

Non-consolidated Summary of Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2023

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

August 12, 2022

Company name: Perseus Proteomics Inc. Stock market listing: Tokyo Stock Exchange
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 Scheduled date to commence dividend payment: -
 Scheduled date to file Securities Report: August 12, 2022
 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 three months ended June 30, 2022 (April 1, 2022 – June 30, 2022)

(1) Operating results

(% represents year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit	
Three months ended	million yen	%	million yen	%	million yen	%	million yen	%
June 30, 2022	25	60.6	(155)	-	(144)	-	(200)	-
June 30, 2021	15	-	(115)	-	(134)	-	(141)	-

	Basic earnings per share	Diluted earnings per share
Three months ended	yen	yen
June 30, 2022	(17.03)	-
June 30, 2021	(16.12)	-

(Note) 1. The Company had not prepared quarterly non-consolidated financial statements for the three months of the fiscal year ended March 31, 2020. Accordingly, no percentage changes are shown for the three months ended June 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	%
June 30, 2022	3,077	2,951	95.9
March 31, 2022	3,300	3,152	95.5

(Reference) Shareholders' equity: As of June 30, 2022: 2,951 million yen As of March 31, 2022: 3,152 million yen

2. Cash dividends

	Dividend				
	Q1-end	Q2-end	Q3-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2022	-	0.00	-	0.00	0.00
FY ending March 31, 2023	-				
FY ending March 31, 2023 (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, 2023 (April 1, 2022 - March 31, 2023)

(% 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	77	7.4	(703)	-	(736)	-	(854)	-	(72.62)

(Note) 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: None
 - (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 June 30, 2022: 11,759,400 shares
 - As of March 31, 2022: 11,759,400 shares
 - (ii) Number of treasury shares at the end of the period
 - As of June 30, 2022: - shares
 - As of March 31, 2022: - shares
 - (iii) Average number of shares outstanding during the period
 - As of June 30, 2022: 11,759,400 shares
 - As of June 30, 2021: 8,749,037 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. Qualitative information on quarterly non-consolidated business results

(1) Explanation of business results

The global economy has been continuously uncertain due to factors including the prolonged invasion of Ukraine by Russia and increase in raw materials costs. In the Japanese economy, movements of recovery have been seen, however, downside risks same as the global economy have lingered.

The medical industry, to which the Company belongs, has continued to face the important problems including measurement to novel infectious diseases like COVID-19 and establishment of therapies against the diseases with growing number of patients such as cancer and dementia throughout the world. Under such circumstances, the Company has strived to promote its business proactively, focusing on drug discovery area.

The outline of the result of each business area is as follows:

1) Drug Discovery

During the first quarter, there were no sales booked in drug discovery, however, the Company has been proceeding with antibody development mainly in cancer field by utilizing its efficient antibody obtaining platforms. The Company has been developing three antibodies against cadherin 3 (CDH3) and transferrin receptor (TfR) while researching and developing many other antibodies to be next therapeutic drug candidates following them. The progress of each pipeline is as follows:

a. PPMX-T002

PPMX-T002 is an anti-cancer drug candidate consisting of an antibody targeting CDH3, which is highly expressed on cancer cells, connected with yttrium 90 (⁹⁰Y), a radioisotope (RI). In accordance with the return of its license from FUJIFILM Corporation (“FUJIFILM”), the Company has been discussing its development details with PDRadiopharma Inc., the successor of the radiopharmaceutical business from a subsidiary of FUJIFILM.

The Company will strive to promote collaboration with an RI medical drug developing company considering the possibility of change of the RI.

b. PPMX-T003

PPMX-T003, a unique human antibody, was obtained through our own screening technology, ICOS method, and a phage display method. It targets TfR, which 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, the Company has been proactively proceeding with its development.

Other than cancer cells, TfR is highly expressed on erythroblasts, which develops into red blood cells. Therefore, the Company selected polycythemia vera (PV), a disease where red blood cells increase abnormally, as its first indication, expecting that the function of PPMX-T003 to inhibit iron uptake would work effectively. The Company has been conducting the phase I study in Japan. In recruiting PV patients, the first patient is expected to be dosed in the second quarter as a result of the amendment of the inclusion criteria to reflect the clinical practice. As the Company has also been preparing for addition of clinical trial locations, the Company expects the phase I clinical trial to end as the plan.

The Company also has been proceeding with joint research on drug discovery for aggressive NK cell leukemia (ANKL), an ultra-rare disease. The research was adopted as Project Promoting Support for Drug Discovery Support Program for Orphan drug prior to the Designation by Japan Agency for Medical Research and Development (AMED) in March 2022. Currently, the Company has been preparing for submission of a protocol of an investigator-led clinical trial with the research group of Tokai University, medical institutes, and other related parties.

Also, the Company has been proceeding with joint research on drug discovery with Nagoya University, Fujita Health University, and Gunma University, to clarify the mechanism of action as a therapeutic drug for blood cancers including PV, acute myeloid leukemia, and multiple myeloma as well as solid tumor.

c. PPMX-T004

PPMX-T004 is an antibody drug conjugate (ADC) targeting CDH3. As it has the same target as PPMX-T002, its license has been returned to the Company as well: currently the Company has been proceeding with basic study including therapeutic drugs and linkers to connect the drugs with antibodies.

ADC is expected to have high clinical effects regardless of immune function status of patients, as it can kill the targeting cells specifically by bringing the connected drug into the cell.

Other than the pipeline above, the Company has been making assessment of UT28K, the COVID-19 super-neutralizing antibody, a therapeutic drug candidate for various variants of COVID-19 with the University of Toyama and Toyama Prefecture. Animal experiments to prove its prevention of infection has been already finished: currently the research group has been preparing for animal experiments to prove its therapeutic effect aiming at adoption as a subsidy program.

2) Antibody Research Support

There were no sales booked related to antibody research support in this period, however, the Company has received orders of research support service.

3) Antibody and Reagent Sales

Antibody and reagent sales were booked without problem. The Company has also continued to develop the Quick Detection Kit of Pentraxin3 with Wakunaga Pharmaceutical Co., Ltd.

As a result, sales of the first quarter ended June 30, 2022 were 25,376 thousand yen (60.6% increase year on year).

As for profits, operating loss was 155,656 thousand yen (115,855 thousand yen in the same period of the previous year), ordinary loss was 144,753 thousand yen (134,707 thousand yen in the same period of the previous year), and loss was 200,255 thousand yen (141,006 thousand yen in the same period of the previous year).

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, 2023 from the forecast in “Non-consolidated Summary of Financial Results for the Fiscal Year Ended March 31, 2022” announced on May 13, 2022.

2. Non-consolidated financial statements

(1) Statement of balance sheet

(thousand yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	3,214,852	3,008,091
Accounts receivable - trade	10,115	18,418
Finished goods	783	991
Supplies	2,504	2,228
Advance payments - trade	22,172	13,832
Prepaid expenses	4,866	12,626
Consumption taxes receivable	35,299	11,095
Other	211	23
Total current assets	3,290,806	3,067,307
Non-current assets		
Property, plant and equipment	0	0
Intangible assets	0	0
Investments and other assets	9,724	9,994
Total non-current assets	9,724	9,994
Total assets	3,300,530	3,077,301
Liabilities		
Current liabilities		
Accounts payable-other	114,569	92,199
Accrued expenses	11,548	9,718
Income taxes payable	19,672	5,885
Deposits received	2,585	2,695
Provision for bonuses	—	2,403
Total current liabilities	148,375	112,902
Non-current liabilities		
Long-term deposits received	—	12,500
Total non-current liabilities	—	12,500
Total liabilities	148,375	125,402
Net assets		
Shareholders' equity		
Share capital	1,939,252	1,939,252
Capital surplus	2,225,142	2,225,142
Retained earnings	(1,012,240)	(1,212,495)
Total shareholders' equity	3,152,154	2,951,899
Total net assets	3,152,154	2,951,899
Total liabilities and net assets	3,300,530	3,077,301

(2) Statement of income

(thousand yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	15,799	25,376
Cost of sales	179	321
Gross profit	15,619	25,055
Selling, general and administrative expenses		
Research and development cost	69,805	118,203
Other	61,669	62,508
Total selling, general and administrative expenses	131,475	180,711
Operating loss	(115,855)	(155,656)
Non-operating income		
Interest income	3	9
Subsidy income	—	285
Foreign exchange gains	—	10,626
Other	0	0
Total non-operating income	4	10,922
Non-operating expenses		
Listing expenses	9,531	—
Taxes and dues	9,244	—
Foreign exchange losses	80	—
Other	—	19
Total non-operating expenses	18,856	19
Ordinary loss	(134,707)	(144,753)
Extraordinary losses		
Impairment losses	5,817	55,020
Total extraordinary losses	5,817	55,020
Loss before income taxes	(140,525)	(199,773)
Income taxes – current	481	481
Total income taxes	481	481
Loss	(141,006)	(200,255)