

## Consolidated Financial Results for the First Quarter of the Year Ending December 31, 2021

[Japanese GAAP]

May 10, 2021

Company name: Carna Biosciences, Inc. Stock Exchange listing: Tokyo Stock Exchange(JASDAQ Growth)  
 Stock code: 4572 URL: <https://www.carnabio.com/english/>  
 Representative: Kohichiro Yoshino, President and CEO  
 Contact: Emi Yamamoto, Director, Business Administration Division TEL: +81-78-302-7075  
 Scheduled submission of quarterly report: May 11, 2021  
 Scheduled date of dividend payment: —  
 Supplementary materials for financial results: Yes  
 Financial results briefing: None

(Rounded down to the nearest million yen)

### 1. Consolidated Financial Results for the Three Months Ended March 31, 2021

(1) Consolidated operating results (Percentages show changes from the same period of the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended March 31, 2021	231	(31.0)	(291)	—	(284)	—	(286)	—
Three months ended March 31, 2020	335	97.1	(165)	—	(168)	—	(184)	—

Note: Comprehensive income Three months ended March 31, 2021: (273) million yen (—%)

Three months ended March 31, 2020: (185) million yen (—%)

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2021	(23.09)		—	
Three months ended March 31, 2020	(15.25)		—	

### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of March 31, 2021	4,228	3,550	83.9
As of December 31, 2020	4,835	3,824	79.0

Reference: Shareholders' equity As of March 31, 2021: 3,546 million yen As of Dec. 31, 2020: 3,820 million yen

### 2. Dividends

	Dividend per share				
	End of 1 <sup>st</sup> quarter	End of 2 <sup>nd</sup> quarter	End of 3 <sup>rd</sup> quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2020	—	0.00	—	0.00	0.00
FY2021	—	—	—	—	—
FY2021 (Forecast)	—	0.00	—	0.00	0.00

Note: Revision to the most recently announced dividend forecast: None

### 3. Consolidated Financial Forecast for FY2021 (January 1, 2021 to December 31, 2021)

(Percentages show changes from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
FY2021	923	(18.5)	(1,811)	—	(1,816)	—	(1,825)	—	(147.19)

Note: Revision to the most recently announced financial forecast: None

**\* Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in the scope of consolidation): None

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies, accounting estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, etc.: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Restatements: None

(4) Number of shares outstanding (common stock)

1) Number of shares outstanding at the end of the period (including treasury stock)

As of March 31, 2021: 12,407,100 shares    As of Dec. 31, 2020: 12,407,100 shares

2) Number of treasury stock at the end of the period

As of March 31, 2021: 5,124 shares                      As of Dec. 31, 2020: 5,124 shares

3) Average number of shares outstanding during the period

First quarter of FY2021: 12,401,976 shares    First quarter of FY2020: 12,088,078 shares

\* This financial report is exempt from quarterly review procedures by auditors.

\* Note to ensure appropriate use of forecasts and other remarks

The forecasts and other forward-looking statements included in this document are based on the information currently available to the management and certain assumptions considered by the management to be reasonable. Actual operating results may differ materially from these statements for various factors.

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**Consolidated Financial Statements****(1) Consolidated Balance Sheet**

	(Thousands of yen)	
	FY2020 (As of Dec. 31, 2020)	FY2021 (As of Mar. 31, 2021)
Assets		
Current assets		
Cash and deposits	4,299,142	3,734,567
Accounts receivable–trade	129,175	98,127
Merchandise and finished goods	66,178	67,067
Work in process	14,555	10,892
Raw materials and supplies	23,789	34,250
Other	175,352	163,820
Total current assets	4,708,193	4,108,725
Non-current assets		
Property, plant and equipment	53,330	54,105
Intangible assets	3,613	3,394
Investments and other assets	70,218	61,963
Total non-current assets	127,162	119,463
Total assets	4,835,356	4,228,189

	(Thousands of yen)	
	FY2020 (As of Dec. 31, 2020)	FY2021 (As of Mar. 31, 2021)
<b>Liabilities</b>		
Current liabilities		
Accounts payable—trade	1,517	—
Current portion of bonds payable	28,000	28,000
Current portion of long-term borrowings	161,897	147,208
Accounts payable-other	343,956	149,603
Income tax payable	103	164
Other	191,719	117,049
Total current liabilities	727,194	442,025
Non-current liabilities		
Bonds payable	60,000	46,000
Long-term borrowings	179,887	144,880
Asset retirement obligations	36,839	36,988
Other	7,425	7,915
Total non-current liabilities	284,151	235,783
Total liabilities	1,011,346	677,808
<b>Net assets</b>		
Shareholders' equity		
Share capital	558,829	558,829
Capital surplus	4,310,038	4,310,038
Retained earnings	(1,038,476)	(1,324,807)
Treasury shares	(222)	(222)
Total shareholders' equity	3,830,169	3,543,837
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	21	(279)
Deferred gains or losses on hedges	(1,176)	1,209
Foreign currency translation adjustment	(8,554)	2,061
Total accumulated other comprehensive income	(9,709)	2,991
Share acquisition rights	3,550	3,550
Total net assets	3,824,010	3,550,380
<b>Total liabilities and net assets</b>	4,835,356	4,228,189

**(2) Consolidated Statements of Income and Comprehensive Income****Consolidated Statement of Income**

	(Thousands of yen)	
	First three months of FY2020 (Jan. 1 – Mar. 31, 2020)	First three months of FY2021 (Jan. 1 – Mar. 31, 2021)
Net sales	335,043	231,278
Cost of sales	38,451	38,677
Gross profit	296,591	192,601
Selling, general and administrative expenses	461,667	483,814
Operating loss	(165,076)	(291,213)
Non-operating income		
Interest income	58	39
Dividend income	96	99
Subsidy income	785	—
Grant income	—	7,200
Foreign exchange gains	1,430	1,329
Other	22	22
Total non-operating income	2,393	8,690
Non-operating expenses		
Interest expenses	2,234	1,169
Guarantee commission	371	363
Share issuance costs	3,318	—
Other	12	—
Total non-operating expenses	5,936	1,532
Ordinary loss	(168,619)	(284,055)
Extraordinary losses		
Impairment loss	15,107	1,755
Total extraordinary losses	15,107	1,755
Loss before income taxes	(183,727)	(285,810)
Income taxes-current	707	553
Income taxes-deferred	(35)	(33)
Total income taxes	671	520
Loss	(184,399)	(286,331)
Loss attributable to owners of parent	(184,399)	(286,331)

**Consolidated Statement of Comprehensive Income**

	(Thousands of yen)	
	First three months of FY2020 (Jan. 1 – Mar. 31, 2020)	First three months of FY2021 (Jan. 1 – Mar. 31, 2021)
Loss	(184,399)	(286,331)
Other comprehensive income		
Valuation difference on available-for-sale securities	(196)	(300)
Deferred gains or losses on hedges	—	2,385
Foreign currency translation adjustment	(1,290)	10,616
Total other comprehensive income	(1,486)	12,701
Comprehensive income	(185,886)	(273,630)
Comprehensive income attributable to owners of parent	(185,886)	(273,630)

*This financial report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*