Supplement Documents for Financial Results Q1 FY12/19

May 13, 2019

To accelerate drug discovery and development of mAb for therapeutics to overcome current medical unmet-needs

Chiome Bioscience Inc.
1. Overview of Q1 FY12/19 “Financial results”

2. Overview of Q1 FY12/19 “Operation highlights”

Appendix. Corporate information
Overview of Q1 FY12/19 “Financial results”
## Financial results: Profit and Loss

<table>
<thead>
<tr>
<th></th>
<th>Q1 FY2018</th>
<th>1Q FY2019</th>
<th>Increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>45</td>
<td>63</td>
<td>18</td>
</tr>
<tr>
<td>Drug Discovery &amp; Development</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Drug Discovery Support</td>
<td>45</td>
<td>63</td>
<td>18</td>
</tr>
<tr>
<td>COS/SGA</td>
<td>348</td>
<td>490</td>
<td>142</td>
</tr>
<tr>
<td>R&amp;D Expense</td>
<td>205</td>
<td>363</td>
<td>157</td>
</tr>
<tr>
<td>Other costs</td>
<td>143</td>
<td>127</td>
<td>(15)</td>
</tr>
<tr>
<td>Operating Loss</td>
<td>(302)</td>
<td>(426)</td>
<td>(123)</td>
</tr>
<tr>
<td>Ordinary Loss</td>
<td>(300)</td>
<td>(432)</td>
<td>(131)</td>
</tr>
<tr>
<td>Net Loss</td>
<td>(301)</td>
<td>(430)</td>
<td>(129)</td>
</tr>
</tbody>
</table>
## Financial results: Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>As of Dec. 31, 2018</th>
<th>As of Mar. 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>2,609</td>
<td>3,047</td>
</tr>
<tr>
<td>(Cash on hand in banks)</td>
<td>2,328</td>
<td>2,776</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>221</td>
<td>219</td>
</tr>
<tr>
<td>Total assets</td>
<td>2,831</td>
<td>3,266</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>113</td>
<td>177</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>41</td>
<td>41</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>154</td>
<td>218</td>
</tr>
<tr>
<td>Total net assets</td>
<td>2,676</td>
<td>3,048</td>
</tr>
<tr>
<td>Total liabilities and net assets</td>
<td>2,831</td>
<td>3,266</td>
</tr>
</tbody>
</table>
Overview of Q1 FY12/19 “Operation highlights”
Business Segment

Drug Discovery and Development Business

To discover and develop novel antibody drugs in-house or in collaboration with a partner up to late pre-clinical stage which enables to prepare data package for IND or early clinical stage 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.

Drug Discovery Support business

To provide “fee-for-service” to pharmaceutical and diagnostics company, and academia to support their research works. Main line of this business is 1) to generate a monoclonal antibody for their targets by our proprietary platform, and 2) to express, culture, and purify proteins including antigen and antibody.
## Pipeline

### Out-Licensed Product

<table>
<thead>
<tr>
<th>Code</th>
<th>Target</th>
<th>Therapeutic Area</th>
<th>Basic research, Drug Discovery</th>
<th>Preclinical Study</th>
<th>Clinical Trials</th>
<th>Partner</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADCT-701 (LIV-1205 ADC)</td>
<td>DLK-1</td>
<td>Oncology /ADC</td>
<td></td>
<td></td>
<td>Plan initiation of P-1 late 2019</td>
<td></td>
</tr>
</tbody>
</table>

### Pipelines

<table>
<thead>
<tr>
<th>Project</th>
<th>Target</th>
<th>Therapeutic Area</th>
<th>Basic research, Drug Discovery</th>
<th>Preclinical Study</th>
<th>Clinical Trials</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBA-1205 (ADCC enhanced)</td>
<td>DLK-1</td>
<td>Oncology</td>
<td></td>
<td></td>
<td>Plan initiation of P-1 2020/2021</td>
<td>Developing in-house</td>
</tr>
<tr>
<td>CBA-1535 (Tribody™)</td>
<td>5T4×CD3×5T4</td>
<td>Oncology</td>
<td></td>
<td></td>
<td>CMO and CRO selection is proceeding</td>
<td>Newly acquired Dec.2018</td>
</tr>
<tr>
<td>LIV-2008 /2008b</td>
<td>TROP-2</td>
<td>Oncology</td>
<td></td>
<td></td>
<td>Under evaluation by several pharma</td>
<td>Licensing opportunity</td>
</tr>
<tr>
<td>BMAA</td>
<td>SEMA3A</td>
<td>DME, Others</td>
<td></td>
<td></td>
<td>Under evaluation by SemaThera</td>
<td>SemaThera (Exclusive option agreement)</td>
</tr>
<tr>
<td>Discovery PJ (5)</td>
<td>Undisclosed</td>
<td>Oncology infectious/rare diseases</td>
<td></td>
<td></td>
<td>Preclinical data package for out-licensing</td>
<td></td>
</tr>
</tbody>
</table>
**CBA-1205 (Humanized afucosylated anti-DLK1 antibody)**

**First in class**

- Preparation for a clinical study is on track
  - The establishment of Master Cell Bank which produce antibody with enhanced ADCC activity has completed.
  - CMC works are proceeding to meet the regulatory requirements before entering into a clinical study.
  - Phase 1 study is scheduled to initiate after 2020.

- Poster presentation at the American Association for Cancer Research (AACR) Annual Meeting 2019

**Title:**
CBA-1205, a novel glycoengineered humanized antibody targeting DLK-1 exhibits potent anti-tumor activity in DLK-1 expressing tumor xenograft models

**Highlight:**
CBA-1205 which is a novel glycoengineered humanized antibody exhibited potent and specific anti-tumor activity in multiple DLK-1 expressing cancer models *in vitro* and *in vivo*. Importantly, CBA-1205 treatment (10 mg/kg dosage) resulted in tumor regression in all mice and 4 complete tumor elimination out of 8 mice was observed. The results suggest CBA-1205 could be a novel treatment option for DLK-1 expressing cancer such as HCC.
CMO&CRO selection is proceeding
- CMO and CRO selection towards clinical development.
- We expect to submit an Investigational New Drug Application (IND) in the second half of 2021.

Origin:
CBA-1535 is a T-cell engager, trispecific antibody, directed against the 5T4/WAIF1 tumor antigen, a protein found on many different solid tumors and is thought to contribute to the spread of cancer cells. Tb535H recruits the patient’s T-cells –killer cells of the immune-system – and directs them to attack tumors. This highly targeted approach uses the patient’s own immune system to fight cancer.

Therapeutic Area:
Malignant mesothelioma, small cell lung cancer, non small cell lung cancer, TNBC etc.

Expectation:
First-in-class therapeutic antibody with tri-specific format
BMAA (Humanized anti-Semaphorin3A antibody)  
**First in class**

- Being evaluated by SemaThera Inc. which will decide whether or not to exercise the option right during the evaluation period specified in the Agreement*
  *Chiome has granted SemaThera Inc. an exclusive option right to obtain a worldwide exclusive license to develop the antibody as a therapeutic and/or diagnostic agent for diabetic macular edema and other diabetic complications including non-ophthalmic diseases.

- **Research study by Niigata University using Chiome’s anti-Semaphorin 3A antibody has been published on Scientific Reports**

  **Title:**
  Semaphorin 3A Inhibits Nerve Regeneration During Early Stage after Inferior Alveolar Nerve Transection (https://www.nature.com/articles/s41598-018-37819-6)

  **Conclusion:**
  This in vivo study demonstrated that transection of IAN (Inferior Alveolar Nerve) induced simultaneous expression of Sema3A and neuropilin on PO (Post Operative) day 1 at the central side of the injured IAN. A local administration of a Sema3A-antibody to the injury lesion facilitated regeneration and caused an increase in number of DiI-labeled neurons in the trigeminal ganglion. Therefore, Sema3A-neuropilin signaling is possibly activated at the early stage of peripheral nerve regeneration after IAN transection, leading to inhibition of injured nerve regeneration and affecting neuroma formation.

LIV-2008 (Humanized anti-TROP2 antibody)

✓ Licensing activities
  • Being evaluated for in-licensing by several pharmaceutical companies.

✓ Poster presentation at the AACR Annual Meeting 2019
  • The Jikei University School of Medicine presented the results of collaborative research related to LIV-2008 at AACR.

Title:
TROP2-targeted photoimmunotherapy in experimental human pancreatic cancer

Highlight:
TROP-2 is a tumor associated antigen expressing many types of solid tumor. Near-infrared photoimmunotherapy (NIR-PIT) is a newly developed cancer therapy. In this study, humanized anti-TROP-2 antibody was conjugated with a photosensitive dye, IR700 (TROP-2-IR700). TROP-2-IR700-targeted PIT exerts an antitumor effect against TROP-2 positive pancreatic cancer, both in vitro and in vivo, and could be a promising therapeutic option for human pancreatic cancer.
Drug Discovery Support

Conduct business with pharmaceutical companies, etc.

- **Net sales steady increased (an increase of 40% year on year)**
  - Transactions with Ono Pharmaceutical has been steady grew.
  - Provided antibody generation and custom protein services to pharmaceutical companies, research institutions, and universities.
  - Continue to strive for expanding new accounts by offering high quality service and for improving our technologies.

<Key business accounts>
### Financing

**Series 14th Subscription Rights to Shares**

- **Status of Exercise (as of end of April 2019)**
  
  | Total number of shares exercised | 4,833,000 shares (75.2% of total rights) |
  | Total value exercised            | 1,057 million JPY |

- **Use of funds**

<table>
<thead>
<tr>
<th>Use of funds</th>
<th>Cost (million JPY)</th>
<th>Scheduled period of spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>① Pre-IND submission and early-phase clinical trials for CBA-1535</td>
<td>1,200</td>
<td>Apr.2019～Dec.2021</td>
</tr>
</tbody>
</table>
Appendix. Corporate information
Biotech company dedicating to satisfy unmet medical needs

Mission
- Shine light on unmet needs.
- Bring a brighter future to patients.

Vision
- Will become No. 1 biotech venture that discovers and develops antibody drugs for unmet medical needs.

Management principle
- Place the highest priority on sound management and credibility and aim to become a corporation that grows with society.
- With creativity and science, develop therapeutic drugs for unmet medical needs, and contribute to the health of patients.
- Achieve successive product pipelines and improvement of corporate value through collaboration with external institutions.

- Founded: February 2005
- Listed on the stock exchange: Dec. 2011 (Tokyo Stock Exchange Mothers Section)
- President, Chief Executive Officer: Shigeru Kobayashi, M.E.
- Location:
  <Head Office and Research Laboratories>
  3-12-1 Honmachi, Shibuya-ku, Tokyo
  <Drug Discovery Laboratories>
  907 Nogawa, Miyamae-ku, Kawasaki-city, Kanagawa
- Number of Employees: 50 (As of March 31, 2019)
- Business: Chiome Bioscience (4583.T), is a public company leveraging a proprietary monoclonal antibody generating technology, for drug discovery and development, as well as providing drug discovery supports.
Drugs and discovery support

Chiome possesses antibody platforms including its proprietary technology, and extensive know-how and experiences in protein/antibody engineering to streamline the process of drug discovery.

This enables us to contribute in

**Drug Discovery and Development**

- Development of therapeutic drug and diagnostic agent

**Drug Discovery Support**

- Contract service for drug discovery
Our stability and growth potential

Core technology will sustain continuous development of therapeutic antibody while offering higher quality of service.

- Early stage of growth
  - ADCT-701
  - BMAA (Anti-Sema3A antibody)
  - CBA-1205
  - CBA-1535
  - LIV-2008
  - New pipelines

- Late stage of growth

- Stable & Expanded stage

Drug Discovery and Development

Driver of growth

Drug Discovery Support

Stable earnings

Chiome’s mAb Discovery Engine
Shine light on unmet needs.

Bring a brighter future to patients.

To accelerate drug discovery and development of mAb for therapeutics to overcome current medical unmet-needs
Disclaimer

• Materials and information provided during this presentation may contain so-called “forward-looking statements.” These statements are based on current expectations, forecasts and assumptions that are subject to risks and uncertainties, which could cause actual outcomes and results to differ materially from these statements.

• Risks and uncertainties include general industry and market conditions, and general domestic and international economic conditions such as interest rate and currency exchange fluctuations.

• The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.