**Non-Consolidated Financial Results (Japanese GAAP)**
**for the Nine Months Ended September 30, 2024**

November 12, 2024

Company Name: Chiome Bioscience Inc. Tokyo Stock Exchange
Stock Code: 4583 URL https://www.chiome.co.jp
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Scheduled dividend payment commencement date: —
Supplementary materials prepared for the quarterly financial results: Yes
Holding of the quarterly financial results explanatory meeting: No

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

## 1. Financial Results for the Nine Months Ended September 30, 2024 (January 1, 2024 to September 30, 2024)

(1) Operating Results (Cumulative)

(% figures are the increase / (decrease) compared with the corresponding period of the previous fiscal year)

| | Net Sales | | Operating Income | | Ordinary Income | | Net Income | |
|---|---|---|---|---|---|---|---|---|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| Nine months ended Sep. 30, 2024 | 422 | (19.3) | (920) | — | (914) | — | (915) | — |
| Nine months ended Sep. 30, 2023 | 524 | 20.8 | (905) | — | (916) | — | (918) | — |

| | Net Income per Share | Diluted Net Income per Share |
|---|---|---|
| | Yen | Yen |
| Nine months ended Sep. 30, 2024 | (16.26) | — |
| Nine months ended Sep. 30, 2023 | (18.82) | — |

Notes: Despite the existence of shares with a dilutive effect, "Diluted Net Income per Share" is not stated because Chiome incurred a loss for each respective period.

(2) Financial Position

| | Total Assets | Net Assets | Equity Ratio |
|---|---|---|---|
| | Million yen | Million yen | % |
| As of Sep. 30, 2024 | 1,693 | 1,215 | 70.9 |
| As of Dec. 31, 2023 | 1,751 | 1,157 | 65.1 |

(Reference) Equity As of Sep. 30, 2024: 1,201 million yen As of Dec. 31, 2023: 1,139 million yen

## 2. Dividends

| | Annual Dividends | | | | |
|---|---|---|---|---|---|
| | 1Q-End | 2Q-End | 3Q-End | FY-End | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal Year Ending Dec. 31, 2023 | — | 0.00 | — | 0.00 | 0.00 |
| Fiscal Year Ending Dec. 31, 2024 | — | 0.00 | — | | |
| Fiscal Year Ending Dec. 31, 2024 (Forecast) | | | | 0.00 | 0.00 |

Note: Revision to the most recently announced dividend forecast: No

## 3. Forecasts of Financial Results for the Fiscal Year Ending December 31, 2024 (January 1, 2024 to December 31, 2024)

Regarding the Company's forecast, we have disclosed only the figure for the drug discovery support business (net sales of 720 million yen) as it is difficult to determine a reasonable financial forecast for the drug discovery business at present. For that reason, the Company's overall forecast is not shown. In addition, we have revised our forecast announced on February 13, 2024 (net sales of 600 million yen for the drug discovery support business) after considering our projections based on the actual results for the nine months and forecast information, etc., currently available.

**[Notes]**

(1) Application of Special Accounting Practices in the Preparation of Quarterly Financial Statements: No

(2) Changes in Accounting Policies, Changes in Accounting Estimates, and Retrospective Restatements
- 1) Changes in accounting policies in line with revisions to accounting and other standards: No
- 2) Changes in accounting policies other than 1) above: No
- 3) Changes in accounting estimates: No
- 4) Retrospective restatements: No

(3) Number of Shares Issued (Common Stock)

| | | | | |
|---|---|---|---|---|
| 1) Number of shares issued as of the end of the period (including treasury stock) | As of Sep. 30, 2024 | 61,243,400 shares | As of Dec. 31, 2023 | 52,640,200 shares |
| 2) Number of treasury stock as of the end of the period | As of Sep. 30, 2024 | 6,149 shares | As of Dec. 31, 2023 | 6,149 shares |
| 3) Average number of shares for the period (cumulative total for the period) | Nine months ended Sep. 30, 2024 | 56,293,962 shares | Nine months ended Sep. 30, 2023 | 48,805,777 shares |

* Review of the attached quarterly financial statements by certified public accountants or an auditing firm: No

* Explanation Concerning the Proper Use of Financial Results Forecasts and Other Relevant Specific Items

Forward-looking statements including forecasts of financial results contained in this report are based on management's assumptions and beliefs that are determined to be reasonable in light of currently available information. Chiome cautions readers that due to a variety of factors actual results may differ materially from forecasts. For the assumptions that underpin financial results forecasts as well as other related items, please refer to the "1. Qualitative Information Regarding Quarterly Financial Results (3) Explanation of Forward-Looking Statements including Forecasts of Financial Results" on page 5 of this report.

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1. Qualitative Information Regarding Quarterly Financial Results

(1) Overview of Operating Results

While there was a continued improvement in the employment environment due to increased domestic inbound demand and wage increases, the global and domestic economic environments in the nine months of the year remain uncertain. The uncertainty was due to various reasons, such as continued geopolitical risk due to Ukraine and the Middle East, prices of resources and raw materials remaining at high levels, and continued yen depreciation. Under these external environments, the Company's performance for the nine months was as follows. Net sales of ¥422,630 thousand (a decrease of ¥101,392 thousand year-on-year), R&D expenses amounted to ¥743,712 thousand (a decrease of ¥59,535 thousand year-on-year), operating loss of ¥920,960 thousand (operating loss of the same period last year was ¥905,313 thousand), ordinary loss of ¥914,411 thousand (ordinary loss of the same period last year was ¥916,239 thousand), and interim net loss of ¥915,501 thousand (interim net loss of the same period last year was ¥918,465 thousand).

For net sales, while orders received from new clients made progress in the drug discovery support business, transactions have decreased due to the continued impact of organizational changes within an existing client, resulting in a revenue decrease in the third quarter compared to the same period of the previous year. For R&D expenses, although manufacturing costs of study drugs have decreased compared to the same period of the previous year, operating profit was less during this period. Due to the recording of income, such as subsidy income, the deficit of ordinary loss and interim net loss was lower than in the same period of the previous year.

An overview of the Company's business activities for the nine months is as follows.

In the drug discovery business, the Phase I studies of CBA-1205 and CBA-1535 are proceeding. For CBA-1205, currently, the second part of the Phase I study is ongoing, where the safety and initial efficacy of the study drug is to be assessed in hepatocellular carcinoma patients. In addition, having seen the durative SD condition in a melanoma patient over 39 months, we have decided to open a small cohort of melanoma patients in the second part to explore the potential of this antibody, which may increase the product value when licensing out. For CBA-1535, a multi-specific antibody for cancer treatment, we continue the dose escalation to assess the safety in patients with solid tumors. For other drug discovery pipeline products, we have been introducing them to potential partnering companies and are currently being engaged in active due diligence/licensing term discussions with some candidate companies. Our company is developing its business to achieve a surplus in a single year through upfront income from future out-licensing agreements on CBA-1205, CBA-1535, PCDC, and also PFKR and PXLR that are possible out-licensing pipeline products currently in preclinical stage.

We are also actively promoting research and development for lead antibody generation and its intellectual property by developing new technologies to generate next-generation antibodies and collaborating with a company using the technology.

In the drug discovery support business, we are promoting activities to expand this business, mainly with our existing major clients, Ono Pharmaceutical Co., Ltd. ("Ono Pharmaceutical") and Chugai Pharmaceutical Co., Ltd. ("Chugai") with transactions on antibody generation/protein preparation, but we also entered into an entrustment agreement with Takeda Pharmaceutical Company Limited ("Takeda") in February 2024, then in September 2024, a business alliance agreement with Merck Ltd., Japan (Merck) aiming to expand the domestic sales activity.

Furthermore, to aim for the third source of revenue following new drug development and research support for pharmaceutical companies, we entered into a business alliance agreement with Kidswell Bio Corporation ("KWB") that has a proven record in the development of several biosimilar medical products in June 2024. Under the agreement, the two companies will share their experience and know-how in biopharmaceutical development and share the costs of CMC development investments, such as biosimilar cell lines and manufacturing processes, to effectively utilize their resources and control development burdens while promoting the development of new

biosimilar medical products. We are working towards initiatives for developing new biosimilar products, prioritizing partner search to progress this business.

- Drug Discovery Pipeline (Outsourced Clinical Studies)

Regarding ADCT-701, the Antibody-Drug Conjugates that consists of LIV-1205 which our company discovered and licensed out to ADC Therapeutics (ADCT), the dosing to the patient in Phase 1 has started in July 2024 National Cancer Institutes (NCI) in the USA for neuroendocrine cancer. Chiome has terminated the license agreement for LIV-1205 with ADCT. If the phase I study by NCI shows positive results and if any pharmaceutical company is interested in developing Phase II clinical studies and beyond, Chiome and the company will enter into a new licensing agreement for LIV-1205.

- Drug Discovery Pipeline (In-house programs, out-licensing candidates)

For CBA-1205, we have been conducting Phase I clinical study in Japan. The main purpose of the study is to evaluate the safety and tolerability in patients with solid tumors in the first part, and in patients with hepatocellular carcinoma in the second part of the study. The patient enrollment of the first part has been completed, and the high safety and tolerability of the antibody have been shown. In this first part, a malignant melanoma (a type of high-risk skin cancer) patient, the SD (stable disease) assessment has continued for a long time and has now exceeded more than 39 months of CBA-1205 dosing and is still ongoing. In general, patients with solid tumors participating in Phase I study are those who had already received several standard treatments but are non-responsive or intolerant to those treatments, or patients with unresectable advanced or recurrent solid tumors. The patients who participated in the first part had already received several standard treatments, therefore, we consider the continued SD evaluation with tumor shrinkage to be meaningful. Considering these factors and interim results we have decided to open a small cohort of melanoma in the second part of Phase 1 to assess its safety and potential in melanoma patients. In the second part we confirmed one case of PR (partial response tumor shrinkage of 30% or more). Upon obtaining the PR case, we have tightened the selection criteria of patients' enrollment. We will proceed the enrollment of hepatocellular carcinoma and melanoma patients to accumulate the safety and initial efficacy data to support possible out-licensing activity in a speedy manner.

For CBA-1535, the Phase I clinical study is in progress and the dose is raised in a stepwise manner to confirm the safety and efficacy signals of the study drug. To date, only minor side effects have been observed, and there is no data on safety that raise the development concern. Some changes in blood biomarker have become visible which indicates T-cell activation, the concept of the study drug. Regarding the starting date for the second part of the study, we have moved it until after confirming the efficacy signals in the first part of the study. This is to rationally control our clinical development investment with the possibility of out-licensing the study drug. We decided to extend the study duration of the first part until 2025 to assess the potential of CBA-1535 as a monotherapy adequately, also, looking for the out-licensing opportunity only with the results from the first part.

PTRY is a Tribody™ antibody and is expected to add immune checkpoint inhibitory function on the T cell engager function of CBA-1535. Its initial evaluations using animal models have shown strong anti-tumor effects. For the development of PTRY, we prioritize out-licensing to other pharmaceutical companies that can enter commercialization and clinical development at an early stage rather than carrying out early clinical development in-house. This is because we can expect out-licensing in pre-clinical stages depending on the development status of CBA-1535. We also aim to stabilize our business management in an uncertain business environment.

PCDC, as an antibody-drug conjugate of humanized anti-CDCP1 antibody, we are working on out-licensing activities, mainly for the use of ADC. With the increasing development of ADC globally, we will continue out-licensing activities with companies already own ADC technologies. Currently discussions are in progress with several pharma companies mainly on the scientific aspects.

PFKR is a therapeutic antibody targeting CX3CR1, a kind of GPCR. Our company and the National Center of Neurology and Psychiatry are progressing joint research programs for autoimmune diseases in the CNS area and is our new candidate for out-licensing products. We are currently negotiating with companies interested in this program by introducing its data and discussing scientific aspects in order to obtain out-licensing contracts.

PXLR is a therapeutic cancer antibody targeting CXCL1 which is highly expressed in cancers such as gastric and pancreatic cancer. It is a new candidate for out-licensing products, and a joint research program with Osaka Metropolitan University is in progress.

For other drug discovery projects in the exploratory phase, we will continue research activities that will contribute to their commercialization in the future, while considering out-licensing and development plans. The company will expand its new pipeline and seek out-licensing opportunities by continuously creating new drug seeds and making them intellectual property. We are also participating in a research program in the field of infectious diseases and conducting basic research on the technology development of the ADLib® system in collaboration with Academia in Japan, which is supported by a grant from the Japan Agency for Medical Research and Development (AMED). We are focusing on implementing this technology as a new drug discovery technology for our company in the future.

As a result of the above, the performance of the nine months in the drug discovery business is net sales of ¥2,952 thousand, due to recording revenue from the conclusion of MTAs with out-licensing candidates, R&D expenses amounted ¥743,712 thousand due to the progress of clinical development (a decrease of ¥59,535 thousand year-on-year), and segment loss was ¥740,760 thousand (segment loss of the same period last year was ¥803,247).

Drug discovery support business contributes to the Company's stable earnings. We offer contract services such as antibody discovery and affinity maturation using the ADLib® system, our proprietary antibody generation expertise, protein preparation, expression, and purification to accelerate biopharmaceutical research and development at pharmaceutical companies including Ono Pharmaceutical and Chugai. Our technical service capabilities are highly recognized by our client companies, and we have concluded an entrustment agreement with Takeda, as well as a business alliance agreement with Merck aiming to expand sales channels of our services during the nine months. We are developing new customers to strengthen the earning base and will continue to focus on and promote the growth of this business.

The performance in the drug discovery support business in the nine months is net sales of ¥419,678 thousand (a decrease of ¥104,345 thousand year-on-year) mainly due to the organization changes in an existing client company which resulted in reducing the number of transactions, segment profit of ¥216,697 thousand (a decrease of ¥90,394 thousand year-on-year), and segment profit margin of 51.6% (target 50%).

(2) Overview of Financial Position

(Assets)

Total assets at the end of the third quarter of the current fiscal year amounted to ¥1,693,927 thousand, a decrease of ¥57,527 thousand compared to the end of the previous fiscal year, mainly due to a decrease in cash and deposits.

(Liabilities)

The balance of liabilities at the end of the third quarter of the current fiscal year amounted to ¥478,226 thousand, a decrease of ¥115,504 thousand compared to the end of the previous fiscal year, mainly because of a decrease in accounts payable other, due to payment of additional manufacturing cost of CBA-1205 study drugs.

(Net assets)

The balance of net assets at the end of the third quarter of the current fiscal year amounted to ¥1,215,701 thousand, an increase of ¥57,977 thousand compared to the end of the previous fiscal year. This was mainly due to the issue of shares as a result of the exercise of stock acquisition rights.

(3) Explanation of Forward-Looking Statements including Forecasts of Financial Results

Regarding the Company's forecast, we have revised our forecast announced on February 13, 2024, in light of performance trends over the nine months of the current fiscal year.

2. Quarterly Financial Statements

(1) Quarterly Balance Sheets

Thousand yen

| | As of Dec. 31, 2023 | As of Sep 30, 2024 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash on hand and in banks | 1,325,554 | 1,241,256 |
| Accounts receivable | 83,193 | 60,878 |
| Inventories | 64,107 | 46,615 |
| Advance payment-trade | 86,797 | 105,711 |
| Consumption taxes receivable | 25,046 | 31,972 |
| Other current assets | 44,695 | 72,796 |
| Total current assets | 1,629,396 | 1,559,231 |
| Non-current assets | | |
| Property and equipment | | |
| Machinery | 233,509 | 230,737 |
| Accumulated depreciation | (232,343) | (230,451) |
| Machinery, net | 1,166 | 286 |
| Tools and equipment | 85,451 | 82,364 |
| Accumulated depreciation | (85,451) | (82,364) |
| Tools and equipment, net | 0 | 0 |
| Total property and equipment | 1,166 | 286 |
| Investments and other assets | | |
| Long-term prepaid expenses | 8,081 | 21,598 |
| Lease deposits and others | 112,811 | 112,811 |
| Others | 0 | 0 |
| Total investments and other assets | 120,892 | 134,409 |
| Total non-current assets | 122,058 | 134,696 |
| Total assets | 1,751,454 | 1,693,927 |

Thousand yen

| | As of Dec. 31, 2023 | As of Sep. 30, 2024 |
|---|---|---|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable, trade | 37,735 | 32,563 |
| Short-term borrowings | 291,000 | 303,000 |
| Accounts payable, other | 116,952 | 53,615 |
| Accrued expenses | 25,587 | 18,139 |
| Income taxes payable | 23,952 | — |
| Advances received | 31,200 | 9,100 |
| Deposits received | 5,880 | 6,794 |
| Provision for bonuses | 6,730 | — |
| Total Current liabilities | 539,038 | 423,212 |
| Non-current liabilities | | |
| Asset retirement obligations | 54,692 | 55,013 |
| Total non-current liabilities | 54,692 | 55,013 |
| Total liabilities | 593,731 | 478,226 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 2,388,422 | 588,356 |
| Capital reserve | 3,988,202 | 1,528,630 |
| Retained earnings | (5,236,350) | (915,501) |
| Treasury stock | (292) | (292) |
| Total shareholders' equity | 1,139,981 | 1,201,193 |
| Subscription rights to shares | 17,741 | 14,507 |
| Total net assets | 1,157,723 | 1,215,701 |
| Total liabilities and net assets | 1,751,454 | 1,693,927 |

(2) Quarterly Statement of Income

(Third Quarter Cumulative)

Thousand yen

| | Nine Months Ended Sep. 30, 2023 (Jan.1, 2023 to Sep. 30, 2023) | Nine Months Ended Sep. 30, 2024 (Jan. 1, 2024 to Sep. 30, 2024) |
|---|---|---|
| Net sales | 524,023 | 422,630 |
| Cost of sales | 216,931 | 202,980 |
| Gross profit | 307,091 | 219,650 |
| Selling, general and administrative expenses | | |
| Research and development expenses | 803,247 | 743,712 |
| Other, net | 409,157 | 396,897 |
| Total selling, general and administrative expenses | 1,212,405 | 1,140,610 |
| Operating loss | (905,313) | (920,960) |
| Non-operating income | | |
| Interest income | 17 | 140 |
| Foreign exchange gains | 251 | 853 |
| Subsidy income | — | 19,738 |
| Other, net | 432 | 848 |
| Total non-operating income | 702 | 21,581 |
| Non-operating expenses | | |
| Interest expenses | 1,481 | 2,034 |
| Share issuance expenses | 1,785 | 4,136 |
| Subscription rights issuance cost | 7,705 | 8,861 |
| Other, net | 655 | 0 |
| Total non-operating expenses | 11,627 | 15,032 |
| Ordinary loss | (916,239) | (914,411) |
| Extraordinary income | | |
| Gain on sale of non-current assets | 119 | — |
| Gain on reversal of share acquisition rights | 1,426 | 1,488 |
| Total extraordinary income | 1,545 | 1,488 |
| Extraordinary losses | | |
| Loss on sale of non-current assets | 14 | — |
| Total extraordinary losses | 14 | — |
| Loss before income taxes | (914,707) | (912,923) |
| Income taxes-current | 3,757 | 2,577 |
| Total income taxes | 3,757 | 2,577 |
| Net loss | (918,465) | (915,501) |

(3) Notes Concerning Quarterly Financial Statements

(Notes Regarding Going Concern Assumptions)

Not applicable.

(Notes Regarding Substantial Changes in Shareholders' Equity)

In accordance with the resolutions at the Ordinary General Meeting of Shareholders held on March 26, 2024, the capital reduction took effect on May 1, 2024, resulting in a decrease of ¥2,288,422 thousand in capital stock and ¥2,947,928 thousand in capital reserves respectively and increase of ¥5,236,350 thousand in retained earnings. In addition, mainly due to exercise of stock acquisition rights, capital stock and capital reserves increased by ¥488,356 thousand each, resulting in capital stock of ¥ 588,356 thousand and capital reserves of ¥1,528,630 thousand at the end of the current quarter.

(Notes to quarterly cash flow statement)

The cash flow statement for the nine months is not present herein. Depreciation and amortization for the nine months are as follows.

(Thousand yen)

| | Nine Months Ended Sep. 30, 2023 (Jan.1, 2023 to Sep. 30, 2023) | Nine Months Ended Sep. 30, 2024 (Jan. 1, 2024 to Sep. 30, 2024) |
|---|---|---|
| Depreciation and amortization | 909 | 879 |

(Segment information)

The Nine Months Ended September 30, 2023 (January 1, 2023 to September 30, 2023)

(Thousand yen)

| | Reportable Segments | | Total | Adjustments (Note 1) | Amount Recorded on the Balance Sheet (Note 2) |
|---|---|---|---|---|---|
| | Drug Discovery and Development Business | Drug Discovery Support Business | | | |
| Net sales | | | | | |
| Goods or services transferred at one point of time | — | 169,162 | 169,162 | — | 169,162 |
| Goods or services transferred over a period of time | — | 354,860 | 354,860 | — | 354,860 |
| Revenue from contracts with customers | — | 524,023 | 524,023 | — | 524,023 |
| Sales to external customers | — | 524,023 | 524,023 | — | 524,023 |
| Internal sales or exchange between segments | — | — | — | — | — |
| Total | — | 524,023 | 524,023 | — | 524,023 |
| Segment income (loss) | (803,247) | 307,091 | (496,156) | (409,157) | (905,313) |

Notes:

1. Details regarding adjustments are presented as follows:

(1) Adjustments to segment income (loss) are selling, general and administrative expenses that relate to areas other than research and development.

(2) Segment assets are not allocated between segments because all assets of the Company are unified in their generation of cash flows and apply to multiple antibody generation technologies. Accordingly, the amount of total assets recorded on the balance sheet is presented as the adjustment balance.

2. The total amount of segment income (loss) is reconciled with operating loss recorded in the statement of income.

The Nine Months Ended September 30, 2024 (January 1, 2024 to September 30, 2024)

(Thousand yen)

| | Reportable Segments | | Total | Adjustments (Note 1) | Amount Recorded on the Balance Sheet (Note 2) |
|---|---|---|---|---|---|
| | Drug Discovery and Development Business | Drug Discovery Support Business | | | |
| Net sales | | | | | |
| Goods or services transferred at one point of time | 2,952 | 107,180 | 110,133 | — | 110,133 |
| Goods or services transferred over a period of time | — | 312,497 | 312,497 | — | 312,497 |
| Revenue from contracts with customers | 2,952 | 419,678 | 422,630 | — | 422,630 |
| Sales to external customers | 2,952 | 419,678 | 422,630 | — | 422,630 |
| Internal sales or exchange between segments | — | — | — | — | — |
| Total | 2,952 | 419,678 | 422,630 | — | 422,630 |
| Segment income (loss) | (740,760) | 216,697 | (524,062) | (396,897) | (920,960) |

Notes:

1. Details regarding adjustments are presented as follows:

(1) Adjustments to segment income (loss) are selling, general and administrative expenses that relate to areas other than research and development.

(2) Segment assets are not allocated between segments because all assets of the Company are unified in their generation of cash flows and apply to multiple antibody generation technologies. Accordingly, the amount of total assets recorded on the balance sheet is presented as the adjustment balance.

2. The total amount of segment income (loss) is reconciled with operating loss recorded in the statement of income.

(Important subsequent events)

(Capital increase attributed to the exercise of subscription rights to shares)

During the period from October 1 to October 31, 2024, a portion of the 21st stock acquisition rights were exercised. The summary of the exercised stock acquisition rights is as follows.

(1) Type and number of shares issued: Common stock, 1,198,100 shares

(2) Increased capital stock: ¥57,574 thousand

(3) Increased legal capital reserves: ¥57,574 thousand

Consequently, as of October 31, 2024, the total number of the common stock issued is 62,441,500 shares. Capital stock and capital reserves are ¥645,931 thousand and ¥1,586,205 thousand, respectively.