Non-consolidated Financial Results
for the Nine Months Ended March 31, 2018
[Japanese GAAP]

May 14, 2018

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Scheduled filing date of quarterly securities report: May 15, 2018
Scheduled starting date of dividend payments: —
Supplementary briefing materials on quarterly financial results: No
Explanatory meeting on quarterly financial results: No

(Amounts of less than one million yen are rounded down)

1. Financial Results for the Nine Months Ended March 31, 2018(July 1, 2017 to March 31, 2018)

(1) Operating results (% indicates changes from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine Months ended March 31, 2018	1,137	(19.8)	(1,328)	-	(1,192)	-	(831)	-
Nine Months ended March 31, 2017	1,417	(47.1)	107	(93.0)	239	(83.5)	164	(83.2)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine Months ended March 31, 2018	(6.93)	-
Nine Months ended March 31, 2017	1.44	1.27

(Note) Based on a resolution made by the Board of Directors of the Company at a meeting held on June 13, 2017, the Company conducted a share split of the Company's common stock at a ratio of 2-for-1, effective July 1, 2017. Net income per share and diluted net income per share are calculated assuming the share split was conducted at the beginning of the previous fiscal year.

(2) Financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of March 31, 2018	12,236	11,542	93.6
As of June 30, 2017	13,628	12,180	89.4

(Reference) Equity As of March 31, 2018: 11,457 million yen
As of June 30, 2017: 12,178 million yen

2. Payment of Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal Year ended June 30, 2017	-	0.00	-	0.00	0.00
Fiscal Year ending June 30, 2018	-	0.00	-		
Fiscal Year ending June 30, 2018 (forecast)				0.00	0.00

(Note) Revisions to the dividend forecast announced most recently: No

3. Financial Forecasts for the Fiscal Year Ending June 30, 2018 (July 1, 2017 to June 30, 2018)

	Net sales	Operating income	Ordinary income	Net income
	Million yen	Million yen	Million yen	Million yen
Fiscal Year	7,000 or more	2,900 or more	3,100 or more	2,100 or more

(Note) Revisions to the consolidated financial forecast announced most recently: No

[Notes]

(1) Adoption of accounting policies specific to the preparation of quarterly financial statements : None

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatements

1) Changes in accounting policies due to amendment to the accounting standards, etc. : None

2) Changes in accounting policies other than 1) above : None

3) Changes in accounting estimates : None

4) Retrospective restatements : None

(3) Number of shares issued (common stock)

1) Number of shares issued at the end of the period (including treasury stock)	As of March 31, 2018	122,714,400 shares	As of June 30, 2017	114,618,400 shares
2) Number of treasury stock at the end of the period	As of March 31, 2018	143,417 shares	As of June 30, 2017	150,200 shares
3) Average number of shares during the period	Nine months ended March 31, 2018	120,028,728 shares	Nine months ended March 31, 2017	114,231,008 shares

(Note) Based on a resolution made by the Board of Directors of the Company at a meeting held on June 13, 2017, the Company conducted a share split of the Company's common stock at a ratio of 2-for-1, effective July 1, 2017. Number of shares issued at the end of the period and average number of shares during the period have been calculated as if the stock split was conducted at the beginning of the previous fiscal year. The number of treasury shares at the end of the period includes shares in the Company held by the Trust & Custody Services Bank, Ltd. (Trust Account E) (150,200 shares as of June 30, 2017, 143,400 shares as of March 31, 2018). In addition, the shares in the Company held by the Trust & Custody Services Bank, Ltd. (Trust Account E) are included in treasury shares excluded from calculating the average number of shares during the period (87,650 shares for the fiscal year ended June 30, 2017, 149,977 shares for the nine months ended March 31, 2018).

* Quarterly financial results reports are not required to be subjected to quarterly review

* Explanation on the appropriate use of operating forecasts and other special instructions

Financial forecasts and other statements regarding the future presented in these materials are based on information currently available and certain assumptions deemed to be reasonable, and are not meant to be taken as commitment of the Company to achieve such results. Actual performance may differ substantially due to various factors.

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1. Qualitative Information on Quarterly Financial Results for the Period under Review

(1) Explanation of Operating Results

During the nine months ended March 31, 2018(from July 1, 2017 to March 31, 2018), the Company continued to make excellent progress in leveraging the PDPS (Peptide Discovery Platform System) technology, its proprietary drug finding platform, across its three business segments; 1) Collaboration Discovery and Development, 2) PDPS Technology Transfer, and 3) In-House/Strategic Discovery and Development. As of March 31, 2018, the Company had 83 discovery & development programs ongoing (*82 at the end of Q2*), 33 of which have reached the Hit-to-Lead stage (*29 at the end of Q2*), 8 of which have reached the Lead-to-Pre-Clinical Stage,4 of which have been selected as Clinical Candidates, and 2 that are currently in clinical testing.

In the Collaboration Discovery and Development segment; On February 15, 2018, the Company announced the initiation of a Molecular Imaging Study in humans from its discovery alliance with Bristol-Myers Squibb ("BMS"). This is the first peptide-PET (Positron Emission Tomography) imaging-conjugate program to enter clinical testing out of the discovery collaboration between the two companies. The PET tracer being advanced in clinical testing was discovered by Bristol-Myers Squibb starting from an active lead macrocyclic peptide identified by PeptiDream using its PDPS technology. The PET tracer consists of a macrocyclic peptide conjugated to a radioligand. The macrocyclic peptide portion of the PET tracer binds to an antigen over-expressed on tumor cells and tumor infiltrating immune cells, thereby accumulating at the site of a tumor and allowing for the noninvasive visualization (potentially longitudinally) of the tumors in patients. In accordance with the Discovery and Development Agreement between the companies, PeptiDream is eligible to receive milestone payments upon the continuation of successful clinical development, in addition to tiered royalties on net sales of the approved product. This program highlights the Company's belief that its peptides can be used in a broad range of products, in addition to therapeutics, including their great potential as bioimaging agents.

On February 15, 2018, the Company announced the achievement of a discovery milestone in the drug discovery alliance with Teijin Pharma, for the identification of hit peptides meeting pre-defined criteria in an undisclosed program. This represents the second discovery program between the companies to achieve this milestone and this achievement entitles the Company to receive an undisclosed milestone payment, which was received in Q3. This program moves into the Hit-to-Lead Stage and continues to make rapid progress toward the identification of a lead candidate for clinical testing.

The Company continues to receive various R&D support payments from its big pharma discovery and development partners, in addition to being eligible for potential pre-clinical and clinical milestones payments as the programs advance. The Company looks forward to announcing future updates as additional milestones are met, and as allowed by the partner companies. In addition, the Company continues to receive considerable interest from multiple big pharma companies interested in partnering with the Company on discovery and development programs.

In the PDPS Technology Transfer segment; as of March 31, 2018, the Company has non-exclusively licensed its PDPS technology to 5 companies; Bristol-Myers Squibb, Novartis, Lilly, Genentech, and Shionogi. The PDPS technology is fully operational at 4 of these companies, with all companies actively using the PDPS technology for drug discovery and development on multiple programs. In accordance with the PDPS technology license agreements, the Company is not informed as to what specific discovery and development programs are being prosecuted by the licensee company until certain initial pre-clinical milestones are achieved. The Company continues to receive various technology license and management payments from the licensee companies, in addition to potential preclinical and clinical milestone payments as the programs advance. The Company expects Shionogi to become operational with the PDPS technology within the current fiscal year. In addition, the Company continues to receive interest from multiple companies interested in licensing the PDPS technology.

In the In-House/Strategic Discovery and Development segment; the Company's move to its new headquarters and research facilities in Kanagawa has now provided much needed lab space and equipment capabilities for the Company to significantly expand its efforts in this segment, which the Company views as an important 3rd segment for future revenue growth. The Company continues to expand the number of In-House/Strategic Discovery and Development programs. The goal of these efforts is to develop the programs to at least the pre-Phase I stage, or potentially post-Phase I/II stage, before seeking to license these programs out to big pharma companies, leveraging the Company's strong big pharma network, for significantly higher financials than can be attained from standard discovery and development deals. The Company has continually been expanding its capabilities in turning hit candidates identified from the PDPS technology into 1) peptide therapeutics, 2) peptide drug conjugates ("PDCs"), and 3) small molecule therapeutics. Programs being developed with Strategic partners, Strategic partners being companies that bring proprietary technology/know-how to combine with the Company's, are under a cost-sharing agreement, in which the costs of discovery and development are equally shared, allowing for the Company to have a far larger share in the program and future revenues if successful.

On February 7, 2018, the Company announced recent progress on the Company's internal novel influenza therapeutic, referred to as PD-001, which is a macrocyclic peptide inhibitor of the Hemagglutinin ("HA") protein which is expressed on the surface of influenza viruses and is involved in the viruses entry into cells. The GLP-compliant bulk synthesis of this peptide was completed, a process that took longer than anticipated, and has continued into toxicology studies. The Company reported that the results thus far have been extremely positive and have shown no toxicity concerns. The Company is currently in discussions with several major pharmaceutical companies regarding clinical co-development and/or out-licensing for this exciting program.

The Company has previously announced strategic partnerships with four companies, one academic institution and one foundation; JCR Pharma, Modulus Discovery, Heptares, Kleo, Kawasaki Medical School, and the Bill & Medlinda Gates Foundation.

The Company and JCR Pharma are jointly working to identify macrocyclic peptides capable of carrying therapeutic cargoes across the normally impenetrable blood-brain-barrier ("BBB"). Such peptides could be conjugated to small molecule, peptide/protein, and/or antibody therapeutics that classically do not cross the BBB and enter the brain, potential allowing for a number of new treatments for neurological disorders. The Company and JCR Pharma aim to validate the functionality of these peptides in animal models for multiple therapeutic cargo types, and then seek to license these peptides out to various companies for specific therapeutic indications. The Company believes that these peptides could be used in a large number of brain targeting products and have significant commercial and therapeutic potential in treating neurological diseases and skeletal-muscular disorders. The Company, in concert with JCR Pharma, is discussing out-licensing strategies, and has received considerable interest from many large pharmaceutical companies that would like access to such peptides.

The Company and Modulus Discovery are working to leverage the expertise of both companies to jointly discover and develop small molecule clinical candidates based on hit candidates identified from the PDPS technology against high value targets. Modulus Discovery is utilizing its computational chemistry technology and expertise to design small molecule candidates in collaboration with the Company and its our internal efforts. The companies jointly share the costs of the discovery and development programs and will co-own any resulting products. The Company has already identified hit candidate peptides against a number of high-value kinase targets, that exhibit the desired inhibition activity independent of ATP-binding (allosteric inhibitors), and the companies are working to attain the structural information needed to enable computational small molecule design efforts. These efforts continue to make excellent progress, and the companies have also discussed the potential for expanding the target space.

The Company and Heptares are working to discover, develop and commercialize novel therapeutics targeting an undisclosed G protein-coupled receptor ("GPCR") with an important role in inflammatory disease. The strategic partnership brings together two powerful technologies, Heptares's StaR platform for GPCR target protein production and the Company's PDPS hit finding technology, in addition to considerable preclinical and clinical development capabilities. Under the agreement, the companies will jointly share the costs and will co-own any resulting products. The companies continue to make exceptional progress and the Company looks forward to providing future updates.

The Company and Kleo Pharmaceuticals ("Kleo") are working to co-discover and develop novel immune-oncology products in multiple indications. The Company will identify macrocyclic peptides using its PDPS technology against multiple oncology targets selected by Kleo, and in turn, Kleo will engineer those candidates into novel Antibody Recruiting Molecule ("ARM") and Synthetic Antibody Mimic ("SyAM") products. The Company will receive a tiered share of the proceeds of any products based on the degree to which the Company funds development of the products. The companies have already assembled some of the first ARM and SyAM compounds and the results look extremely promising for the therapeutic potential of these compounds.

The Company and Kawasaki Medical School are working to develop a peptide therapeutic for the treatment of Duchenne

Muscular Dystrophy ("DMD"), a genetic disorder characterized by progressive muscle degeneration and weakness to which there are no effective treatments. Administration of the jointly developed candidate peptide significantly reduced muscle degeneration and weakness in an animal model of DMD, validating this peptide candidate as a potentially breakthrough treatment for DMD. The Company and the Medical School are continuing preclinical development with the aim of bringing this candidate into human testing in the near future.

The Company and the Bill & Melinda Gates Foundation ("Gates Foundation") are working on multiple discovery and development programs aimed at identifying novel therapeutic macrocyclic peptide candidates to treat Malaria and Tuberculosis, two infectious diseases that disproportionately affect people in the world's poorest countries. Under the terms of the grant, any Gates Foundation-funded products will be made available by Company at an affordable price in poor countries, and the Company will be able to merchandise each Gates Foundation-funded product in developed countries on its own, through licensees or a combination of both.

The Company expects to continue to form strategic partnerships with select-technology-leading bioventures and leading institutions, both in Japan and abroad, to accelerate and expand our clinical pipeline of best-in-class and first-in-class medicines.

The Company has previously announced, along with Shionogi & Co., and Sekisui Chemical Co., Ltd, the formation of PeptiStar Inc., a Contract Manufacturing Organization ("CMO") for the research and commercial manufacture of peptide therapeutics. PeptiStar will bring together the most cutting-edge technologies and innovations in large-scale peptide production from various companies throughout Japan in order to manufacture therapeutic peptides of the highest quality and purity, while simultaneously driving down the cost of production. It is anticipated that PeptiStar will become the go-to CMO for all of the Company's discovery and development partners, in addition to the Company's own in-house/strategic partnered programs. The PeptiStar manufacturing facility will be located in Osaka, with a planned opening in 2019. On March 30, 2018, the Company announced an investment of 1.8 Billion JPY into PeptiStar, giving the Company an ownership stake of 17.3% of PeptiStar, equal to that of both Shionogi and Sekisui Chemical.

On January 12, 2018, the Company announced the hiring of Dr. Kiyofumi Kaneshiro as Executive Vice President. Prior to joining the Company, Dr. Kaneshiro was a Partner and Managing Director at The Boston Consulting Group ("BCG"), where he worked predominantly with clients in the pharmaceutical and medtech sectors, leading a broad range of projects in his 11+ years at BCG, including corporate growth strategy development, M&A strategy development, new business launch, and R&D productivity enhancement. As announced by the Company on February 21, 2018, under a revamped organizational structure, Executive Vice President Dr. Kaneshiro and Executive Vice President, Dr. Keiichi Masuya, will work directly with President Dr. Patrick C. Reid, to manage and direct all scientific, strategic, and business efforts at the Company. On February 13, 2018, the Company announced the resignation of Yoshiyuki Sekine from the Company and the Company's Board of Directors. Mr. Sekine was instrumental in the Company's 2013 Initial Public Offering ("IPO") and in transitioning the Company from the Mothers Market to the First Section of the Tokyo Stock Exchange in late 2015, and now leaves the Company to leverage this knowhow for other nonpublic companies aspiring to go public.

On February 1st, the Company was announced as the recipient of the Grand Prize for High Growth Company at the 12th IPO Award Ceremony at the Tokyo New Business Conference.

As of March 31, 2018, the Company had a total of 84 employees (approximately 40% of employees are women; 91 employees when including executive officers), representing an addition of 8 employees during the Q3 quarter. The Company also has the equivalent of 15 chemists in China, through a contract research organization ("CRO"), working on amino acid and small molecule chemistry.

As a result, the Company reported net sales of 1,137,215 thousand yen (a decrease of 280,134 thousand yen year on year), an operating loss of 1,328,643 thousand yen (operating income of 107,899 thousand yen in the same period of the previous fiscal year), an ordinary loss of 1,192,287 thousand yen (ordinary income of 239,865 thousand yen in the same period of the previous fiscal year) and a net loss of 831,384 thousand yen (net income of 164,512 thousand yen in the same period of the previous fiscal year) for the nine months ended March 31, 2018. The main reason for the net loss was due to an increase in research and development expenses, and increased operating costs and increasing depreciation expenses due to the new company facilities, and the one-time payment (314,804 thousand yen) to Kleo Pharmaceuticals. Research and development expenses for the nine months ended March 31, 2018 amounted to 771,438 thousand yen (an increase of 507,955 thousand yen year on year). All expenses related to the new headquarters/laboratory were paid out of cash flows. The Company has no long-term debt.

The Company operates in a single business segment, and thus statements for segment information are omitted.

(2) Explanation of Financial Position

1) Analysis of financial position

Total assets at the end of the third quarter ended March 31, 2018 decreased by 1,392,428 thousand yen from the end of the previous fiscal year to 12,236,024 thousand yen. This was mainly because cash and deposits decreased by 3,182,544 thousand yen and construction in progress decreased by 3,488,283 thousand yen, despite an increase in buildings, net, by 4,362,422 thousand yen and an increase in tools, furniture and fixtures, net, by 928,069 thousand yen.

Liabilities decreased by 753,740 thousand yen from the end of the previous fiscal year to 693,910 thousand yen. This was mainly because accrued expenses and income taxes payable and advances received decreased by 275,859 thousand yen and 264,807 thousand yen and 124,347 thousand yen, respectively.

Net assets decreased by 638,687 thousand yen from the end of the previous fiscal year to 11,542,114 thousand yen. This was mainly due to a decrease of 831,384 thousand yen in retained earnings by net loss.

2) Analysis of status of cash flows

Cash and cash equivalents for the nine months ended March 31, 2018 decreased by 3,182,544 thousand yen from the end of the previous fiscal year to 3,374,135 thousand yen.

Status of cash flows and related factors during the nine months ended March 31, 2018 are described below.

(Cash flow from operating activities)

Cash flow from operating activities resulted in a cash outflow of 778,336 thousand yen (an inflow of 129,367 thousand yen in the same quarter of the previous fiscal year). This was mainly due to the recording of loss before income taxes of 1,195,110 thousand yen, income taxes paid amounting to 544,287 thousand yen, a decrease in advances received of 124,347 thousand yen and a decrease in accrued expenses of 275,859 thousand yen, despite a decrease in notes and accounts receivable ‐ trade of 1,629,509 thousand yen.

(Cash flow from investing activities)

Cash flow from investing activities resulted in a cash outflow of 2,537,608 thousand yen (a 664,972 thousand yen increase in outflow year on year). This was mainly due to 2,394,021 thousand yen for purchase of property, plant and equipment, and 100,000 thousand yen for purchase of shares of subsidiaries and associates.

(Cash flow from financing activities)

Cash flow from financing activities resulted in a cash inflow of 171,537 thousand yen (a 125,957 thousand yen increase in inflow year on year). This was mainly due to proceeds from issuance of shares resulting from exercise of subscription rights to shares amounting to 88,936 thousand yen and proceeds from issuance of subscription rights to shares amounting to 82,660 thousand yen.

(3) Explanation of Financial Forecasts and Other Forward-looking Information

While every income item recorded a loss, the results for the nine months ended March 31, 2018 were in line with Company's full-year forecasts, and the financial forecasts remain unchanged for the fiscal year ending June 30, 2018 as announced on August 9, 2017.

	Results for the nine months ended March 31, 2017	Results for the full year ended June 30, 2017	Results for the nine months ended March 31, 2018	Forecasts for the full year ending June 30, 2018
Capital expenditures (million yen)	1,836	1,890	2,389	2,639
Depreciation expense (million yen)	131	174	395	562
Research and development expenses (million yen)	263	362	771	922
Year-end headcount (employees*)	62	67	84	86

*Year-end headcount includes both full-time and temp staff.

2. Summary Information (Notes)

(1) Adoption of Accounting Policies Specific to the Preparation of Quarterly Financial Statements

Not applicable.

(2) Changes in Accounting Policies, Changes in Accounting Estimates and Retrospective Restatements

Not applicable.

3. Quarterly Financial Statements

(1) Quarterly Balance Sheets

(Thousands of yen)

	As of June 30, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	6,556,679	3,374,135
Accounts receivable - trade	1,754,752	125,242
Prepaid expenses	74,247	61,096
Income taxes receivable	-	350,012
Deferred tax assets	135,732	492,901
Other	-	607,340
Total current assets	8,521,412	5,010,729
Non-current assets		
Property, plant and equipment		
Buildings, net	1,598	4,364,020
Structures, net	-	198,653
Tools, furniture and fixtures, net	291,763	1,219,832
Land	1,000,000	1,004,545
Construction in progress	3,562,285	74,002
Total property, plant and equipment	4,855,647	6,861,054
Intangible assets		
Goodwill	62,456	47,264
Software	4,705	76,983
Other	54,710	1,852
Total intangible assets	121,872	126,099
Investments and other assets		
Shares of subsidiaries and associates	-	100,000
Long-term loans receivable	100,000	100,000
Long-term prepaid expenses	14,928	21,239
Deferred tax assets	966	9,279
Other	13,624	7,621
Total investments and other assets	129,520	238,140
Total non-current assets	5,107,040	7,225,294
Total assets	13,628,452	12,236,024
Liabilities		
Current liabilities		
Accounts payable - trade	23,792	23,038
Accounts payable - other	62,250	66,231
Accrued expenses	342,468	66,608
Income taxes payable	264,807	-
Advances received	357,204	232,857
Deposits received	76,311	17,061
Asset retirement obligations	15,600	-
Other	205,215	207,619
Total current liabilities	1,347,650	613,416
Non-current liabilities		
Provision for directors' share benefits	100,000	80,493
Total non-current liabilities	100,000	80,493
Total liabilities	1,447,650	693,910

(Thousands of yen)

	As of June 30, 2017	As of March 31, 2018
Net assets		
Shareholders' equity		
Capital stock	3,870,769	3,915,983
Capital surplus	3,867,051	3,912,265
Retained earnings	4,871,608	4,040,224
Treasury stock	(430,869)	(411,420)
Total shareholders' equity	12,178,559	11,457,052
Subscription rights to shares	2,242	85,062
Total net assets	12,180,801	11,542,114
Total liabilities and net assets	13,628,452	12,236,024

(2) Quarterly Statements of Income

Nine months ended March 31, 2017 and 2018

(Thousands of yen)

	Nine months ended March 31, 2017	Nine months ended March 31, 2018
Net sales	1,417,349	1,137,215
Cost of sales	696,963	1,102,287
Gross profit	720,386	34,927
Selling, general and administrative expenses	612,486	1,363,571
Operating income (loss)	107,899	(1,328,643)
Non-operating income		
Interest income	1,017	1,644
Foreign exchange gains	45,969	-
Operation consignment fee	86,665	178,612
Other	27	457
Total non-operating income	133,679	180,714
Non-operating expenses		
Share issuance cost	1,713	312
Issuance cost of subscription rights to shares	-	3,928
Foreign exchange loss	-	40,118
Total non-operating expenses	1,713	44,358
Ordinary income (loss)	239,865	(1,192,287)
Extraordinary losses		
Loss on retirement of non-current assets	287	2,822
Total extraordinary losses	287	2,822
Income (loss) before income taxes	239,577	(1,195,110)
Income taxes - current	2,850	1,755
Income taxes - deferred	72,215	(365,481)
Total income taxes	75,065	(363,726)
Net income (loss)	164,512	(831,384)

(3) Quarterly Statements of Cash Flows

(Thousands of yen)

	Nine months ended March 31, 2017	Nine months ended March 31, 2018
Cash flow from operating activities		
Income (loss) before income taxes	239,577	(1,195,110)
Depreciation	131,664	395,908
Amortization of goodwill	15,192	15,192
Interest and dividend income	(1,017)	(1,644)
Foreign exchange losses (gains)	(16,857)	38,137
Share issuance cost	1,713	312
Loss on retirement of non-current assets	287	2,822
Decrease (increase) in notes and accounts receivable - trade	1,336,706	1,629,509
Decrease (increase) in prepaid expenses	(4,722)	13,151
Increase (decrease) in notes and accounts payable - trade	21,380	(753)
Increase (decrease) in accounts payable - other	(25,399)	8,044
Increase (decrease) in accrued expenses	(162,413)	(275,859)
Increase (decrease) in advances received	(156,310)	(124,347)
Increase (decrease) in deposits received	(53,531)	(59,249)
Other, net	(35,982)	(681,806)
Subtotal	1,290,288	(235,693)
Interest and dividend income received	1,017	1,644
Income taxes paid	(1,161,937)	(544,287)
Net cash provided by (used in) operating activities	129,367	(778,336)
Cash flows from investing activities		
Purchase of shares of subsidiaries and associates	-	(100,000)
Purchase of property, plant and equipment	(1,847,197)	(2,394,021)
Purchase of intangible assets	(20,738)	(33,601)
Other, net	(4,699)	(9,985)
Net cash provided by (used in) investing activities	(1,872,635)	(2,537,608)
Cash flows from financing activities		
Proceeds from issuance of shares resulting from exercise of subscription rights to shares	476,449	88,936
Proceeds from issuance of subscription rights to shares	-	82,660
Purchase of treasury stock	(430,869)	(58)
Net cash provided by (used in) financing activities	45,580	171,537
Effect of exchange rate change on cash and cash equivalents	16,857	(38,137)
Net increase (decrease) in cash and cash equivalents	(1,680,830)	(3,182,544)
Cash and cash equivalents at beginning of period	6,909,149	6,556,679
Cash and cash equivalents at end of period	5,228,319	3,374,135

(4) Notes to Quarterly Financial Statements

(Notes regarding going concern assumption)

Not applicable.

(Notes in case of significant changes in equity)

Not applicable.