

**Interim Financial Report for Fiscal Year 2008
(Ended June 30, 2008)**

August 6, 2008

Company Name: Carna Biosciences Inc.

Listed Securities Exchange: JQ・NEO

Stock Code: 4572

URL <http://www.carnabio.com>

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Expected semiannual report submission date: September 29, 2008

(Rounding down to the nearest million yen)

1. Consolidated results for the interim FY2008 (January 1, 2008 to June 30, 2008)

(1) Business Results (Consolidated) (% indicates the increase / decrease from previous interim fiscal year)

	Total Revenue		Operating income		Ordinary income		Net income for the interim fiscal year	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2008(interim)	238	-	-118	-	-167	-	-168	-
FY2007(interim)	-	-	-	-	-	-	-	-
FY2007 as reference	-		-		-		-	

	Interim net income per share	Interim net income per share (diluted)
	yen	yen
FY2008(interim)	-3,417.21	-
FY2007(interim)	-	-
FY2007 as reference	-	-

(2) Financial Condition (Consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	Yen
FY2008(interim)	2,365	2,173	91.9	40,859.96
FY2007(interim)	-	-	-	-
FY2007 as reference	-	-	-	-

(3)Cash Flow (Consolidated)

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at the end-of-term
	million yen	million yen	million yen	million yen
FY2008(interim)	-104	-5	813	1,904
FY2007(interim)	-	-	-	-
FY2007 as reference	-	-	-	-

2. Cash Dividends

(criterion)	Dividends per share				
	End of first quarterly period	End of interim FY	End of third quarterly period	End of FY	FY
	yen	yen	yen	yen	yen
FY2008	-	0	-	-	0
FY2007	-	0	-	0	0
FY2008(forecast)	-	-	-	0	0

3. Consolidated forecast for FY2008 (January 1, 2008 to December 31, 2008)

(%indicates the increase/decrease from previous fiscal year)

	Total revenue	Operating income	Ordinary income	Net income	Net income per share
	million yen %	million yen %	million yen %	million yen %	Yen
FY2008	712 -	-284 -	-333 -	-592 -	-11,558.65

(Reference) Summary of Non-Consolidated results

1. Non-Consolidated results for the interim FY2008 (January 1, 2008 to June 30, 2008)

(1) Business Results (Non-Consolidated)

(% indicates the increase / decrease from previous interim fiscal year)

	Total Revenue	Operating income	Ordinary income	Net income for the interim fiscal year
	million yen %	million yen %	million yen %	million yen %
FY2008(interim)	240 -9.3	-107 -	-156 -	-157 -
FY2007(interim)	265 -	-47 -	-45 -	-48 -
FY2007 as reference	513	-147	-158	-179

	Interim net income per share
	yen
FY2008(interim)	-3,199.06
FY2007(interim)	-1,086.98
FY2007 as reference	-4,042.02

(2) Financial Condition (Non-Consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	Yen
FY2008(interim)	2,374	2,184	92.0	41,063.45
FY2007(interim)	1,942	1,627	83.8	36,592.49
FY2007 as reference	1,622	1,435	88.5	32,275.11

2. Non-Consolidated forecast for FY2008 (January 1, 2008 to December 31, 2008)

(%indicates the increase/decrease from previous fiscal year)

	Total revenue		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	Yen
FY2008	674	-	-252	-	-301	-	-560	-	-10,933.85

*Disclaimer regarding appropriate use of forecasts and related points of note

1. The above-mentioned forecasts are based on the information available on the date of release of these materials and on various assumptions made on the date of release of these material including uncertain factors and may affect future earnings. Actual operating results may differ significantly from those forecasts as a consequence of various factors.

2. We have amended consolidated forecast and non-consolidated forecast for FY2008 according to the actual performance of interim period and forecasts of future performances. In addition, business forecasts of CarnaBio USA Inc. which became a consolidated subsidiary from June 2008, had been taken into account.