

Carna Biosciences, Inc.

Kinase inhibitor drug discovery with its distinguished profiling library

www.carnabio.com

Carna Biosciences, Inc. BMA 3F 1-5-5 Minatojima-Minamimachi Kobe 650-0047 JAPAN	Founded in No. of employees State of Ownership Primary stock exchange	2003 47 public JASDAQ
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April 2009: Carna Biosciences was founded in April 2003 in Kobe, Hyogo Prefecture, around 30km west of Osaka, Japan. The Company is a spin-off from Nippon Organon K.K. (now Schering-Plough, future Merck). Along with its growing drug discovery support business, Carna is strengthening its own kinase inhibitor drug discovery capability. In April 2008 its U.S. subsidiary, CarnaBio USA Inc., was established near Boston, Massachusetts. The company is currently listed on the NEO market under the JASDAQ (code 4572).

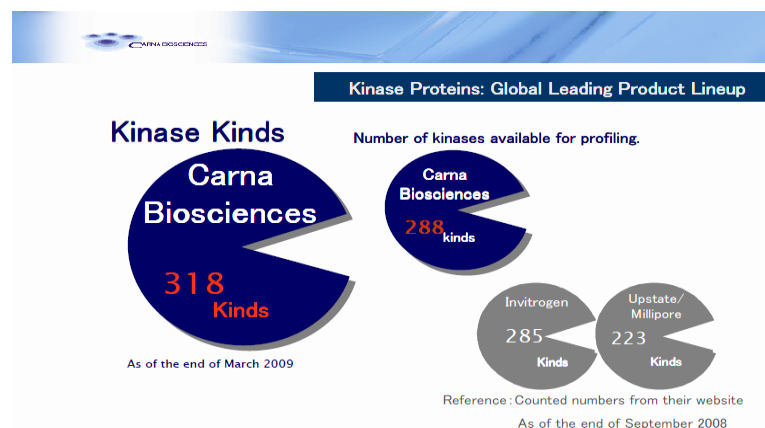


Venture Valuation (VV) interviewed Mr. Kohichiro Yoshino, President and CEO.

VV: **Would you please introduce your firm and describe its business model?**

Yoshino: Our business consists of two segments. One segment is the drug discovery support business. We provide protein kinase products, and various services in assay development, profiling and screening.

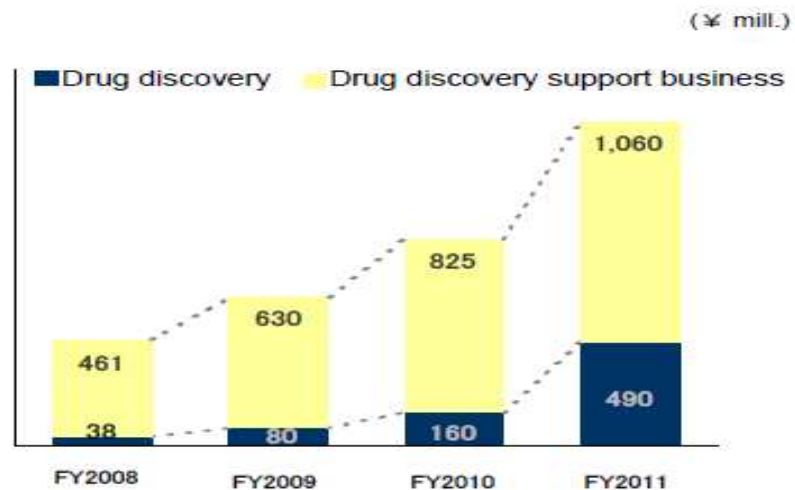
Our unrivaled technologies in gene cloning, active kinase protein expression, protein purification and homogeneous assay development allow us to produce 318 high quality protein kinase products. The number of products keeps increasing towards the 518 kinases that the human genome encodes. Our product line is superior in number as well as in quality to our major competitors such as Invitrogen and Millipore (see chart below).



The other segment is the drug discovery business in the area of cancer and autoimmune diseases. We plan to license out compounds to pharmaceutical companies before phase IIa.

At this moment there are five projects in progress. Two projects are in

collaboration with biotech companies in Korea and Japan, one with the National Cancer Center in Japan and the last two are our own drug discovery projects. Recently we jointly filed a patent application to the FDA with the National Cancer Center. Our drug discovery business is expected to grow every year. Its sales are estimated in FY2011 ending March 30th, 2012, to be almost 32% of total sales compared to 8% in FY2008 ended March 30th, 2009.(see chart below)



In terms of our strengths:

1. Our technologies excel in identifying and characterizing compounds which specifically block and inhibit the action of kinases by binding. Some technology is able to detect the binding between compounds and kinases. However, this approach is not good enough because some bindings may also activate kinases causing diseases and some may have no reaction.
2. We accelerate drug discovery projects by taking advantage of our proven technologies and accumulated know-how on kinase biology.

VV: What are your objectives in the future?

Yoshino: Our ultimate objective is to be a biopharmaceutical company dedicated to small molecule medicine. Different from antibody medicine which needs to be injected, small molecule medicine, for instance, in the form of tablets, is the easiest and the most convenient way to treat patients.

VV: In what geographical areas would you like to develop your business?

Yoshino: We are developing our drug discovery support business in the U.S. through our subsidiary in Natick near Boston and in Europe through a local distributor. In Asia, we are steadily developing the market in China with a local distributor. In order to expand our business further, we are exploring the opportunity to find new investors in the international arena.

VV: **How do you differentiate from your competitors and position your company?**

Yoshino: We supply the largest number of first class kinase products in the global market. Furthermore, as a customer-oriented service provider we offer solutions that optimize each customer 's research and development requirements.

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Venture Valuation specializes in independent assessment and valuation of technology-driven companies in growth industries, such as the Life Sciences (Biotech, Pharma, Medtech), ICT, high-tech, Nanotech, Cleantech and Renewable energy. In addition to valuation products, Venture Valuation offers high-quality, focused information services like the Global Life Sciences Database, Biotechgate.com and this "*Let's Interview Series*" with leading Life Sciences companies. We select and interview thriving companies and organizations all over the world.