

Non-consolidated Summary of Financial Results for the Fiscal Year Ended March 31, 2021

(All financial information has been prepared in accordance with the Generally Accepted Accounting Principles in Japan)

June 22, 2021

Company name: Perseus Proteomics Inc. Stock market listing: Tokyo Stock Exchange
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 Scheduled date of ordinary shareholders' meeting: June 25, 2021
 Scheduled date to commence dividend payment: -
 Scheduled date to file Annual Securities Report: June 25, 2021
 Preparation of supplementary material on financial results: No
 Holding of financial results presentation meeting: No (for institutional investors and analysts)

(Amounts below one million yen were rounded down.)

1. Financial Results for the year ended March 31, 2021 (April 1, 2020 – March 31, 2021)

(1) Operating results

(% represents year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit	
FY ended	million yen	%	million yen	%	million yen	%	million yen	%
March 31, 2021	67	(20.8)	(411)	-	(410)	-	(413)	-
March 31, 2020	85	(68.9)	(812)	-	(834)	-	(841)	-

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary income to total assets ratio	Operating income to net sales ratio
FY ended	Yen	yen	%	%	%
March 31, 2021	(59.03)	-	-	-	-
March 31, 2020	(136.95)	-	-	-	-

(Reference) Equity in earnings (losses) of affiliates: FY ended March 31, 2021: -FY ended March 31, 2020: -

(Note) 1. Diluted earnings per share is not shown although the Company has potential dilutive shares. This is because the average stock price is not available as the shares of the Company was not listed on March 31, 2021. Also, net loss per share was recorded.

2. The Company implemented 30-for-1 stock split of its common stock effective on December 11, 2019. The "Basic earnings per share" is calculated assuming that the said stock split was conducted at the beginning of FY ended on March 31, 2020.

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
As of	million yen	million yen	%	Yen
March 31, 2021	1,118	1,083	96.6	128.86
March 31, 2020	547	485	88.7	79.05

(Reference) Shareholders' equity: As of March 31, 2021: 1,080 million yen As of March 31, 2020: 485 million yen

(Note) The Company implemented 30-for-1 stock split of its common stock effective on December 11, 2019. The "Net assets per share" is calculated assuming that the said stock split was implemented at the beginning of FY ended on March 31, 2020.

(3) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year-end
FY ended	million yen	million yen	million yen	million yen
March 31, 2021	(422)	(2)	1,011	1,069
March 31, 2020	(608)	(3)	-	482

2. Cash dividends

	Dividend					Total amount of dividends	Dividend payout ratio	Dividends to net asset ratio
	Q1-end	Q1-end	Q3-end	Year-end	Total			
FY ended	Yen	Yen	Yen	Yen	Yen	million yen	%	%
March 31, 2020	-	0.00	-	0.00	0.00	-	-	-
March 31, 2021	-	0.00	-	0.00	0.00	-	-	-
FY ending March 31, 2022 (Forecast)	-	0.00	-	0.00	0.00		-	

(Note) Revision from the most recently announced dividend forecast: No

3. Financial results forecast for the fiscal year ending March 31, 2022 (April 1, 2021 - March 31, 2022)

(% represents year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit		Basic earnings per share
Full year	million yen	%	million yen	%	million yen	%	million yen	%	yen
	70	3.3	(564)	-	(583)	-	(625)	-	(57.16)

- (Notes) 1. Revision from the most recently announced financial results forecast: No
 2. Basic earnings per share is calculated using average number of shares outstanding including newly issued 3,300,000 shares by public offering. The shares outstanding does not include the third-party allotments of maximum 495,000 shares through the sale of overallotment shares.

Notes

(1) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(2) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)
 - As of March 31, 2021: 8,386,400 shares
 - As of March 31, 2020: 6,146,400 shares
- (ii) Number of treasury shares at the end of the period
 - As of March 31, 2021: - shares
 - As of March 31, 2020: - shares
- (iii) Average number of shares outstanding during the period
 - As of March 31, 2021: 6,999,814 shares
 - As of March 31, 2020: 6,146,400 shares

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of financial results forecasts, and other special matters

The forward-looking statements, including financial results forecasts, contained in these materials are based on information currently available to Perseus Proteomics Inc. (hereinafter “the Company”) and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors.

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1. Overview of business results

(1) Overview of business results of the fiscal year ended March 31, 2021

The global economy has been continuously affected by the COVID-19 pandemic at a significant level. Although vaccination has been proceeding, expansion of the disease by variants has been concerns to the society.

The medical industry, to which the Company belongs, has continued to face the important problems including measurement to such novel infectious diseases and establishment of therapies against the diseases with growing number of patients globally such as cancer and dementia. The business of the Company has been affected by the pandemic: the Company saw decrease in sales of antibodies and reagents and delay in research and development at antibody research institutes. Such influences, however, have been improving gradually.

The business results of each business area are as follows:

1) Drug discovery

The Company has been proceeding with antibody development mainly in cancer field by utilizing efficient antibody obtaining platforms in order to fulfill unmet medical needs. Among the candidate antibodies we have obtained during the search for seeds, we have selected antibodies against GPC3, CDH3 and transferrin receptor to develop first after various study. Also, the Company has been developing a number of antibodies to be next therapeutic drug candidates following these three. The progress of each pipeline is as follows:

a. PPMX-T002

PPMX-T002 targets CDH3, which is considered to be a cell adhesion factor. FUJIFILM Corp., which made a licensing agreement with the Company in 2011, has been developing it as an anti-cancer drug with radioisotope (RI) labelled. In the phase I study conducted in the USA, it was confirmed that PPMX-T002 accumulated on cancer cells of patients. In one case, decrease in solid tumor size was confirmed. Since 2019, the phase I study expansion which is equal to the phase II study in Japan has been conducted in the increased patients at the maximum tolerable dose. Also, FUJIFILM Toyama Chemical Co., Ltd. has been conducting the phase I study in Japan since April 2020.

b. PPMX-T003

PPMX-T003, a unique human antibody targeting transferrin receptor (TfR), was obtained through our own screening technology, ICOS method. TfR is related to iron uptake into cells and is highly expressed on cancer cells that proliferate at a significant pace. When this antibody binds to TfR, it inhibits iron uptake into cancer cells, which provides anti-tumor effect of inhibiting cancer cell proliferation. The Company completed preclinical toxicity study using monkeys in 2018 under the support of Japan Science and Technology Agency through its Adaptable and Seamless Technology Transfer Program through target-driven R&D. Afterwards, the Company finished the program to proceed in house. PPMX-T003 is expected to have therapeutic effects for various types of cancers. The Company selected polycythemia vera (PV), one of blood cancers, as its first indication and started the phase I study in Japan in November 2019. As its safety in healthy volunteers was confirmed in March 2021, the Company plans to submit a clinical trial notification in PV patients to Japan Agency for Medical Research and Development to complete the phase I study as a next step.

Also, the Company has been proceeding with joint research on drug discovery with Juntendo University, Nagoya University, Fujita Health University and Gunma University, in order to clarify its mechanism of action as a therapeutic drug for blood cancers including PV, AML and MM as well as solid tumor.

c. PPMX-T004

PPMX-T003 targets CDH3, the same target as PPMX-T002, with a concept of antibody drug conjugate (ADC). ADC is expected to have high clinical effects regardless of immune function status of patients, as it is able to kill the targeting cells specifically by letting the labelled drug in cells. Also, there is no restriction in facilities as it uses no RI. The development status is not disclosed due to the contract between the out-licensed partner.

d. PPMX-T001

PPMX-T001 targets GPC3 which is highly expressed on liver cancer. Chugai Pharmaceutical Co., Ltd. (Chugai) was provided the rights to register the patents in 2006 and has been developing it in 2 different forms of an anti liver cancer drug: GC33 and ERY974. The former did not show clinical effects in monotherapy, however, Chugai published at a conference that its efficacy in patients was confirmed in the phase I study of combination use

with atezolizumab, an immune checkpoint inhibitor. The latter is a bispecific antibody which is able to bind to two different targets at the same time. Its phase I study started in the USA and Europe and ended in August 2019. The phase I study has been conducted in Japan.

2) Antibody Research Support

In this fiscal year, sales decreased from the previous fiscal year mainly due to the COVID-19 pandemic.

3) Antibody and Reagent sales

Sales of antibody and reagent for research decreased due to the COVID-19 pandemic, however, they have shown a sign of gradual recovery. The Company has also continued to develop the test kit for determining exacerbation risk of pneumonia caused by COVID-19 utilizing PTX3 measurement kit (blood inflammation marker).

As a result, sales of the fiscal year ended March 31, 2021 were 67,947 thousand yen (previous year: 85,759 thousand yen, 20.8% decrease from the previous year). Sales decreased because there were no sales booked from drug discovery in this fiscal year. Also, both antibody and reagent sales and antibody research support were adversely affected by the COVID-19 pandemic.

As for profits, operating loss was 411,749 thousand yen (812,394 thousand yen of operating loss in previous year), ordinary loss was 410,107 thousand yen (834,362 thousand yen of ordinary loss in previous year) and net loss was 413,216 thousand yen (841,731 thousand yen of net loss in previous year). Improvement of loss was mainly due to decrease in R&D cost on PPMX-T003.

Segment information is omitted as the Company has a single business segment, the pharmaceutical business.

2. Non-consolidated financial statements

(1) Statement of balance sheet

(thousand yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	482,464	1,069,300
Accounts receivable - trade	9,834	8,750
Finished goods	882	879
Supplies	1,598	1,036
Advance payments	10,770	-
Prepaid expenses	4,773	4,554
Consumption taxes receivable	27,497	21,907
Other	343	2,473
Total current assets	538,165	1,108,901
Non-current assets		
Property, plant and equipment		
Buildings	8,034	8,034
Accumulated depreciation	(8,034)	(8,034)
Buildings, net	0	0
Tools, furniture and fixtures	121,620	114,952
Accumulated depreciation	(121,619)	(114,952)
Tools, furniture and fixtures, net	0	0
Total property, plant and equipment	0	0
Intangible assets		
Other	0	0
Total intangible assets	0	0
Investments and other assets		
Long-term prepaid expenses	0	0
Other	9,724	9,724
Total investments and other assets	9,724	9,724
Total non-current assets	9,724	9,724
Total assets	547,889	1,118,626

(thousand yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Accounts payable-other	46,664	21,906
Accrued expenses	6,608	8,588
Income taxes payable	7,066	2,774
Deposits received	1,660	1,643
Total current liabilities	61,999	34,912
Total liabilities	61,999	34,912
Net assets		
Shareholders' equity		
Share capital	799,970	604,000
Capital surplus		
Legal capital surplus	1,057,170	889,889
Total capital surplus	1,057,170	889,889
Retained earnings		
Other retained earnings		
Retained earnings brought forward	(1,371,250)	(413,216)
Total retained earnings	(1,371,250)	(413,216)
Total shareholders' equity	485,889	1,080,673
Share acquisition rights	-	3,040
Total net assets	485,889	1,083,713
Total liabilities and net assets	547,889	1,118,626

(2) Statement of income

(thousand yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	85,759	67,947
Cost of sales	6,384	3,847
Gross profit	79,374	64,099
Selling, general and administrative expenses	891,769	475,849
Operating loss	(812,394)	(411,749)
Non-operating income		
Interest income	315	24
Subsidy income	-	11,140
Foreign exchange gains	-	1,788
Other	44	87
Total non-operating income	360	13,040
Non-operating expenses		
Commission expenses	10,767	4,433
Taxes and dues	-	3,527
Foreign exchange losses	8,296	-
Listing expenses	3,264	3,436
Total non-operating expenses	22,327	11,397
Ordinary loss	(834,362)	(410,107)
Extraordinary losses		
Impairment losses	5,442	1,182
Total extraordinary losses	5,442	1,182
Loss before income taxes	(839,804)	(411,289)
Income taxes – current	1,927	1,927
Total income taxes	1,927	1,927
Loss	(841,731)	(413,216)

(3) Statement of cash flows

(thousand yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Loss before income taxes	(839,804)	(411,289)
Depreciation and amortization	166	55
Impairment losses	5,442	1,182
Interest income	(315)	(24)
Decrease (increase) in trade receivables	187,241	1,083
Decrease (increase) in inventories	(59)	565
Decrease (increase) in advance payments - trade	35,891	10,770
Increase (decrease) in accounts payable - other	33,229	(23,171)
Other, net	(30,006)	(153)
Subtotal	(608,213)	(420,982)
Interest received	315	24
Income taxes paid	(1,029)	(1,927)
Income taxes refund	403	48
Net cash flows provided by (used in) operating activities	(608,524)	(422,836)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,606)	(2,824)
Other, net	(802)	-
Net cash flows provided by (used in) investing activities	(3,409)	(2,824)
Cash flows from financing activities		
Proceeds from issuance of shares	-	1,008,000
Proceeds from issuance of share acquisition rights	-	3,040
Net cash flows provided by (used in) financing activities	-	1,011,040
Effect of exchange rate change on cash and cash equivalents	(5,729)	1,456
Net increase (decrease) in cash and cash equivalents	(617,663)	586,835
Cash and cash equivalents at beginning of period	1,100,128	482,464
Cash and cash equivalents at end of period	482,464	1,069,300