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 Nine Months Ended April 30, 2026 [Japanese GAAP]

June 10, 2026

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 Nine Months Ended April 30, 2026 (August 1,2025 to April 30, 2026)

(1) Operating results (% indicates changes from the same period of the previous fiscal year)

	Operating revenue		Operating income		Ordinary income		Net income	
Nine months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
April 30, 2026	—	—	(1,484)	—	(1,437)	—	(1,408)	—
April 30, 2025	—	—	(1,511)	—	(1,511)	—	(1,469)	—

	Earnings per share Basic	Earnings per share diluted
Nine months ended	Yen	Yen
April 30, 2026	(22.51)	—
April 30, 2025	(23.76)	—

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 April 30, 2026	6,357	6,125	72.4
As of July 31, 2025	7,518	7,314	78.0

(Reference) Equity capital: As of April 30, 2026 4,604 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	—	0.00	—		
July 31, 2026(forecast)				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 have not provided a forecast for the fiscal year ending July 31, 2026.

The Company will continue to research and develop of 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 April 30, 2026	62,681,200 shares
As of July 31, 2025	62,136,200 shares

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

As of April 30, 2026	121 shares
As of July 31, 2025	121 shares

(c) Average number of shares during the period

Nine months ended April 30, 2026	62,569,637 shares
Nine months ended April 30, 2025	61,839,889 shares

* Review of the Japanese-language originals of the attached quarterly non-consolidated financial statements by certified public accountants or an audit 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 nine months ended April 30, 2026 (August 1, 2025, to April 30, 2026), the regenerative medicine and pharmaceutical industry continued to make progress in research and development toward new modalities and innovative drug creation, accelerating the practical application of novel therapies. In the United States, approvals and label expansions, particularly in cell and gene therapies, have continued, with commercialization advancing in areas such as rare diseases and hematological disorders. In addition, the importance of operational frameworks, including post-marketing evaluation and safety management, has been increasing. While these developments in the United States do not directly affect approval processes in Japan, they are expected to indirectly support the commercialization of domestically developed products through the advancement of global standards in evaluation and regulatory practices.

In Japan, government initiatives aimed at strengthening drug discovery capabilities have also continued, including the development of a drug discovery ecosystem, efforts addressing new modalities, and enhanced support for research and development. Furthermore, in the field of regenerative medicine products, efforts to obtain conditional and time-limited approvals remain ongoing, with some projects progressing toward full approval based on post-approval evaluations.

While momentum to strengthen drug discovery capabilities is accelerating both domestically and internationally, the industry continues to face various challenges, including ensuring safety and efficacy, enhancing quality control and manufacturing processes, as well as securing specialized human resources and establishing stable supply systems.

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 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 regenerative 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.

Project code	Development candidate	Indication	Investi-Gator	Area	Research / Pre-clinical / Phase 1 / Phase 2 / Phase 3	Status
Redasemtide (TRIM2)	(HMGB1 cell mobilization domain peptides)	Epidermolysis bullosa	Shionogi & Co., Ltd.	Japan	Add Phase2	2022.07 Additional Phase 2 Started 2024.02 Additional Phase2 FPI 2025.07 Additional Phase2 LPI
		Acute Ischemic Stroke	Shionogi & Co., Ltd.	Global	Phase2b	2023.03 Global Phase 2b Started 2025.04 Interim analysis and protocol amendment 2025.12 Global Phase 2b LPI
		Ischemic Cardiomyopathy	Osaka University	Japan	Phase2	2024.03 Phase2 Started 2024.12 Phase2 FPI 2026.04 Phase2 LPI
		Osteoarthritis of the knee	Hirosaki University	Japan	Phase2	2020.12 Phase2 Started 2023.03 Phase2 Ended
		Chronic liver disease	Niigata University	Japan	Phase2	2020.11 Phase2 Started 2023.05 Phase2 Ended
TRIM3	Novel Regeneration-Inducing peptide for Systemic administration	Not disclosed	In-house (partnership is planned)	–		Promoting out-licensing activities with multiple domestic and overseas companies
TRIM4	Novel Regeneration-Inducing peptide for Systemic administration	Not disclosed	In-house (partnership is planned)	–		Promoting out-licensing activities with multiple domestic and overseas companies
TRIM5	Novel Regeneration-Inducing peptide for Local administration	Not disclosed	In-house (partnership is planned)	–		Expanded experimental data on model animals
SR-GT1	Stem cell gene therapy	Epidermolysis bullosa	In-house (partnership is planned)	–		2024.12 AMED grant for Phase 1/2 preparation (Japan)

Currently, clinical development is progressing for Redasemtide, candidate licensed out to Shionogi & Co., Ltd. The development targets include Dystrophic Epidermolysis Bullosa (DEB), Acute Ischemic Stroke (AIS), Ischemic Cardiomyopathy, Osteoarthritis of the Knee, and Chronic Liver Disease.

In the additional Phase 2 clinical trial targeting DEB, patient enrollment was completed in July 2025. Topline results are expected by September 2026, followed by the filing of a marketing authorization application in Japan during the period from October 2026 to March 2027, with market launch expected between April 2027 and March 2028.

In the global late Phase 2 clinical trial targeting AIS, patient enrollment was completed in December 2025. Topline results are expected to be obtained by September 2026, and the product is expected to be launched between April 2028 and March 2031.

In addition, in the physician-initiated Phase 1/2 clinical trial targeting patients with Ischemic Cardiomyopathy, patient enrollment was completed in April 2026, and the trial is currently ongoing.

Furthermore, for next-generation "Regeneration-Inducing Medicine™" candidates TRIM3 and TRIM4, the Company has steadily accumulated experimental data in various disease model animals. At the same time, the Company has promoted partnering activities both domestically and internationally, and has continued to make progress in business development activities aimed at out-licensing.

In addition, regarding SR-GT1, a stem cell-based gene therapy aimed at 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 from December 2024 to March 2027.

Under these circumstances, for the nine months ended April 30, 2026, operating revenue was nothing (operating revenue was nothing in the same period of the previous year), operating loss was 1,484,314 thousand yen (operating loss of 1,511,769 thousand yen in the same period of the previous year), ordinary loss was 1,437,779 thousand yen (ordinary loss of 1,511,059 thousand yen in the same period of the previous year), and net loss was 1,408,659 thousand yen (net loss of 1,469,433 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 third quarter of the fiscal year under review were 6,194,678 thousand yen, a decrease of 1,130,371 thousand yen from the end of the previous fiscal year, mainly due to a decrease of 1,288,722 thousand yen in cash and deposits and an increase of 151,372 thousand yen in prepaid expenses. Total non-current assets were 163,153 thousand yen, a decrease of 30,456 thousand yen from the end of the previous fiscal year, mainly due to a decrease of 28,785 thousand yen in property, plant, and equipment and a decrease of 1,165 thousand yen in investments and other assets. As a result, total assets amounted to 6,357,832 thousand yen, a decrease of 1,160,827 thousand yen from the end of the previous fiscal year.

Liabilities

Total current liabilities at the end of the third quarter of the fiscal year under review were 116,939 thousand yen, an increase of 29,054 thousand yen from the end of the previous fiscal year, mainly due to an increase of 32,846 thousand yen in advance payments and a decrease of 4,001 thousand yen in account payable-other and a decrease of 907 thousand yen in income taxes payable. Total non-current liabilities were 115,194 thousand yen, a decrease of 1,351 thousand yen from the end of the previous fiscal year, due to a decrease of 1,500 thousand yen in deferred tax liabilities. As a result, total liabilities amounted to 232,133 thousand yen, an increase of 27,703 thousand yen from the end of the previous fiscal year.

Net Assets

Total net assets at the end of the third quarter of the fiscal year under review were 6,125,698 thousand yen, a decrease of 1,188,530 thousand yen from the end of the previous fiscal year. This was mainly due to the recording of 1,408,659 thousand yen in net loss, and an increase of 75,755 thousand yen in capital stock and capital surplus as a result of the exercise of stock acquisition rights and issuance of new shares through restricted stock compensation. As a result, capital stock amounted to 85,755 thousand yen, capital surplus 9,710,630 thousand yen, and retained earnings (5,191,912) thousand yen.

(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 of 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 April 30, 2026
Assets		
Current assets		
Cash and deposits	6,994,592	5,705,870
Supplies	16,721	16,207
Prepaid expenses	199,827	351,200
Other	113,907	121,399
Total current assets	7,325,049	6,194,678
Non-current assets		
Property, plant, and equipment	180,229	151,444
Intangible assets	2,300	1,795
Investments and other assets	11,080	9,914
Total non-current assets	193,610	163,153
Total assets	7,518,659	6,357,832
Liabilities		
Current liabilities		
Accounts payable-other	28,211	24,210
Accrued expenses	24,614	25,348
Income taxes payable	3,630	2,722
Advances received	27,126	59,973
Deposits received	4,301	4,684
Total current liabilities	87,884	116,939
Non-current liabilities		
Asset retirement obligations	108,553	108,702
Deferred tax liabilities	7,992	6,492
Total non-current liabilities	116,545	115,194
Total liabilities	204,430	232,133
Net assets		
Shareholders' equity		
Capital stock	10,000	85,755
Capital surplus	9,634,875	9,710,630
Retained earning	(3,783,253)	(5,191,912)
Treasury shares	(118)	(118)
Total shareholders' equity	5,861,503	4,604,354
Stock acquisition rights	1,452,725	1,521,344
Total net assets	7,314,229	6,125,698
Total liabilities and net assets	7,518,659	6,357,832

(2) Quarterly Statements of Income

For the Nine Months Ended April 30, 2026

(Thousands of yen)

	For the nine months ended April 30, 2025	For the nine months ended April 30, 2026
Operating revenue	—	—
Operating expenses		
Research and development expenses	1,077,453	1,119,681
Other selling, general and administrative expenses	434,316	364,633
Total operating expenses	1,511,769	1,484,314
Operating income or loss	(1,511,769)	(1,484,314)
Non-operating income		
Interest income	22	30,094
Dividend income	—	4,040
Foreign exchange gains	42	12,180
Gain on sale of goods	20	—
Subsidy income	60	—
Refund income	579	273
Other income	5	4
Total non-operating income	730	46,592
Non-operating expenses		
Foreign exchange loss	—	57
Loss on removal	20	—
Total non-operating expenses	20	57
Ordinary income or loss	(1,511,059)	(1,437,779)
Extraordinary income		
Gain on sale of fixed assets	8	—
Gain on reversal of stock acquisition rights	44,413	30,342
Total extraordinary income	44,422	30,342
Extraordinary loss		
Loss on disposal of fixed assets	70	0
Total extraordinary loss	70	0
Income or Loss before income taxes	(1,466,707)	(1,407,436)
Income taxes - current	2,725	2,722
Corporate tax adjustments	—	(1,500)
Total income taxes	2,725	1,222
Net income or loss	(1,469,433)	(1,408,659)

(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 third quarter cumulative period has not been prepared.
However, the depreciation expenses for the third quarter cumulative period (including amortization of intangible fixed assets) are as follows:

	For the nine months ended April 30, 2025	For the nine months ended April 30, 2026
Depreciation Expenses	36,037 thousand yen	31,551 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)
(Reduction in capital stock)
At a meeting of the Board of Directors held on May 13, 2026, the Company resolved to set a record date for convening the Extraordinary General Meeting of Shareholders to be held on July 29, 2026, to hold this Extraordinary General Meeting of Shareholders, and to submit a proposal for "reduction of capital (capital reduction)".

1. Regarding the relevant dates for the Extraordinary Shareholders' Meeting:
To determine the shareholders eligible to exercise their voting rights at the upcoming extraordinary general meeting, our company has established June 1, 2026, as the record date. Shareholders who are listed or recorded in the final shareholder register on this date will be deemed eligible to exercise their voting rights at the meeting. Company has issued a public announcement regarding the record date.
(1) Record date: June 1, 2026
(2) Announcement Date: May 14, 2026
(3) Method of Announcement: Electronic Announcement
(Posted on our company's website at https://stemrim.com)

2. Regarding the reduction of capital:
(1) Purpose of the Reduction:
The purpose of this capital reduction is to ensure flexibility and agility in future capital policies, as well as to reduce tax burdens. It is based on the provisions of Article 447, Paragraph 1 of the Companies Act, and involves decreasing the amount of capital and transferring it to the capital reserve. It should be noted that this proposal involves a non-refundable reduction of capital, without changing the total number of issued shares or affecting the number of shares held by shareholders. Furthermore, this reduction of capital does not affect the net assets per share or the total number of issued shares of the company.

(2) Method of Reduction:
As of May 13, 2026, the current amount of capital is 85,755,000 yen. It will be reduced by 75,755,000 yen to 10,000,000 yen. This reduction will be conducted as a non-refundable reduction without changing the total number of issued shares. The entire reduced amount will be transferred to the capital reserve.

3. The Schedule (Provisional) for the Reduction of Capital
(1) Resolution of the board of directors: May 13, 2026
(2) Announcement to creditors for submitting their objections: June 28, 2026
(3) Resolution of the Extraordinary General Meeting of Shareholders: July 29, 2026
(4) Deadline for creditor objections: July 29, 2026
(5) Effective date of the capital reduction: July 30, 2026