Non-consolidated Summary of Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2022

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

November 12, 2021

Company name: Perseus Proteomics Inc. Stock market listing: Tokyo Stock Exchange
Security code: 4882 URL: https://www.ppmx.com/en/
Representative: Takuya Yokokawa, President & CEO
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Scheduled date to commence dividend payment: -
Scheduled date to file Securities Report: November 12, 2021
Preparation of supplementary material on financial results: Yes
Holding of financial results presentation meeting: Yes (for institutional investors and analysts)

(Amounts below one million yen were rounded down.)

1. Financial Results for the six months ended September 30, 2021 (April 1, 2021 – September 30, 2021)

(1) Operating results (% represents year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit	
Six months ended	million yen	%	million yen	%	million yen	%	million yen	%
September 30, 2021	29	-	(245)	-	(263)	-	(274)	-
September 30, 2020	-	-	-	-	-	-	-	-

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	yen
September 30, 2021	(26.77)	-
September 30, 2020	-	-

(Note) 1. The Company had not prepared quarterly non-consolidated financial statements for the six months of the fiscal year ended March 31, 2021. Accordingly, no figures are shown for the six months ended September 30, 2020 and no percentage changes are shown for the six months ended September 30, 2021.
2. Diluted earnings per share is not shown although the Company has potential dilutive shares, as net loss per share was recorded.

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio
As of	million yen	million yen	%
September 30, 2021	3,550	3,479	97.9
March 31, 2021	1,118	1,083	96.6

(Reference) Shareholders' equity: As of September 30, 2021: 3,477 million yen As of March 31, 2021: 1,080 million yen

2. Cash dividends

	Dividend				
	Q1-end	Q2-end	Q3-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2021	-	0.00	-	0.00	0.00
FY ending March 31, 2022	-	0.00			
FY ending March 31, 2022 (Forecast)			-	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
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	70	3.3	(564)	-	(583)	-	(625)	-	(56.89)

(Notes) Revision from the most recently announced financial results forecast: No

Notes

(1) Adoption of special accounting methods for preparation of quarterly financial statements: None

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

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

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)
As of September 30, 2021: 11,759,400 shares
As of March 31, 2021: 8,386,400 shares

(ii) Number of treasury shares at the end of the period
As of September 30, 2021: - shares
As of March 31, 2021 - shares

(iii) Average number of shares outstanding during the period
As of September 30, 2021: 10,238,110 shares
As of September 30, 2020: - shares

* Average number of shares outstanding during the period as of September 30, 2020 is not shown as the Company had not prepared quarterly non-consolidated financial statements for the six months of the fiscal year ended March 31, 2021.

* 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.

Contents

1. Qualitative information on quarterly non-consolidated business results

(1) Explanation of business results

The global economy has been continuously affected by the COVID-19 pandemic. As the vaccination rates are different from country to country, recovery stages of economic activity are also uneven throughout the world. Also, re-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. Under such circumstances, the Company has thrived to promote its business proactively, focusing on drug discovery area. The outlines of the results of each business area during the six months ended September 30, 2021 are as follows:

1) Drug discovery

The Company has been proceeding with antibody development mainly in cancer field by utilizing its efficient antibody obtaining platforms in order to fulfill unmet medical needs. Among the candidate antibodies we have obtained in the search for seeds, we have selected antibodies against GPC3, CDH3 and transferrin receptor: the Company has four pipeline drugs against the three targets and has been developing a number of antibodies to be next therapeutic drug candidates following them. During the first quarter, there were no sales booked in drug discovery. 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. As PPMX-T003 is expected to have therapeutic effects for various types of cancers, its development has been the main focus of the Company.

Other than cancer cells, TfR is highly expressed on erythroblasts, nucleated cells in bone marrow from which red blood cells derive. Therefore, the Company selected polycythemia vera (PV), a disease where red blood cells increase abnormally, as its first indication, expecting the function of PPMX-T003 to inhibit iron uptake would work effectively. The Company started the phase I study in Japan in November 2019 and confirmed its safety in healthy volunteers. In June, 2021, Pharmaceuticals and Medical Devices Agency approved a clinical trial notification in PV patients the Company submitted on May 31, 2021: the Company has signed an agreement with the hospitals to conduct the clinical study. Currently the Company has been preparing for administration to PV patients.

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-T004 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 with the out-licensed partner.

d. PPMX-T001

PPMX-T001 targets GPC3 which is highly expressed on lever 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 a

drug for lever cancer: 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. While its phase I study in the USA and Europe ended in August 2019, the phase I study has been conducted in Japan. Also, Phase I study of combination use of ERY974 with atezolizumab and bevacizumab, an inhibitor of new blood vessels, started in Japan and Taiwan.

2) Antibody Research Support

Sales of antibody research support were 85 thousand yen during the six months ended September 30, 2021.

3) Antibody and Reagent sales

Sales of antibody and reagent for research were 29,437 thousand yen, almost in line with the plan. 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 six months ended September 30, 2021 were 29,437 thousand yen.

Operating loss was 245,986 thousand yen, ordinary loss was 263,757 thousand yen and loss was 274,037 thousand yen. There is no impact on financial results caused by application of "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, revised on March 31, 2020), etc.

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

(2) Explanation of business results forecast and other forecasts

There is no change in business results forecast of the fiscal year ending March 31,2022 from “Non-consolidated Summary of Financial Results for the Fiscal Year Ended March 31, 2021” announced on June 22, 2021.

2. Non-consolidated financial statements

(1) Statement of balance sheet

(thousand yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	1,069,300	3,506,229
Accounts receivable - trade	8,750	4,883
Finished goods	879	925
Supplies	1,036	1,030
Prepaid expenses	4,554	10,503
Consumption taxes receivable	21,907	13,806
Other	2,473	3,287
Total current assets	1,108,901	3,540,666
Non-current assets		
Property, plant and equipment	0	0
Intangible assets	0	0
Investments and other assets	9,724	9,724
Total non-current assets	9,724	9,724
Total assets	1,118,626	3,550,390
Liabilities		
Current liabilities		
Accounts payable-other	21,906	43,381
Accrued expenses	8,588	13,750
Income taxes payable	2,774	11,777
Deposits received	1,643	1,941
Total current liabilities	34,912	70,851
Total liabilities	34,912	70,851
Net assets		
Shareholders' equity		
Share capital	604,000	1,939,252
Capital surplus	889,889	2,225,142
Retained earnings	(413,216)	(687,254)
Total shareholders' equity	1,080,673	3,477,141
Share acquisition rights	3,040	2,398
Total net assets	1,083,713	3,479,539
Total liabilities and net assets	1,118,626	3,550,390

(2) Statement of income

(thousand yen)

	Six months ended September 30, 2021
Net sales	29,437
Cost of sales	399
Gross profit	29,037
Selling, general and administrative expenses	
Research and development cost	154,181
Other	120,842
Total selling, general and administrative expenses	275,024
Operating loss	(245,986)
Non-operating income	
Interest received	21
Subsidy income	234
Foreign exchange gains	851
Other	1
Total non-operating income	1,107
Non-operating expenses	
Listing expenses	9,531
Taxes and dues	9,346
Total non-operating expenses	18,878
Ordinary loss	(263,757)
Extraordinary losses	
Impairment losses	9,316
Total extraordinary losses	9,316
Loss before income taxes	(273,073)
Income taxes – current	963
Total income taxes	963
Loss	(274,037)

(3) Statement of cash flows

	Six months ended September 30, 2021
Cash flows from operating activities	
Loss before income taxes	(273,073)
Depreciation and amortization	388
Impairment losses	9,316
Interest income	(21)
Share issuance costs	17,446
Decrease (increase) in trade receivables	3,866
Decrease (increase) in inventories	(39)
Increase (decrease) in accounts payable - other	22,589
Other, net	16,268
Subtotal	(203,259)
Interest received	21
Income taxes paid	(1,927)
Income taxes refund	3
Net cash flows provided by (used in) operating activities	(205,161)
Cash flows from investing activities	
Purchase of property, plant and equipment	(6,409)
Net cash flows provided by (used in) investing activities	(6,409)
Cash flows from financing activities	
Proceeds from issuance of shares	2,623,975
Proceeds from issuance of shares resulting from exercise of share acquisition rights	28,440
Other payments	(4,868)
Net cash flows provided by (used in) financing activities	2,647,548
Effect of exchange rate change on cash and cash equivalents	951
Net increase (decrease) in cash and cash equivalents	2,436,929
Cash and cash equivalents at beginning of period	1,069,300
Cash and cash equivalents at end of period	3,506,229