

# Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2021 (Based on Japanese GAAP)

November 11, 2021

Company name: D.Western Therapeutics Institute, Inc.  
 Stock exchange listing: Tokyo  
 Stock code: 4576 URL <https://www.dwti.co.jp>  
 Representative: President and CEO Yuichi Hidaka  
 Director and General Administration Tetsuya Kawakami  
 Inquiries: Division Manager TEL 052-218-8785  
 Scheduled date to file Quarterly Securities Report: November 12, 2021  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: No  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the nine months ended September 30, 2021 (from January 1, 2021 to September 30, 2021)

#### (1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended September 30, 2021	315	31.3	(114)	–	(105)	–	(101)	–
Nine months ended September 30, 2020	240	(46.8)	(147)	–	(164)	–	(150)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2021	(3.48)	–
Nine months ended September 30, 2020	(5.70)	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	2,558	2,089	80.2
As of December 31, 2020	2,737	2,163	78.9

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2020	–	0.00	–	0.00	0.00
Year ending December 31, 2021	–	0.00	–		
Year ending December 31, 2021 (Forecast)				0.00	0.00

### 3. Forecast of consolidated financial results for the year ending December 31, 2021 (from January 1, 2021 to December 31, 2021)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	400	12.5	(290)	–	(290)	–	(270)	–	(9.20)

#### 4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 2021  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

#### (4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2021	29,358,600 shares	As of December 31, 2020	29,251,100 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	100 shares	As of December 31, 2020	100 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2021	29,325,370 shares	Nine months ended September 30, 2020	26,473,827 shares
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## Quarterly consolidated financial statements

### Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2020	As of September 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	2,308,210	1,966,490
Accounts receivable - trade	91,877	143,996
Supplies	58,324	87,488
Other	44,872	48,402
Total current assets	2,503,284	2,246,377
Non-current assets		
Property, plant and equipment	5,292	5,252
Intangible assets		
Contract-related intangible assets	205,714	174,857
Other	2,540	2,334
Total intangible assets	208,254	177,191
Investments and other assets	20,879	130,158
Total non-current assets	234,426	312,602
Total assets	2,737,711	2,558,979
<b>Liabilities</b>		
Current liabilities		
Current portion of long-term borrowings	120,000	124,762
Accounts payable - other	37,637	58,996
Income taxes payable	18,771	5,384
Other	33,396	11,264
Total current liabilities	209,805	200,408
Non-current liabilities		
Long-term borrowings	340,000	245,238
Other	24,000	24,000
Total non-current liabilities	364,000	269,238
Total liabilities	573,805	469,646
<b>Net assets</b>		
Shareholders' equity		
Share capital	556,856	573,159
Capital surplus	2,655,571	2,631,398
Retained earnings	(1,051,280)	(1,153,191)
Total shareholders' equity	2,161,147	2,051,366
Share acquisition rights	2,758	2,692
Non-controlling interests	—	35,275
Total net assets	2,163,905	2,089,333
Total liabilities and net assets	2,737,711	2,558,979

# Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

## Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2020	Nine months ended September 30, 2021
Net sales	240,547	315,893
Cost of sales	11,363	14,441
Gross profit	229,184	301,451
Selling, general and administrative expenses		
Research and development expenses	184,386	228,125
Other	192,493	187,694
Total selling, general and administrative expenses	376,880	415,820
Operating loss	(147,696)	(114,369)
Non-operating income		
Interest income	120	21
Foreign exchange gains	—	12,865
Subsidy income	2,367	188
Other	116	179
Total non-operating income	2,603	13,255
Non-operating expenses		
Interest expenses	3,579	3,440
Foreign exchange losses	4,069	—
Share issuance costs	402	1,168
Commission expenses	6,084	81
Share issuance costs	5,535	—
Other	—	111
Total non-operating expenses	19,671	4,801
Ordinary loss	(164,764)	(105,915)
Loss before income taxes	(164,764)	(105,915)
Income taxes - current	1,196	1,196
Total income taxes	1,196	1,196
Loss	(165,960)	(107,112)
Loss attributable to non-controlling interests	(15,018)	(5,201)
Loss attributable to owners of parent	(150,942)	(101,910)

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Nine months ended September 30, 2020	Nine months ended September 30, 2021
Loss	(165,960)	(107,112)
Comprehensive income	(165,960)	(107,112)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(150,942)	(101,910)
Comprehensive income attributable to non-controlling interests	(15,018)	(5,201)