Non-Consolidated Financial Results (Japanese GAAP)
for the Fiscal Year Ended December 31, 2024

February 13, 2025

Company Name: Chiome Bioscience Inc. Tokyo Stock Exchange
Stock Code: 4583 URL https://www.chiome.co.jp
Representative: Shigeru Kobayashi, President & CEO
Inquiries: Arihiko Bijohira, Executive officer, Head of Corporate Administration TEL: +81-3-6383-3561
Scheduled date of the Annual General Meeting of Shareholders : March 28, 2025
Scheduled dividend payment commencement date: —
Scheduled filing date of the Securities Report : March 28, 2025
Supplementary materials prepared for the financial results : Yes
Holding of a financial results explanatory meeting : Yes (For institutional investors and securities analysts)

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

1. Financial Results for the Fiscal Year Ended December 31, 2024 (January 1, 2024 to December 31, 2024)

(1) Operating Results

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

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Dec. 31, 2024	780	14.4	(1,030)	—	(1,019)	—	(1,020)	—
Fiscal year ended Dec. 31, 2023	682	8.2	(1,205)	—	(1,217)	—	(1,220)	—

	Net Income per Share	Diluted Net Income per Share	Return on Equity	Ordinary Income to Total Assets	Operating Income to Net Sales
	Yen	Yen	%	%	%
Fiscal year ended Dec. 31, 2024	(17.54)	—	(66.9)	(48.3)	(132.0)
Fiscal year ended Dec. 31, 2023	(24.62)	—	(83.6)	(61.4)	(176.6)

(Reference) Equity in earnings (losses) of affiliates: Fiscal year ended Dec. 31, 2024 — million yen
Fiscal year ended Dec. 31, 2023 — million yen

Notes:
1. 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	Net Assets per Share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2024	2,468	1,920	77.4	28.53
As of Dec. 31, 2023	1,751	1,157	65.1	21.66

(Reference) Equity As of Dec. 31, 2024: 1,910 million yen As of Dec. 31, 2023: 1,139 million yen

(3) Cash Flows

	Cash Flow from Operating Activities	Cash Flow from Investing Activities	Cash Flow from Financing Activities	Cash and Cash Equivalents as of the End of the Period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Dec. 31, 2024	(1,000)	—	1,738	2,063
Fiscal year ended Dec. 31, 2023	(1,069)	0	667	1,325

2. Dividends

	Annual Dividend					Total Dividend (Annual)	Dividend Payout Ratio	Dividends to Net Assets
	1Q-End	2Q-End	3Q-End	FY-End	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal period ended Dec. 31, 2023	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ended Dec. 31, 2024	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ending Dec. 31, 2025 (forecast)	—	0.00	—	0.00	0.00		—	

3. Forecast of Financial Results for the Fiscal Year Ending December 31, 2025 (January 1, 2025 to December 31, 2025)

As it is difficult to provide reasonable estimates for Drug Discovery and Development Business at present, Chiome discloses only business forecasts for Drug Discovery Support Business (net sales of ¥500 million). For details, please refer to "1. Overview of Operating Results (4) Outlook for the Fiscal Year Ending December 31, 2025" on page 5 of the attached materials.

Notes:

(1) 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

(2) Number of Shares Issued (Common Stock)

1) Number of shares issued as of the end of the period (including treasury stock)	As of Dec. 31, 2024	66,969,000 shares	As of Dec. 31, 2023	52,640,200 shares
2) Number of treasury stock as of the end of the period	As of Dec. 31, 2024	12,149 shares	As of Dec. 31, 2023	6,149 shares
3) Average number of shares for the period (cumulative total for the period)	Fiscal year ended Dec. 31, 2024	58,207,957 shares	Fiscal year ended Dec. 31, 2023	49,545,177 shares

* This summary report on Chiome's financial statements is not subject to review procedures.

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

1. 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 "1. Overview of Operating Results (4) Outlook for the Fiscal Year Ending December 31, 2025" on page 5 of the attached materials.
2. Chiome plans to hold a financial results explanatory meeting by online for institutional investors and securities analysts on February 18, 2025. Plans are also in place to post a copy of the supplementary materials distributed at the meeting on Chiome's website in conjunction with disclosure to the Tokyo Stock Exchange today.

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1. Overview of Operating Results

(1) Overview of Operating Results in the Fiscal Year under Review

The global and domestic economic environment in this current fiscal year remains uncertain because of various reasons, such as continued geopolitical risks due to the situation in Ukraine and the Middle East, increase in resources and raw materials prices, and continued yen depreciation. However, there was a gradual recovery in the economic environment such as continued improvement in the employment environment due to increase in domestic inbound demand and wage increases. Under the external environments, the Company's performance for the year under review was as follows. Net sales of ¥780,809 thousand (an increase of ¥98,345 thousand year-on-year), R&D expenses amounted to ¥936,737 thousand (a decrease of ¥115,167 thousand year-on-year), operating loss of ¥1,030,869 thousand (operating loss of ¥1,205,168 thousand in the previous fiscal year), ordinary loss of ¥1,019,210 thousand (ordinary loss of ¥1,217,240 thousand in the previous fiscal year), and net loss was ¥1,020,776 thousand (net loss of ¥1,220,018 thousand in the previous fiscal year).

For net sales, while transactions have decreased due to organizational changes within an existing client company in the drug discovery support business, there was an upfront payment in the drug discovery business due to the conclusion of a license agreement, resulting in an increase in sales compared to the previous year. For R&D expenses, the expenses, such as study drug manufacturing costs, have decreased compared to the previous year. Therefore, operating loss, ordinary loss, and net loss for this fiscal year all showed a reduction in the deficit compared to the previous year.

An overview of the Company's business activities during the year under review is as follows.

In the drug discovery business, our company entered into an exclusive license agreement with Asahi Kasei Pharma Corporation ("Asahi Kasei Pharma") for PFKR, our humanized anti-CX3CR1 antibody, in November 2024. Under the terms of the agreement, Chiome grants Asahi Kasei Pharma worldwide rights with sublicenses for the development, manufacturing and commercialization of PFKR. The upfront payment of ¥200 million received on signing the agreement was recorded as sales for the current fiscal year.

Phase I clinical studies are underway for our company's cancer treatment antibodies CBA-1205 and CBA-1535. For CBA-1205, the second part of the Phase I study is ongoing to assess the safety and initial efficacy of the study drug in hepatocellular carcinoma patients. In addition, following the continuous dosing for more than 42 months in a melanoma patient in the first part of the study, we have established a cohort for patients with melanoma in the second part to investigate potential indication for melanoma. Enrollment of melanoma patients is underway. We have decided to extend the development period, aiming to enhance the product's value at the time of out-licensing. 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, introductions and discussions are underway with companies that are potential candidates for out-licensing.

We will continue to develop our business to acquire out-licensing contracts for our products, including CBA-1205, CBA-1535, and PCDC.

We are promoting research and development for new business opportunities by advancing lead antibody generation technology and other efforts.

In the drug discovery support business, we promote activities 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. We also promote activities with new clients and entered an entrustment agreement with Takeda Pharmaceutical Company Limited ("Takeda") in February 2024. Then we signed a business alliance agreement with Merck Ltd., Japan (Merck) in September 2024 and FUJIFILM Wako Pure Chemical Corporation ("FUJIFILM Wako Pure Chemical Corp.") in December 2024 to expand sales channels in Japan. As shown in above, we are actively pursuing to new clients' acquisition and stabilizing our revenue base.

Furthermore, to aim for the third source of revenue following new drug development and research support for

pharmaceutical companies, we leveraged our capabilities and know-how in antibody drug discovery, particularly our bio-CMC function. In June 2024, we entered into a business alliance agreement with Kidswell Bio Corporation which has a proven record in the development of several biosimilar medical products. 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. Discussions are underway with potential partner companies to develop new biosimilar medical products.

- Drug Discovery Pipeline (out-licensed products)

PFKR is a therapeutic antibody candidate for autoimmune disease in CNS area targeting CX3CR1, a kind of G protein-coupled receptors (GPCRs). Our company and the National Center of Neurology and Psychiatry are progressing with a joint research program. We entered into an exclusive license agreement with Asahi Kasei Pharma for PFKR in November 2024.

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

For CBA-1205, we have been conducting a 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. We have completed the patient enrollment of the first part, and the high safety and tolerability of the antibody have been shown. In addition, a melanoma (a type of high-risk skin cancer) patient has been dosed with CBA-1205 for more than 42 months with SD (stable disease) assessment including tumor shrinkage, and dosing is still ongoing. In general, patients with solid tumors participating in the 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 therapies. Therefore, we consider the continued SD evaluation with tumor shrinkage meaningful. In response, after investigating possible development for melanoma, we have decided to establish a cohort for patients with melanoma in the second part of the study to confirm the safety and initial efficacy. We have also decided to extend the development period; dosing is underway in the cohort. 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 for patients' enrollment. We will proceed with enrolling hepatocellular carcinoma and melanoma patients' cases and evaluating the safety and initial efficacy in parallel to acquire data to support possible out-licensing opportunities and maximize the product value.

For CBA-1535, we have been also conducting a Phase I clinical study for patients with solid tumors in Japan. In the first part, we evaluate the safety and tolerability of CBA-1535 as a single agent, and in the second part, in combination with a checkpoint inhibitor. The first part is currently in progress. To date, no data on safety raises the development concern. The change in blood biomarkers has started to show, which indicates T-cell activation, which is the concept of the study drug. Regarding the starting date of the second part, we will start after confirming the efficacy signals of the single agent in the first part of the study to rationally control our clinical development investment with the possible out-licensing opportunities. We have also extended the first part of the clinical study period until 2025 to look for out-licensing opportunities using the clinical data of the first part of the study.

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 this product, we have decided to prioritize out-licensing to other pharmaceutical companies who can enter commercialization and clinical development rather than carrying out early clinical development by ourselves. This is because we can expect licensing out in pre-clinical stages depending on the development status of CBA-1535.

For PCDC, we are working on out-licensing activities, mainly for using ADC as an antibody-drug conjugate of humanized anti-CDCP1 antibody. With the increasing development of ADC globally, we are promoting out-licensing

activities with pharmaceutical companies that own ADC technologies.

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-licensed products, and a joint research program with Osaka Metropolitan University is in progress.

Our company has been promoting the creation of drug seeds and making them into intellectual property to expand our pipeline and explore out-licensing opportunities. In addition, we are currently focusing on collaboration with pharmaceutical companies using our technology and know-how related to antibody drug discovery to enhance profitability through antibody platform-type business by using our technology and know-how in antibody drug generation. As one of the results of this effort, we entered into a joint research agreement with Eisai Co., Ltd. in December 2024 on high-affinity antibody generation.

As a result of the above, results for the current fiscal year in the drug discovery business are as follows. Net sales of ¥202,952 thousand (an increase of ¥202,952 thousand year-on-year), mainly due to recording an upfront payment for the out-licensing of PFKR. R&D expenses amounted to ¥936,737 thousand due to the progress of clinical development (a decrease of ¥115,167 thousand year-on-year), and segment loss of ¥813,784 thousand (segment loss of the previous year was ¥1,051,904 thousand).

Drug discovery support business contributes to the Company's stable earnings. We provide antibody generation services using antibody generation technology platforms such as our own ADLib® system and affinity maturation technology, and protein preparation services utilizing protein purification technology. These contract services accelerate biopharmaceutical research and development at major pharmaceutical companies in Japan, including Ono Pharmaceutical Co. Lt. and Chugai Pharmaceutical Co. Ltd. Our technical service capabilities are highly recognized by our client companies; however, net sales this fiscal year were decreased due to the decrease in transactions caused by organization changes within a client company. On the other hand, we continuously promoted exploring new clients to stabilize our revenue base. We entered into an entrustment agreement with Takeda Pharmaceutical Company Limited and business alliance agreements with Merck Ltd. and FUJIFILM Wako Pure Chemical Corp. to expand sales channels for our services in Japan.

The performance of the drug discovery support business in the current fiscal year is as follows. Net sales of ¥577,857 thousand (a decrease of ¥104,607 thousand year-on-year) mainly due to the organization changes in an existing client company that reduced the number of transactions, segment profit of ¥309,899 thousand (a decrease of ¥88,695 thousand year-on-year), and segment profit margin of 53.6% (target 50%).

(2) Overview of Financial Position in the Fiscal Year under Review

(Assets)

Current assets for the current fiscal year amounted to ¥2,337,672 thousand, an increase of ¥708,276 thousand from the end of the previous fiscal year. This was mainly due to an increase of ¥737,725 thousand in cash and deposits. Fixed assets amounted to ¥131,185 thousand, an increase of ¥9,126 thousand from the end of the previous fiscal year. As a result, total assets are ¥2,468,857 thousand, an increase of ¥717,402 thousand from the end of the previous fiscal year.

(Liabilities)

Current liabilities at the end of the current fiscal year amounted to ¥493,432 thousand, a decrease of ¥45,605 thousand from the end of the previous fiscal year. This was mainly due to the decrease of ¥31,200 thousand in advances received and a decrease of ¥21,420 thousand in income taxes payable because of a decrease in business taxes due to capital reduction. As a result, total liabilities amounted to ¥548,553 thousand, a decrease of ¥45,177 thousand from the end of the previous fiscal year.

(Net assets)

Total net assets at the end of the current fiscal year amounted to ¥1,920,303 thousand, an increase of ¥762,580 thousand from the end of the previous fiscal year. This was mainly due to increased capital stock and capital reserves

because of the exercise of stock acquisition rights.

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

The balance of cash and cash equivalents (hereinafter "funds") at the end of the current fiscal year was ¥2,063,280 thousand, an increase of ¥737,725 thousand from the end of the previous fiscal year. The status of each cash flow and its main factors are as follows.

(Cash flows from operating activities)

The funds used in operating activities amounted to ¥1,000,664 thousand. The main reason for this was the recording of a loss before tax.

(Cash flows from investing activities)

There was no change in funds from investing activities in the year under review.

(Cash flows from financing activities)

The funds acquired as a result of financing activities amounted to ¥ 1,738,390 thousand. This was mainly due to the issue of shares resulting from the exercise of stock acquisition right.

(4) Outlook for the Fiscal Year Ending December 31, 2025

In the drug discovery business, we aim for steady progress towards the completion of Phase I studies for CBA-1205 and CBA-1535. We will also promote out-licensing activities for these two clinical products and other pipeline products in pre-clinical stages, improve antibody generation technologies, and collaborate with pharmaceutical companies using our technology and know-how. For the CBA-1205 clinical study, the second part is in progress, aiming to complete the enrollment of patients with hepatocellular carcinoma within 2025. This study will evaluate the safety and initial efficacy in patients with hepatocellular carcinoma and melanoma, which will be key for future out-licensing activities. We will also consider the study plan towards the expansion of indications. Demonstrating efficacy in multiple cancer types will provide valuable data when negotiating financial terms at a time of out-licensing this study drug. Therefore, we will continue to promote clinical development by pursuing the possibility. For CBA-1535, the change in blood biomarker has started to show which indicates T-cell activation, the concept of the study drug. We will aim to complete this part within 2025 to look for the out-licensing opportunities using the result of the first part of the study.

In the drug discovery support business, we will continue to respond carefully to the needs of existing clients by utilizing our technical service capabilities and expand our contracted services by utilizing sales expansion structure based on business alliance agreements we entered this year for the production of new antibodies and the preparation of proteins for a steady revenue base. On the other hand, as we cannot predict the situation regarding transactions due to organizational changes of a client company, we forecast net sales of ¥500 million in the drug discovery support business for the next fiscal year ending December 31, 2025.

2. Fundamental View on Selection of Accounting Standards

Chiome currently adopts Japanese GAAP as its accounting standards. With regard to adoption of International Financial Reporting Standards (IFRS) in the coming years, Chiome will look at various cases globally and make an appropriate decision.

3. Financial Statements

(1) Balance Sheets

Thousand yen

	As of Dec. 31, 2023	As of Dec. 31, 2024
Assets		
Current assets		
Cash on hand and in banks	1,325,554	2,063,280
Accounts receivable	83,193	51,063
Inventories	64,107	46,171
Advance payments – trade	86,797	101,992
Prepaid expenses	43,845	46,656
Consumption taxes receivable	25,046	24,425
Other current assets	849	4,081
Total current assets	1,629,396	2,337,672
Non-current assets		
Property and equipment		
Machinery	233,509	230,491
Accumulated depreciation	(232,343)	(230,491)
Machinery, net	1,166	0
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	0
Investments and other assets		
Lease deposits and others	112,811	112,809
Long-term prepaid expenses	8,081	18,375
Other, net	0	0
Total investments and other assets	120,892	131,184
Total non-current assets	122,058	131,185
Total assets	1,751,454	2,468,857

Thousand yen

	As of Dec. 31, 2023	As of Dec. 31, 2024
Liabilities		
Current liabilities		
Accounts payable, trade	37,735	27,196
Short-term borrowings	291,000	281,500
Accounts payable, other	116,952	138,103
Accrued expenses	25,587	29,557
Income taxes payable	23,952	2,531
Advances received	31,200	－
Deposits received	5,880	14,543
Provision for bonuses	6,730	－
Total liabilities	539,038	493,432
Non-current liabilities		
Asset retirement obligations	54,692	55,120
Total non-current liabilities	54,692	55,120
Total liabilities	593,731	548,553
Net assets		
Shareholders' equity		
Capital stock	2,388,422	995,525
Capital reserve		
Legal Capital reserve	3,988,202	1,935,799
Total capital reserve	3,988,202	1,935,799
Retained earnings		
Other retained earnings		
Retained earnings brought forward	(5,236,350)	(1,020,776)
Total retained earnings	(5,236,350)	(1,020,776)
Treasury stock	(292)	(292)
Total shareholders' equity	1,139,981	1,910,255
Subscription rights to shares	17,741	10,048
Total net assets	1,157,723	1,920,303
Total liabilities and net assets	1,751,454	2,468,857

(2) Statements of Income

Thousand yen

	Fiscal Year Ended Dec. 31, 2023 (Jan. 1, 2023 to Dec. 31, 2023)	Fiscal Year Ended Dec. 31, 2024 (Jan. 1, 2024 to Dec. 31, 2024)
Net sales	682,464	780,809
Cost of sales	283,869	347,957
Gross profit	398,595	432,851
Selling, general and administrative expenses		
Research and development expenses	1,051,904	936,737
Other, net	551,859	526,984
Total selling, general and administrative expenses	1,603,764	1,463,721
Operating loss	(1,205,168)	(1,030,869)
Non-operating income		
Interest income	19	215
Foreign exchange gains	513	919
Subsidy income	—	28,011
Other, net	576	845
Total non-operating income	1,108	29,991
Non-operating expenses		
Interest expenses	2,069	2,865
Share issuance cost	2,751	6,572
Subscription rights issuance cost	7,705	8,861
Other, net	655	32
Total non-operating expenses	13,180	18,331
Ordinary loss	(1,217,240)	(1,019,210)
Extraordinary income		
Gain on reversal of subscription rights to shares	2,232	1,674
Total extraordinary income	2,232	1,674
Loss before income taxes	(1,215,008)	(1,017,536)
Income taxes-current	5,010	3,240
Total income taxes	5,010	3,240
Net loss	(1,220,018)	(1,020,776)

【Details of Cost of Sales】

Category	note	Fiscal Year Ended Dec. 31, 2023 (Jan. 1, 2023 to Dec. 31, 2023) Amount (Thousand yen)	Proportion of cost of sales (%)	Fiscal Year Ended Dec. 31, 2024 (Jan. 1, 2024 to Dec. 31, 2024) Amount (Thousand yen)	Proportion of cost of sales (%)
I Cost of materials		118,634	41.7	117,980	33.9
II Labor costs		83,600	29.4	76,755	22.0
III Expenses	* 1	82,126	28.9	153,522	44.1
Total manufacturing costs		284,361	100.0	348,258	100.0
Opening balance of work-in-progress under inventories		1,151		1,644	
Total		285,513		349,903	
Closing balance of work-in-progress under inventories		1,644		1,944	
Cost of sales		283,869		347,957	

Method of calculating cost of sales: Cost of sales is calculated based on the specific identification method by project.

(Note)*1 The following are major items.

Thousand yen

	Fiscal Year Ended Dec. 31, 2023 (Jan. 1, 2023 to Dec. 31, 2023)	Fiscal Year Ended Dec. 31, 2024 (Jan. 1, 2024 to Dec. 31, 2024)
Royalties paid	17,956	95,132
Outsourcing expenses	10,512	5,191
Other expenses	53,657	53,198

(3) Statements of Changes in Net Assets

The Fiscal Period Ended December 31, 2023 (January 1, 2023 to December 31, 2023)

Thousand yen

	Shareholders' Equity				
	Capital Stock	Capital Reserve		Retained Earnings	
		Legal Capital reserve	Total capital reserve	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance as of the beginning of the period	2,097,017	3,696,798	3,696,798	(4,016,331)	(4,016,331)
Changes during the period					
Issuance of new stock	291,404	291,404	291,404		—
Net loss			—	(1,220,018)	(1,220,018)
Purchase of treasury stock					
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes during the period	291,404	291,404	291,404	(1,220,018)	(1,220,018)
Balance as of the end of the period	2,388,422	3,988,202	3,988,202	(5,236,350)	(5,236,350)

	Shareholders' Equity		Subscription rights to shares	Total Net Assets
	Treasury Stock	Total Shareholders' Equity		
Balance as of the beginning of the period	(292)	1,777,192	13,554	1,790,746
Changes during the period				
Issuance of new stock		582,808		582,808
Net loss		(1,220,018)		(1,220,018)
Purchase of treasury stock	(0)	(0)		(0)
Net changes of items other than shareholders' equity		—	4,187	4,187
Total changes during the period	(0)	(637,210)	4,187	(633,022)
Balance as of the end of the period	(292)	1,139,981	17,741	1,157,723

The Fiscal Period Ended December 31, 2024 (January 1, 2024 to December 31, 2024)

Thousand yen

	Shareholders' Equity					
	Capital Stock	Capital Reserve			Retained Earnings	
		Legal Capital reserve	Other capital surplus	Total capital reserve	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance as of the beginning of the period	2,388,422	3,988,202	—	3,988,202	(5,236,350)	(5,236,350)
Changes during the period						
Issuance of new stock	895,525	895,525		895,525		—
Capital reduction	(2,288,422)	(2,947,928)	5,236,350	2,288,422		—
Deficit disposition			(5,236,350)	(5,236,350)	5,236,350	5,236,350
Net loss				—	(1,020,776)	(1,020,776)
Net changes of items other than shareholders' equity	—	—	—	—	—	—
Total changes during the period	(1,392,897)	(2,052,403)	—	(2,052,403)	4,215,574	4,215,574
Balance as of the end of the period	995,525	1,935,799	—	1,935,799	(1,020,776)	(1,020,776)

	Shareholders' Equity		Subscription rights to shares	Total Net Assets
	Treasury Stock	Total Shareholders' Equity		
Balance as of the beginning of the period	(292)	1,139,981	17,741	1,157,723
Changes during the period				
Issuance of new stock		1,791,050		1,791,050
Capital reduction		—		—
Deficit disposition		—		—
Net loss		(1,020,776)		(1,020,776)
Net changes of items other than shareholders' equity		—	(7,693)	(7,693)
Total changes during the period	—	770,274	(7,693)	762,580
Balance as of the end of the period	(292)	1,910,255	10,048	1,920,303

(4) Statements of Cash Flows

Thousand yen

	Fiscal Year Ended Dec. 31, 2023 (Jan. 1, 2023 to Dec. 31, 2023)	Fiscal Year Ended Dec. 31, 2024 (Jan. 1, 2024 to Dec. 31, 2024)
Cash flows from operating activities		
Loss before income taxes	(1,215,008)	(1,017,536)
Depreciation and amortization	1,203	1,166
Subsidy income	—	(28,011)
Decrease (increase) in notes and accounts receivable-trade	32,024	32,130
Decrease (increase) in inventories	7,371	17,936
Decrease (increase) in advance payments	4,679	(15,195)
Decrease (increase) in consumption taxes refund receivable	4,520	(2,179)
Increase (decrease) in notes and accounts payable-trade	5,869	(10,538)
Increase (decrease) in accounts payable-other	46,151	20,763
Increase (decrease) in accrued expenses	(971)	3,969
Other, net	42,928	4,519
Subtotal	(1,071,232)	(992,974)
Interest income received	16	182
Interest paid	(2,069)	(2,865)
Proceeds from subsidy income	9,100	—
Income taxes paid	(5,010)	(5,010)
Income taxes refund	3	2
Net cash used in operating activities	(1,069,192)	(1,000,664)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	173	—
Net cash used in investing activities	173	—
Cash flows from financing activities		
Proceeds from short-term borrowings	107,000	(9,500)
Proceeds from issuance of common shares	554,515	1,748,473
Proceeds from issuance of subscription rights to shares	5,787	(582)
Other, net	(0)	—
Net cash provided by (used in) financing activities	667,303	1,738,390
Net decrease in cash and cash equivalents	(401,715)	737,725
Cash and cash equivalents as of the beginning of the year	1,727,270	1,325,554
Cash and cash equivalents as of the end of the year	1,325,554	2,063,280

(5) Notes to Financial Statements

(Notes regarding going concern assumptions)

No item to report.

(Equity in earnings or losses)

Not applicable as Chiome does not have non-consolidated subsidiaries and affiliates.

(Segment information)

i. Overview of reportable segments

The business segments for reporting purposes are the business units for which Chiome is able to obtain respective financial information separately in order for its Board of Directors to conduct periodic assessments and reviews to determine the proper allocation of management resources and to evaluate business results.

With the major business territory focused on the antibody research phase, covering investigation research, research for drug discovery, and early clinical development, Chiome puts forward comprehensive global strategies and runs business activities.

Chiome has two reportable segments, Drug Discovery and Development Business and Drug Discovery Support Business. Under Drug Discovery and Development Business, Chiome discover and develop novel antibody drugs in therapeutic areas where high unmet medical needs exist. The drug candidates will be out-licensed to pharmaceutical company under appropriate financial conditions such like upfront, milestone, and royalty payments etc. Under Drug Discovery Support Business, Chiome provides “fee-for-service” to pharmaceutical and diagnostics company, and academia to support their research works. Main line of this business is to generate a monoclonal antibody for their targets by our proprietary platform, and to express, culture, and purify proteins including antigen and antibody.

ii. Method for computing the amounts of operating revenue, income or loss, assets, and liabilities as well as other items for reportable segments:

The accounting method for reportable segments is pursuant to the accounting policies adopted for the preparation of financial statements.

iii. Information relating to the amounts of operating revenue, income or loss, assets, and liabilities as well as other items for reportable segments:

The Fiscal Year Ended December 31, 2023 (January 1, 2023 to December 31, 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	—	205,783	205,783	—	205,783
Goods or services transferred over a period of time	—	476,681	476,681	—	476,681
Revenue from contracts with customers	—	682,464	682,464	—	682,464
Sales to external customers	—	682,464	682,464	—	682,464
Internal sales or exchange between segments	—	—	—	—	—
Total	—	682,464	682,464	—	682,464
Segment income (loss)	(1,051,904)	398,595	(653,309)	(551,859)	(1,205,168)
Segment assets	—	—	—	1,751,454	1,751,454

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 Fiscal Year Ended December 31, 2024 (January 1, 2024 to December 31, 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	202,952	164,763	367,716	—	367,716
Goods or services transferred over a period of time	—	413,093	413,093	—	413,093
Revenue from contracts with customers	202,952	577,857	780,809	—	780,809
Sales to external customers	202,952	577,857	780,809	—	780,809
Internal sales or exchange between segments	—	—	—	—	—
Total	202,952	577,857	780,809	—	780,809
Segment income (loss)	(813,784)	309,899	(503,885)	(526,984)	(1,030,869)
Segment assets	—	—	—	2,468,857	2,468,857

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.

(Per share information)

(Yen)

	Fiscal Year Ended Dec. 31, 2023 (Jan. 1, 2023 to Dec. 31, 2023)	Fiscal Year Ended Dec. 31, 2024 (Jan. 1, 2024 to Dec. 31, 2024)
Net assets per share	21.66	28.53
Net loss per share	(24.62)	(17.54)

Notes:

1. Details regarding diluted net income per share are not provided despite the existence of shares with the potential to have a dilutive effect. This is because of the net loss for the period.
2. The basis for calculations are presented as follows:
   (1) Net assets per share

(Thousand yen unless otherwise stated)

	As of Dec. 31, 2023	As of Dec. 31, 2024
Total net assets	1,157,723	1,920,303
Amount deducted from total net assets	17,741	10,048
(New subscription rights to shares)	17,741	10,048
Net assets allocated to capital stock	1,139,981	1,910,255
Number of shares of capital stock used to calculate net assets per share (shares)	52,634,051	66,956,851

   (2) Net loss per share

(Thousand yen unless otherwise stated)

	Fiscal Year Ended Dec. 31, 2023 (Jan. 1, 2023 to Dec. 31, 2023)	Fiscal Year Ended Dec. 31, 2024 (Jan. 1, 2024 to Dec. 31, 2024)
Net loss	(1,220,018)	(1,020,776)
Amount not attributable to shareholders of capital stock	—	—
Net loss allocated to capital stock	(1,220,018)	(1,020,776)
Average number of shares for the period (shares)	49,545,177	58,207,957
Details of dilutive shares not included in calculations relating to net income per diluted share because there was no dilutive effect	New subscription rights to shares:4 types Number of subscription rights to shares: 58,286	New subscription rights to shares:3 types Number of subscription rights to shares: 10,540

(Important subsequent events)

Capital Increase Attributed to the Exercise of Subscription Rights to Shares

After the end of the current fiscal year and up to January 31, 2025, a portion of the 22th 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, 400,000 shares

(2) Increased capital stock: ¥26,900 thousand

(3) Increased legal capital reserve: ¥26,900 thousand

As a result, as of January 31, 2025, the total number of the common stock issued is 67,369,000 shares. The capital stock and capital reserve are ¥1,022,425 thousand and ¥1,962,699 thousand respectively.