

Translation

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Summary of Non-Consolidated Financial Results for the Year Ended March 31, 2018 (Based on Japanese GAAP)

May 14, 2018

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 of ordinary general meeting of shareholders: June 28, 2018
 Scheduled date to file Securities Report: June 29, 2018
 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, 2018 (from April 1, 2017 to March 31, 2018)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Operating revenues		Operating income		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2018	64	(31.0)	(899)	–	(751)	–	(753)	–
Year ended March 31, 2017	93	(23.1)	(785)	–	(658)	–	(646)	–

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary income / total assets	Operating income / Operating revenues
	Yen	Yen	%	%	%
Year ended March 31, 2018	(55.61)	–	(32.3)	(31.2)	(1,390.3)
Year ended March 31, 2017	(48.83)	–	(23.6)	(23.2)	(838.1)

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

Year ended March 31, 2018 ¥– Million

Year ended March 31, 2017 ¥– 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, 2018	2,326	2,227	95.6	156.54
As of March 31, 2017	2,495	2,438	97.7	183.27

Reference: Equity As of March 31, 2018 ¥2,224 Million

As of March 31, 2017 ¥2,438 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, 2018	(694)	958	534	1,179
Year ended March 31, 2017	(706)	594	45	382

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, 2017	—	0.00	—	0.00	0.00	—	—	—
Year ended March 31, 2018	—	0.00	—	0.00	0.00	—	—	—
Year ending March 31, 2019 (Forecast)	—	0.00	—	0.00	0.00		—	

3. Forecast of non-consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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	4	(93.5)	(1,090)	—	(997)	—	(998)	—	(70.25)

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, 2019.

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, 2018	14,213,100 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 March 31, 2018	— shares	As of March 31, 2017	— shares
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Average number of shares during the period

Year ended March 31, 2018	13,542,236 shares	Year ended March 31, 2017	13,241,047 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 21, 2018.

Non-consolidated financial statements

Non-consolidated balance sheets

	(Thousands of yen)	
	As of March 31, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	1,783,733	1,580,937
Accounts receivable - trade	2,075	—
Securities	599,987	599,987
Supplies	6,166	3,212
Advance payments - trade	417	10,872
Prepaid expenses	8,876	7,822
Accounts receivable - other	216	757
Consumption taxes receivable	31,316	33,832
Other	310	2,697
Total current assets	2,433,100	2,240,119
Non-current assets		
Property, plant and equipment		
Buildings	19,234	22,555
Accumulated depreciation	(11,766)	(12,649)
Buildings, net	7,468	9,905
Tools, furniture and fixtures	204,541	217,823
Accumulated depreciation	(163,810)	(181,878)
Tools, furniture and fixtures, net	40,730	35,945
Total property, plant and equipment	48,198	45,850
Intangible assets		
Software	192	423
Total intangible assets	192	423
Investments and other assets		
Shares of subsidiaries and associates	—	22,552
Lease deposits	12,483	15,347
Long-term prepaid expenses	1,991	2,627
Total investments and other assets	14,475	40,526
Total non-current assets	62,866	86,800
Total assets	2,495,967	2,326,919
Liabilities		
Current liabilities		
Accounts payable - other	29,714	65,267
Accrued expenses	7,853	10,558
Income taxes payable	15,108	17,332
Deposits received	4,426	6,589
Total current liabilities	57,103	99,748
Total liabilities	57,103	99,748

	(Thousands of yen)	
	As of March 31, 2017	As of March 31, 2018
Net assets		
Shareholders' equity		
Capital stock	2,943,060	3,214,482
Deposit for subscriptions to shares	3,765	—
Capital surplus		
Legal capital surplus	2,916,060	3,187,482
Total capital surpluses	2,916,060	3,187,482
Retained earnings		
Other retained earnings		
Retained earnings brought forward	(3,424,022)	(4,177,070)
Total retained earnings	(3,424,022)	(4,177,070)
Total shareholders' equity	2,438,864	2,224,893
Share acquisition rights	—	2,278
Total net assets	2,438,864	2,227,171
Total liabilities and net assets	2,495,967	2,326,919

Non-consolidated statements of income

	(Thousands of yen)	
	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Operating revenues	93,773	64,727
Operating expenses		
Research and development expenses	610,423	663,809
Selling, general and administrative expenses	269,253	300,812
Total operating expenses	879,677	964,622
Operating loss	(785,903)	(899,894)
Non-operating income		
Interest income	988	394
Foreign exchange gains	6,106	—
Subsidy income	119,215	155,037
Other	1,066	631
Total non-operating income	127,376	156,064
Non-operating expenses		
Share issuance cost	338	6,787
Foreign exchange losses	—	992
Total non-operating expenses	338	7,779
Ordinary loss	(658,864)	(751,609)
Extraordinary income		
Gain on sales of investment securities	13,471	—
Total extraordinary income	13,471	—
Extraordinary losses		
Loss on retirement of non-current assets	—	228
Total extraordinary losses	—	228
Loss before income taxes	(645,393)	(751,838)
Income taxes - current	1,210	1,210
Total income taxes	1,210	1,210
Loss	(646,603)	(753,048)

Non-consolidated statements of changes in equity

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

Fiscal year ended March 31, 2018

(Thousands of yen)

	Shareholders' equity							Share acquisition rights	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	2,943,060	3,765	2,916,060	2,916,060	(3,424,022)	(3,424,022)	2,438,864	—	2,438,864
Changes of items during period									
Issuance of new shares	269,538		269,538	269,538			539,077		539,077
Transfer of subscriptions to shares	1,882	(3,765)	1,882	1,882			—		—
Loss					(753,048)	(753,048)	(753,048)		(753,048)
Net changes of items other than shareholders' equity								2,278	2,278
Total changes of items during period	271,421	(3,765)	271,421	271,421	(753,048)	(753,048)	(213,970)	2,278	(211,692)
Balance at end of current period	3,214,482	—	3,187,482	3,187,482	(4,177,070)	(4,177,070)	2,224,893	2,278	2,227,171

Non-consolidated statements of cash flows

	(Thousands of yen)	
	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Cash flows from operating activities		
Loss before income taxes	(645,393)	(751,838)
Depreciation	35,809	25,606
Foreign exchange losses (gains)	(81)	1,495
Share issuance cost	338	6,787
Loss (gain) on sales of investment securities	(13,471)	—
Interest income	(988)	(394)
Decrease (increase) in notes and accounts receivable - trade	(2,075)	2,075
Decrease (increase) in inventories	(1,028)	2,953
Decrease (increase) in accounts receivable - other	—	(659)
Increase (decrease) in advances received	(99,000)	—
Increase (decrease) in accounts payable - other	5,725	26,670
Other, net	12,073	(7,174)
Subtotal	(708,093)	(694,477)
Interest income received	2,329	771
Income taxes paid	(1,130)	(1,091)
Net cash provided by (used in) operating activities	(706,894)	(694,797)
Cash flows from investing activities		
Purchase of property, plant and equipment	(29,904)	(14,336)
Net decrease (increase) in short-term investment securities	599,391	(27)
Purchase of intangible assets	(169)	(499)
Payments into time deposits	(2,604,349)	(2,203,121)
Proceeds from withdrawal of time deposits	2,614,084	3,203,019
Payments for lease deposits	—	(3,657)
Purchase of shares of subsidiaries and associates	—	(22,552)
Proceeds from sales of investment securities	15,000	—
Net cash provided by (used in) investing activities	594,052	958,825
Cash flows from financing activities		
Proceeds from issuance of common shares	42,134	534,265
Other, net	3,765	303
Net cash provided by (used in) financing activities	45,899	534,568
Effect of exchange rate change on cash and cash equivalents	81	(1,495)
Net increase (decrease) in cash and cash equivalents	(66,860)	797,101
Cash and cash equivalents at beginning of period	449,110	382,249
Cash and cash equivalents at end of period	382,249	1,179,351