

December 8, 2020

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Revision of Results Forecast for the Fiscal Year Ending December 31, 2020

Carna Biosciences, Inc. (“Carna”) announced today its revised forecast for the fiscal year ending December 31, 2020.

1. Revised consolidated results forecast

The consolidated results forecast for the fiscal year ending December 31, 2020 (January 1, 2020 to December 31, 2020) has been revised as below. The previous forecast was announced on February 7, 2020.

(Millions of yen)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net profit per share
Previous Forecast (A)	1,036	(1,779)	(1,794)	(1,822)	(156.45) yen
Revised Forecast (B)	1,103	(1,190)	(1,202)	(1,229)	(99.93) yen
Change from Previous Forecast (B-A)	66	588	592	593	
Change from Previous Forecast (%)	6.4%	—	—	—	
(Ref.) December 31, 2019 Results (Previous Year)	3,207	977	957	828	76.05 yen

2. Reason of the revision

Carna has upwardly revised its consolidated sales forecast for the fiscal year ending December 31, 2020 by 6.4% to 1,103 million yen from 1,036 million yen. By business segment, sales forecast for the Drug Discovery Support business was revised to 1,050 million yen from 1,036 million yen as sales in Japan and North America were stronger than expected. Sales forecast for the Drug Discovery and Development business was revised to 53 million yen from zero thanks to an upfront payment received from BioNova Pharmaceuticals Limited in the first quarter in relation to the license agreement.

Consolidated operating loss forecast was revised by 588 million yen to 1,190 million yen from 1,779 million yen mainly due to the lower than expected R&D costs. The costs of clinical trials incurred in FY2020 will be lower than planned since the initiation of dosing in a first-in-human study of AS-0871, an investigational small molecule drug designed to non-covalently inhibit Bruton’s tyrosine kinase (BTK), was rescheduled to August from the first quarter due to the COVID-19 pandemic in Europe. Considering additional efforts to streamline the outsourcing costs, total R&D costs for FY2020 is expected to be 1,572 million yen compared to the initial forecast of 2,040 million yen. Operating profit for the Drug Discovery Support business is expected to beat the initial forecast as high-margin products and services were stronger than expected.

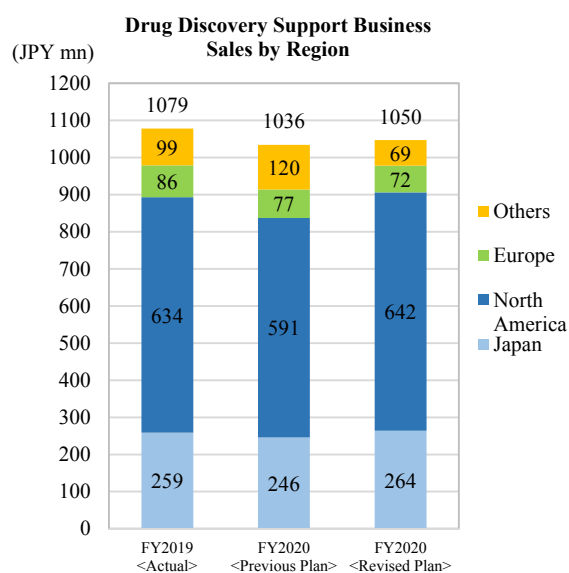
As a result, forecast for ordinary loss was upwardly revised by 592 million yen to 1,202 million yen and forecast for loss attributable to owners of parent was upwardly revised by 593 million yen to 1,229 million yen.

Fig. 1: Results forecast by business segment

(Millions of yen)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent
Previous Forecast (A)				
Consolidated	1,036	(1,779)	(1,794)	(1,822)
Drug Discovery Support	1,036	375		
Drug Discovery & Development	—	(2,155)		
Revised Forecast (B)				
Consolidated	1,103	(1,190)	(1,202)	(1,229)
Drug Discovery Support	1,050	416		
Drug Discovery & Development	53	(1,607)		
Change (C=B-A)				
Consolidated	66	588	592	593
Drug Discovery Support	13	41		
Drug Discovery & Development	53	547		
Change % (C/A)				
Consolidated	6.4	—	—	—
Drug Discovery Support	1.3	10.9		
Drug Discovery & Development	—	—		

Fig. 2: Drug discovery support business sales by region



* The forward-looking statements in this document have been prepared based on information available at the time of the issuance of this release as well as on the certain assumptions considered by the management to be reasonable. Actual results may differ from this forecast due to variety of factors.