

Non-consolidated Summary of Financial Results for the Third 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)

February 14, 2022

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
 Contact: Shinichi Suzukawa, Board member, Head of Administrative Department TEL: +81-3-5738-1705
 Scheduled date to commence dividend payment: -
 Scheduled date to file Securities Report: February 14, 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 nine months ended December 31, 2021 (April 1, 2021 - December 31, 2021)

(1) Operating results

(% represents year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit	
	million yen	%	million yen	%	million yen	%	million yen	%
Nine months ended								
December 31, 2021	49	(2.0)	(357)	-	(372)	-	(393)	-
December 31, 2020	50	-	(288)	-	(287)	-	(288)	-

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	yen
December 31, 2021	(36.65)	-
December 31, 2020	(44.15)	-

(Note) 1. 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	%
December 31, 2021	3,423	3,357	98.1
March 31, 2021	1,118	1,083	96.6

(Reference) Shareholders' equity: As of December 31, 2021: 3,357 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 December 31, 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 December 31, 2021: - shares
 - As of March 31, 2021: - shares
 - (iii) Average number of shares outstanding during the period
 - As of December 31, 2021: 10,747,051 shares
 - As of December 31, 2020: 6,546,022 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.

Contents

1. Qualitative information on quarterly non-consolidated business results	2
(1) Explanation of business results	2
(2) Explanation of business results forecast and other forecasts	3
2. Non-consolidated financial statements.....	4
(1) Statement of balance sheet	4
(2) Statement of income.....	5

1. Qualitative information on quarterly non-consolidated business results

(1) Explanation of business results

The global economy was continuously affected by the COVID-19 pandemic. While the vaccination rates and recovery stages of economic activities have been different from country to country, the disease expanded by highly infectious variants in many countries. As for the Japanese economy, gradual recovery has been seen as the number of new COVID-19 cases declined. Due to the concern of resurgence of the disease by the variant, however, the future economy remained uncertain.

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 nine months ended December 31, 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 including its phage libraries and screening method 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 nine months ended December 31, 2021, 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 among 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 is a unique human antibody, which was obtained from our unique phage library utilizing our own screening technology, ICOS method, through a phage display method. It targets transferrin receptor (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, 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 effect to normalize the number of red blood cells. The Company started the phase I study in Japan in November 2019 and confirmed its safety and pharmacological effect among healthy volunteers in March 2021. Currently the Company has been recruiting PV patients to be administered with this antibody. There has been a slight delay in recruitment from the initial plan, however, there is no change in the finishing time of the phase I study among the 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, acute myeloid leukemia and multiple myeloma 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 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 a drug for liver 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, 97.4% down year on year during the nine months ended December 31, 2021. The Company expects sales from plural support services to be booked in the fourth quarter.

3) Antibody and Reagent sales

Sales of antibody and reagent for research were 49,048 thousand yen, 4.8% up year on year, almost in line with the plan. As for the development of the test kit for determining exacerbation risk of pneumonia caused by COVID-19 utilizing PTX3 measurement kit (vascular inflammation marker), the Company has been considering finding a new partner due to the delay in collection as well as analysis of COVID-19 samples sorted by severity.

PTX3 is the protein locally secreted in inflammation area: the density of PTX3 is known to be high in the blood of patients suffering from diseases related to inflammation including vascular disorder and heart diseases. The Company aims to develop PTX3 as a biomarker to determine exacerbation of not only COVID-19 but also various diseases with vascular inflammation, including sepsis.

As a result, sales of the nine months ended December 31, 2021 were 49,133 thousand yen, 2.0% down year on year.

Operating loss was 357,545 thousand yen compared to operating loss of 288,073 thousand yen of the same period of the previous year, ordinary loss was 372,746 thousand yen compared to ordinary loss of 287,533 thousand yen of the same period of the previous year, and loss was 393,873 thousand yen compared to loss of 288,978 thousand yen of the same period of the previous year. 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. from the first quarter of this fiscal 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, 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 December 31, 2021
Assets		
Current assets		
Cash and deposits	1,069,300	3,368,701
Accounts receivable - trade	8,750	5,975
Finished goods	879	704
Supplies	1,036	1,172
Prepaid expenses	4,554	8,878
Consumption taxes receivable	21,907	20,456
Other	2,473	7,439
Total current assets	1,108,901	3,413,328
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	3,423,052
Liabilities		
Current liabilities		
Accounts payable-other	21,906	26,507
Accrued expenses	8,588	22,523
Income taxes payable	2,774	13,783
Deposits received	1,643	2,932
Total current liabilities	34,912	65,747
Total liabilities	34,912	65,747
Net assets		
Shareholders' equity		
Share capital	604,000	1,939,252
Capital surplus	889,889	2,225,142
Retained earnings	(413,216)	(807,090)
Total shareholders' equity	1,080,673	3,357,304
Share acquisition rights	3,040	-
Total net assets	1,083,713	3,357,304
Total liabilities and net assets	1,118,626	3,423,052

(2) Statement of income

(thousand yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	50,120	49,133
Cost of sales	2,071	651
Gross profit	48,048	48,481
Selling, general and administrative expenses		
Research and development cost	214,261	229,077
Other	121,859	176,949
Total selling, general and administrative expenses	336,121	406,027
Operating loss	(288,073)	(357,545)
Non-operating income		
Interest received	14	32
Subsidy income	11,040	234
Foreign exchange gains	-	3,409
Other	85	1
Total non-operating income	11,139	3,677
Non-operating expenses		
Commission expenses	4,433	-
Listing expenses	-	9,531
Taxes and dues	3,527	9,346
Foreign exchange losses	2,638	-
Other	-	0
Total non-operating expenses	10,600	18,878
Ordinary loss	(287,533)	(372,746)
Extraordinary income		
Gain on reversal of share acquisition rights	-	2,398
Total extraordinary income	-	2,398
Extraordinary losses		
Impairment losses	-	22,079
Total extraordinary losses	-	22,079
Loss before income taxes	(287,533)	(392,428)
Income taxes – current	1,445	1,445
Total income taxes	1,445	1,445
Loss	(288,978)	(393,873)