Note: This document has been translated from a part of the Japanese original for reference purpose only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Non-consolidated Financial Results for the Nine Months Ended September 30, 2026 [Japanese GAAP]

November 6, 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 Nine Months Ended September 30, 2026 (January 1, 2026 to September 30, 2026)

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

	Net sales		Operating profit		Ordinary profit		Profit	
Nine months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2026	527	–	(1,104)	–	(1,112)	–	(1,115)	–
September 30, 2025	28	(9.0)	(1,571)	–	(1,614)	–	(1,617)	–

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
September 30, 2026	(38.01)	–
September 30, 2025	(64.63)	–

(2) Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2026	3,752	3,086	82.1
As of December 31, 2025	4,555	3,999	87.6

(Reference) Equity: As of September 30, 2026: ¥3,081 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	–	0.00	–		
Fiscal year ending December 31, 2026 (Forecast)				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):
September 30, 2026: 29,575,700 shares
December 31, 2025: 29,291,600 shares

2) Total number of treasury shares at the end of the period:
September 30, 2026: 27,643 shares
December 31, 2025: 17,641 shares

3) Average number of shares during the period:
Nine months ended September 30, 2026: 29,338,116 shares
Nine months ended September 30, 2025: 25,018,117 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 nine months ended September 30, 2026, although the Bank of Japan raised its policy rate to the highest level in 31 years, the Japanese economy demonstrated its robustness, with companies, mainly large manufacturers, benefiting from growing global demand for artificial intelligence (AI). The global economy is also expected to continue to expand against the backdrop of easing geopolitical risks and strong AI-related demand, despite rising prices caused by persistent tensions in the Middle East.

Under these circumstances, the Company has pursued 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 has promoted research, development, and business activities with a focus on cancer virotherapy OBP-301.

The Company obtained a full marketing approval for Telomelysin Injection and launched it in August 2026. Telomelysin Injection is supplied to medical facilities through FUJIFILM Toyama Chemical Co., Ltd. (hereinafter "FUJIFILM Toyama Chemical"), the marketing partner; SPLine Corporation, the medical products company; and other distributors. As new indications following esophageal cancer, the Company is also developing OBP-301 for lower rectal and anal cancers and for laryngeal and pharyngeal cancers. Meanwhile, overseas, the Company is pursuing business activities aimed at concluding new alliance agreements for OBP-301 by the end of 2026.

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.

Concerning OBP-702, a next-generation oncolytic virus, the Company plans to follow the same development path as Telomelysin Injection, which received approval in Japan for esophageal cancer in 2026. The Company's policy is to take over the clinical development of OBP-702 after an academic institution has evaluated its safety and dosage in clinical trials, and to advance it while differentiating OBP-702 from OBP-301.

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

For the nine months ended September 30, 2026, the Company recorded net sales of ¥527,808 thousand (net sales of ¥28,546 thousand in the same period of the previous fiscal year), and operating loss was ¥1,104,482 thousand (operating loss of ¥1,571,067 thousand in the same period of the previous fiscal year). In addition, the Company recorded interest income of ¥8,335 thousand, foreign exchange gains of ¥3,877 thousand, and other items as non-operating income, as well as interest expenses of ¥12,554 thousand, amortization of restricted stock remuneration of ¥4,499 thousand, and share issuance costs of ¥2,761 thousand as non-operating expenses, resulting in ordinary loss of ¥1,112,040 thousand (ordinary loss of ¥1,614,576 thousand in the same period of the previous fiscal year). As a result, net loss was ¥1,115,090 thousand (net loss of ¥1,617,044 thousand in the same period of the previous fiscal year).

(2) Explanation of Financial Position

Assets at the end of the third quarter of the fiscal year under review were ¥3,752,641 thousand (17.6% decrease compared with the end of the previous fiscal year), owing partly to a decrease in cash and deposits. Liabilities were ¥666,168 thousand (19.8% increase compared with the end of the previous fiscal year), owing partly to an increase in contract liabilities. Net assets were ¥3,086,473 thousand (22.8% decrease compared with the end of the previous fiscal year), owing partly to loss incurred.

(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 Telomelysin Injection, which was launched in Japan in 2026, will also fluctuate greatly depending on factors such as market development. Furthermore, our financial results fluctuate depending on contract terms, including lump-sum payments, under international alliance agreements for 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.

2. Quarterly Financial Statements and Primary Notes

(1) Quarterly Balance Sheets

(Thousand yen)

	As of December 31, 2025	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	3,674,717	2,989,959
Accounts receivable – trade	31,306	31,462
Supplies	3,916	2,759
Advance payments – other	333,740	271,971
Prepaid expenses	61,520	36,690
Accounts receivable – other	302,276	344,795
Consumption taxes receivable	39,907	28,273
Short-term loans receivable from subsidiaries and associates	46,959	–
Other	10	10
Total current assets	4,494,353	3,705,921
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	35,081
Accumulated depreciation	(35,734)	(34,065)
Tools, furniture and fixtures, net	–	1,016
Total property, plant and equipment	–	1,016
Investments and other assets		
Shares of subsidiaries and associates	20,936	20,936
Investments in capital	100	100
Lease and guarantee deposits	26,277	24,663
Long-term prepaid expenses	14,208	–
Other	4	4
Total investments and other assets	61,525	45,703
Total non-current assets	61,525	46,719
Total assets	4,555,879	3,752,641

(Thousand yen)

	As of December 31, 2025	As of September 30, 2026
Liabilities		
Current liabilities		
Short-term loans payable	233,332	138,888
Lease obligations	10,311	7,981
Accounts payable – other	65,232	83,635
Accrued expenses	26,238	18,270
Income taxes payable	15,025	2,867
Contract liabilities	110,000	293,511
Deposits received	10,580	26,337
Total current liabilities	470,721	571,490
Non-current liabilities		
Long-term loans payable	66,656	80,546
Lease obligations	9,720	4,329
Provision for retirement benefits	8,812	9,802
Total non-current liabilities	85,188	94,677
Total liabilities	555,909	666,168
Net assets		
Shareholders' equity		
Capital stock	4,366,132	4,094,821
Capital surplus		
Legal capital surplus	1,621,460	102,514
Other capital surplus	62,763	–
Total capital surpluses	1,684,224	102,514
Retained earnings		
Other retained earnings		
Retained earnings brought forward	(2,058,049)	(1,115,090)
Total retained earnings	(2,058,049)	(1,115,090)
Treasury shares	(17)	(466)
Total shareholders' equity	3,992,289	3,081,777
Share acquisition rights	7,680	4,695
Total net assets	3,999,969	3,086,473
Total liabilities and net assets	4,555,879	3,752,641

(2) Quarterly Statements of Income
Nine Months Ended September 30

(Thousand yen)

	For the nine months ended September 30, 2025	For the nine months ended September 30, 2026
Net sales	28,546	527,808
Cost of sales	–	–
Gross profit	28,546	527,808
Selling, general and administrative expenses	1,599,613	1,632,291
Operating loss	(1,571,067)	(1,104,482)
Non-operating income		
Interest income	3,348	8,335
Dividend income	3	3
Foreign exchange gains	–	3,877
Other	30	40
Total non-operating income	3,381	12,257
Non-operating expenses		
Interest expenses	3,803	12,554
Amortization of restricted stock remuneration	6,098	4,499
Foreign exchange losses	28,296	–
Share acquisition rights issuance costs	7,177	–
Share issuance costs	1,513	2,761
Total non-operating expenses	46,890	19,814
Ordinary loss	(1,614,576)	(1,112,040)
Loss before income taxes	(1,614,576)	(1,112,040)
Income taxes – current	2,467	3,050
Total income taxes	2,467	3,050
Loss	(1,617,044)	(1,115,090)

(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 nine months ended September 30, 2026 are not prepared. Depreciation for the nine months ended September 30 is as follows:

(Thousand yen)

	For the nine months ended September 30, 2025	For the nine months ended September 30, 2026
Depreciation	136	225

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

The Company received payment from the exercise of share acquisition rights during the nine months ended September 30, 2026. In addition, based on the resolution by the Annual General Meeting of Shareholders held on March 24, 2026, a capital reduction became effective on May 31, 2026, and the Company reduced capital stock by ¥373,824 thousand and legal capital surplus by ¥1,621,460 thousand and transferred them to other capital surplus. Thereafter, the Company reduced the entire amount of other capital surplus of ¥2,058,049 thousand and transferred it to retained earnings brought forward to compensate the deficit. As a result, at the end of the period, capital stock was ¥4,094,821 thousand and legal capital surplus was ¥102,514 thousand.

(Segment information, etc.)

[Segment information]

I. For the nine months ended September 30, 2025

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

II. For the nine months ended September 30, 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 nine months ended September 30, 2025	For the nine months ended September 30, 2026
Goods / Services transferred at a point in time	28,546	527,808
Goods / Services transferred over time	—	—
Revenue from contracts with customers	28,546	527,808
Revenue from other sources	—	—
Net sales to outside customers	28,546	527,808

(Per share information)

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

Item	For the nine months ended September 30, 2025	For the nine months ended September 30, 2026
Loss per share	¥(64.63)	¥(38.01)
(Basis for the calculation)		
Loss (Thousand yen)	(1,617,044)	(1,115,090)
Amount not attributable to common shareholders (Thousand yen)	—	—
Loss relating to common shares (Thousand yen)	(1,617,044)	(1,115,090)
Average number of shares during the period (shares)	25,018,117	29,338,116
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)

Capital increase through exercise of share acquisition rights

During the period starting on October 1, 2026 and ending on October 31, 2026, a portion of the 13th, 14th and 16th series Share Acquisition Rights was exercised as follows:

(1) Class and number of shares issued	112,000 shares of common stock
(2) Number of units of share acquisition rights exercised	1,120 units
(3) Total amount exercised	83,552 thousand yen
(4) Amount of increase in capital stock	42,456 thousand yen
(5) Amount of increase in legal capital surplus	42,456 thousand yen

(Notes) 1. (4) Amount of increase in capital stock and (5) Amount of increase in legal capital surplus include transfer of share acquisition rights of 680 thousand yen each.

2. As a result of the above issuance of new shares upon exercise of stock acquisition rights, the total number of shares issued and outstanding as of October 31, 2026 was 29,687,700 shares, capital stock was 4,137,277 thousand yen, and legal capital surplus was 144,970 thousand yen.

3. Supplemental Information

(1) Research and Development Activities

Research and development expenses of the Company in the nine months ended September 30, 2026 totaled ¥972,693 thousand for the drug discovery business. The status of research and development activities during the nine months ended September 30, 2026 is as follows.

(1) Research and development structure

As of September 30, 2026, 26 persons belonged to the research and development department, accounting for 59% 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 Telomelysin Injection, which was launched as a regenerative medicine product for esophageal cancer in August 2026—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 and obtained a full marketing approval from the Ministry of Health, Labour and Welfare as a regenerative medicine product for esophageal cancer in June 2026. The Company launched Telomelysin Injection in August 2026.

As an indication expansion study for OBP-301 in Japan following the indication in combination with radiation therapy for esophageal cancer, the Company submitted in June 2026 a clinical trial notification for Phase Ib / IIa clinical trials in combination with chemoradiotherapy for lower rectal and anal cancers. Administration under the study began in October 2026. In addition, the Company is moving forward on preparations for Phase II clinical trial in combination with radiation therapy for laryngeal and pharyngeal cancers.

Meanwhile, regarding development overseas, the Company is proceeding with an investigator-initiated clinical trial of OBP-301 in combination with pembrolizumab. 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 and the interim results of the study were published in an overseas medical journal.

Regarding our domestic business, associated with the manufacturing and marketing approval, the Company received a milestone revenue payment and advances from FUJIFILM Toyama Chemical, the marketing partner, in July 2026. In addition, we have established a supply chain for Telomelysin Injection from Henogen SA, the manufacturer, via MITSUI-SOKO HOLDINGS Co., Ltd. (hereinafter "MITSUI-SOKO HOLDINGS"), responsible for logistics such as storage and packaging in Japan, and through FUJIFILM Toyama Chemical, the marketing partner, to medical institutions. In October 2026, we extended the shelf life of Telomelysin Injection to 24 months, further enhancing flexibility in its inventory management.

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. Furthermore, to conclude new international alliance agreements by the end of 2026, we are pursuing business activities, including negotiating contract terms with overseas pharmaceutical companies.

As for intellectual property, in May 2026, an extension of the scope of patent protection was granted

for the administration of oncolytic adenovirus through an endoscope, for which a patent had already been granted in Japan. In addition, in October 2026, a patent for the administration of oncolytic adenovirus through an endoscope was also granted in Europe. These 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.

OBP-301 has been undergoing the following four clinical trials in Japan and overseas, including one in which administration has not yet begun.

i) 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.

ii) 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, one of the world's largest and authoritative clinical trials groups, supported by the National Cancer Institute in the U.S., has been leading the trial. Administration began in December 2021 with the purpose of investigating the safety and efficacy of using OBP-301 in combination with chemoradiotherapy, and 15 patients were registered. The interim results of the study were published in International Journal of Radiation Oncology - Biology - Physics.

OBP-301 has been designated as an orphan drug for esophageal cancer in the U.S., and this clinical trial was 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.

iii) Phase Ib / IIa clinical trials in combination with chemoradiotherapy for lower rectal and anal cancers

Regarding the "Phase Ib / IIa clinical trials in combination with chemoradiotherapy for lower rectal and anal cancers," the Company submitted a clinical trial notification to the Pharmaceuticals and Medical Devices Agency (PMDA) in June 2026. The trials are pilot trials to assess the safety and efficacy by administering OBP-301 in combination with preoperative chemoradiotherapy. The Company began administration under the trials in October 2026.

vi) Phase II clinical trial in combination with radiation therapy for laryngeal and pharyngeal cancers

Regarding the **"**Phase II clinical trial in combination with radiation therapy for laryngeal and pharyngeal cancers," the Company plans to submit a clinical trial notification by the end of 2026. The trials are pilot trials to assess the safety and efficacy by administering OBP-301 in combination with radiation therapy. The Company plans to begin administration under the trials in 2027.

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 (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.

For OBP-702, an academic institution plans to start an investigator-initiated clinical trial for pancreatic cancer. The Company plans to follow the same development path as OBP-301, which received approval in Japan for esophageal cancer in 2026. The Company's policy is to take over the clinical development of OBP-702 after an academic institution has evaluated its safety and dosage in clinical trials, and to advance it while differentiating OBP-702 from 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, in October 2025, we received a decision granting an expanded scope of patent protection for the use patent for OBP-801 in the ophthalmic field, which was registered in Japan in 2024. 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	Marketed (full marketing approval)
		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)
	Lower rectal and anal cancers	Chemoradiotherapy	Japan	Phase Ib / IIa
	Laryngeal and pharyngeal cancers	Radiation therapy	Japan	Phase II
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