

**Biotech venture developing and productizing medicines for intractable diseases**

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**【 4884 Kringle Pharma Sector : Pharmaceutical 】**

| Fiscal Year | Net sales<br>(mn yen) | YoY<br>(%) | Operating profit<br>(mn yen) | YoY<br>(%) | Ordinary profit<br>(mn yen) | YoY<br>(%) | Profit<br>(mn yen) | YoY<br>(%) | EPS<br>(yen) | BPS<br>(yen) | DPS<br>(yen) |
|-------------|-----------------------|------------|------------------------------|------------|-----------------------------|------------|--------------------|------------|--------------|--------------|--------------|
| Sep. 2019   | -                     | -          | -371                         | -          | -301                        | -          | -302               | -          | -290.1       | -570.2       | 0.0          |
| Sep. 2020   | 467                   | -          | -171                         | -          | -116                        | -          | -117               | -          | -106.7       | 600.0        | 0.0          |
| Sep. 2021 f | 206                   | -55.9      | -1,037                       | -          | -1,015                      | -          | -1,017             | -          | -248.7       | -            | 0.0          |

Note: Non-consolidated basis. Figures for the fiscal year ending September 2021 are the company's forecasts.  
It conducted 1-to-20 stock split on November 12, 2020. Per share indices are adjusted retroactively.

**Developer of Medicines for Intractable Diseases**

Kringle Pharma is a biotech venture conducting research and development of medicines for intractable diseases. Intractable diseases refer to diseases that have a low number of cases with unknown etiology and no established treatment method, and those that would interfere with the daily life of the patients over the long term.

The company's drug discovery seeds, which are the base of medicine development, are recombinant human HGF (hepatocyte growth factor) proteins. HGF was first discovered in Japan as a factor that facilitates the proliferation of liver cells, and later research reported cases that it affects functions of tissues such as cytoprotective actions in addition to cell proliferation. In addition, there are reports that it has therapeutic effects on cells of the kidneys, lungs, skin, etc. in addition to liver cells.

**New Medicine under Development**

There is currently no medicine that has been productized and four medicines have progressed to clinical trials. The target disease of the four medicines are the (1) acute phase of spinal cord injuries, (2) amyotrophic lateral sclerosis (ALS), (3) vocal fold scars, and (4) acute kidney injuries. As for medicines that are in the basic research stage, there are medicines for eye disease and medicines for other nervous system diseases.

**Business Performance**

The company discloses its business performance since the fiscal year ended September 2015. No net sales were recorded from the fiscal year ended September 2015 to the fiscal year ended September 2019. In the fiscal year ended September 2020, the company received two upfront payments and net sales were 467 million yen. In addition, other than the fiscal year ended September 2016, the company has been recording an ordinary loss.

For the fiscal year ending September 2021, the company expects net sales of 206 million yen and ordinary loss of 1,105 million yen. As for net sales, it expects sales from supplying active pharmaceutical ingredients for recombinant human HGF proteins to Claris Biotherapeutics and technology access fees from Claris Biotherapeutics for clinical trials that Claris Biotherapeutics conducts. In order to double research and development expenses, the company expects to largely increase its ordinary loss from 116 million yen in the fiscal year ended September 2020.

**Financial Statements**

| Statement of income                          | Fiscal Year | Sep. 2018 |     | Sep. 2019 |     | Sep. 2020 |       |
|--|-------------|-----------|-----|-----------|-----|-----------|-------|
|  |             | (mn yen)  | (%) | (mn yen)  | (%) | (mn yen)  | (%)   |
| Net sales                                    |             | -         | -   | -         | -   | 467       | 100.0 |
| Cost of sales                                |             | -         | -   | -         | -   | -         | -     |
| Selling, general and administrative expenses |             | 223       | -   | 371       | -   | 639       | 136.7 |
| Research and development expenses            |             | 156       | -   | 265       | -   | 489       | 104.7 |
| Operating profit                             |             | -223      | -   | -371      | -   | -171      | -     |
| Non-operating income                         |             | 160       | -   | 70        | -   | 63        | 13.5  |
| Non-operating expenses                       |             | 0         | -   | -         | -   | 8         | -     |
| Ordinary profit                              |             | -64       | -   | -301      | -   | -116      | -     |
| Extraordinary income                         |             | -         | -   | -         | -   | -         | -     |
| Extraordinary loss                           |             | -         | -   | -         | -   | -         | -     |
| Profit before income taxes                   |             | -64       | -   | -301      | -   | -116      | -     |
| Net profit                                   |             | -64       | -   | -302      | -   | -117      | -     |

| Balance sheet                 | Fiscal Year | Sep. 2018 |       | Sep. 2019 |       | Sep. 2020 |       |
|-------------------------------|-------------|-----------|-------|-----------|-------|-----------|-------|
|                               |             | (mn yen)  | (%)   | (mn yen)  | (%)   | (mn yen)  | (%)   |
| Current assets                |             | 565       | 99.8  | 250       | 99.6  | 2,349     | 100.0 |
| Cash and deposits             |             | 505       | 89.1  | 166       | 66.1  | 2,102     | 89.5  |
| Accounts receivable-trade     |             | -         | -     | -         | -     | 105       | 4.5   |
| Non-current assets            |             | 1         | 0.2   | 1         | 0.4   | 1         | 0.0   |
| Property, plant and equipment |             | -         | -     | -         | -     | -         | -     |
| Intangible assets             |             | -         | -     | -         | -     | -         | -     |
| Investments and other assets  |             | 1         | 0.2   | 1         | 0.4   | 1         | 0.0   |
| Total assets                  |             | 566       | 100.0 | 251       | 100.0 | 2,350     | 100.0 |
| Current liabilities           |             | 46        | 8.2   | 33        | 13.2  | 159       | 6.8   |
| Accounts payable-trade        |             | -         | -     | -         | -     | -         | -     |
| Advances received             |             | 25        | 4.5   | 0         | -     | 81        | 32.2  |
| Non-current liabilities       |             | 2         | 0.4   | 2         | 0.9   | 2         | 0.1   |
| Long-term borrowings          |             | -         | -     | -         | -     | -         | -     |
| Net assets                    |             | 518       | 91.4  | 216       | 85.9  | 2,188     | 93.1  |
| Owners' equity                |             | 518       | 91.4  | 216       | 85.9  | 2,188     | 93.1  |

| Statement of cash flows                   | Fiscal Year | Sep. 2018 | Sep. 2019 | Sep. 2020 |
|---|-------------|-----------|-----------|-----------|
|   |             | (mn yen)  | (mn yen)  | (mn yen)  |
| Cash flows from operating activities      |             | -202      | -338      | -146      |
| Depreciation                              |             | -         | -         | -         |
| Cash flows from investing activities      |             | 0         | -         | -         |
| Cash flows from financing activities      |             | 199       | -         | 2,082     |
| Dividends paid                            |             | -         | -         | -         |
| Net increase in cash and cash equivalents |             | -3        | -338      | 1,936     |
| Cash and cash equivalents                 |             | 505       | 166       | 2,102     |

Note: Non-consolidated basis.

Source: Prepared by Stock Research Center based on the notifiable prospectus.

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