

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Non-Consolidated Financial Results for the Year Ended March 31, 2016 (Based on Japanese GAAP)

May 12, 2016

Company name: RIBOMIC Inc.
 Stock exchange listing: Tokyo
 Stock code: 4591 URL <http://www.ribomic.com/>
 Representative: President and CEO Yoshikazu Nakamura
 Executive Senior Director of Business
 Inquiries: Administration Masayuki Miyazaki TEL 03-3440-3303
 Scheduled date of ordinary general meeting of shareholders: June 29, 2016
 Scheduled date to file Securities Report: June 30, 2016
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Operating revenues		Operating income		Ordinary income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2016	121	(74.6)	(532)	–	(322)	–	(323)	–
Year ended March 31, 2015	479	217.3	6	–	13	–	10	–

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary income/total assets	Operating income/Operating revenues
	Yen	Yen	%	%	%
Year ended March 31, 2016	(24.92)	–	(10.3)	(9.8)	(436.7)
Year ended March 31, 2015	0.88	0.78	0.6	0.7	1.3

Reference: Share of income of investments accounted for using the equity method

Year ended March 31, 2016 ¥– Million

Year ended March 31, 2015 ¥– Million

Note: 1. Effective June 28, 2014, the Company implemented a 100-for-1 stock split of its common shares. Earnings per share and diluted earnings per share are calculated assuming that the stock split was implemented at the beginning of the previous fiscal year (ended March 31, 2015).

2. Diluted earnings per share for the year ended March 31, 2016 is not shown because a net loss per share was incurred even though dilutive common shares exist.

3. As the Company's stock became listed on the Mothers section of the Tokyo Stock Exchange on September 25, 2014, diluted earnings per share for the fiscal year ended March 31, 2015 is calculated assuming the average of the stock price between the listing date and March 31, 2015 as the average stock price for the period.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2016	3,183	3,039	95.5	231.21
As of March 31, 2015	3,419	3,262	95.4	254.42

Reference: Equity As of March 31, 2016 ¥3,039 Million

As of March 31, 2015 ¥3,262 Million

(3) Non-consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2016	(324)	(1,362)	98	449
Year ended March 31, 2015	134	(1,302)	2,871	2,037

2. Cash dividends

	Annual dividends per share					Total cash dividends	Dividend payout ratio (Non-consolidated)	Ratio of dividends to net assets (Non-consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2015	—	0.00	—	0.00	0.00	—	—	—
Year ended March 31, 2016	—	0.00	—	0.00	0.00	—	—	—
Year ending March 31, 2017 (Forecast)	—	0.00	—	0.00	0.00		—	

3. Forecast of non-consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

Percentages indicate year-on-year changes

	Operating revenues		Operating income		Ordinary income		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	95	(21.4)	(785)	—	(719)	—	(720)	—	(54.80)

Note 1. The Company only provides full-year forecasts as it manages its performance on an annual basis.

2. The company provides its forecasts on a conservative basis for the fiscal year ending on March 31, 2017.

4. Notes

(1) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations:	No
Changes in accounting policies due to other reasons:	No
Changes in accounting estimates:	No
Restatement of prior period financial statements:	No

(2) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2016	13,144,800 shares	As of March 31, 2015	12,821,800 shares
----------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of March 31, 2016	— shares	As of March 31, 2015	— shares
----------------------	----------	----------------------	----------

Average number of shares during the period

Year ended March 31, 2016	12,971,709 shares	Year ended March 31, 2015	11,721,803 shares
---------------------------	-------------------	---------------------------	-------------------

Note: Effective June 28, 2014, the Company implemented a 100-for-1 stock split of its common shares. The number of shares is calculated assuming that the stock split was implemented at the beginning of the previous fiscal year (ended March 31, 2015.)

* Representation regarding the implementation status of audit procedures

This summary of financial results is not subject to audit procedures under the Financial Instruments and Exchange Act, and audit procedures of financial statements under the Act had not yet been completed as of the date of disclosure of this summary of financial results.

* Explanation on appropriate use of business forecasts, and other special notes

- Business forecasts and other forward-looking statements contained in this report are based on information currently available to the Company and on certain assumptions that the Company considers to be reasonable, and do not constitute guarantees of future performance. Actual results may differ significantly from these forecasts due to various factors.
- Supplementary materials will be disclosed via TDnet and will be made available on the Company's website.
- The Company plans to hold a financial results disclosure presentation for institutional investors and analysts on May 18, 2016.

Non-consolidated financial statements

Non-consolidated balance sheets

	(Thousands of yen)	
	As of March 31, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	3,337,307	1,860,329
Accounts receivable - trade	31,636	—
Securities	—	1,199,835
Supplies	1,060	5,137
Advance payments - trade	—	3,908
Prepaid expenses	4,508	6,371
Accounts receivable - other	12,368	284
Consumption taxes receivable	—	36,125
Other	586	590
Total current assets	3,387,469	3,112,581
Non-current assets		
Property, plant and equipment		
Buildings	11,963	11,963
Accumulated depreciation	(11,034)	(11,259)
Buildings, net	929	704
Tools, furniture and fixtures	140,087	187,265
Accumulated depreciation	(121,448)	(133,822)
Tools, furniture and fixtures, net	18,639	53,443
Total property, plant and equipment	19,568	54,147
Intangible assets		
Software	264	144
Total intangible assets	264	144
Investments and other assets		
Investment securities	1,529	1,529
Lease deposits	9,562	13,175
Long-term prepaid expenses	1,191	1,841
Total investments and other assets	12,282	16,546
Total non-current assets	32,114	70,838
Total assets	3,419,584	3,183,419
Liabilities		
Current liabilities		
Accounts payable - other	13,977	24,125
Accrued expenses	7,425	7,660
Income taxes payable	11,199	8,421
Accrued consumption taxes	21,481	—
Advances received	99,000	99,000
Deposits received	3,523	4,981
Total current liabilities	156,607	144,189
Total liabilities	156,607	144,189

	(Thousands of yen)	
	As of March 31, 2015	As of March 31, 2016
Net assets		
Shareholders' equity		
Capital stock	2,871,591	2,921,824
Deposit for subscriptions to shares	900	—
Capital surplus		
Legal capital surplus	2,844,591	2,894,824
Total capital surpluses	2,844,591	2,894,824
Retained earnings		
Other retained earnings		
Retained earnings brought forward	(2,454,105)	(2,777,418)
Total retained earnings	(2,454,105)	(2,777,418)
Total shareholders' equity	3,262,976	3,039,230
Total net assets	3,262,976	3,039,230
Total liabilities and net assets	3,419,584	3,183,419

Non-consolidated statements of income

	(Thousands of yen)	
	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Operating revenues	479,871	121,911
Operating expenses		
Research and development expenses	282,776	435,009
Selling, general and administrative expenses	190,913	219,291
Total operating expenses	473,690	654,300
Operating income (loss)	6,180	(532,389)
Non-operating income		
Interest income	595	1,415
Foreign exchange gains	2,718	311
Subsidy income	—	186,451
Reimbursement of research expenses	29,798	19,805
Other	1,055	2,941
Total non-operating income	34,168	210,925
Non-operating expenses		
Share issuance cost	18,373	638
Going public expenses	8,780	—
Total non-operating expenses	27,153	638
Ordinary income (loss)	13,195	(322,103)
Extraordinary losses		
Loss on valuation of investment securities	1,548	—
Total extraordinary losses	1,548	—
Profit (loss) before income taxes	11,646	(322,103)
Income taxes - current	1,348	1,210
Total income taxes	1,348	1,210
Profit (loss)	10,298	(323,313)

Non-consolidated statements of changes in equity

Fiscal year ended March 31, 2015

(Thousands of yen)

	Shareholders' equity							Total net assets
	Capital stock	Deposit for subscriptions to shares	Capital surplus		Retained earnings		Total shareholders' equity	
			Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
					Retained earnings brought forward			
Balance at beginning of current period	1,422,421	—	1,395,921	1,395,921	(2,464,404)	(2,464,404)	353,937	353,937
Changes of items during period								
Issuance of new shares	1,449,170		1,448,670	1,448,670			2,897,840	2,897,840
Application money for stock		900					900	900
Profit (loss)					10,298	10,298	10,298	10,298
Total changes of items during period	1,449,170	900	1,448,670	1,448,670	10,298	10,298	2,909,038	2,909,038
Balance at end of current period	2,871,591	900	2,844,591	2,844,591	(2,454,105)	(2,454,105)	3,262,976	3,262,976

Fiscal year ended March 31, 2016

(Thousands of yen)

	Shareholders' equity							Total net assets
	Capital stock	Deposit for subscriptions to shares	Capital surplus		Retained earnings		Total shareholders' equity	
			Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
					Retained earnings brought forward			
Balance at beginning of current period	2,871,591	900	2,844,591	2,844,591	(2,454,105)	(2,454,105)	3,262,976	3,262,976
Changes of items during period								
Issuance of new shares	49,783		49,783	49,783			99,567	99,567
Transfer of application money for stock	450	(900)	450	450			—	—
Profit (loss)					(323,313)	(323,313)	(323,313)	(323,313)
Total changes of items during period	50,233	(900)	50,233	50,233	(323,313)	(323,313)	(223,746)	(223,746)
Balance at end of current period	2,921,824	—	2,894,824	2,894,824	(2,777,418)	(2,777,418)	3,039,230	3,039,230

Non-consolidated statements of cash flows

	(Thousands of yen)	
	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from operating activities		
Profit (loss) before income taxes	11,646	(322,103)
Depreciation	18,109	13,753
Foreign exchange losses (gains)	(2,733)	0
Share issuance cost	18,373	638
Going public expenses	8,780	—
Loss (gain) on valuation of investment securities	1,548	—
Interest income	(595)	(1,415)
Decrease (increase) in notes and accounts receivable - trade	38,671	31,636
Decrease (increase) in inventories	4,664	(4,077)
Decrease (increase) in accounts receivable - other	9,761	12,368
Increase (decrease) in accounts payable - other	(14,512)	9,894
Other, net	40,558	(67,679)
Subtotal	134,273	(326,982)
Interest income received	1,291	3,859
Income taxes paid	(980)	(1,581)
Net cash provided by (used in) operating activities	134,584	(324,703)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,561)	(47,960)
Net decrease (increase) in short-term investment securities	—	(1,199,342)
Payments into time deposits	(1,300,000)	(1,962,224)
Proceeds from withdrawal of time deposits	—	1,851,005
Payments for lease deposits	—	(3,900)
Net cash provided by (used in) investing activities	(1,302,561)	(1,362,422)
Cash flows from financing activities		
Proceeds from issuance of common shares	2,879,466	98,928
Payments for going public expenses	(8,780)	—
Other, net	900	—
Net cash provided by (used in) financing activities	2,871,586	98,928
Effect of exchange rate change on cash and cash equivalents	2,733	(0)
Net increase (decrease) in cash and cash equivalents	1,706,342	(1,588,197)
Cash and cash equivalents at beginning of period	330,965	2,037,307
Cash and cash equivalents at end of period	2,037,307	449,110