August 14, 2026

# Non-consolidated Financial Results for the Six Months Ended June 30, 2026 [Japanese GAAP]

Company name: TMS Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 4891
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Scheduled date to file semi-annual securities report: August 14, 2026
Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and analysts)

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

## 1. Non-consolidated financial results for the six months ended June 30, 2026 (from January 1, 2026 to June 30, 2026)

### (1) Non-consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

| | Operating revenue | | Operating income | | Ordinary income | | Net income | |
|---|---|---|---|---|---|---|---|---|
| Six months ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| June 30, 2026 | – | – | (392) | – | (392) | – | (393) | – |
| August 31, 2025 | – | – | (471) | – | (484) | – | (487) | – |

| | Basic earnings per share | Diluted earnings per share |
|---|---|---|
| Six months ended | Yen | Yen |
| June 30, 2026 | (8.64) | – |
| August 31, 2025 | (11.11) | – |

Notes: 1. The Company has changed its fiscal year-end from the last day of February to December 31, effective from the previous fiscal year. Consequently, the period covered by the first six months of this fiscal year (January 1, 2026, to June 30, 2026) differs from that of the first six months of the previous fiscal year (March 1, 2025, to August 31, 2025). Therefore, the year-on-year changes are not shown.

2. Diluted earnings per share is not stated because, although potential shares existed, a basic loss per share was recorded.

### (2) Non-consolidated financial position

| | Total assets | Net assets | Equity-to-asset ratio |
|---|---|---|---|
| As of | Millions of yen | Millions of yen | % |
| June 30, 2026 | 2,514 | 2,410 | 93.9 |
| December 31, 2025 | 2,865 | 2,771 | 95.5 |

Reference: Equity
As of June 30, 2026 ¥2,360 million
As of December 31, 2025 ¥2,735 million

## 2. Cash dividends

| | Annual dividends per share | | | | |
|---|---|---|---|---|---|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended December 31, 2025 | – | 0.00 | – | 0.00 | 0.00 |
| Fiscal year ending December 31, 2026 | – | 0.00 | | | |
| Fiscal year ending December 31, 2026 (Forecast) | | | – | 0.00 | 0.00 |

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

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

The forecast of non-consolidated financial results for the fiscal year ending December 31, 2026 has not been presented as it is difficult to reasonably calculate the forecast for financial results. For details concerning the reasons, business policy, estimated costs, etc. for the fiscal year ending December 31, 2026, please refer to “(3) Explanation of Earnings Forecasts and Other Forward-Looking Statements” under “1. Qualitative Information Regarding Financial Results for the Six Months Ended June 30, 2026” on page 4 of the attached material.

*** Notes**

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

Note: For details, please refer to "Adoption of Accounting Treatment Specific to the Preparation of Semi-annual Financial Statements" under "(4) Notes to Semi-annual Financial Statements" of "2. Semi-annual Financial Statements and Significant Notes Thereto" on page 8 of the attached material.

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

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

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

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

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

| | |
|---|---|
| As of June 30, 2026 | 45,666,567 shares |
| As of December 31, 2025 | 45,485,767 shares |

(ii) Number of treasury shares at the end of the period

| | |
|---|---|
| As of June 30, 2026 | 10 shares |
| As of December 31, 2025 | 10 shares |

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

| | |
|---|---|
| Six months ended June 30, 2026 | 45,531,081 shares |
| Six months ended August 31, 2025 | 43,887,472 shares |

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

* Proper use of earnings forecasts, and other special matters

Caution regarding forward-looking statements and others

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual financial results may differ significantly from the forecasts for various reasons. For the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof, please refer to "(3) Explanation of Earnings Forecasts and Other Forward-Looking Statements" of "1. Qualitative Information Regarding Financial Results for the Six Months Ended June 30, 2026" on page 4 of the attached material.

## Attached Material

# Index

# 1. Qualitative Information Regarding Financial Results for the Six Months Ended June 30, 2026

## (1) Explanation of Operating Results

The Company changed its fiscal year-end from the end of February to December 31 from the previous fiscal year. As the six months ended June 30, 2026 (January 1, 2026, to June 30, 2026) and the comparative six months ended August 31, 2025 (March 1, 2025, to August 31, 2025) cover different periods, comparisons with the same period of the previous fiscal year are not shown.

During the six months ended June 30, 2026 (January 1, 2026, to June 30, 2026), the Company continued to make steady progress in the development of its pipeline through internal research initiatives and external collaborations, building on its efforts in the previous fiscal year. In the global Phase 2/3 clinical trial "ORION" (Optimizing Reperfusion to Improve Outcomes and Neurologic Function) of TMS-007 (JX10) initiated by Corxel Pharmaceuticals Hong Kong Limited ("CORXEL") in February 2025, the first patient was dosed (First-Patient-In: FPI) in May 2025, and patient enrollment has since progressed smoothly. In Japan, patient enrollment also began in the six months ended June 30,2026. In addition, with regard to TMS-008, which is also at the clinical development stage, the Company proceeded in preparations to initiate the Phase 2a clinical trial with patients.

### (i) TMS-007 (JX10)-related activities

TMS-007 (JX10), targeting acute ischemic stroke, was developed by the Company up to the Phase 2a clinical trial. Currently, the global Phase 2/3 clinical trial "ORION" is being led by CORXEL. The Company retains the exclusive rights to develop and commercialize TMS-007 in Japan, along with the rights to receive milestone payments and royalties associated with the development and commercialization of TMS-007 outside Japan.

TMS-007 (JX10) has two mechanisms of action: blood flow restoration through thrombolysis via conformational changes in plasminogen, and suppression of ischemia-reperfusion injury through inhibition of soluble epoxide hydrolase (sEH), which mediates anti-inflammatory effects. This dual mechanism makes TMS-007 a promising drug candidate capable of addressing both therapeutic strategies of blood flow restoration and ischemia-reperfusion injury suppression as a single-agent therapy. As a result, it may offer advantages over existing drugs.

In the Phase 2a clinical trial conducted by the Company in Japan, TMS-007 (JX10) demonstrated favorable results. Thrombolytic agents currently approved for the treatment of acute ischemic stroke are known to carry a risk of adverse effects such as promoting intracranial hemorrhage. Because of the hemorrhagic risk, the use of the agents is, in principle, limited to within 4.5 hours of symptom onset. The Company's Phase 2a clinical trial of TMS-007 (JX10) enrolled patients up to 12 hours after onset (with a mean of 9.5 hours in the TMS-007 group). The results showed that the incidence of symptomatic intracranial hemorrhage accompanied by a worsening of 4 or more points on the National Institutes of Health Stroke Scale (NIHSS) was 0% (0/52) in the TMS-007 (JX10) group compared with 2.6% (1/38) in the placebo group, suggesting a favorable safety profile. In terms of efficacy, TMS-007 showed a statistically significant difference from the placebo group in the rate of patients achieving a score of 0 (no symptoms) or 1 (symptoms present but no significant disability) on the modified Rankin Scale (mRS), a measure of functional independence.

During the six months ended June 30, 2026, patient enrollment in the global Phase 2/3 clinical trial "ORION," led by CORXEL, progressed smoothly. The Company is participating in the trial as the sponsor in Japan, and the first patient was dosed in Japan in February 2026.

### (ii) TMS-008-related activities

TMS-008 is one of the SMTP family compounds that has anti-inflammatory properties by inhibiting sEH with little pro-thrombolytic activity and is being developed for acute kidney injury (AKI) and cancer cachexia. TMS-008 has the potential to treat a wide range of inflammatory diseases.

The exclusive worldwide rights for development, manufacturing, and commercialization have been granted by CORXEL for certain TMS-008 indications, including AKI.

During the six months ended June 30, 2026, the Company formulated the clinical trial design and proceeded to establish the framework to conduct a Phase 2a clinical trial with patients undergoing cardiac surgery. Cardiac surgery-associated acute kidney injury (CSA-AKI). Although CSA-AKI is a disease involving ischemia-reperfusion injury and subsequent inflammation, and no approved pharmacological treatments are currently available. TMS-008 demonstrated efficacy in preclinical animal models for this indication. Following two preliminary consultations with the PMDA concerning the clinical trial plan, a formal consultation was scheduled for August 2026.

(iii) JX09-related activities

JX09 is being developed by CORXEL as an oral, small-molecule aldosterone synthesis inhibitor for the treatment of patients with treatment-resistant or uncontrolled hypertension, and the Phase 1 clinical trial conducted in Australia has been completed. No significant safety or tolerability concerns were identified in the clinical trial. CORXEL has placed the further development of JX09 on hold because of strategic reasons.

(iv) TMS-010-related activities

TMS-010 is a drug candidate targeting spinal cord injury, originally discovered by Hokkaido University. After entering into an option agreement in July 2022 to evaluate the asset, the Company concluded a license agreement with the university on July 3, 2024, and added the candidate to its pipeline as TMS-010. Under this license agreement, the Company has obtained exclusive worldwide rights for the development, manufacturing, and commercialization of TMS-010.

Spinal cord injury is a serious disease that can lead to motor paralysis, sensory paralysis, and urinary and defecation disorders. Importantly there are no effective drugs available to treat this condition. The candidate therapeutic compound discovered by Hokkaido University is expected to have neuroprotective effects by preventing the breakdown of the blood-brain spinal cord barrier (BBSCB), thereby inhibiting secondary damage to the spinal cord.

During the six months ended June 30, 2026, the Company advanced pharmacological efficacy studies with a view to clinical use. The Company has also continued to formulate the clinical trial plan.

(v) Pipeline expansion-related activities

During the six months ended June 30, 2026, the Company made substantial efforts in research and development to expand its pipeline through internal and external initiatives.

In terms of internal initiatives, the Company has continued efforts to discover novel sEH inhibitors by leveraging its accumulated knowledge and experience with sEH inhibition gained through the development of SMTP compounds. The Company employed multiple approaches to identify novel candidate compounds, including the design of inhibitors through the use of AI for compound generation and the screening of natural product libraries. From these activities, the Company identified several promising candidate compounds, proceeded with pharmacological and efficacy evaluations and toxicity testing, and confirmed preliminary safety and efficacy in multiple disease animal models. In January 2026, the Company filed a patent application covering approximately 100 novel compounds obtained through these activities. The Company also continued to consider expanding indications of TMS-008 and initiated joint research with Kyushu University as well as Tohoku University to explore additional indications.

Regarding external initiatives, the Company continued its efforts to identify and evaluate early-stage programs under development at academic institutions and drug discovery companies. For a novel stable analog of the bioactive lipid resolvin introduced from Hokkaido University in November 2025, the Company continued to consider its potential applicability to multiple indications.

As a result of these activities, operating expenses for the six months ended June 30, 2026 totaled ¥392,262 thousand, which included ¥239,806 thousand in research and development expenses, mainly for TMS-007 and TMS-008, and ¥152,455 thousand in other selling, general and administrative expenses.

Based on these results, operating loss was ¥392,262 thousand, ordinary loss was ¥392,479 thousand, and net loss was ¥393,538 thousand.

As the Company operates a single segment of drug development business, operating results by segment are omitted.

(2) Explanation of Financial Position

Assets

Total assets as of June 30, 2026 were ¥2,514,328 thousand, a decrease of ¥350,949 thousand from the end of the previous fiscal year.

This was mainly due to a decrease of ¥321,903 thousand in cash and deposits resulting from payments for operating and other expenses such as research and development expenses, a decrease of ¥22,307 thousand in advance payments to suppliers associated with progress in research and development projects, and a decrease of ¥21,538 thousand in consumption taxes refund receivable.

Liabilities

Total liabilities as of June 30, 2026 were ¥104,014 thousand, an increase of ¥9,868 thousand from the end of the previous fiscal year.

This was mainly due to an increase of ¥6,899 thousand in accrued expenses such as research and development expenses to subcontractors, and an increase of ¥4,780 thousand in income taxes payable.

Net assets

Net assets as of June 30, 2026 were ¥2,410,313 thousand, a decrease of ¥360,817 thousand from the end of the previous fiscal year.

This was mainly due to the recording of ¥393,538 thousand in net loss, despite an increase of ¥9,274 thousand each in share capital and legal capital surplus, resulting from the exercise of share acquisition rights.

(3) Explanation of Earnings Forecasts and Other Forward-Looking Statements

The Company's policy for future outlook is to postpone the disclosure of its earnings forecasts for the time being. It is difficult to carry out earnings forecasts right now, since the Company is presently at a stage of implementing upfront investment to advance research and development without having products brought to market, and its financial results are influenced significantly by milestone revenue and other external events. Once the Company is in the position of being able to forecast stable revenue from royalty and other recurrent revenue, it will disclose its earnings forecasts.

In the fiscal year ending December 31, 2026, the Company will work to advance the development of each pipeline by promoting two clinical trials:

the ORION clinical trial of TMS-007 (JX10) in Japan and the planned next-phase clinical trial of TMS-008. In addition, it will work to expand its pipeline by 1) conducting research activities for novel sEH inhibitors, leveraging its drug discovery expertise, and 2) searching for early-stage programs from academia, research institutions, and biopharma companies.

In light of this, operating expenses for the fiscal year ending December 31, 2026 are expected to be as follows.

- Research and development expenses are expected to be in the range of ¥600 million to ¥900 million.
- Other selling, general and administrative expenses are expected to be in the range of ¥300 million to ¥400 million.

## 2. Semi-annual Financial Statements and Significant Notes Thereto

### (1) Semi-annual Balance Sheet

(Thousands of yen)

| | As of December 31, 2025 | As of June 30, 2026 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 2,781,032 | 2,459,128 |
| Supplies | 123 | 233 |
| Advance payments to suppliers | 29,265 | 6,958 |
| Prepaid expenses | 18,742 | 33,432 |
| Consumption taxes refund receivable | 34,367 | 12,829 |
| Total current assets | 2,863,532 | 2,512,583 |
| Non-current assets | | |
| Property, plant and equipment | 0 | 0 |
| Investments and other assets | 1,745 | 1,745 |
| Total non-current assets | 1,745 | 1,745 |
| Total assets | 2,865,277 | 2,514,328 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - other | 16,351 | 14,717 |
| Accrued expenses | 69,001 | 75,900 |
| Income taxes payable | 5,020 | 9,800 |
| Other | 3,774 | 3,596 |
| Total current liabilities | 94,146 | 104,014 |
| Total liabilities | 94,146 | 104,014 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 1,137,611 | 1,146,886 |
| Capital surplus | 2,313,754 | 2,323,028 |
| Retained earnings | (716,058) | (1,109,597) |
| Treasury shares | (2) | (2) |
| Total shareholders' equity | 2,735,304 | 2,360,314 |
| Share acquisition rights | 35,826 | 49,999 |
| Total net assets | 2,771,131 | 2,410,313 |
| Total liabilities and net assets | 2,865,277 | 2,514,328 |

(2) Semi-annual Statement of Income

(Thousands of yen)

| | Six months ended August 31, 2025 | Six months ended June 30, 2026 |
|---|---|---|
| Operating revenue | – | – |
| Operating expenses | | |
| Research and development expenses | 298,666 | 239,806 |
| Other selling, general and administrative expenses | 173,267 | 152,455 |
| Total operating expenses | 471,934 | 392,262 |
| Operating loss | (471,934) | (392,262) |
| Non-operating income | | |
| Interest on tax refund | 14 | 17 |
| Miscellaneous income | 0 | 9 |
| Foreign exchange gains | 295 | – |
| Other | 0 | 0 |
| Total non-operating income | 309 | 26 |
| Non-operating expenses | | |
| Share acquisition rights issuance costs | 10,557 | – |
| Share issuance costs | 2,534 | 30 |
| Foreign exchange losses | – | 213 |
| Total non-operating expenses | 13,091 | 243 |
| Ordinary loss | (484,716) | (392,479) |
| Extraordinary losses | | |
| Impairment losses | 2,282 | 584 |
| Total extraordinary losses | 2,282 | 584 |
| Loss before income taxes | (486,998) | (393,063) |
| Income taxes | 475 | 475 |
| Net loss | (487,473) | (393,538) |

(3) Semi-annual Statement of Cash Flows

(Thousands of yen)

| | Six months ended August 31, 2025 | Six months ended June 30, 2026 |
|---|---|---|
| Cash flows from operating activities | | |
| Loss before income taxes | (486,998) | (393,063) |
| Depreciation | 262 | 57 |
| Interest income | 0 | 0 |
| Impairment losses | 2,282 | 584 |
| Increase (decrease) in provision for bonuses | (495) | – |
| Share-based payment expenses | 10,418 | 14,849 |
| Share issuance costs | 2,534 | 30 |
| Issuance cost of share acquisition rights | 10,557 | – |
| Decrease (increase) in inventories | 281 | (110) |
| Decrease (increase) in advance payments to suppliers | 39,695 | 22,307 |
| Decrease (increase) in consumption taxes refund receivable | 46,549 | 21,538 |
| Increase (decrease) in accrued expenses | (9,557) | 6,899 |
| Increase (decrease) in accounts payable - other | (11,550) | (1,633) |
| Increase/decrease in other assets/liabilities | (12,242) | (9,771) |
| Subtotal | (408,262) | (338,312) |
| Payment of license fees | (67,173) | – |
| Interest and dividends received | 0 | 0 |
| Income taxes paid | (950) | (791) |
| Net cash provided by (used in) operating activities | (476,386) | (339,104) |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (2,544) | (641) |
| Net cash provided by (used in) investing activities | (2,544) | (641) |
| Cash flows from financing activities | | |
| Proceeds from issuance of shares resulting from exercise of share acquisition rights | 649,774 | 17,842 |
| Payments for issuance of share acquisition rights | (9,197) | – |
| Net cash provided by (used in) financing activities | 640,576 | 17,842 |
| Net increase (decrease) in cash and cash equivalents | 161,646 | (321,903) |
| Cash and cash equivalents at beginning of period | 2,922,950 | 2,781,032 |
| Cash and cash equivalents at end of period | 3,084,596 | 2,459,128 |

(4) Notes to Semi-annual Financial Statements

Notes on Premise of Going Concern

Not applicable.

Notes When There Are Significant Changes in Amounts of Shareholders' Equity

Not applicable.

Adoption of Accounting Treatment Specific to the Preparation of Semi-annual Financial Statements

*Calculation of tax expenses*

The Company calculates tax expenses by rationally estimating the effective tax rate after applying the tax effect on income before income taxes for the fiscal year including the six months ended June 30, 2026, and multiplying income before income taxes by the estimated effective tax rate. However, in cases where the calculation of tax expenses using the estimated effective tax rate yields a result that is considered not to be reasonable to a significant extent, the effective statutory tax rate is used.

Notes on Segment Information

*[Segment information]*

I Six months ended August 31, 2025

Segment information is omitted as the Company operates a single segment of drug development business.

II Six months ended June 30, 2026

Segment information is omitted as the Company operates a single segment of drug development business.