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PeptiDream Inc.

<https://www.peptidream.com>

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PeptiDream Announces New Mid-Term Management Targets

KANAGAWA, JAPAN – March 25th, 2021 – PeptiDream Inc., a public Kanagawa-based biopharmaceutical company (“PeptiDream”)(Tokyo:4587) today announced that it has established a new set of “Mid-Term Management Targets” for the period from FY2021 to FY2026.

1. Background/ Overview

The Company’s previous set of Mid-Term Management Targets were announced in the Company’s financial results briefing for the fiscal year ending June 2017 on August 9, 2017, for the five year period spanning from July 2017 to June 2022. After careful review across the entirety of the Company’s drug discovery pipeline, and taking into consideration anticipated future developments, as well as the continued expansion of the Company’s proprietary drug discovery platform, the PDPS technology, the Company has formulated a new set of Mid-Term Management Targets for the end of December FY2026.

Going forward, the Company anticipates over the Mid-Term a significant acceleration in the number of drug discovery programs entering and progressing through clinical development. Specifically, the Company anticipates 4 or more new therapeutic drugs (not including diagnostics) to be launched (approved), 32 or more programs to be in clinical development, and 160 or more programs to be in preclinical development, by the end of FY2026. In order to fully support and promote these targets, the Company will continue to actively expand through the hiring of highly skilled and talented professionals. In addition, in order to realize our goal of being a global “Drug Discovery Powerhouse”, the Company will continue to expand our partnership network and our leading position as the hub in the global peptide-based drug discovery ecosystem.

2. New Mid-Term Targets

Mid-Term Targets by the end of FY2026		As of 12/31/2020
(1) New drugs* launched (approved)	4 or more	0
(2) Number of clinical programs	32 or more	2
(3) Number of preclinical drug discovery programs	160 or more	118
(4) Number of employees	220 or more	150
(5) Establishing foundation as a “Drug Discovery Powerhouse”		

*Diagnostic agents and products other than therapeutics are not included.

Regarding the 5th target, the aim to solidify PeptiDream’s position and reputation as a global “Drug Discovery Powerhouse”, we will particularly focus our efforts on the following five initiatives:

- ① To further lead the expansion of the global peptide-based drug discovery eco-system and our partnership network through expanding our role as the central hub.
- ② To continue to expand the number of licensees of our proprietary PDPS technology and its position as “the most widely-used peptide-based drug discovery platform”.
- ③ To create a healthy, safe, and diverse work environment where all employees can maximize their abilities, have equal opportunities, and be considered a “best place to work”
- ④ To strive toward a “transparent, responsive, and balanced corporate governance structure”, ensure the highest business ethical standards, and maintain a continuous and open dialogue with all internal and external stakeholders.
- ⑤ To promote operational efficiency for the sustainable growth of society, minimize our environmental impact with a focus on water, waste, and energy efficiency, and become “carbon neutral” in our operations by 2026.

<Review of the Previous 2017 Mid-Term Management Targets>

At the end of FY2020, the Company has already met 3 of the 5 original targets set in August of 2017, including the number of companies with which Company has discovery and optimization agreements (target set at 25 or more; end of FY2020: 33; 20 collaboration partners and 13 strategic partners), the number of companies to which the Company reaches PDPS non-exclusive technology license agreements (target set 8 or more; end of FY2020: 9 companies), and the number of employees (target set at 120 or more; end of FY2020: 150). As of the end of FY2020, 2 of the 5 targets have yet to be reached, including bringing to market new drugs (target set at 1 or more) and number of projects to which clinical trials being (set at

10 or more). While the Company still believes these targets may be reachable, the unforeseen COVID19 pandemic has had an impact on the progress of these targets, which may ultimately result in slight delays. In part for this reason, the Company has included and updated both of these targets in the new mid-term management targets ending FY2026.

Mid-Term Targets by the end of June 2022		As of 12/31/2020
(1) Bringing to market new drugs (approval and sales)	1 or more	0
(2) Number of companies with which the Company has discovery and optimization agreements	25 or more	33
(3) Number of companies to which the Company reaches PDPS non-exclusive technology license agreements	8 or more	9
(4) Number of projects for which clinical trials begin	10 or more	2
(5) Number of employees at the end of June 30, 2022	120 or more	150

<About PeptiDream Inc.>

PeptiDream Inc. is a public (Tokyo Stock Exchange 1st Section 4587) biopharmaceutical company founded in 2006 employing our proprietary Peptide Discovery Platform System (PDPS), a state-of-the-art highly versatile discovery platform which enables the production of highly diverse (trillions) non-standard peptide libraries with high efficiency, for the identification of highly potent and selective hit candidates, which then can be developed into peptide-based or small molecule-based therapeutics. PeptiDream aspires to be a world leader in drug discovery and development to address unmet medical needs and improve the quality of life of patients worldwide. For further information, please visit www.peptidream.com.

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