

Non-consolidated Summary of Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2024

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

February 14, 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
 Contact: Shinichi Suzukawa, Board member, Head of Administrative Department TEL: +81-3-6264-8224
 Scheduled date to commence dividend payment: -
 Scheduled date to file Securities Report: February 14, 2024
 Preparation of supplementary material on financial results: No
 Holding of financial results presentation meeting: No

(Amounts below one million yen were rounded down.)

1. Financial Results for the nine months ended December 31, 2023 (April 1, 2023 – December 31, 2023)

(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, 2023	71	2.9	(689)	-	(682)	-	(899)	-
December 31, 2022	69	41.8	(475)	-	(468)	-	(562)	-

	Basic earnings per share	Diluted earnings per share
Nine months ended	yen	yen
December 31, 2023	(76.45)	-
December 31, 2022	(47.81)	-

(Note) 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, 2023	1,796	1,555	83.1
March 31, 2023	2,566	2,396	92.1

(Reference) Shareholders' equity: As of December 31, 2023: 1,493 million yen As of March 31, 2023: 2,365 million yen

2. Cash dividends

	Dividend				
	Q1-end	Q2-end	Q3-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2023	-	0.00	0.00	0.00	0.00
FY ending March 31, 2024	-	0.00	0.00		
FY ending March 31, 2024 (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, 2024 (April 1, 2023 - March 31, 2024)

(% 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	100	6.1	(991)	-	(991)	-	(1,185)	-	(100.84)

(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 December 31, 2023: | 11,830,000 shares |
| As of March 31, 2023: | 11,759,400 shares |
| (ii) Number of treasury shares at the end of the period | |
| As of December 31, 2023: | 47 shares |
| As of March 31, 2023: | 47 shares |
| (iii) Average number of shares outstanding during the period | |
| As of December 31, 2023: | 11,768,437 shares |
| As of December 31, 2022: | 11,759,373 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 results2
 - (1) Explanation of business results2
 - (2) Explanation of business results forecast and other forecasts3
- 2. Non-consolidated financial statements.....4
 - (1) Statement of balance sheet4
 - (2) Statement of income5

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 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 nine-month period, 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 plural out-licensing candidates.

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. As stated in the disclosure as of February 2, 2024, the end of the observation period after administration of the remaining 2 patients is expected to delay from the initial forecast due to the trial circumstances. The phase I is expected to end in June 2024.

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. We have established a network of seven clinical trial locations across the nation, with Hiroshima University Hospital at the core. 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 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 latest therapeutic drug, linker to connect the drug with the antibody, and others to decide the best combination. Through test-tube experiments, the Company has found a promising combination, which showed high anti-tumor effect in mice experiments as well. The Company has been preparing for 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 were 9,221 thousand yen (110.5% increase year on year), which showed the continuous recovery trend following the second quarter.

3) Antibody and Reagent Sales

The sales from antibody and reagent sales were 62,464 thousand yen (4.3% 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.

As a result, sales of the first nine months ended December 31, 2023 were 71,685 thousand yen (2.9% increase year on year).

As for profits, operating loss was 689,498 thousand yen (475,763 thousand yen in the same period of the previous year) mainly due to PPMX-T003 clinical trial and non-clinical study of PPMX-T004, and ordinary loss was 682,020 thousand yen (468,313 thousand yen in the same period of the previous year). Loss was 899,716 thousand yen (562,254 thousand yen in the same period of the previous year) as 47 thousand yen of gain on sales of non-current assets was booked as extraordinary income, and 146,970 thousand yen of impairment losses of non-current assets and 69,326 thousand yen of head office relocation expenses were booked as extraordinary losses.

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, 2024 from the forecast in “Non-consolidated Summary of Financial Results for the Fiscal Year Ended March 31, 2023” announced on May 12, 2023.

2. Non-consolidated financial statements

(1) Statement of balance sheet

(Thousand yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	2,444,934	1,663,576
Accounts receivable - trade	9,813	13,627
Finished goods	983	1,057
Supplies	2,195	1,935
Advance payments	8,049	5,269
Prepaid expenses	7,384	8,408
Consumption taxes receivable	41,620	58,773
Other	10	1,153
Total current assets	2,514,991	1,753,801
Non-current assets		
Property, plant and equipment	0	0
Intangible assets	0	0
Investments and other assets	51,658	42,862
Total non-current assets	51,658	42,862
Total assets	2,566,650	1,796,664
Liabilities		
Current liabilities		
Accounts payable-other	54,001	22,037
Accrued expenses	28,633	58,354
Income taxes payable	12,731	6,960
Deposits received	2,950	3,849
Provision for bonuses	-	8,414
Asset retirement obligations	12,800	-
Total current liabilities	111,117	99,615
Non-current liabilities		
Long-term deposits received	58,987	141,487
Total non-current liabilities	58,987	141,487
Total liabilities	170,105	241,103
Net assets		
Shareholders' equity		
Share capital	1,939,252	1,953,055
Capital surplus	2,225,142	2,238,944
Retained earnings	(1,799,240)	(2,698,956)
Treasury shares	(20)	(20)
Total shareholders' equity	2,365,134	1,493,022
Share acquisition rights	31,411	62,538
Total net assets	2,396,545	1,555,561
Total liabilities and net assets	2,566,650	1,796,664

(2) Statement of income

(Thousand yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	69,668	71,685
Cost of sales	3,453	6,357
Gross profit	66,214	65,328
Selling, general and administrative expenses		
Research and development cost	323,663	473,809
Other	218,314	281,017
Total selling, general and administrative expenses	541,978	754,827
Operating loss	(475,763)	(689,498)
Non-operating income		
Interest income	37	30
Subsidy income	285	-
Foreign exchange gains	7,114	7,457
Other	31	1
Total non-operating income	7,468	7,489
Non-operating expenses		
Other	19	11
Total non-operating expenses	19	11
Ordinary loss	(468,313)	(682,020)
Extraordinary income		
Gain on sale of non-current assets	-	47
Total extraordinary income	-	47
Extraordinary losses		
Head office relocation expenses	-	69,326
Impairment losses	92,495	146,970
Total extraordinary losses	92,495	216,297
Loss before income taxes	(560,808)	(898,271)
Income taxes – current	1,445	1,445
Total income taxes	1,445	1,445
Loss	(562,254)	(899,716)