

Translation

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Summary of Non-Consolidated Financial Results for the Year Ended March 31, 2017 (Based on Japanese GAAP)

May 12, 2017

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 28, 2017
 Scheduled date to file Securities Report: June 29, 2017
 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, 2017 (from April 1, 2016 to March 31, 2017)

(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, 2017	93	(23.1)	(785)	–	(658)	–	(646)	–
Year ended March 31, 2016	121	(74.6)	(532)	–	(322)	–	(323)	–

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary income/total assets	Operating income/Operating revenues
	Yen	Yen	%	%	%
Year ended March 31, 2017	(48.83)	–	(23.6)	(23.2)	(838.1)
Year ended March 31, 2016	(24.92)	–	(10.3)	(9.8)	(436.7)

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

Year ended March 31, 2017 ¥– Million

Year ended March 31, 2016 ¥– Million

Note: Diluted earnings per share is not shown because a net loss per share was incurred even though dilutive common shares exist.

(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, 2017	2,495	2,438	97.7	183.27
As of March 31, 2016	3,183	3,039	95.5	231.21

Reference: Equity As of March 31, 2017 ¥2,438 Million

As of March 31, 2016 ¥3,039 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, 2017	(706)	594	45	382
Year ended March 31, 2016	(324)	(1,362)	98	449

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	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, 2016	—	0.00	—	0.00	0.00	—	—	—
Year ended March 31, 2017	—	0.00	—	0.00	0.00	—	—	—
Year ending March 31, 2018 (Forecast)	—	0.00	—	0.00	0.00		—	

3. Forecast of non-consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

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	65	(30.3)	(1,002)	—	(873)	—	(875)	—	(65.86)

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, 2018.

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:	Yes
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, 2017	13,286,600 shares	As of March 31, 2016	13,144,800 shares
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Number of treasury shares at the end of the period

As of March 31, 2017	— shares	As of March 31, 2016	— shares
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Average number of shares during the period

Year ended March 31, 2017	13,241,047 shares	Year ended March 31, 2016	12,971,709 shares
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* This financial results report is exempt from the audit procedures.

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

1. 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.
2. Supplementary materials are disclosed via TDnet and available on the Company's website.
3. The Company plans to hold a financial results meeting for institutional investors and analysts on May 18, 2017.

Non-consolidated financial statements

Non-consolidated balance sheets

	(Thousands of yen)	
	As of March 31, 2016	As of March 31, 2017
Assets		
Current assets		
Cash and deposits	1,860,329	1,783,733
Accounts receivable - trade	—	2,075
Securities	1,199,835	599,987
Supplies	5,137	6,166
Advance payments - trade	3,908	417
Prepaid expenses	6,371	8,876
Accounts receivable - other	284	216
Consumption taxes receivable	36,125	31,316
Other	590	310
Total current assets	3,112,581	2,433,100
Non-current assets		
Property, plant and equipment		
Buildings	11,963	19,234
Accumulated depreciation	(11,259)	(11,766)
Buildings, net	704	7,468
Tools, furniture and fixtures	187,265	204,541
Accumulated depreciation	(133,822)	(163,810)
Tools, furniture and fixtures, net	53,443	40,730
Total property, plant and equipment	54,147	48,198
Intangible assets		
Software	144	192
Total intangible assets	144	192
Investments and other assets		
Investment securities	1,529	—
Lease deposits	13,175	12,483
Long-term prepaid expenses	1,841	1,991
Total investments and other assets	16,546	14,475
Total non-current assets	70,838	62,866
Total assets	3,183,419	2,495,967
Liabilities		
Current liabilities		
Accounts payable - other	24,125	29,714
Accrued expenses	7,660	7,853
Income taxes payable	8,421	15,108
Advances received	99,000	—
Deposits received	4,981	4,426
Total current liabilities	144,189	57,103
Total liabilities	144,189	57,103

	(Thousands of yen)	
	As of March 31, 2016	As of March 31, 2017
Net assets		
Shareholders' equity		
Capital stock	2,921,824	2,943,060
Deposit for subscriptions to shares	—	3,765
Capital surplus		
Legal capital surplus	2,894,824	2,916,060
Total capital surplus	2,894,824	2,916,060
Retained earnings		
Other retained earnings		
Retained earnings brought forward	(2,777,418)	(3,424,022)
Total retained earnings	(2,777,418)	(3,424,022)
Total shareholders' equity	3,039,230	2,438,864
Total net assets	3,039,230	2,438,864
Total liabilities and net assets	3,183,419	2,495,967

Non-consolidated statements of income

	(Thousands of yen)	
	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Operating revenues	121,911	93,773
Operating expenses		
Research and development expenses	435,009	610,423
Selling, general and administrative expenses	219,291	269,253
Total operating expenses	654,300	879,677
Operating loss	(532,389)	(785,903)
Non-operating income		
Interest income	1,415	988
Foreign exchange gains	311	6,106
Subsidy income	186,451	119,215
Reimbursement of research expenses	19,805	—
Other	2,941	1,066
Total non-operating income	210,925	127,376
Non-operating expenses		
Share issuance cost	638	338
Total non-operating expenses	638	338
Ordinary loss	(322,103)	(658,864)
Extraordinary income		
Gain on sales of investment securities	—	13,471
Total extraordinary income	—	13,471
Loss before income taxes	(322,103)	(645,393)
Income taxes - current	1,210	1,210
Total income taxes	1,210	1,210
Loss	(323,313)	(646,603)

Non-consolidated statements of changes in equity

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 subscriptions to shares	450	(900)	450	450			–	–
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

Fiscal year ended March 31, 2017

(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	2,921,824	–	2,894,824	2,894,824	(2,777,418)	(2,777,418)	3,039,230	3,039,230
Changes of items during period								
Issuance of new shares	21,236		21,236	21,236			42,472	42,472
Payment of subscriptions to shares		3,765					3,765	3,765
Loss					(646,603)	(646,603)	(646,603)	(646,603)
Total changes of items during period	21,236	3,765	21,236	21,236	(646,603)	(646,603)	(600,366)	(600,366)
Balance at end of current period	2,943,060	3,765	2,916,060	2,916,060	(3,424,022)	(3,424,022)	2,438,864	2,438,864

Non-consolidated statements of cash flows

	(Thousands of yen)	
	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Cash flows from operating activities		
Loss before income taxes	(322,103)	(645,393)
Depreciation	13,753	35,809
Foreign exchange losses (gains)	0	(81)
Share issuance cost	638	338
Loss (gain) on sales of investment securities	—	(13,471)
Interest income	(1,415)	(988)
Decrease (increase) in notes and accounts receivable - trade	31,636	(2,075)
Decrease (increase) in inventories	(4,077)	(1,028)
Decrease (increase) in accounts receivable - other	12,368	—
Increase (decrease) in advances received	—	(99,000)
Increase (decrease) in accounts payable - other	9,894	5,725
Other, net	(67,679)	12,073
Subtotal	(326,982)	(708,093)
Interest income received	3,859	2,329
Income taxes paid	(1,581)	(1,130)
Net cash provided by (used in) operating activities	(324,703)	(706,894)
Cash flows from investing activities		
Purchase of property, plant and equipment	(47,960)	(29,904)
Net decrease (increase) in short-term investment securities	(1,199,342)	599,391
Purchase of intangible assets	—	(169)
Payments into time deposits	(1,962,224)	(2,604,349)
Proceeds from withdrawal of time deposits	1,851,005	2,614,084
Payments for lease deposits	(3,900)	—
Proceeds from sales of investment securities	—	15,000
Net cash provided by (used in) investing activities	(1,362,422)	594,052
Cash flows from financing activities		
Proceeds from issuance of common shares	98,928	42,134
Other, net	—	3,765
Net cash provided by (used in) financing activities	98,928	45,899
Effect of exchange rate change on cash and cash equivalents	(0)	81
Net increase (decrease) in cash and cash equivalents	(1,588,197)	(66,860)
Cash and cash equivalents at beginning of period	2,037,307	449,110
Cash and cash equivalents at end of period	449,110	382,249