

Translation

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Summary of Non-Consolidated Financial Results for the Six Months Ended September 30, 2017 (Based on Japanese GAAP)

November 9, 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)3745
 Scheduled date to file Quarterly Securities Report: November 10, 2017
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly 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 six months ended September 30, 2017 (from April 1, 2017 to September 30, 2017)

(1) Non-consolidated operating results (cumulative)

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	%
Six months ended September 30, 2017	34	(32.0)	(318)	–	(322)	–	(323)	–
Six months ended September 30, 2016	50	(26.8)	(276)	–	(268)	–	(269)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2017	(24.23)	–
Six months ended September 30, 2016	(20.41)	–

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

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2017	2,352	2,199	93.3
As of March 31, 2017	2,495	2,438	97.7

Reference: Equity As of September 30, 2017 ¥2,194 million
 As of March 31, 2017 ¥2,438 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2017	–	0.00	–	0.00	0.00
Year ending March 31, 2018	–	0.00			
Year ending March 31, 2018 (Forecast)			–	0.00	0.00

Note: Revisions to the cash dividends forecast most recently announced: No

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. Revisions to the non-consolidated financial results forecast most recently announced: No

2. The company only provides full-year forecasts as it manages its performance on an annual basis.

3. The company provides its forecasts on a conservative basis for the fiscal year ending on March 31, 2018.

4. Notes

(1) Application of special accounting methods for preparing quarterly non-consolidated financial statements: No

(2) 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

(3) Number of issued shares (common shares)

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

As of September 30, 2017	13,421,600 shares	As of March 31, 2017	13,286,600 shares
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Number of treasury shares at the end of the period

As of September 30, 2017	– shares	As of March 31, 2017	– shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2017	13,350,149 shares	Six months ended September 30, 2016	13,207,351 shares
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* This quarterly financial results summary is not subject to quarterly review 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 quarterly financial results meeting for institutional investors and analysts on November 22, 2017.

Quarterly non-consolidated financial statements

Non-consolidated balance sheets

	(Thousands of yen)	
	As of March 31, 2017	As of September 30, 2017
Assets		
Current assets		
Cash and deposits	1,783,733	1,622,299
Accounts receivable - trade	2,075	—
Securities	599,987	499,994
Supplies	6,166	4,364
Prepaid expenses	8,876	13,779
Other	32,261	127,170
Total current assets	2,433,100	2,267,607
Non-current assets		
Property, plant and equipment	48,198	43,418
Intangible assets	192	425
Investments and other assets	14,475	40,952
Total non-current assets	62,866	84,796
Total assets	2,495,967	2,352,404
Liabilities		
Current liabilities		
Accounts payable - other	29,714	20,062
Accrued expenses	7,853	9,997
Income taxes payable	15,108	13,058
Advances received	—	33,024
Other	4,426	76,891
Total current liabilities	57,103	153,033
Total liabilities	57,103	153,033
Net assets		
Shareholders' equity		
Capital stock	2,943,060	2,978,660
Deposit for subscriptions to shares	3,765	11,982
Capital surplus	2,916,060	2,951,660
Retained earnings	(3,424,022)	(3,747,531)
Total shareholders' equity	2,438,864	2,194,771
Subscription rights to shares	—	4,599
Total net assets	2,438,864	2,199,370
Total liabilities and net assets	2,495,967	2,352,404

Non-consolidated statements of income (cumulative)

	(Thousands of yen)	
	Six months ended September 30, 2016	Six months ended September 30, 2017
Operating revenues	50,185	34,150
Operating expenses		
Research and development expenses	190,861	201,101
Selling, general and administrative expenses	135,363	151,468
Total operating expenses	326,225	352,570
Operating loss	(276,039)	(318,420)
Non-operating income		
Subsidy income	5,998	—
Interest income	606	161
Refunded consumption taxes	171	145
Other	601	248
Total non-operating income	7,378	556
Non-operating expenses		
Share issuance cost	208	4,811
Foreign exchange losses	110	—
Total non-operating expenses	319	4,811
Ordinary loss	(268,980)	(322,675)
Extraordinary losses		
Loss on retirement of non-current assets	—	228
Total extraordinary losses	—	228
Loss before income taxes	(268,980)	(322,904)
Income taxes	605	605
Loss	(269,585)	(323,509)

Non-consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Cash flows from operating activities		
Loss before income taxes	(268,980)	(322,904)
Depreciation	16,194	11,862
Interest income	(606)	(161)
Foreign exchange losses (gains)	178	4
Share issuance cost	208	4,811
Decrease (increase) in notes and accounts receivable - trade	—	2,075
Decrease (increase) in inventories	3,040	1,801
Increase (decrease) in advances received	(54,000)	33,024
Increase (decrease) in accounts payable - other	(949)	(9,535)
Other, net	49,229	(27,054)
Subtotal	(255,684)	(306,075)
Interest income received	1,234	376
Income taxes paid	(954)	(1,038)
Net cash provided by (used in) operating activities	(255,404)	(306,736)
Cash flows from investing activities		
Purchase of property, plant and equipment	(12,809)	(7,331)
Purchase of intangible assets	—	(330)
Net decrease (increase) in short-term investment securities	499,505	99,973
Payments into time deposits	(1,202,865)	(1,801,534)
Proceeds from withdrawal of time deposits	1,002,651	2,001,484
Purchase of shares of subsidiaries and associates	—	(22,552)
Payments for lease deposits	—	(3,657)
Net cash provided by (used in) investing activities	286,482	266,051
Cash flows from financing activities		
Proceeds from issuance of common shares	17,602	66,918
Other, net	—	12,285
Net cash provided by (used in) financing activities	17,602	79,204
Effect of exchange rate change on cash and cash equivalents	(178)	(4)
Net increase (decrease) in cash and cash equivalents	48,501	38,514
Cash and cash equivalents at beginning of period	449,110	382,249
Cash and cash equivalents at end of period	497,611	420,764