NEWS RELEASE

Veritas In Silico

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Mitsubishi Gas Chemical and Veritas In Silico Announce Joint Research Agreement for Drug Discovery and Establishment of Manufacturing Methods for Nucleic Acid Drugs

Mitsubishi Gas Chemical Company, Inc. (Head Office: Chiyoda-ku, Tokyo Japan; President: Yoshinori ISAHAYA; hereinafter referred to as "MGC") and Veritas In Silico Inc. (Head Office: Shinagawa-ku, Tokyo Japan; CEO: Shingo NAKAMURA; hereinafter referred to as "VIS") have entered into a Joint Research Agreement with the aim at discovering innovative nucleic acid drugs and establishing manufacturing methods based on QbD[*1].

MGC and VIS have been in ongoing discussions and deliberations regarding business cooperation related to nucleic acid drugs since December 2023 and working to enhance the feasibility of the collaboration through the signing of MOU announced in the press release dated October 9, 2024, titled "Mitsubishi Gas Chemical and Veritas In Silico Sign MOU on Joint Business of RNA-Targeted Drug Discovery and Development." These discussions have led to the signing of the agreement.

MGC and VIS will collaborate on drug discovery of nucleic acid drugs targeting long-chain RNA[*2] to obtain development candidates of ASO[*3] and establish manufacturing methods through QbD-based approaches in 3 years of scheduled researching term. In this Joint Research, MGC will establish the manufacturing methods for ASO development candidates based on QbD principles and VIS will acquire the ASO development candidates based on QbD principles, utilizing its proprietary drug discovery platform, ibVIS®. The intellectual property rights of the outcomes obtained through this Joint Research will be mainly owned by VIS, with MGC owning a portion.

The concept of QbD will be adopted from the early stages of research, and the development of ASO manufacturing methods and processes will be advanced in parallel with drug discovery research. By adopting the concept of QbD from the early stages of research, MGC and VIS aim to establish manufacturing methods that meet the quality and reliability requirements for commercial manufacturing, as well as to acquire highly active, safe, and cost-effective compounds, enabling a swift transition to pre-clinical and clinical phases.

MGC has experience and expertise in GMP manufacturing[*4], including the production of antibody drugs. MGC views nucleic acid drugs as a market with future growth potential and, while exploring the possibilities of CDMO business[*5], invested in VIS in 2017 and has been discussing business cooperation with VIS regarding nucleic acid drugs since December 2023.

VIS has experience in identifying ASO compounds as intellectual property and has obtained a patent in Japan. Currently, VIS is conducting in-house research to obtain more efficient and active ASOs. To date, VIS has partnered with several pharmaceutical companies and has conducted joint drug discovery research on small molecule drugs targeting mRNA, utilizing its unique drug discovery platform, ibVIS®, which consists of various drug discovery technologies optimized for mRNA targets. This drug discovery platform is also applicable to nucleic acid drugs, and VIS aims to utilize it in this Joint Research to achieve research outcomes in a relatively short period of time.

MGC and VIS together promote the Joint Research based on QbD principles and aim to business development of the oligonucleotide therapeutics with utilizing ibVIS® platform provided by VIS.

● Comments from Shingo NAKAMURA, Ph.D., Representative Director and CEO of VIS

We are honored to embark on this Joint Research with Mitsubishi Gas Chemical, which has supported us since our founding. We will advance this Joint Research with Mitsubishi Gas Chemical as one team toward the realization of a warm society filled with hope.

We have consistently communicated that our drug discovery platform, ibVIS®, can be applied to the discovery of not only small molecule drugs targeting mRNA, but also nucleic acid drugs. By harnessing the strengths of ibVIS® to drive progress in both business areas, we aspire to become “a truly distinctive biotechnology company” capable of addressing multiple therapeutic modalities. Insights gained through this Joint Research are expected to advance nucleic acid drug discovery and simultaneously accelerate our small molecule drug discovery initiatives.

The concept of QbD in manufacturing takes a broader approach than the QbD required by regulatory authorities in the pharmaceutical industry, as it considers the manufacturing process from the very beginning of product design. Product developers are supposed to integrate QbD principles early in the design phase. We will actively adopt a QbD approach that exceeds pharmaceutical industry standards, enabling us to create pharmaceutical products that excel in both quality and manufacturing cost efficiency.

● Impact on Future Business Performance of VIS

This Joint Research Agreement aligns with VIS’ growth strategy and will contribute to its KPIs, “4 New Contracts to be signed in FY2025” and “Creating In-house Pipelines” as announced in the “Company Presentation” dated February 13, 2025. This marks the second of 4 New Contracts to be signed in FY 2025. Furthermore, the ASO generated from this Joint Research is expected to become the second project for the In-house Pipelines, expected for FY2026.

Under this agreement, VIS will receive research funds from MGC during the joint research period of 3 years. The total amount is expected to represent approximately 20% of annual revenue for FY2025.

Please note that this revenue has already been included in the earnings forecast for FY2025 announced on February 13, 2025, and no change to the forecast is expected.

In case any matters requiring disclosure arise in the future, they will be promptly disclosed.

● Glossary for Reference

*1 QbD: Abbreviation for Quality by Design. A concept that incorporates considerations for ensuring product quality from the design stage through to manufacturing.

*2 Long-chain RNA: Refers to RNA molecules that are approximately 300 base pairs or longer, playing a crucial role in protein synthesis and other cellular functions. Examples include mRNA, pre-mRNA, and long non-coding RNA.

*3 ASO: Abbreviation for Antisense Oligonucleotide. A type of nucleic acid drug. Consisting of single-stranded DNA or RNA, it binds to mRNA and primarily functions to regulate protein synthesis.

*4 GMP manufacturing: GMP stands for Good Manufacturing Practice. It is a set of guidelines designed to ensure the quality, safety, and efficacy of pharmaceuticals and quasi-drugs throughout all stages of production, from raw material procurement through manufacturing, quality control, and distribution.

*5 CDMO business: CDMO stands for Contract Development and Manufacturing Organization. It refers to a business that provides contract manufacturing services for pharmaceutical development.

For Further Information, Contact:

● Veritas In Silico Website Inquiry Form : https://www.veritasinsilico.com/en/contact/