

## Consolidated Financial Results for the First Quarter of the Year Ending December 31, 2022

[Japanese GAAP]

May 10, 2022

Company name: Carna Biosciences, Inc. Stock Exchange listing: Tokyo Stock Exchange(JASDAQ Growth)  
 Stock code: 4572 URL: <https://www.carnabio.com/english/>  
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 Scheduled submission of quarterly report: May 11, 2022  
 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, 2022

(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, 2022	554	139.8	1	—	4	—	(15)	—
Three months ended March 31, 2021	231	(31.0)	(291)	—	(284)	—	(286)	—

Note: Comprehensive income Three months ended March 31, 2022: 31 million yen (—%)

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

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2022	(1.12)		—	
Three months ended March 31, 2021	(23.09)		—	

### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of March 31, 2022	5,355	4,540	84.6
As of December 31, 2021	5,432	4,315	79.3

Reference: Shareholders' equity As of March 31, 2022: 4,532 million yen As of Dec. 31, 2021: 4,305 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
FY2021	—	0.00	—	0.00	0.00
FY2022	—	—	—	—	—
FY2022 (Forecast)	—	0.00	—	0.00	0.00

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

### 3. Consolidated Financial Forecast for FY2022 (January 1, 2022 to December 31, 2022)

(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
FY2022	1,186	(41.2)	(1,672)	—	(1,685)	—	(1,740)	—	(128.46)

Note: Revision to the most recently announced financial forecast: Yes

**\* 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.: Yes

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, 2022: 13,513,400 shares    As of Dec. 31, 2021: 13,313,400 shares

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

As of March 31, 2022: 5,124 shares            As of Dec. 31, 2021: 5,124 shares

3) Average number of shares outstanding during the period

First quarter of FY2022: 13,451,109 shares    First quarter of FY2021: 12,401,976 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)	
	FY2021 (As of Dec. 31, 2021)	FY2022 (As of Mar. 31, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	3,817,834	4,877,752
Accounts receivable–trade	1,243,839	122,137
Merchandise and finished goods	72,514	75,371
Work in process	7,521	11,210
Raw materials and supplies	30,453	25,873
Other	146,324	140,896
Total current assets	5,318,487	5,253,242
Non-current assets		
Property, plant and equipment	51,574	51,095
Intangible assets	2,738	2,532
Investments and other assets	59,760	48,385
Total non-current assets	114,073	102,013
<b>Total assets</b>	5,432,560	5,355,256

	(Thousands of yen)	
	FY2021	FY2022
	(As of Dec. 31, 2021)	(As of Mar. 31, 2022)
<b>Liabilities</b>		
Current liabilities		
Accounts payable–trade	2,294	850
Current portion of bonds	28,000	28,000
Current portion of long-term borrowings	211,497	181,488
Accounts payable-other	307,832	153,057
Income taxes payable	24,236	15,006
Other	200,794	122,226
Total current liabilities	774,655	500,628
Non-current liabilities		
Bonds payable	32,000	18,000
Long-term borrowings	268,390	238,393
Asset retirement obligations	37,434	37,585
Other	4,508	19,891
Total non-current liabilities	342,332	313,870
Total liabilities	1,116,988	814,498
<b>Net assets</b>		
Shareholders' equity		
Capital stock	1,056,953	1,154,440
Capital surplus	4,808,163	4,905,650
Retained earnings	(1,572,951)	(1,588,055)
Treasury shares	(222)	(222)
Total shareholders' equity	4,291,942	4,471,813
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(630)	(1,332)
Deferred gains or losses on hedges	6,578	41,568
Foreign currency translation adjustment	7,841	20,047
Total accumulated other comprehensive income	13,789	60,283
Share acquisition rights	9,840	8,660
Total net assets	4,315,572	4,540,757
Total liabilities and net assets	5,432,560	5,355,256

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

	(Thousands of yen)	
	First three months of FY2021 (Jan. 1 – Mar. 31, 2021)	First three months of FY2022 (Jan. 1 – Mar. 31, 2022)
Net sales	231,278	554,650
Cost of sales	38,677	42,483
Gross profit	192,601	512,167
Selling, general and administrative expenses	483,814	511,032
Operating profit (loss)	(291,213)	1,135
Non-operating income		
Interest income	39	44
Dividend income	99	101
Insurance claim income	—	1,906
Subsidy income	7,200	—
Foreign exchange gains	1,329	3,493
Other	22	398
Total non-operating income	8,690	5,944
Non-operating expenses		
Interest expenses	1,169	1,634
Guarantee commission	363	246
Share issuance costs	—	622
Total non-operating expenses	1,532	2,502
Ordinary profit (loss)	(284,055)	4,576
Extraordinary losses		
Impairment loss	1,755	15,386
Total extraordinary losses	1,755	15,386
Profit (loss) before income taxes	(285,810)	(10,809)
Income taxes-current	553	4,325
Income taxes-deferred	(33)	(30)
Total income taxes	520	4,295
Profit (loss)	(286,331)	(15,104)
Profit (loss) attributable to owners of parent	(286,331)	(15,104)

**Consolidated Statement of Comprehensive Income**

	(Thousands of yen)	
	First three months of FY2021 (Jan. 1 – Mar. 31, 2021)	First three months of FY2022 (Jan. 1 – Mar. 31, 2022)
Profit (loss)	(286,331)	(15,104)
Other comprehensive income		
Valuation difference on available-for-sale securities	(300)	(701)
Deferred gains or losses on hedges	2,385	34,990
Foreign currency translation adjustment	10,616	12,206
Total other comprehensive income	12,701	46,494
Comprehensive income	(273,630)	31,390
Comprehensive income attributable to owners of parent	(273,630)	31,390
Comprehensive income attributable to non-controlling interests	—	—

*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.*