Non-consolidated Summary of Financial Results for the Fiscal Year Ended March 31, 2024

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

May 15, 2024

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 of ordinary shareholders' meeting: June 20, 2024
Scheduled date to commence dividend payment: -
Scheduled date to file Annual Securities Report: June 20, 2024
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 year ended March 31, 2024 (April 1, 2023 - March 31, 2024)

(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, 2024	100	6.6	(894)	-	(879)	-	(1,104)	-
March 31, 2023	94	31.0	(697)	-	(689)	-	(786)	-

	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, 2024	(93.69)	-	(59.9)	(41.3)	(891.1)
March 31, 2023	(66.93)	-	(28.5)	(23.5)	(740.7)

(Note) Diluted earnings per share are not shown although the Company has potential dilutive shares. This is because net losses per share were recorded.

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
As of	million yen	million yen	%	Yen
March 31, 2024	1,693	1,398	78.2	110.94
March 31, 2023	2,566	2,396	92.1	201.13

(Reference) Shareholders' equity: As of March 31, 2024: 1,324 million yen As of March 31, 2023: 2,365 million yen

(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, 2024	(833)	(150)	63	1,541
March 31, 2023	(564)	(212)	(0)	2,444

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, 2023	-	0.00	-	0.00	0.00	-	-	-
March 31, 2024	-	0.00	-	0.00	0.00	-	-	-
FY ending March 31, 2025 (Forecast)	-	0.00	-	0.00	0.00		-	

3. Financial results forecast for the fiscal year ending March 31, 2025 (April 1, 2024 - March 31, 2025)

Financial results forecast for the fiscal year ending March 31, 2025 is not available due to difficulties of rational calculation. Please refer to the "1. Overview of the business results (2) Explanation of business results forecast and other forecasts" on page 3 with regards to the reasons and cost forecasts of the fiscal year ending March 31, 2025.

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, 2024: 11,936,400 shares
As of March 31, 2023: 11,759,400 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2024: 50 shares
As of March 31, 2023: 47 shares

(iii) Average number of shares outstanding during the period

As of March 31, 2024: 11,788,174 shares
As of March 31, 2023: 11,759,368 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, 2024

The global economy has been continuously uncertain due to factors including persistent global inflation, prolonged Russian invasion of Ukraine, and increasingly tense situation in the Middle East. In the Japanese economy, movements of mild recovery have been seen, however, slowdown in overseas economy including impact from financial tightening and uncertain Chinese economy has lingered as downside risks.

The medical industry, to which the Company belongs, has continued to face the important problems including 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 fiscal year ended March 31, 2024, no sales were booked from 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 1 (TfR1) while researching and developing many other antibodies to be next therapeutic drug candidates. The Company has also continued to establish effective antibody obtaining technology and to improve its phage library. 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 (^{90}Y), a radioisotope (RI). The antibodies accumulate on the targets on cancer cells and then irradiation from ^{90}Y kills cancer cells. In accordance with the return of its license from FUJIFILM Corporation ("FUJIFILM") in March 2022, the Company has been developing this antibody as a new medical drug candidate. In the phase I expansion in the USA conducted by a subsidiary of FUJIFILM, it was confirmed that the antibodies accumulated on the target cancer cells. Currently, the Company has been studying the change from ^{90}Y to actinium 225 (^{225}Ac) for out-licensing to an RI medical drug development company and working on the development strategy with an out-licensing candidate.

b. PPMX-T003

PPMX-T003, a unique human antibody, was obtained from the phage library of the Company through its own screening technology, ICOS method. It targets TfR1, 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 TfR1, 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, TfR1 is highly expressed on erythroblasts, which develop into red blood cells. Therefore, the Company has been conducting the phase I clinical trial of polycythemia vera (PV), a disease characterized by excess increase in red blood cells (RBCs) as its first indication, expecting that the function of PPMX-T003 to inhibit iron uptake would work effectively to normalize the number of RBC. At the time of submission of this document, tests of five out of six patients have finished. The end of the clinical trial was changed from the end of March 2024 to the end of June 2024, however, it is now expected to be in the end of July 2024, due to the administration to the last patient at increased dosage based on the comprehensive judgement by a doctor considering the background unique to the patient.

The interim report of phase I clinical trial of PPMX-T003 among PV patients was presented at the 118th Japanese Society of Hematology Kinki Association Meeting in Osaka, where safety and pharmacological effects of PPMX-T003 among the three PV patients were reported. In December 2023, the interim report was also presented by the leading investigator at the 65th American Society of Hematology (ASH) Annual Meeting and Exposition.

As PPMX-T003 has been found to have a possibility to be an effective therapeutic drug for aggressive NK-cell

leukemia (ANKL), an ultra-rare disease, an investigator-led phase I/II clinical trial is underway following the adoption 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 September 2023, PPMX-T003 was administered to 2 participants. The related parties and the Company have established a network of seven clinical trial locations across the nation, with Hiroshima University Hospital as the main location. This enables the trial team to promptly administer the investigational drug to participants as soon as they are registered. The Company has also taken measurements to promote registration of participants through requesting cooperation from general internists and gastroenterologists.

The Company has also been proceeding with joint research on drug discovery with Nagoya University and other academias to clarify the mechanism of action as a therapeutic drug for blood cancers including acute myeloid leukemia and multiple myeloma as well as solid tumor.

c. PPMX-T004

PPMX-T004 is an antibody drug conjugate (ADC) targeting CDH3. Currently the Company has been studying the best combination of the latest therapeutic drug, linker to connect the drug with the antibody, and others. Through test-tube experiments, the Company has found promising combinations, which showed high anti-tumor effect in mice experiments as well. The Company has been performing pre-toxicity tests by cynomolguses.

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

2) Antibody Research Support

The sales from antibody research support improved from the previous fiscal year to 20,735 thousand yen (72.2% increase year on year), due to purchase orders of larger scale than usual, increase in orders, and provision of support services utilizing knowledge unique to the drug discovery company.

3) Antibody and Reagent Sales

The sales from antibody and reagent sales were 79,667 thousand yen (3.0% decrease year on year), almost as planned. The Company announced new products in October 2023, to be followed by other products to expand its line-up. The Company also continued to develop the Quick Detection Kit of Pentraxin3 with Wakunaga Pharmaceutical Co., Ltd. in order to measure PTX3 density in the blood quickly and to determine exacerbation of diseases associated with inflammation including vascular disorder and heart diseases.

As a result, sales of the fiscal year ended March 31, 2024 were 100, 402 thousand yen, 6.6％ increase year on year.

As for profits, due to the delay of the phase I clinical trial of PPMX-T003 among PV patients, R&D costs decreased from the initial plan to 616,004 thousand yen. Thus, operating loss decreased from the initial plan to 894,729 thousand yen (operating loss of 697,769 thousand yen in the previous fiscal year). Ordinary loss decreased from the initial plan to 879,380 thousand yen (ordinary loss of 689,604 thousand yen in the previous fiscal year) due to non-operating income of 21,111 thousand yen from foreign exchange gains, etc. and non-operating expenses of 5,762 thousand yen from share acquisition rights issuance costs, etc. Loss was 1,104,460 thousand yen (loss of 786,999 thousand yen in the previous fiscal year) as the Company booked extraordinary loss from impairment loss of 153,887 thousand yen for its noncurrent assets in accordance with the Accounting Standard for Impairment of Fixed Assets and 69,403 thousand yen for head office relocation expenses, respectively.

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

(2) Explanation of business results forecast and other forecasts

In the fiscal year ending March 31, 2025, although the Company expects licensing agreements on PPMX-T002 and PPMX-T003, the amounts of upfront fees and others are yet to be determined. Business results forecasts are not shown as it is difficult to rationally forecast the impact of the agreements on sales and costs in the fiscal year ending March 31, 2025. The Company will announce the forecasts immediately when they become available.

With regards to costs, the Company expects the following items:

- SG & A of 1,043 million yen. Breakdown: R&D costs of 729 million yen due to PPMX-T004 development and investigator-led clinical trial of PPMX-T003 ANKL therapeutic drug candidate. Other administration costs of 314 million yen.

2. Non-consolidated financial statements

(1) Statement of balance sheet

(thousand yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	2,444,934	1,541,419
Accounts receivable - trade	9,813	13,660
Finished goods	983	1,308
Supplies	2,195	3,098
Advance payments	8,049	3,086
Prepaid expenses	7,384	5,475
Consumption taxes receivable	41,620	70,150
Other	10	12,747
Total current assets	2,514,991	1,650,947
Non-current assets		
Property, plant and equipment		
Buildings	11,445	1,281
Accumulated depreciation	(11,445)	(1,281)
Buildings, net	0	0
Tools, furniture and fixtures	113,655	91,921
Accumulated depreciation	(113,655)	(91,920)
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	51,658	42,862
Total investments and other assets	51,658	42,862
Total non-current assets	51,658	42,862
Total assets	2,566,650	1,693,810

(thousand yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable-other	54,001	53,465
Accrued expenses	28,633	57,486
Income taxes payable	12,731	13,079
Deposits received	2,950	4,946
Asset retirement obligations	12,800	-
Total current liabilities	111,117	128,978
Non-current liabilities		
Long-term deposits	58,987	166,487
Total non-current liabilities	58,987	166,487
Total liabilities	170,105	295,465
Net assets		
Shareholders' equity		
Share capital	1,939,252	1,971,019
Capital surplus		
Legal capital surplus	2,225,142	2,256,908
Total capital surplus	2,225,142	2,256,908
Retained earnings		
Other retained earnings		
Retained earnings brought forward	(1,799,240)	(2,903,700)
Total retained earnings	(1,799,240)	(2,903,700)
Treasury shares	(20)	(21)
Total shareholders' equity	2,365,134	1,324,205
Share acquisition rights	31,411	74,139
Total net assets	2,396,545	1,398,344
Total liabilities and net assets	2,566,650	1,693,810

(2) Statement of income

(thousand yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	94,201	100,402
Cost of sales	7,668	12,717
Gross profit	86,532	87,685
Selling, general and administrative expenses	784,302	982,415
Operating loss	(697,769)	(894,729)
Non-operating income		
Interest income	55	46
Outsourcing service income	-	4,136
Subsidy income	285	-
Foreign exchange gains	7,809	16,924
Other	34	3
Total non-operating income	8,183	21,111
Non-operating expenses		
Share acquisition rights issuance costs	-	5,528
Taxes and dues	-	222
Other	19	11
Total non-operating expenses	19	5,762
Ordinary loss	(689,604)	(879,380)
Extraordinary income		
Gain on sale of non-current assets	-	138
Total extraordinary income	-	138
Extraordinary losses		
Head office relocation expenses	-	69,403
Impairment losses	95,468	153,887
Total extraordinary losses	95,468	223,290
Loss before income taxes	(785,072)	(1,102,533)
Income taxes – current	1,927	1,927
Total income taxes	1,927	1,927
Loss	(786,999)	(1,104,460)

(3) Statement of cash flows

(thousand yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Loss before income taxes	(785,072)	(1,102,533)
Depreciation and amortization	5,710	3,497
Impairment losses	95,468	153,887
Interest income	(55)	(46)
Share issuance costs	-	5,750
Share-based payment expenses	31,411	41,219
Decrease (increase) in trade receivables	301	(3,847)
Decrease (increase) in inventories	109	(1,229)
Decrease (increase) in advance payments - trade	14,122	4,963
Increase (decrease) in accounts payable - other	22,096	1,217
Increase (decrease) in long-term deposits	58,987	107,500
Other, net	(5,489)	(42,398)
Subtotal	(562,409)	(832,018)
Interest received	54	45
Income taxes paid	(1,927)	(1,927)
Income taxes refund	7	1
Net cash flows provided by (used in) operating activities	(564,274)	(833,898)
Cash flows from investing activities		
Purchase of property, plant and equipment	(163,870)	(142,998)
Purchase of intangible assets	(6,678)	(15,973)
Purchase of long-term prepaid expenses	(506)	(167)
Payments of guarantee deposits	(41,934)	-
Proceeds from collection of guarantee deposits	-	8,796
Net cash flows provided by (used in) investing activities	(212,989)	(150,343)
Cash flows from financing activities		
Expenses from issuance of shares	-	(96)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	-	63,475
Proceeds from issuance of share acquisition rights	-	566
Purchase of treasury shares	(20)	(1)
Net cash flows provided by (used in) financing activities	(20)	63,943
Effect of exchange rate change on cash and cash equivalents	7,365	16,783
Net increase (decrease) in cash and cash equivalents	(769,918)	(903,514)
Cash and cash equivalents at beginning of period	3,214,852	2,444,934
Cash and cash equivalents at end of period	2,444,934	1,541,419