

Translation

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Summary of Non-Consolidated Financial Results for the Six Months Ended September 30, 2018 (Based on Japanese GAAP)

November 13, 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 to file Quarterly Securities Report: November 14, 2018
 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, 2018 (from April 1, 2018 to September 30, 2018)

(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, 2018	0	(100.0)	(463)	–	(473)	–	(474)	–
Six months ended September 30, 2017	34	(32.0)	(318)	–	(322)	–	(323)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2018	(33.07)	–
Six months ended September 30, 2017	(24.23)	–

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, 2018	2,977	1,845	61.9
As of March 31, 2018	2,326	2,227	95.6

Reference: Equity As of September 30, 2018 ¥1,843 million
 As of March 31, 2018 ¥2,224 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, 2018	–	0.00	–	0.00	0.00
Year ending March 31, 2019	–	0.00			
Year ending March 31, 2019 (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, 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
Full year	Millions of yen 4	% (93.5)	Millions of yen (1,090)	% —	Millions of yen (997)	% —	Millions of yen (998)	% —	Yen (70.25)

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, 2019.

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, 2018	14,389,900 shares	As of March 31, 2018	14,213,100 shares
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Number of treasury shares at the end of the period

As of September 30, 2018	— shares	As of March 31, 2018	— 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, 2018	14,351,121 shares	Six months ended September 30, 2017	13,350,149 shares
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* This quarterly financial results summary is not subject to quarterly review procedures by certified public accountants or auditing firms.

* 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 19, 2018.

Quarterly non-consolidated financial statements
Non-consolidated balance sheets

	(Thousands of yen)	
	As of March 31, 2018	As of September 30, 2018
Assets		
Current assets		
Cash and deposits	1,580,937	1,538,892
Securities	599,987	1,299,994
Supplies	3,212	2,692
Prepaid expenses	7,822	14,278
Consumption taxes receivable	33,832	14,929
Other	14,327	28,012
Total current assets	2,240,119	2,898,800
Non-current assets		
Property, plant and equipment	45,850	37,281
Intangible assets	423	662
Investments and other assets	40,526	40,358
Total non-current assets	86,800	78,302
Total assets	2,326,919	2,977,102
Liabilities		
Current liabilities		
Accounts payable - other	65,267	39,705
Accrued expenses	10,558	11,027
Income taxes payable	17,332	15,949
Other	6,589	65,327
Total current liabilities	99,748	132,010
Non-current liabilities		
Convertible bond-type bonds with share acquisition rights	—	1,000,000
Total non-current liabilities	—	1,000,000
Total liabilities	99,748	1,132,010
Net assets		
Shareholders' equity		
Capital stock	3,214,482	3,261,040
Capital surplus	3,187,482	3,234,040
Retained earnings	(4,177,070)	(4,651,623)
Total shareholders' equity	2,224,893	1,843,458
Share acquisition rights	2,278	1,634
Total net assets	2,227,171	1,845,092
Total liabilities and net assets	2,326,919	2,977,102

Non-consolidated statements of income (cumulative)

	(Thousands of yen)	
	Six months ended September 30, 2017	Six months ended September 30, 2018
Operating revenues	34,150	—
Operating expenses		
Research and development expenses	201,101	297,877
Selling, general and administrative expenses	151,468	165,447
Total operating expenses	352,570	463,324
Operating loss	(318,420)	(463,324)
Non-operating income		
Interest income	161	360
Foreign exchange gains	82	393
Other	312	276
Total non-operating income	556	1,030
Non-operating expenses		
Share issuance cost	4,811	11,438
Total non-operating expenses	4,811	11,438
Ordinary loss	(322,675)	(473,732)
Extraordinary losses		
Loss on retirement of non-current assets	228	214
Total extraordinary losses	228	214
Loss before income taxes	(322,904)	(473,947)
Income taxes	605	605
Loss	(323,509)	(474,552)

Non-consolidated statements of cash flows

	(Thousands of yen)	
	Six months ended September 30, 2017	Six months ended September 30, 2018
Cash flows from operating activities		
Loss before income taxes	(322,904)	(473,947)
Depreciation	11,862	13,316
Interest income	(161)	(360)
Foreign exchange losses (gains)	4	(1,539)
Share issuance cost	4,811	11,438
Decrease (increase) in notes and accounts receivable - trade	2,075	—
Decrease (increase) in inventories	1,801	519
Increase (decrease) in advances received	33,024	4,750
Increase (decrease) in accounts payable - other	(9,535)	(16,296)
Other, net	(27,054)	52,597
Subtotal	(306,075)	(409,522)
Interest income received	376	525
Income taxes paid	(1,038)	(1,185)
Net cash provided by (used in) operating activities	(306,736)	(410,182)
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,331)	(14,056)
Purchase of intangible assets	(330)	(380)
Net decrease (increase) in short-term investment securities	99,973	(699,999)
Payments into time deposits	(1,801,534)	(401,636)
Proceeds from withdrawal of time deposits	2,001,484	401,586
Purchase of shares of subsidiaries and associates	(22,552)	—
Payments for lease deposits	(3,657)	—
Net cash provided by (used in) investing activities	266,051	(714,486)
Cash flows from financing activities		
Proceeds from issuance of common shares	66,918	92,092
Proceeds from issuance of convertible bond-type bonds with acquisition rights to shares	—	989,124
Other, net	12,285	(183)
Net cash provided by (used in) financing activities	79,204	1,081,033
Effect of exchange rate change on cash and cash equivalents	(4)	1,539
Net increase (decrease) in cash and cash equivalents	38,514	(42,095)
Cash and cash equivalents at beginning of period	382,249	1,179,351
Cash and cash equivalents at end of period	420,764	1,137,255