

Specializing in iPS drug discovery business and regenerative medicine business for CNS diseases

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[4896 K Pharma Sector : Pharmaceutical]

Fiscal Year	Net sales	YoY	Operating profit	YoY	Ordinary profit	YoY	Profit	YoY	EPS	BPS	DPS
	(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)	(yen)	(yen)	(yen)
Dec.2021	-	-	-219	-	-220	-	-228	-	-30.1	-107.0	0.0
Dec.2022	-	-	-353	-	-359	-	-392	-	-42.1	-122.8	0.0
Dec.2023	f 1,000	-	302	-	266	-	180	-	17.7	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending December 2023 is the company's forecasts.
It conducted 1:1,000 stock split on August 6, 2023. Per share indices are adjusted retroactively.

Specializing in iPS Drug Discovery Business and Regenerative Medicine Business

K Pharma is a bio-venture established in November 2016 with the goal of commercializing the results of basic research conducted at Keio University School of Medicine. The results are focused on iPS drug discovery and regenerative medicine for diseases of the central nervous system (CNS).

The company operates two businesses, the iPS drug discovery business using iPS cells and the regenerative medicine business, which target the CNS diseases field.

iPS Drug Discovery

iPS drug discovery involves the development of therapeutic drugs by screening for compounds that are effective against a patient's disease. This is achieved by comparing iPS cells from healthy individuals with disease-specific iPS cells produced using information about the disease from the patient's cells.

K Pharma's iPS drug discovery business takes the drug repositioning approach, which involves screening drugs and compounds that have already been developed for other diseases when selecting candidate drugs that have therapeutic effects using induced disease model neurons obtained through differentiation induction from patient iPS cells.

Regenerative Medicine Business

In its regenerative medicine business, K Pharma is conducting research and development to treat spinal cord injuries, which are a type of neurological damage, by transplanting neuronal progenitor cells obtained through differentiation induction from allogenic iPS cells to patients to treat the injured site. The company, in collaboration with Keio University, is prioritizing the research and development of treatments for spinal cord injuries in the subacute stage, which is within about four weeks of suffering the injury.

Business Model

Based on basic research and exclusive licensing rights for patents and other intellectual property rights from Keio University and associated institutions, K Pharma concludes joint research agreements with various partners, such as pharmaceutical companies, and license agreements that transfer some or all of the rights of the development pipeline. Through these agreements, K Pharma earns upfront income and milestone income corresponding to the stages of development. After the product is put on the market, K Pharma receives income from sales royalties that correspond to the amount of product sold, as well as from sales milestones based on reaching certain amounts sold.

Financial Statements

Statement of income	Fiscal Year	Dec.2021		Dec.2022		Six months to Jun.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		-	-	-	-	1,000	100.0
Cost of sales		-	-	-	-	90	9.0
Gross profit		-	-	-	-	910	91.0
Selling, general and administrative expenses		219	-	353	-	258	25.8
Operating profit		-219	-	-353	-	651	65.1
Non-operating income		0	-	0	-	0	-
Non-operating expenses		1	-	5	-	0	-
Ordinary profit		-220	-	-359	-	651	65.1
Profit before income taxes		-229	-	-390	-	614	61.4
Net profit		-228	-	-392	-	415	51.4

Balance sheet	Fiscal Year	Dec.2021		Dec.2022		Jun.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		204	99.5	1,370	99.7	2,221	99.8
Cash and deposits		188	91.7	1,336	97.2	2,175	97.8
Accounts receivable-trade		-	-	-	-	-	-
Inventories		9	4.4	10	0.7	8	0.4
Non-current assets		1	0.5	3	0.2	3	0.1
Property, plant and equipment		-	-	-	-	-	-
Intangible assets		-	-	-	-	-	-
Investments and other assets		1	0.5	3	0.2	3	0.1
Total assets		205	100.0	1,374	100.0	2,225	100.0
Current liabilities		23	11.2	33	2.4	343	15.4
Accounts payable - trade		2	1.0	10	0.7	109	4.9
Non-current liabilities		3	1.5	4	0.3	30	1.3
Net assets		178	86.8	1,336	97.2	1,851	83.2
Owners' equity		178	86.8	1,336	97.2	1,851	83.2

Statement of cash flows	Fiscal Year	Dec.2021	Dec.2022	Six months to Jun.2023
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		-196	-363	848
Depreciation		6	-	-
Cash flows from investing activities		0	-32	-9
Cash flows from financing activities		368	1,544	0
Dividends paid		-	-	-
Net increase in cash and cash equivalents		171	1,148	838
Cash and cash equivalents		188	1,336	2,175

Note: Non-consolidated

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

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