 31, 2026: 78,033,331 shares

January 31, 2025: 70,927,202 shares

2) Total number of treasury shares at the end of the period:

January 31, 2026: 540 shares

January 31, 2025: 518 shares

3) Average number of shares during the period:

Fiscal year ended January 31, 2026: 73,117,045 shares

Fiscal year ended January 31, 2025: 68,866,442 shares

(Reference) Overview of Non-Consolidated Financial Results

Non-Consolidated Financial Results for the Fiscal Year Ended January 31, 2026 (February 1, 2025 to January 31, 2026)

(1) Non-Consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Operating revenue		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
January 31, 2026	–	–	(1,725)	–	(2,172)	–	(3,408)	–
January 31, 2025	–	–	(1,540)	–	(750)	–	(3,545)	–

Fiscal year ended	Net income per share	Diluted net income per share
	Yen	Yen
January 31, 2026	(46.62)	–
January 31, 2025	(51.49)	–

(Note) Diluted net income per share is not stated as net loss per share was recorded although there are potential shares with dilutive effect.

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of January 31, 2026	15,530	13,604	85.9	170.93
As of January 31, 2025	3,159	1,650	45.7	20.35

(Reference) Equity: As of January 31, 2026: ¥13,338 million
As of January 31, 2025: ¥1,443 million

*Non-Consolidated Operating Results compared to the previous fiscal year

A change in ordinary income from the previous fiscal year is mainly due to a decrease in the recorded amount of foreign exchange gains resulting from fluctuations in foreign exchange rates. A change in net loss from the previous fiscal year is mainly due to a decrease in provision of allowance for doubtful accounts for subsidiaries and associates.

*These financial results are outside the scope of audit procedures by a certified public accountant or an audit corporation.

* Explanation of the proper use of the financial results forecast and other notes

(Note on forward-looking statements, etc.)

The earnings forecasts and other forward-looking statements herein are based on information available to the Company at the time of preparation and certain assumptions deemed to be reasonable, and the Company does not assure the achievement of any of these. Furthermore, actual results may vary significantly due to various factors. For the assumptions and notes for earnings forecasts, please refer to “1. Overview of Operating Results, etc., (4) Future Outlook” on page 4 of the attachment.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year Under Review

In the Japanese regenerative medicine industry, amid ongoing promotion of the industry by implementation of the Act on the Safety of Regenerative Medicine and the Revised Pharmaceutical Affairs Act of November 2014, 23 products were approved by the end of January 2025, and an additional two products received approval in February 2026, for manufacture and marketing as regenerative medicine products. In addition, in the US, the Regenerative Medicine Advanced Therapy (RMAT) Designation program was established under the 21st Century Cures Act which was passed in December 2016, which enables expedited approval of regenerative medicine products for the purpose of treatment of serious diseases. In 2021, biologics license applications (BLAs) were approved for three products designated as RMAT, including one that received BLA approval as an RMAT-designated product for the first time, and in 2025, one RMAT-designated item received BLA approval. As described above, the practical application of regenerative medicine has continued to make steady progress in Japan and US.

In this environment, the Group (hereinafter referring to two companies: the Company and SanBio, Inc. of Oakland, California, US) has promoted research and development aiming at the commercialization of its unique cell therapeutic agent, SB623, mainly for central nervous system diseases with high unmet medical needs.

Firstly, for the SB623 development program for treatment of chronic traumatic brain injury (hereinafter the “Program”), in the Phase 2 global clinical trial including Japan and involving 61 patients, the Group obtained positive results in November 2018 that the “patients treated with SB623 cells demonstrated a statistically significant improvement in their motor function compared to the control group, and the primary endpoint was met.” In April 2019, the Program in Japan was chosen as a designated regenerative medical product by the Ministry of Health, Labour and Welfare under the “SAKIGAKE Designation System.” Thereafter, under the designation framework, the Company submitted the application for approval of manufacture and marketing of regenerative medicine products in Japan in March 2022, and in July 2024, as “AKUUGO[®] suspension for intracranial implantation; hereinafter ‘AKUUGO[®],’” the therapeutic agent for improving chronic motor paralysis resulting from traumatic brain injury, the Program received conditional and time-limited approval of manufacture and marketing of AKUUGO[®] in Japan. Subsequently, with the aim of lifting the shipment restrictions, the Company submitted an application in June 2025 for a partial change to the marketing approval for AKUUGO[®], which was approved in December 2025. Going forward, we currently anticipate the NHI price listing in May 2026, and the launch of AKUUGO[®] is also planned for the same month. The first shipment of AKUUGO[®] is expected in the second half of the fiscal year ending January 2027, after in-hospital procedures, such as product adoption at administering facilities, are completed. With the steady promotion of AKUUGO[®] in Japan, the Company will implement the clinical trial for post manufacture and marketing period and other trials within the seven years of the time limit for approval of manufacture and marketing, the second condition for the approval.

Next, regarding the medium- to long-term growth strategy, including both the U.S. business expansion and the resumption of the SB623 development program for treatment of chronic ischemic stroke, the Company has already obtained consent from the U.S. Food and Drug Administration (FDA) for the Phase 3 clinical trial design for the SB623 development program for treatment of chronic traumatic brain injury in the US market, and it will continue to proceed with preparations for its clinical trial. In Japan, the Company aims to initiate discussions in the current fiscal year with the Pharmaceuticals and Medical Devices Agency (PMDA) in preparation for clinical trials for its ischemic stroke program. In this way, the Company will work on maximizing corporate value, aiming to become a global leader in the field of regenerative medicine.

Under these circumstances, for the fiscal year ended January 31, 2026, the Company recorded ¥2,678 million in research and development expenses mainly consisting of those related to receiving the approval of partial changes to the items that have been approved for the manufacture and marketing for AKUUGO[®]. As a result, operating loss was ¥3,794 million (operating loss of ¥3,516 million for the previous fiscal year). In addition, the Company recorded ¥326 million in foreign exchange losses as non-operating expenses, owing to the foreign exchange losses resulting from fluctuations in foreign exchange rates. Furthermore, ordinary loss was ¥4,291 million (ordinary loss of ¥3,022 million for the previous fiscal year), and net loss attributable to owners of parent was ¥3,842 million (net loss attributable to owners of parent of ¥2,882 million for the previous fiscal year). Up to today, the Company has entered into committed credit line agreements with banks and raised funds through the issuance of new shares and convertible bonds. Going forward, the Company aims to maintain sound financial health by securing financing at appropriate times through the most suitable methods.

The Group consists of a single business segment, cell therapeutic agent using modified allogeneic stem cells. Therefore, description of business performance by segment is omitted.

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

(Current assets)

The balance of current assets at the end of the fiscal year under review was ¥15,489 million, an increase of ¥12,153 million compared to the end of the previous fiscal year (¥3,335 million), mainly due to an increase of ¥12,161 million in cash and deposits.

(Non-current assets)

The balance of non-current assets at the end of the fiscal year under review was ¥131 million, an increase of ¥20 million compared to the end of the previous fiscal year (¥111 million).

(Current liabilities)

The balance of current liabilities at the end of the fiscal year under review was ¥534 million, a decrease of ¥197 million compared to the end of the previous fiscal year (¥732 million), mainly due to decreases of ¥139 million in long-term loans payable and ¥92 million in accrued expenses.

(Non-current liabilities)

The balance of non-current liabilities at the end of the fiscal year under review was ¥1,482 million, an increase of ¥530 million compared to the end of the previous fiscal year (¥952 million), mainly due to an increase of ¥1,109 million in convertible bond-type bonds with stock acquisition rights, despite decreases of ¥129 million in long-term loans payable and ¥450 million in deferred tax liabilities.

(Net assets)

Total net assets at the end the fiscal year under review were ¥13,604 million, an increase of ¥11,841 million compared to the end of the previous fiscal year (¥1,762 million), mainly due to the recording of ¥3,842 million in net loss attributable to owners of parent, despite increases of ¥7,652 million in capital stock and capital surplus respectively resulting from issuance of new shares by third-party allotment, issuance of new shares through an international offering, and exercise of subscription rights to shares, and an increase of ¥321 million in foreign currency translation adjustment.

(3) Overview of Cash Flows for the Fiscal Year Under Review

Cash and cash equivalents (hereinafter referred to as “cash”) at the end of the fiscal year under review were ¥14,815 million, an increase of ¥11,962 million compared to the end of the previous fiscal year (¥2,853 million). Cash flows in each area of activity and their respective contributing factors are as follows.

(Cash flows from operating activities)

Net cash used in operating activities for the fiscal year under review was ¥3,760 million (an outflow of ¥3,603 million for the previous fiscal year). This was primarily due to the recording of a loss before income taxes of ¥4,291 million and foreign exchange losses of ¥410 million.

(Cash flows from investing activities)

Net cash used in investing activities for the fiscal year under review was ¥231 million (an outflow of ¥4 million for the previous fiscal year). This was mainly due to an outflow of ¥400 million for payments into time deposits, an inflow of ¥200 million from proceeds from withdrawal of time deposits, and an outflow of ¥32 million for purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash provided by financing activities for the fiscal year under review was ¥15,962 million (an inflow of ¥2,091 million for the previous fiscal year). This was primarily due to an outflow of ¥268 million for repayments of long-term loans payable, an inflow of ¥1,080 million from proceeds from issuance of convertible bond-type bonds with stock acquisition rights, and an inflow of ¥15,171 million from proceeds from issuance of shares.

(4) Future Outlook

The Group aims to make the first shipment of AKUUGO® after the NHI price listing, and will steadily proceed with preparations for its manufacturing, logistics, and sales infrastructure. At the same time, the Group will focus on activities toward obtaining approval for the manufacture and marketing of AKUUGO®, the promotion of new clinical trials for chronic traumatic brain injury in the U.S., and preparation toward implementing new clinical trials for chronic ischemic stroke in Japan.

Based on the above, the Group forecasts the financial results for the fiscal year ending January 31, 2027 to incur operating expenses of ¥5,625 million in total, including expenses related to the first shipment of AKUUGO® and expenses to establish manufacturing, logistics, and sales infrastructure for its promotion in Japan. As a result, the Group forecasts an operating loss of ¥5,625 million, an ordinary loss of ¥5,632 million, and net loss attributable to owners of parent of ¥5,635 million.

The forecast is based on an exchange rate of ¥150.00 per U.S. dollar.

(5) Basic Policy for Distribution of Profit and Dividends for FY2026.1 and FY2027.1

The Company recognizes that the return of profits to shareholders is one of its most important management policies. We determine dividends after taking into account the buildup of internal reserves in preparation for investments into research and development.

The Company has a basic principle of distributing dividends once a year at the fiscal year-end if dividends from surplus are to be paid. The General Meeting of Shareholders is the decision-making body for the payment.

Additionally, the Company stipulates in its Articles of Incorporation that payment of interim dividends is subject to the resolution of the Board of Directors, with July 31 of each year as the record date.

As to the fiscal year ended January 31, 2026, no dividend will be paid, as there is no distributable amount pursuant to Article 461 of the Companies Act and Article 149 of the Ordinance on Accounting of Companies. For the time being, the Company does not expect to pay dividends, in order to proactively engage in the research and development of medicine, and intends to use its internal reserves from profits for reinvestments.

2. Basic Policy on Selection of Accounting Standards

The Group will prepare its consolidated financial statements based on Japanese GAAP for the time being, given its comparability from period to period and between companies.

The Group plans to appropriately respond to the application of International Financial Reporting Standards (IFRS) upon considering the circumstances in Japan and overseas.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Thousand yen)

	As of January 31, 2025	As of January 31, 2026
Assets		
Current assets		
Cash and deposits	2,921,402	15,083,233
Advance payments	269,881	198,936
Other	144,296	207,376
Total current assets	3,335,580	15,489,546
Non-current assets		
Property, plant and equipment		
Buildings and structures	22,943	27,200
Tools, furniture and fixtures	33,522	71,034
Accumulated depreciation	(24,906)	(29,119)
Construction in progress	8,761	–
Total property, plant and equipment	40,319	69,115
Intangible assets	43,891	43,891
Investments and other assets		
Other	27,547	18,986
Total investments and other assets	27,547	18,986
Total non-current assets	111,759	131,993
Total assets	3,447,339	15,621,539
Liabilities		
Current liabilities		
Current portion of long-term loans payable	268,000	129,000
Accounts payable - other	139,077	165,452
Accrued expenses	304,830	212,671
Income taxes payable	345	1,210
Provision for bonuses	9,593	12,523
Other	10,230	13,436
Total current liabilities	732,076	534,293
Non-current liabilities		
Convertible bond-type bonds with stock acquisition rights	–	1,109,700
Long-term loans payable	129,000	–
Deferred tax liabilities	823,340	372,879
Total non-current liabilities	952,340	1,482,579
Total liabilities	1,684,417	2,016,873
Net assets		
Shareholders' equity		
Capital stock	2,496,192	8,375,431
Capital surplus	6,207,634	12,086,873
Retained earnings	(698,901)	(995,899)
Treasury shares	(1,128)	(1,164)
Total shareholders' equity	8,003,796	19,465,240
Accumulated other comprehensive income		
Foreign currency translation adjustment	(6,448,629)	(6,126,751)
Total accumulated other comprehensive income	(6,448,629)	(6,126,751)
Subscription rights to shares	207,754	266,177
Total net assets	1,762,921	13,604,666
Total liabilities and net assets	3,447,339	15,621,539

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

(Thousand yen)

	For the fiscal year ended January 31, 2025	For the fiscal year ended January 31, 2026
Operating revenue	–	–
Operating expenses		
Research and development expenses	2,357,970	2,678,088
Other selling, general and administrative expenses	1,158,122	1,116,722
Total operating expenses	3,516,093	3,794,811
Operating loss	(3,516,093)	(3,794,811)
Non-operating income		
Interest income	2,399	6,471
Foreign exchange gains	622,754	–
Other	2,463	78
Total non-operating income	627,617	6,550
Non-operating expenses		
Interest expenses	8,315	5,819
Interest expenses on bonds	–	29,700
Foreign exchange losses	–	326,330
Financing expenses	10,625	45,542
Share issuance costs	113,175	94,290
Other	1,800	1,800
Total non-operating expenses	133,916	503,482
Ordinary loss	(3,022,392)	(4,291,743)
Extraordinary income		
Gain on sale of non-current assets	2,424	–
Gain on reversal of subscription rights to shares	9,301	–
Total extraordinary income	11,726	–
Loss before income taxes	(3,010,666)	(4,291,743)
Income taxes - current	1,131	1,329
Income taxes - deferred	(128,912)	(450,460)
Total income taxes	(127,780)	(449,131)
Net loss	(2,882,885)	(3,842,612)
Net loss attributable to owners of parent	(2,882,885)	(3,842,612)

Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended January 31, 2025	For the fiscal year ended January 31, 2026
Net loss	(2,882,885)	(3,842,612)
Other comprehensive income		
Foreign currency translation adjustment	(642,062)	321,878
Total other comprehensive income	(642,062)	321,878
Comprehensive income	(3,524,948)	(3,520,734)
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	(3,524,948)	(3,520,734)
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Changes in Net Assets

For the fiscal year ended January 31, 2025 (From February 1, 2024 to January 31, 2025)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	3,316,504	7,027,946	(1,950,003)	(933)	8,393,514
Changes of items during period					
Issuance of new shares	1,246,681	1,246,681			2,493,363
Net loss attributable to owners of parent			(2,882,885)		(2,882,885)
Purchase of treasury shares				(194)	(194)
Transfer from share capital to other capital surplus	(2,066,993)	2,066,993			–
Deficit disposition		(4,133,986)	4,133,986		–
Net changes of items other than shareholders' equity					
Total changes of items during period	(820,311)	(820,311)	1,251,101	(194)	(389,717)
Balance at end of current period	2,496,192	6,207,634	(698,901)	(1,128)	8,003,796

	Accumulated other comprehensive income		Subscription rights to shares	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of current period	(5,806,567)	(5,806,567)	205,451	2,792,398
Changes of items during period				
Issuance of new shares				2,493,363
Net loss attributable to owners of parent				(2,882,885)
Purchase of treasury shares				(194)
Transfer from share capital to other capital surplus				–
Deficit disposition				–
Net changes of items other than shareholders' equity	(642,062)	(642,062)	2,303	(639,759)
Total changes of items during period	(642,062)	(642,062)	2,303	(1,029,476)
Balance at end of current period	(6,448,629)	(6,448,629)	207,754	1,762,921

For the fiscal year ended January 31, 2026 (From February 1, 2025 to January 31, 2026)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,496,192	6,207,634	(698,901)	(1,128)	8,003,796
Changes of items during period					
Issuance of new shares	7,652,046	7,652,046			15,304,092
Net loss attributable to owners of parent			(3,842,612)		(3,842,612)
Purchase of treasury shares				(36)	(36)
Transfer from share capital to other capital surplus	(1,772,807)	1,772,807			–
Deficit disposition		(3,545,614)	3,545,614		–
Net changes of items other than shareholders' equity					
Total changes of items during period	5,879,239	5,879,239	(296,998)	(36)	11,461,443
Balance at end of current period	8,375,431	12,086,873	(995,899)	(1,164)	19,465,240

	Accumulated other comprehensive income		Subscription rights to shares	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of current period	(6,448,629)	(6,448,629)	207,754	1,762,921
Changes of items during period				
Issuance of new shares				15,304,092
Net loss attributable to owners of parent				(3,842,612)
Purchase of treasury shares				(36)
Transfer from share capital to other capital surplus				–
Deficit disposition				–
Net changes of items other than shareholders' equity	321,878	321,878	58,422	380,301
Total changes of items during period	321,878	321,878	58,422	11,841,744
Balance at end of current period	(6,126,751)	(6,126,751)	266,177	13,604,666

(4) Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended January 31, 2025	For the fiscal year ended January 31, 2026
Cash flows from operating activities		
Loss before income taxes	(3,010,666)	(4,291,743)
Depreciation	9,368	8,054
Share based compensation expenses	19,238	72,650
Increase (decrease) in provision for bonuses	1,279	2,930
Interest and dividend income	(2,399)	(6,471)
Foreign exchange losses (gains)	(625,868)	410,352
Interest expenses	8,315	5,819
Interest expenses on bonds	–	29,700
Financing expenses	10,625	45,542
Share issuance costs	113,175	94,290
Gain on reversal of subscription rights to shares	(9,301)	–
Loss (gain) on sale of non-current assets	(2,424)	–
Decrease (increase) in advance payments	104,389	67,814
Increase (decrease) in accounts payable - other	21,338	23,399
Increase (decrease) in accrued expenses	(193,964)	(88,832)
Other	(24,074)	(137,786)
Subtotal	(3,580,968)	(3,764,278)
Interest and dividends received	2,399	5,439
Interest expenses paid	(8,317)	(5,832)
Income taxes paid	(16,220)	(955)
Income taxes refund	–	4,737
Net cash provided by (used in) operating activities	(3,603,106)	(3,760,890)
Cash flows from investing activities		
Payments into time deposits	–	(400,000)
Proceeds from withdrawal of time deposits	–	200,000
Purchase of property, plant and equipment	(4,891)	(32,801)
Proceeds from sale of property, plant and equipment	864	1,776
Payments of leasehold deposits	(240)	(20)
Net cash provided by (used in) investing activities	(4,267)	(231,044)
Cash flows from financing activities		
Repayments of long-term loans payable	(268,000)	(268,000)
Payments of financing expenses	(13,605)	(44,595)
Proceeds from issuance of convertible bond-type bonds with stock acquisition rights	–	1,080,000
Proceeds from issuance of shares	1,891,824	15,171,297
Proceeds from issuance of shares resulting from exercise of subscription rights to shares	480,981	24,024
Other	(194)	(36)
Net cash provided by (used in) financing activities	2,091,005	15,962,690
Effect of exchange rate change on cash and cash equivalents	(20,019)	(8,614)
Net increase (decrease) in cash and cash equivalents	(1,536,388)	11,962,141
Cash and cash equivalents at beginning of period	4,389,520	2,853,132
Cash and cash equivalents at end of period	2,853,132	14,815,273

(5) Notes to the Consolidated Financial Statements

(Notes on going concern assumption)

None

(Notes on changes in accounting policies)

(Application of “Accounting Standard for Current Income Taxes,” etc.)

The Company has applied the “Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (“ASBJ”) Statement No. 27, October 28, 2022; hereinafter referred to as the “Revised Accounting Standard 2022”), etc. from the beginning of the fiscal year under review.

Revisions concerning the categories in which current income taxes should be recorded (taxes on other comprehensive income) are subject to the transitional treatment set forth in the proviso of Paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment set forth in the proviso of Paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “Revised Guidance 2022”). The change in accounting policies has no impact on the consolidated financial statements.

With regard to revisions related to changes in the accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies are deferred for tax purposes, the Company has applied the Revised Guidance 2022 from the beginning of the fiscal year under review. The change in accounting policies was applied retrospectively and the consolidated financial statements for the previous fiscal year have been modified retrospectively. This change in the accounting policies has no impact on the consolidated financial statements for the previous fiscal year.

(Notes on segment information, etc.)

<Segment information>

For the fiscal year ended January 31, 2025 (from February 1, 2024 to January 31, 2025)

Segment information is omitted as the Group consists of a single business segment, cell therapeutic agent using modified allogeneic stem cells.

For the fiscal year ended January 31, 2026 (from February 1, 2025 to January 31, 2026)

Segment information is omitted as the Group consists of a single business segment, cell therapeutic agent using modified allogeneic stem cells.

<Related information>

Fiscal year ended January 31, 2025 (from February 1, 2024 to January 31, 2025)

1. Information by products and services

None

2. Information by geographical segment

(1) Operating revenue

None

(2) Property, plant and equipment

Information is omitted as the value of property, plant and equipment located in Japan exceeds 90% of that of the property, plant and equipment on the consolidated balance sheets.

3. Information by major customer

None

Fiscal year ended January 31, 2026 (from February 1, 2025 to January 31, 2026)

1. Information by products and services

None

2. Information by geographical segment

(1) Operating revenue

None

(2) Property, plant and equipment

Information is omitted as the value of property, plant and equipment located in Japan exceeds 90% of that of the property, plant and equipment on the consolidated balance sheets.

3. Information by major customer

None

<Information concerning impairment loss on non-current assets by reporting segment>

Fiscal year ended January 31, 2025 (from February 1, 2024 to January 31, 2025)

None

Fiscal year ended January 31, 2026 (from February 1, 2025 to January 31, 2026)

None

<Information concerning amortization and unamortized balance of goodwill by reporting segment>

Fiscal year ended January 31, 2025 (from February 1, 2024 to January 31, 2025)

None

Fiscal year ended January 31, 2026 (from February 1, 2025 to January 31, 2026)

None

<Information concerning gain on bargain purchase by reporting segment>

Fiscal year ended January 31, 2025 (from February 1, 2024 to January 31, 2025)

None

Fiscal year ended January 31, 2026 (from February 1, 2025 to January 31, 2026)

None

(Notes on per share information)

(Yen)

	For the fiscal year ended January 31, 2025	For the fiscal year ended January 31, 2026
Net assets per share	21.93	170.93
Net (loss) per share	(41.86)	(52.55)

(Notes) 1. Diluted net income per share is not stated, despite the existence of potential shares, due to the posting of net loss per share.

2. The basis for calculating net loss per share is as follows.

	For the fiscal year ended January 31, 2025	For the fiscal year ended January 31, 2026
Net (loss) attributable to owners of parent (Thousand yen)	(2,882,885)	(3,842,612)
Amount not attributable to common shareholders (Thousand yen)	–	–
Net (loss) attributable to owners of parent associated with common shares (Thousand yen)	(2,882,885)	(3,842,612)
Average number of shares during the period (Shares)	68,866,442	73,117,045
Outline of potential shares that were not included in the calculation of diluted net income per share because they have no dilutive effects	7th, 8th, 9th, 12th, 14th, 17th, 18th, 20th, 24th, 25th, 28th through 31st, and 33rd Share Acquisition Rights (total number of subscription rights to shares: 181,225)	12th, 14th, 17th, 18th, and, 36th Share Acquisition Rights (total number of subscription rights to shares: 151,000)

(Notes on significant subsequent events)

(Reduction in amounts of stated capital and capital reserves and appropriation of capital surplus)

At the meeting of Board of Directors held on March 17, 2026, the Company resolved to submit to the Company's 13th Annual General Meeting of Shareholders, to be held on April 22, 2026, a proposal to reduce the amounts of stated capital and capital reserves and to make an appropriation of capital surplus.

1. Purpose of reduction in amounts of stated capital and capital reserves and appropriation of capital surplus

With the aim of reducing the Company's tax burden through a reduction in its stated capital and capital reserves, achieving a healthier financial platform by covering this deficit, and ensuring agile capital policy, including shareholder returns (dividends and acquisition of treasury shares) for the future, the Company will

carry out a reduction in the amounts of its stated capital and its capital reserves and appropriation of capital surplus.

2. Outline of reduction in amounts of stated capital and capital reserves

The Company will reduce the amounts in stated capital and capital reserves in accordance with Article 447, Paragraph 1 and Article 448, Paragraph 1 of the Companies Act, and then post these to other capital surplus.

(1) Amounts by which stated capital and capital reserves will be reduced:

Stated capital: ¥1,704,395 thousand of ¥8,375,431 thousand

Capital surplus: ¥1,704,395 thousand of ¥8,372,931 thousand

(2) Amount by which other capital surplus will be increased:

Other capital surplus: ¥3,408,791 thousand

3. Outline of appropriation of other capital surplus

Subject to the reduction in the amounts of stated capital and capital reserves (detailed above) becoming effective, the Company will, in accordance with Article 452 of the Companies Act, post the other capital surplus to retained earnings brought forward so as to cover the deficit. In doing so, the amount of retained earnings brought forward after the posting will be 0 yen.

(1) Amount by which other capital surplus will be reduced:

Other capital surplus: ¥3,408,791 thousand

(2) Amount by which retained earnings brought forward will be increased:

Retained earnings brought forward: ¥3,408,791 thousand

4. Schedule of reduction in amounts of stated capital and capital reserves and appropriation of capital surplus

(1) Date of resolution by Board of Directors: March 17, 2026

(2) Date of resolution at Annual General Meeting of Shareholders: April 22, 2026 (planned)

(3) Deadline for submission of objections by creditors: May 29, 2026 (planned)

(4) Effective date: June 5, 2026 (planned)