

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

[Japanese GAAP]

November 7, 2022

Company name: Carna Biosciences, Inc. Stock Exchange listing: Tokyo Stock Exchange (Growth)  
 Stock code: 4572 URL: <https://www.carnabio.com/english/>  
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 Scheduled submission of quarterly report: November 8, 2022  
 Scheduled date of dividend payment: —  
 Supplementary materials for financial results: Yes  
 Financial results briefing: —

(Rounded down to the nearest million yen)

### 1. Consolidated Financial Results for the Nine Months Ended September 30, 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	%
Nine months ended September 30, 2022	1,095	72.1	(753)	—	(735)	—	(795)	—
Nine months ended September 30, 2021	636	(24.9)	(1,169)	—	(1,171)	—	(1,178)	—

Note: Comprehensive income Nine months ended September 30, 2022: (718) million yen (—%)

Nine months ended September 30, 2021: (1,162) million yen (—%)

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2022	(58.56)		—	
Nine months ended September 30, 2021	(94.24)		—	

### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	4,547	3,943	86.5
As of December 31, 2021	5,432	4,315	79.3

Reference: Shareholders' equity As of September 30, 2022: 3,935 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
FY2021	—	0.00	—	0.00	0.00
FY2022	—	0.00	—	—	—
FY2022 (Forecast)	—	—	—	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: 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.: 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 September 30, 2022: 13,668,300 shares      As of Dec. 31, 2021: 13,313,400 shares

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

As of September 30, 2022: 7,124 shares                      As of Dec. 31, 2021: 5,124 shares

3) Average number of shares outstanding during the period

Third quarter of FY2022: 13,579,491 shares      Third quarter of FY2021: 12,501,154 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 Sep. 30, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	3,817,834	3,727,485
Accounts receivable–trade	1,243,839	108,462
Merchandise and finished goods	72,514	81,414
Work in process	7,521	6,739
Raw materials and supplies	30,453	28,517
Other	146,324	414,550
Total current assets	5,318,487	4,367,170
Non-current assets		
Property, plant and equipment	51,574	110,988
Intangible assets	2,738	2,120
Investments and other assets	59,760	67,459
Total non-current assets	114,073	180,568
<b>Total assets</b>	5,432,560	4,547,738

	(Thousands of yen)	
	FY2021	FY2022
	(As of Dec. 31, 2021)	(As of Sep. 30, 2022)
<b>Liabilities</b>		
Current liabilities		
Accounts payable–trade	2,294	3,241
Current portion of bonds	28,000	32,000
Current portion of long-term borrowings	211,497	121,458
Accounts payable-other	307,832	179,837
Income taxes payable	24,236	17,527
Other	200,794	16,139
Total current liabilities	774,655	370,203
Non-current liabilities		
Bonds payable	32,000	—
Long-term borrowings	268,390	178,399
Asset retirement obligations	37,434	37,888
Other	4,508	17,978
Total non-current liabilities	342,332	234,266
Total liabilities	1,116,988	604,470
<b>Net assets</b>		
Shareholders' equity		
Capital stock	1,056,953	1,231,110
Capital surplus	4,808,163	4,982,320
Retained earnings	(1,572,951)	(2,368,169)
Treasury shares	(222)	(222)
Total shareholders' equity	4,291,942	3,845,039
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(630)	(2,347)
Deferred gains or losses on hedges	6,578	37,366
Foreign currency translation adjustment	7,841	55,210
Total accumulated other comprehensive income	13,789	90,229
Share acquisition rights	9,840	7,999
Total net assets	4,315,572	3,943,268
Total liabilities and net assets	5,432,560	4,547,738

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

	(Thousands of yen)	
	First nine months of FY2021 (Jan. 1 - Sep. 30, 2021)	First nine months of FY2022 (Jan. 1 - Sep. 30, 2022)
Net sales	636,512	1,095,607
Cost of sales	95,794	123,674
Gross profit	540,717	971,932
Selling, general and administrative expenses	1,709,734	1,725,638
Operating loss	(1,169,016)	(753,705)
Non-operating income		
Interest income	90	127
Dividend income	298	307
Subsidy income	1,346	1,000
Grant income	7,200	—
Foreign exchange gains	597	20,047
Other	813	3,178
Total non-operating income	10,345	24,660
Non-operating expenses		
Interest expenses	3,081	4,278
Guarantee commission	1,087	735
Share issuance costs	2,990	1,434
Issuance cost of subscription rights to shares	5,952	—
Other	30	49
Total non-operating expenses	13,143	6,498
Ordinary loss	(1,171,814)	(735,543)
Extraordinary losses		
Impairment loss	6,108	43,062
Total extraordinary losses	6,108	43,062
Loss before income taxes	(1,177,923)	(778,606)
Income taxes-current	5,924	16,703
Income taxes-deferred	(5,772)	(91)
Total income taxes	151	16,612
Loss	(1,178,075)	(795,218)
Loss attributable to owners of parent	(1,178,075)	(795,218)

**Consolidated Statement of Comprehensive Income**

	(Thousands of yen)	
	First nine months of FY2021 (Jan. 1 – Sep. 30, 2021)	First nine months of FY2022 (Jan. 1 – Sep. 30, 2022)
Loss	(1,178,075)	(795,218)
Other comprehensive income		
Valuation difference on available-for-sale securities	(412)	(1,716)
Deferred gains or losses on hedges	4,624	30,787
Foreign currency translation adjustment	11,596	47,369
Other comprehensive income	15,809	76,440
Comprehensive income	(1,162,265)	(718,777)
Comprehensive income attributable to owners of parent	(1,162,265)	(718,777)
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.*