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# Non-consolidated Financial Results for the Three Months Ended March 31, 2026 [Japanese GAAP]

May 8, 2026

Company name: Oncolys BioPharma Inc.
Stock exchange listing: Tokyo Stock Exchange
Code number: 4588
URL: https://www.oncolys.com
Representative: Yasuo Urata, President & CEO
Contact: Kohei Hata, Executive Officer
Email: oncolys_information@oncolys.com
Scheduled date of commencing dividend payments: —
Availability of supplementary briefing material on financial results: No
Schedule of financial results briefing session: No

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

## 1. Financial Results for the Three Months Ended March 31, 2026 (January 1, 2026 to March 31, 2026)

(1) Operating Results (% indicates changes from the previous corresponding period.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit | |
|---|---|---|---|---|---|---|---|---|
| Three months ended | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| March 31, 2026 | 3 | – | (420) | (46.4) | (413) | (49.0) | (414) | (49.0) |
| March 31, 2025 | – | – | (785) | – | (810) | – | (811) | – |

| | Basic earnings per share | Diluted earnings per share |
|---|---|---|
| Three months ended | Yen | Yen |
| March 31, 2026 | (14.16) | – |
| March 31, 2025 | (32.66) | – |

(2) Financial Position

| | Total assets | Net assets | Equity ratio |
|---|---|---|---|
| | Million yen | Million yen | % |
| As of March 31, 2026 | 4,528 | 3,593 | 79.2 |
| As of December 31, 2025 | 4,555 | 3,999 | 87.6 |

(Reference) Equity: As of March 31, 2026: ¥3,585 million
As of December 31, 2025: ¥3,992 million

**2. Dividends**

| | Annual dividends | | | | |
|---|---|---|---|---|---|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | 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 | – | | | | |
| Fiscal year ending December 31, 2026 (Forecast) | | 0.00 | – | 0.00 | 0.00 |

(Note) Revision to the forecast for dividends announced most recently: No

**3. Financial Results Forecast for the Fiscal Year Ending December 31, 2026 (January 1, 2026 to December 31, 2026)**

Financial results forecast is not disclosed due to the difficulty of making reasonable estimates. For details, please see "1. Qualitative Information on Quarterly Financial Results for the Period under Review (3) Explanation of Financial Results Forecast and Other Forward-looking Information" on page 2 of the supplementary material.

*** Notes:**

(1) Accounting policies adopted specially for the preparation of quarterly financial statements: No

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: No
2) Changes in accounting policies other than 1) above: No
3) Changes in accounting estimates: No
4) Retrospective restatement: No

(3) Total number of issued shares (common shares)
1) Total number of issued shares at the end of the period (including treasury shares):
March 31, 2026: 29,302,700 shares
December 31, 2025: 29,291,600 shares

2) Total number of treasury shares at the end of the period:
March 31, 2026: 17,702 shares
December 31, 2025: 17,641 shares

3) Average number of shares during the period:
Three months ended March 31, 2026: 29,277,391 shares
Three months ended March 31, 2025: 24,850,917 shares

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

* Explanation of the proper use of financial results forecast and other notes

(Note regarding forward-looking statements, etc.)

The earnings forecasts and other forward-looking statements herein are based on information available to the Company at the time of the release of these materials and certain assumptions deemed reasonable, and do not represent a commitment from the Company that they will be achieved. In addition, actual financial results, etc. may differ significantly due to a wide range of factors. For the assumptions used in forecasting financial results and notes regarding the use of financial forecasts, etc., please see "1. Qualitative Information on Quarterly Financial Results for the Period under Review (3) Explanation of Financial Results Forecast and Other Forward-looking Information" on page 2 of the supplementary material.

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## 1. Qualitative Information on Quarterly Financial Results for the Period under Review

### (1) Explanation of Business Results

During the three months ended March 31, 2026, the Japanese economy faced uncertainty over the outlook for corporate activities, as crude oil prices spiked following the closure of the Strait of Hormuz caused by Iran's counter-attack in response to strikes by the U.S. and Israel. The global economy also remained unstable, with heightened uncertainty over economic activities, mainly in countries with limited oil reserves.

Under these circumstances, the Company has been pursuing a vision of "Providing new options to future cancer treatments, and leaving our footprint in the history of cancer treatment through those achievements." In particular, the Company is promoting research, development, and business activities with a focus on oncolytic virus OBP-301, thereby advancing activities with a view to the post-launch of OBP-301. In addition, the Company is progressively moving from the conventional single business model dependent on licenses to a "hybrid business model" that combines a pharmaceutical company-type business model and a license-type business model, with the development of the domestic business of OBP-301 as a pharmaceutical company-type business model.

In addition, concerning LINE-1 inhibitor OBP-601 (censavudine), Transposon Therapeutics, Inc. (hereinafter "Transposon") is conducting clinical trials at its own expense based on a license agreement and proceeding with business activities.

For details of the Company's activities, please refer to "3. Supplemental Information (1) Research and Development Activities."

For the three months ended March 31, 2026, the Company recorded net sales of ¥3,090 thousand (no net sales in the same period of the previous fiscal year), and operating loss was ¥420,720 thousand (operating loss of ¥785,202 thousand in the same period of the previous fiscal year). In addition, the Company recorded interest income of ¥3,044 thousand and foreign exchange gains of ¥9,443 thousand as non-operating income, as well as interest expenses of ¥2,986 thousand and share issuance costs of ¥2,158 thousand as non-operating expenses, resulting in ordinary loss of ¥413,363 thousand (ordinary loss of ¥810,789 thousand in the same period of the previous fiscal year). As a result, net loss was ¥414,482 thousand (net loss of ¥811,653 thousand in the same period of the previous fiscal year).

### (2) Explanation of Financial Position

Assets at the end of the first quarter of the fiscal year under review were ¥4,528,277 thousand (0.6% decrease compared with the end of the previous fiscal year), owing partly to a decrease in cash and deposits. Liabilities were ¥935,185 thousand (68.2% increase compared with the end of the previous fiscal year), owing partly to an increase in loans payable. Net assets were ¥3,593,091 thousand (10.2% decrease compared with the end of the previous fiscal year), owing partly to a decrease in retained earnings.

### (3) Explanation of Financial Results Forecast and Other Forward-looking Information

The Company still has a small stable revenue base, and our financial results fluctuate greatly depending on the presence or absence of milestone revenue payments generated from our distribution partnership agreement for OBP-301, achieving the development event of LINE-1 inhibitor OBP-601 by Transposon, and the company's IPO, M&A and other corporate action that generates milestone revenue payments. The product sales revenue from OBP-301, which we aim to launch in Japan in 2026, will also fluctuate greatly depending on factors such as pharmaceutical prices and market development. Furthermore, our financial results fluctuate depending on terms and conditions of international alliance agreements of OBP-301.

For these reasons, we believe that it is difficult to calculate an appropriate and reasonable figure for the earnings forecast at this time due to the many undetermined factors that will affect our business performance, and therefore, we refrain from disclosing the forecast. In addition, since the Company manages its performance annually, the Company omits the description of its earnings forecast for the second quarter (cumulative).

## 2. Quarterly Financial Statements and Primary Notes

### (1) Quarterly Balance Sheets

(Thousand yen)

| | As of December 31, 2025 | As of March 31, 2026 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 3,674,717 | 3,536,317 |
| Accounts receivable – trade | 31,306 | 35,380 |
| Supplies | 3,916 | 2,947 |
| Advance payments – other | 333,740 | 360,040 |
| Prepaid expenses | 61,520 | 44,931 |
| Accounts receivable – other | 302,276 | 374,746 |
| Consumption taxes receivable | 39,907 | 70,693 |
| Short-term loans receivable from subsidiaries and associates | 46,959 | 47,970 |
| Other | 10 | 10 |
| Total current assets | 4,494,353 | 4,473,037 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings | 3,306 | 3,306 |
| Accumulated depreciation | (3,306) | (3,306) |
| Buildings, net | – | – |
| Machinery and equipment | 924 | 924 |
| Accumulated depreciation | (924) | (924) |
| Machinery and equipment, net | – | – |
| Tools, furniture and fixtures | 35,734 | 34,397 |
| Accumulated depreciation | (35,734) | (34,133) |
| Tools, furniture and fixtures, net | – | 263 |
| Total property, plant and equipment | – | 263 |
| Investments and other assets | | |
| Shares of subsidiaries and associates | 20,936 | 20,936 |
| Investments in capital | 100 | 100 |
| Lease and guarantee deposits | 26,277 | 25,056 |
| Long-term prepaid expenses | 14,208 | 8,880 |
| Other | 4 | 4 |
| Total investments and other assets | 61,525 | 54,977 |
| Total non-current assets | 61,525 | 55,240 |
| Total assets | 4,555,879 | 4,528,277 |

(Thousand yen)

| | As of December 31, 2025 | As of March 31, 2026 |
|---|---|---|
| Liabilities | | |
| Current liabilities | | |
| Short-term loans payable | 233,332 | 662,220 |
| Lease obligations | 10,311 | 10,345 |
| Accounts payable – other | 65,232 | 55,464 |
| Accrued expenses | 26,238 | 19,384 |
| Income taxes payable | 15,025 | 6,053 |
| Contract liabilities | 110,000 | 110,000 |
| Deposits received | 10,580 | 10,981 |
| Total current liabilities | 470,721 | 874,449 |
| Non-current liabilities | | |
| Long-term loans payable | 66,656 | 44,432 |
| Lease obligations | 9,720 | 7,121 |
| Provision for retirement benefits | 8,812 | 9,183 |
| Total non-current liabilities | 85,188 | 60,736 |
| Total liabilities | 555,909 | 935,185 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 4,366,132 | 4,370,092 |
| Capital surplus | | |
| Legal capital surplus | 1,621,460 | 1,625,420 |
| Other capital surplus | 62,763 | 62,763 |
| Total capital surpluses | 1,684,224 | 1,688,184 |
| Retained earnings | | |
| Other retained earnings | | |
| Retained earnings brought forward | (2,058,049) | (2,472,531) |
| Total retained earnings | (2,058,049) | (2,472,531) |
| Treasury shares | (17) | (218) |
| Total shareholders' equity | 3,992,289 | 3,585,526 |
| Share acquisition rights | 7,680 | 7,565 |
| Total net assets | 3,999,969 | 3,593,091 |
| Total liabilities and net assets | 4,555,879 | 4,528,277 |

(2) Quarterly Statements of Income

Three Months Ended March 31

(Thousand yen)

| | For the three months ended March 31, 2025 | For the three months ended March 31, 2026 |
|---|---|---|
| Net sales | – | 3,090 |
| Cost of sales | – | – |
| Gross profit | – | 3,090 |
| Selling, general and administrative expenses | 785,202 | 423,811 |
| Operating loss | (785,202) | (420,720) |
| Non-operating income | | |
| Interest income | 1,348 | 3,044 |
| Foreign exchange gains | – | 9,443 |
| Other | 14 | 12 |
| Total non-operating income | 1,362 | 12,501 |
| Non-operating expenses | | |
| Interest expenses | 1,085 | 2,986 |
| Share issuance costs | – | 2,158 |
| Amortization of restricted stock remuneration | 4,034 | – |
| Foreign exchange losses | 21,830 | – |
| Total non-operating expenses | 26,949 | 5,144 |
| Ordinary loss | (810,789) | (413,363) |
| Loss before income taxes | (810,789) | (413,363) |
| Income taxes – current | 863 | 1,119 |
| Total income taxes | 863 | 1,119 |
| Loss | (811,653) | (414,482) |

(3) Notes to Quarterly Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Notes to statements of cash flows)

Quarterly statements of cash flows for the three months ended March 31, 2026 are not prepared. Depreciation for the three months ended March 31 is as follows:

(Thousand yen)

| | For the three months ended March 31, 2025 | For the three months ended March 31, 2026 |
|---|---|---|
| Depreciation | 10 | 13 |

(Notes in the case of significant changes in shareholders' equity)

There is no relevant information.

(Segment information, etc.)

[Segment information]

I. For the three months ended March 31, 2025

The information is omitted, as the Company consists of a single segment of the drug discovery business.

II. For the three months ended March 31, 2026

The information is omitted, as the Company consists of a single segment of the drug discovery business.

(Revenue recognition)

Disaggregation of revenue from contracts with customers

(Thousand yen)

| | For the three months ended March 31, 2025 | For the three months ended March 31, 2026 |
|---|---|---|
| Goods / Services transferred at a point in time | — | 3,090 |
| Goods / Services transferred over time | — | — |
| Revenue from contracts with customers | — | 3,090 |
| Revenue from other sources | — | — |
| Net sales to outside customers | — | 3,090 |

(Per share information)

Loss per share and the basis for its calculation are as follows.

| Item | For the three months ended March 31, 2025 | For the three months ended March 31, 2026 |
|---|---|---|
| Loss per share | ¥(32.66) | ¥(14.16) |
| (Basis for the calculation) | | |
| Loss (Thousand yen) | (811,653) | (414,482) |
| Amount not attributable to common shareholders (Thousand yen) | — | — |
| Loss relating to common shares (Thousand yen) | (811,653) | (414,482) |
| Average number of shares during the period (shares) | 24,850,917 | 29,277,391 |
| Outline of the residual shares with significant changes from the end of the previous fiscal year among the residual shares that were not included in the calculation of diluted earnings per share because they have no dilutive effects | — | — |

(Note) Diluted earnings per share are not presented because of the posting of loss per share, although there are residual shares.

(Significant subsequent events)

There is no relevant information.

## 3. Supplemental Information

### (1) Research and Development Activities

Research and development expenses of the Company in the three months ended March 31, 2026 totaled ¥245,164 thousand for the drug discovery business. The status of research and development activities during the three months ended March 31, 2026 is as follows.

(1) Research and development structure

As of March 31, 2026, 25 persons belonged to the research and development department, accounting for 56.8% of the total number of employees.

(2) Research and development and business activities

The Company has moved from the conventional single business model dependent on licenses to a "hybrid business model" that combines a pharmaceutical company-type business model and a license-type business model with the development of the domestic business of OBP-301 as a pharmaceutical company-type business model. The Company promoted research and development, and business activities under this policy.

**1) Activities related to oncolytic virus OBP-301**

The Company completed a "Phase II clinical trial in combination with radiation therapy for esophageal cancer (OBP101JP trial)" for OBP-301 in Japan. As scheduled, we submitted applications for the approval of OBP-301 as regenerative medicine products for esophageal cancer to the Pharmaceuticals and Medical Devices Agency (hereinafter "PMDA") in December 2025. After submitting the approval application, we were subject to a document-based inspection and a GCP on-site inspection. The reliability of the data on OB-301, from the raw data and source documents through to the documents in the approval application, was ensured in April 2026, as both inspections considered that the data and documents conformed with the relevant standards. In December 2025, we also received the designation of OBP-301 as a regenerative medicine product for rare diseases.

Regarding our domestic business, in February 2024, we signed an agreement with FUJIFILM Toyama Chemical Co., Ltd. (hereinafter "FUJIFILM Toyama Chemical") to collaborate in OBP-301 sales and are establishing a supply chain for OBP-301 from Henogen SA, the manufacturer, through MITSUI-SOKO HOLDINGS Co., Ltd. (hereinafter "MITSUI-SOKO HOLDINGS"), responsible for storage and other operations for OBP-301 in Japan, to medical institutions. In September 2025, we concluded a quality agreement with MITSUI-SOKO HOLDINGS. In October 2025, Henogen SA engaged in drug formulation and manufacturing in accordance with Good Manufacturing Practice (GMP), aimed at the post-approval shipment of new drugs. In addition, we obtained approval for the manufacture and sale of regenerative medical products in April 2025. Furthermore, patents were granted for the administration of oncolytic adenovirus through an endoscope in Japan in April 2025. The patents are not limited to OBP-301, but also cover OBP-702 and oncolytic adenovirus of other companies. The duration of patents is until May 2040.

Meanwhile, in the U.S., in December 2023, the Company signed an investigator-initiated clinical trial agreement with Cornell University, which in turn signed an investigator-initiated clinical trial agreement with MSD, to establish a joint development system for OBP-301 and pembrolizumab. Based on the agreements, the Company and MSD are equally sharing research and development expenses for a Phase II investigator-initiated clinical trial for the treatment of gastric cancer in patients who are receiving second-line treatment, and conducting this clinical trial.

In addition, for the Phase I investigator-initiated clinical trial in combination with chemoradiotherapy for esophageal cancer, which was conducted by NRG Oncology, a cancer research organization in the U.S., the interim results were presented at the ASCO-GI (American Society of Clinical Oncology Gastrointestinal Cancers Symposium) in January 2025.

Regarding overseas business development, in December 2024, we concluded a license agreement with Medigen of Taiwan for sales rights in Taiwan. After Medigen brings OBP-301 to market in Taiwan, the Company will supply the final product to Medigen at cost and will also receive royalty revenue from Medigen based on the sales proceeds. We will continue to advance overseas business development and plan to conclude alliance agreements for OBP-301.

OBP-301 is undergoing the following three clinical trials in Japan and overseas, including the clinical trial for which enrollment has been completed:

i) Phase II clinical trial in combination with radiation therapy for esophageal cancer (OBP101JP trial)

ii) Phase II investigator-initiated clinical trial of second-line treatment in combination with an anti-PD-1 antibody for gastric cancer/gastroesophageal junction cancer
iii) Phase I investigator-initiated clinical trial in combination with chemoradiotherapy for esophageal cancer

**i) Phase II clinical trial in combination with radiation therapy for esophageal cancer (OBP101JP trial)**

This clinical trial was conducted based on the "SAKIGAKE designation" of April 2019 at 17 clinical trial sites around Japan, and we submitted an application for the approval for its manufacture and sale as regenerative medicine products for esophageal cancer to PMDA in December 2025.

In order to ensure a smooth supply of OBP-301 after obtaining approval for its use in Japan, in October 2025, the Company started drug formulation by filling the vials with new active pharmaceutical ingredients (APIs) that prevent the formation of aggregates at Henogen SA. In February 2026, it was confirmed that the stability of formulations is maintained for the eighteen-month period after drug formulation with new APIs. The Company plans to ship the first commercial lot with a shelf life of 18 months. Furthermore, we plan to confirm its stability data for a twenty-four-month period in the second half of the fiscal year ending December 31, 2026. Going forward, we will work to extend the shelf life to enhance flexibility in the inventory management of OBP-301.

MITSUI-SOKO HOLDINGS, to whom we have entrusted the logistics operations of packaging, storage and transportation, has established a system that conforms to GCTP (Good Gene, Cellular, and Tissue-based Products Manufacturing Practice), the standard for the manufacturing and quality control of regenerative medicine products. The products shipped by Henogen SA will be stored at MITSUI-SOKO HOLDINGS in Japan after import. After a determination for shipment, OBP-301 will be shipped to FUJIFILM Toyama Chemical, with which we concluded a sales collaboration agreement in February 2024, and provided to medical facilities through medical products companies designated by FUJIFILM Toyama Chemical. The Company will continue to work on activities such as establishing a supply chain for smooth supply of OBP-301 after products are launched in the market.

The Company is positioned as a manufacturer and distributor shipping OBP-301 to Japan. In April 2025, the Company obtained approval for the manufacture and sale of regenerative medical products. Looking forward, we will further strengthen a system that conforms with "GQP (Good Quality Practice)," and "GVP (Good Vigilance Practice)."

**ii) Phase II investigator-initiated clinical trial of second-line treatment in combination with an anti-PD-1 antibody for gastric cancer/gastroesophageal junction cancer**

Regarding the "Phase II investigator-initiated clinical trial of second-line treatment in combination with an anti-PD-1 antibody for gastric cancer/gastroesophageal junction cancer," Cornell University in the U.S. proposed the implementation of a new clinical trial and the payment of clinical trial expenses to MSD, after obtaining the prior agreement of the Company. In December 2023, agreements were concluded between the Company and Cornell University and between Cornell University and MSD, which established a joint development system.

This clinical trial combines the use of OBP-301 and anti-PD-1 antibody pembrolizumab as second-line treatment for patients with gastric/gastroesophageal junction cancer that is resilient to first-line treatment including anti-PD-1/PD-L1 antibodies. Currently, the expenses for the clinical trial are shared equally between the Company and MSD, and patient enrolment has been progressing.

At the International Oncolytic Virus Conference (IOVC) held in Iceland in April 2026, results were reported on the long-term survival rate in the Phase II clinical trial of third-line treatment in combination with pembrolizumab for gastric cancer, for which patient enrolment had been completed prior to the above clinical trial.

**iii) Phase I investigator-initiated clinical trial in combination with chemoradiotherapy for esophageal cancer**

Regarding the "Phase I investigator-initiated clinical trial in combination with chemoradiotherapy for esophageal cancer," NRG Oncology, a cancer research organization in the U.S., has been leading the trial, and administration began in December 2021 with the purpose of investigating the safety and efficacy of using OBP-301 in combination with chemoradiotherapy, registering 15 patients.

OBP-301 has been designated as an orphan drug for esophageal cancer in the U.S., and this clinical trial is being conducted on that basis. Therefore, the Company will be able to receive preferential treatment in the form of grants and tax credits for clinical research expenses. Furthermore, first-mover rights protection will be granted after the approval of OBP-301 in the U.S., during which market exclusivity is to be granted.

The Company is moving forward on preparations to initiate clinical trials on OBP-301 in new fields, in addition to the above three clinical trials. These include Phase II trials for the treatment of anal and lower rectal cancer.

**2) Activities related to OBP-601 (censavudine), a LINE-1 inhibitor**

From 2010 to 2014, OBP-601 was licensed to Bristol-Myers Squibb Co. (hereinafter "BMS"), which conducted Phase IIb clinical trials as a treatment drug for HIV infection. The results demonstrated the non-inferiority of OBP-601 to existing drugs. BMS also obtained numerous clinical safety data for long-term OBP-601 toxicity studies and oncogenicity studies, but due to BMS's change of strategy, resulting in withdrawal from the HIV field, the license agreement was terminated. Results of a study by Brown University of the U.S. then suggested that nucleic acid-based reverse transcriptase inhibitors (NRTIs) of HIV suppress the aberrant expression of a retrotransposons. Subsequent research confirmed that OBP-601, which has the same effect, has high brain translocability compared to other NRTIs and strongly suppresses the production of a retrotransposon by greatly inhibiting a reverse transcriptase called LINE-1.

In June 2020, we concluded a licensing agreement worth more than $300 million worldwide with Transposon, which had been planning to apply OBP-601 to the treatment of intractable neurological diseases focusing on this mechanism. In November of the same year, Transposon achieved its first milestone.

Transposon completed two double-blind Phase II clinical trials that make use of placebos. One covers progressive supranuclear palsy (PSP), while the other is on amyotrophic lateral sclerosis (ALS), with the abnormal expression of the enzyme C9 ORF, and frontotemporal degeneration (FTD). It is moving forward on preparations for the next-phase clinical trials. It is also proceeding with preparations for a new clinical trial for Alzheimer's disease based on the biomarker result, among others, indicating that OBP-601 suppressed inflammatory nerve damage. Furthermore, it was announced that the Advanced Research Projects Agency for Health (hereinafter "ARPA-H") in the U.S. awarded up to $22 million (hereinafter the "Award") to support research and development programs aimed at extending healthy life expectancy using OBP-601, under the PROSPR (Proactive Solutions for Prolonging Resilience) program. ARPA-H plans to provide funds from the Award to Transposon and participating research institutions based on research progress and expenses incurred. Transposon has lowered the priority of a single-arm Phase II clinical trial in Europe for the treatment of Aicardi Goutières Syndrome (AGS).

These clinical trials on OBP-601 are proceeding entirely at Transposon's expense based on the license agreement. In addition, Transposon is carrying out business activities based on the license agreement and may grant sublicenses for OBP-601 to pharmaceutical companies and other third parties. In case sublicensing proves successful, Transposon will pass on a certain percentage of revenue it obtains from sublicensees to the Company.

**i) Phase III clinical trial for PSP**

Administration to the first patient under the Phase II clinical trial for PSP began in November 2021, and enrollment of the target number of patients was concluded in August 2022.

Transposon is currently moving forward on specific preparations for Phase III clinical trials for PSP with the U.S. Food & Drug Administration (FDA), such as holding the End of Phase II meeting to aim for starting Phase III clinical trials for PSP in parallel with business activities, including licensing to third parties. Transposon plans to begin Phase III clinical trials for PSP in 2026, after financing is completed. The FDA designated OBP-601 for PSP for Fast Track, which is a review system designed to facilitate new-drug approval and review, in May 2024.

**ii) Phase II / III clinical trial for ALS**

Administration under the Phase II clinical trial for C9-ALS/FTD began in January 2022. Target enrollment was concluded in March 2023, and the trial was completed. Transposon held the End of Phase II meeting regarding ALS with the FDA in January 2025. Furthermore, OBP-601 was selected for inclusion in the HEALEY ALS Platform Trial. Transposon plans to begin Phase II / III clinical trials for ALS by utilizing the HEALEY ALS Platform Trial in 2026.

**iii) Phase II clinical trial for Alzheimer's disease**

Transposon is currently moving forward on preparations for Phase II clinical trial in its attempt to administer OBP-601 for Alzheimer's disease due to the following reasons based on the results of Phase II clinical trials for PSP and ALS. The Alzheimer's Drug Discovery Foundation (hereinafter the "ADDF") has determined that OBP-601 is promising for the treatment of Alzheimer's disease and decided that Transposon will receive an investment of approximately $5 million from the ADDF. Transposon plans to begin a Phase II clinical trial for Alzheimer's disease by utilizing the funds from the ADDF in 2026.

**iv) Phase II clinical trial for AGS**

In July 2023, Transposon started administration under a Phase II clinical trial for AGS, a genetic disorder that

causes microcephaly and severe mental retardation, in Europe. To date, there have been no reports of safety problems that necessitate the termination of the trials. However, Transposon has lowered the priority of AGS in order to prioritize pivotal study for obtaining approvals for PSP and ALS and starting Phase II clinical trial for Alzheimer's disease by reviewing the development strategy of OBP-601.

**v) Research and development aimed at extending healthy life expectancy**

OBP-601 was selected by ARPA-H for research and development support (hereinafter the "Award"), amid growing attention to the relationship between increases in inflammation due to aging and activation of LINE-1. The Award of up to $22 million will be provided to Transposon and participating research institutions to support research and development programs aimed at extending healthy life expectancy utilizing OBP-601's potential to promote healthy aging. Transposon and the participating research institutions will advance this research, with a view to future clinical application.

**3) Activities related to next-generation oncolytic virus OBP-702**

OBP-702 is a second-generation virotherapeutic drug with two anti-tumor effects, combining the "oncogene therapy" that uses a novel oncolytic virus that carries the powerful in vivo cancer suppressor gene p53 in the vector with the "oncolytic functions" of OBP-301. A research group of the Department of Gastroenterological Surgery, Transplant, and Surgical Oncology of Okayama University is moving forward on preparations for investigator-initiated clinical trial for pancreatic cancer, which was adopted as a grant program by the Japan Agency for Medical Research and Development (AMED) in March 2025. An experiment on gemcitabine-resistant pancreatic cancer cell lines using mouse models, OBP-702, used in combination with PD-L1 antibodies, has already exhibited stronger anti-tumor effects alone. It has also been shown to have a lethal effect on cancer associated fibroblasts (CAF), which are problematic in cancer therapy. It is expected that OBP-702 will be developed as a new treatment method for pancreatic cancer and other refractory cancers that are considered to be difficult to treat due to CAF. The Company expects Okayama University to begin an investigator-initiated clinical trial of OBP-702 for the treatment of pancreatic cancer in 2026.

As with the sequence of the development of OBP-301 for esophageal cancer, the Company's policy is to take over the clinical development after Okayama University considers the safety and usage in the clinical trials for OBP-702, and move forward on the development, while considering the distinction of its business from that of OBP-301.

**4) Activities related to OBP-2011 for the treatment of viral infectious diseases**

Based on experimental outcomes, OBP-2011 assumes a nucleocapsids inhibit, although the specific mechanism has not been clarified yet at this stage. It is speculated that OBP-2011 has a new mechanism that differs from the main mechanisms of polymerase and protease inhibition already approved for the treatment of coronaviruses, and data indicated that its effectiveness is not influenced by such factors as virus mutation. However, it has become necessary to revise the development policy as the hurdle has been raised for obtaining approval for our proposed COVID-19 treatment, at the same time as changes have emerged in the external environment, such as the reduced urgency due to the launch of multiple therapeutic drugs for COVID-19 to the market, and the concentration of management resources on OBP-301. Going forward, the Company will proceed with clarifying the detailed mechanism of action for OBP-2011 by conducting collaborative research with Kagoshima University and will consider new indications for RNA viruses other than coronaviruses.

**5) Activities related to TelomeScan (OBP-401), a cancer detection drug**

The Company is conducting image learning of live cancer cells within the blood that TelomeScan fluoresced for automatic judgment by AI, aimed at establishing a platform for automated detection. However, the development has been delayed, as acquiring the large number of images required for image learning has taken longer than initially planned. We have lowered the priority of these activities in order to concentrate management resources on OBP-301.

**6) Activities related to OBP-801, HDAC inhibitor**

Regarding OBP-801, a histone deacetylase (HDAC) inhibitor licensed from Astellas Pharma Inc. in 2009, dose limiting toxicity (DLT) was observed in Phase I clinical trials targeting solid body cancers in the U.S., making it impossible to escalate the dosage to the presumed effective dose. Therefore, development in the field of cancer has been suspended.

On the other hand, research for application to glaucoma surgery has been carried out at the Department of Ophthalmology of Kyoto Prefectural University of Medicine in the ophthalmic field, which is a new area of indication for OBP-801, revealing that the drug suppresses fibrosis after filtering bleb formation from glaucoma

surgery. The research results were presented at a meeting of the Japanese Ophthalmological Society in April 2023 and at an annual meeting of the Association for Research in Vision and Ophthalmology (ARVO). Furthermore, regarding the use patent for OBP-801 in the ophthalmic field that we received in Japan in 2024, the extension of the scope of patent protection was granted in October 2025. We have lowered the priority of these activities in order to concentrate management resources on OBP-301.

The development status of pipeline products is as follows.

| Product | Indication | Combination therapy | Development region | Development stage |
|---|---|---|---|---|
| OBP-301 (suratadenoturev) | Esophageal cancer | Radiation therapy | Japan | Approval application |
| | | Chemoradiotherapy | U.S. | Phase I |
| | | Anti-PD-1 antibody pembrolizumab | Japan | Phase I (complete) |
| | Gastric / gastroesophageal junction cancer | Anti-PD-1 antibody pembrolizumab (third-line treatment) | U.S. | Phase II (complete) |
| | | Anti-PD-1 antibody pembrolizumab (second-line treatment) | U.S. | Phase II |
| | Hepatocellular cancer (HCC) | Monotherapy | South Korea and Taiwan | Phase I (complete) |
| | Anal and lower rectal cancer | Chemoradiotherapy | Japan | Phase II preparation |
| OBP-601 (censavudine) | Progressive supranuclear palsy (PSP) | Monotherapy (double-blind trial) | U.S. | Phase II (Phase III preparation) |
| | Amyotrophic lateral sclerosis (ALS) | Monotherapy (double-blind trial) | U.S. and Europe | Phase II (Phase II / III preparation) |
| | Alzheimer's disease | TBD | U.S. | Phase II preparation |
| | Aicardi-Goutières Syndrome (AGS) | Monotherapy | Europe | Phase II (Enrollment complete) |
| | Extending healthy life expectancy | TBD | U.S. | Pre-clinical |
| OBP-702 | Pancreatic cancer | TBD | Japan | Pre-clinical (Phase I preparation) |
| OBP-2011 | Viral infectious diseases | TBD | Japan | Pre-clinical |
| TelomeScan (OBP-401) | Solid tumor | — | Japan | Clinical research |
| OBP-801 | Suppression of filtering bleb fibrosis after glaucoma surgery | — | Japan | Pre-clinical |