(Translation)

May 9, 2024

To Shareholders,

Company Name: Renascience Inc.
Representative: Koji Naito, President & CEO
(Code: 4889 TSE Growth)
For inquiries, please contact Administration Dept.

Notice of Change in Use of Fund Raised at the Listing, and Scheduled Time and Amount of Expenditure

The Company hereby announces that its Board of Directors today resolved to partially change the "Use of Proceeds from Initial Public Offering on September 24, 2021" which was described in the "Securities Registration Statement" dated August 18, 2021, the "Amendment to Securities Registration Statement" dated September 6, 2021 and September 14, 2021, and the "Notice of Capital Increase through Third Party Allotment" dated October 21, 2021.

1. Reason for the change

The Company raised funds to develop its existing pipeline and acquire new modalities at the time of its initial public offering on September 24, 2021, specifically for (1) the phase III study of chronic myeloid leukemia, (2) basic research investments, (3) AI-based medical solutions, (4) funds to introduce new modalities, (5) global expansion of investigator-initiated clinical trials of RS5614, (6) repayment of bank loan, which was disclosed in the "Notice of Capital Increase through Third Party Allotment" dated October 21, 2021.

Since our initial listing, the Company have expanded its pipeline at a faster-than-expected pace, and have conducted joint research and investigator-initiated clinical trials with universities/other public research institutions and medical institutions in Japan and overseas. In addition to pharmaceuticals, a wide range of research and development is underway, including medical solutions utilizing artificial intelligence (AI). However, because the Company and its joint research partners have received a large amount of public funds for R&D, the Company has been able to implement more projects with less out-of-pocket expenses than originally planned. Therefore, the Company has decided to change the use of funds, and the expected timing and amount of funds from the plan at the time of the initial listing.

2. Details of changes

The details of the change in the use of funds are as follows. The changes are underlined.

Before the change (million yen)

Use of the funds	FY2021	FY2022	FY2023	sum
Repayment of bank loan	220			220
Phase III study of chronic myeloid leukemia		225	225	450
Basic research investments (deleted)		10	10	20
AI-based medical solutions		75	75	150
Funds to introduce new modalities		300	300	600
Global expansion of investigator-initiated clinical trials of RS5614 (deleted)		100	100	200
sum	220	710	710	1,640

After the change (million yen)

Use of the funds	FY2021	FY2022	FY2023	FY2024	FY2025	Sum
Repayment of bank loan	220					
Phase III study of chronic myeloid leukemia		31	16	27	25	99
AI-based medical solutions		11	47	26	12	96
Funds to introduce new modalities				50	70	120
Malignant melanoma (new)				33	70	103
Non-small cell lung cancer (new)			29	20		49
Cutaneous angiosarcoma (new)			28	19		47
Operating capital (new)	107	199	200	200	200	906
Sum	327	241	320	375	377	1,640

■ Repayment of bank loan

The Company has been conducting a phase II investigator-initiated clinical trial for premenstrual syndrome with psychiatric symptoms / premenstrual dysphoric disorder from December 2020 with funding from Cyclic Innovation for Clinical Empowerment (CiCLE) of the Japan Agency for Medical Research and Development (AMED) (Representative Organization: Renascience). The Company was required to pledge collateral equivalent to the total project cost when the project was adopted in CiCLE, and took out a loan from The 77 Bank, Ltd. As originally planned, 220 million yen, a portion of the total project cost, was used to repay the loan in March 2022.

■ Cost of the phase III investigator-initiated clinical trial for chronic myeloid leukemia

The efficacy and safety of the PAI-1 inhibitor RS5614 were confirmed in the late phase II study for chronic myeloid leukemia, and the phase III investigator-initiated clinical trial was initiated in August 2022. Although the out-of-pocket expenses for research and development costs have been partially reduced due to the adoption in March 2022 of the AMED Innovative Cancer Therapy Practical Application Research Project (representative organization: Tohoku University; the Company is the sharing organization), the Company plans to allocate the funds for the phase III investigator-initiated clinical trial until the fiscal year ending March 2026 in this change in the use of funds.

■ Cost of Clinical performance studies for AI-based medical solutions

Although the Company had planned to use the funds mainly for software as a medical device (SaMD) supporting diabetes treatment and SaMD supporting maintenance hemodialysis, the out-of-pocket expense for the research and development has been reduced from the initial projection due to the adoption by AMED Commercialization Promotion Project for Medical-engineering Collaboration (Support for small and medium-sized enterprises development and commercialization) (Representative Organization: Renascience) in April 2022 and by the AMED Research on Development of New Medical Devices (Representative Organization: Tohoku University; the Company is a sharing organization) in February 2023, respectively. Therefore, the time period of allocation will be extended until the fiscal year ending March 31, 2026.

■ Funds for introduction of new modalities

Since the listing, the Company evaluated several new modality projects (antibody drugs, gene therapy, etc.), but has not in-licensed them due to the business feasibility and other issues. The Company has been negotiating to license other new modality pipelines and plans to use the funds for research and development expenses for these projects.

■ Cost of a phase III investigator-initiated clinical trial for malignant melanoma

The Company discovered that the PAI-1 inhibitor RS5614 has immune checkpoint inhibitory activity similar to that of existing antibody drugs such as nivolumab, and confirmed in the phase II investigator-initiated clinical trial that the combination therapy of RS5614 and nivolumab is superior to the existing therapy (a combination of two antibodies, ipilimumab and nivolumab) in the second-line treatment of patients with unresectable malignant melanoma who are refractory to nivolumab. The phase III investigator-initiated clinical trial is scheduled to start in the fiscal year ending March 31, 2025, and the funds will be allocated to cover expenses at each medical institution, clinical trial-related outsourcing costs, and preparation of the investigational drug.

■ Cost of the phase II investigator-initiated clinical trial for non-small cell lung cancer

As described above, the immune checkpoint inhibitory activity of our PAI-1 inhibitor was confirmed in malignant melanoma. Therefore, in collaboration with Hiroshima University and other institutions, the Company started the phase II investigator-initiated clinical trial for non-small cell lung cancer in September 2023. In this trial, the efficacy and safety of RS5614 in combination with nivolumab will be evaluated in

patients with lung cancer in the third-line or later treatment. The funds will be used to cover necessary expenses at each medical institution and outsourcing costs related to the clinical trial.

■ Cost of the phase II investigator-initiated clinical trial for cutaneous angiosarcoma

In October 2023, the Company started the phase II investigator-initiated clinical trial of the PAI-1 inhibitor RS5614 for cutaneous angiosarcoma to evaluate the efficacy and safety of the combination of the anticancer drug paclitaxel and RS5614 in patients with cutaneous angiosarcoma who have failed first-line treatment with paclitaxel. The funds will be used to cover necessary expenses at each medical institution and clinical trial-related outsourcing costs.

■ Operating capital

The funds will be allocated for ordinary general administrative expenses (personnel expenses, rent paid, fees paid, commissions paid, etc.) required for business operations.

The originally planned investment in basic research and the global expansion of RS5614 investigator-initiated clinical trials have been removed from the use of funds for the following reasons.

■ Investment in basic research

It was removed from the use of funds due to the reduced out-of-pocket expense of the Company as a result of the acquisition of public funds.

■ RS5614 global development of investigator-initiated clinical trials

It was removed from the use of funds because the domestic development of the project was prioritized over overseas development, since it was adopted in March 2023 as part of the AMED Practical Research Program for Intractable Diseases.

3. Impact on business performance

The above change in the use of funds has been incorporated in the earnings plan and will have no effect on the fiscal year ending March 31, 2024.

End