

Translation

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Summary of Non-Consolidated Financial Results for the Year Ended March 31, 2019 (Based on Japanese GAAP)

May 14, 2019

Company name: RIBOMIC Inc.
 Stock exchange listing: Tokyo
 Stock code: 4591 URL <https://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 27, 2019
 Scheduled date to file Securities Report: June 28, 2019
 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, 2019 (from April 1, 2018 to March 31, 2019)

(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, 2019	7	(87.7)	(928)	–	(835)	–	(836)	–
Year ended March 31, 2018	64	(31.0)	(899)	–	(751)	–	(753)	–

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary income /total assets	Operating income / Operating revenues
	Yen	Yen	%	%	%
Year ended March 31, 2019	(58.22)	–	(45.1)	(34.1)	(11,681.8)
Year ended March 31, 2018	(55.61)	–	(32.3)	(31.2)	(1,390.3)

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

Year ended March 31, 2019 ¥ – Million

Year ended March 31, 2018 ¥ – 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, 2019	2,569	1,483	57.7	102.95
As of March 31, 2018	2,326	2,227	95.6	156.54

Reference: Equity As of March 31, 2019 ¥1,481 Million

As of March 31, 2018 ¥2,224 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, 2019	(830)	(418)	1,080	1,012
Year ended March 31, 2018	(694)	958	534	1,179

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, 2018	—	0.00	—	0.00	0.00	—	—	—
Year ended March 31, 2019	—	0.00	—	0.00	0.00	—	—	—
Year ending March 31, 2020 (Forecast)	—	0.00	—	0.00	0.00		—	

3. Forecast of non-consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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	116	—	(1,055)	—	(987)	—	(988)	—	(68.69)

Note: The Company only provides full-year forecasts as it manages its performance on an annual basis.

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, 2019	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 March 31, 2019	— shares	As of March 31, 2018	— shares
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Average number of shares during the period

Year ended March 31, 2019	14,370,457 shares	Year ended March 31, 2018	13,542,236 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 16, 2019.

Non-consolidated financial statements

Non-consolidated balance sheets

	(Thousands of yen)	
	As of March 31, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	1,580,937	1,413,982
Securities	599,987	999,994
Supplies	3,212	8,182
Advance payments - trade	10,872	48,179
Prepaid expenses	7,822	8,914
Accounts receivable - other	757	185
Consumption taxes receivable	33,832	22,273
Other	2,697	301
Total current assets	2,240,119	2,502,014
Non-current assets		
Property, plant and equipment		
Buildings	22,555	22,555
Accumulated depreciation	(12,649)	(13,619)
Buildings, net	9,905	8,935
Tools, furniture and fixtures	217,823	223,297
Accumulated depreciation	(181,878)	(206,577)
Tools, furniture and fixtures, net	35,945	16,719
Total property, plant and equipment	45,850	25,654
Intangible assets		
Software	423	2,404
Total intangible assets	423	2,404
Investments and other assets		
Shares of subsidiaries and associates	22,552	22,552
Leasehold deposits	15,347	14,453
Long-term prepaid expenses	2,627	1,956
Total investments and other assets	40,526	38,962
Total non-current assets	86,800	67,021
Total assets	2,326,919	2,569,036
Liabilities		
Current liabilities		
Accounts payable - other	65,267	35,471
Accrued expenses	10,558	11,272
Income taxes payable	17,332	18,455
Advances received	—	6,750
Deposits received	6,589	7,567
Other	—	6,500
Total current liabilities	99,748	86,016
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	1,086,016

	(Thousands of yen)	
	As of March 31, 2018	As of March 31, 2019
Net assets		
Shareholders' equity		
Capital stock	3,214,482	3,261,040
Capital surplus		
Legal capital surplus	3,187,482	3,234,040
Total capital surpluses	3,187,482	3,234,040
Retained earnings		
Other retained earnings		
Retained earnings brought forward	(4,177,070)	(5,013,695)
Total retained earnings	(4,177,070)	(5,013,695)
Total shareholders' equity	2,224,893	1,481,385
Share acquisition rights	2,278	1,634
Total net assets	2,227,171	1,483,019
Total liabilities and net assets	2,326,919	2,569,036

Non-consolidated statements of income

	(Thousands of yen)	
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Operating revenues	64,727	7,949
Operating expenses		
Research and development expenses	663,809	612,979
Selling, general and administrative expenses	300,812	323,596
Total operating expenses	964,622	936,576
Operating loss	(899,894)	(928,626)
Non-operating income		
Interest income	394	823
Subsidy income	155,037	103,611
Other	631	610
Total non-operating income	156,064	105,045
Non-operating expenses		
Share issuance cost	6,787	11,498
Foreign exchange losses	992	119
Other	—	0
Total non-operating expenses	7,779	11,618
Ordinary loss	(751,609)	(835,200)
Extraordinary losses		
Loss on retirement of non-current assets	228	214
Total extraordinary losses	228	214
Loss before income taxes	(751,838)	(835,414)
Income taxes - current	1,210	1,210
Total income taxes	1,210	1,210
Loss	(753,048)	(836,624)

Non-consolidated statements of changes in equity

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

Fiscal year ended March 31, 2019

(Thousands of yen)

	Shareholders' equity						Share acquisition rights	Total net assets
	Capital stock	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	3,214,482	3,187,482	3,187,482	(4,177,070)	(4,177,070)	2,224,893	2,278	2,227,171
Changes of items during period								
Issuance of new shares	46,558	46,558	46,558			93,117		93,117
Loss				(836,624)	(836,624)	(836,624)		(836,624)
Net changes of items other than shareholders' equity							(644)	(644)
Total changes of items during period	46,558	46,558	46,558	(836,624)	(836,624)	(743,507)	(644)	(744,152)
Balance at end of current period	3,261,040	3,234,040	3,234,040	(5,013,695)	(5,013,695)	1,481,385	1,634	1,483,019

Non-consolidated statements of cash flows

	(Thousands of yen)	
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from operating activities		
Loss before income taxes	(751,838)	(835,414)
Depreciation	25,606	27,503
Foreign exchange losses (gains)	1,495	(839)
Share issuance cost	6,787	11,498
Interest income	(394)	(823)
Decrease (increase) in notes and accounts receivable - trade	2,075	—
Decrease (increase) in inventories	2,953	(4,970)
Decrease (increase) in accounts receivable - other	(659)	659
Increase (decrease) in advances received	—	6,750
Increase (decrease) in accounts payable - other	26,670	(20,964)
Other, net	(7,174)	(13,866)
Subtotal	(694,477)	(830,468)
Interest income received	771	1,301
Income taxes paid	(1,091)	(1,297)
Net cash provided by (used in) operating activities	(694,797)	(830,464)
Cash flows from investing activities		
Purchase of property, plant and equipment	(14,336)	(15,794)
Net decrease (increase) in short-term investment securities	(27)	(399,999)
Purchase of intangible assets	(499)	(2,511)
Payments into time deposits	(2,203,121)	(803,325)
Proceeds from withdrawal of time deposits	3,203,019	803,223
Payments for lease deposits	(3,657)	—
Purchase of shares of subsidiaries and associates	(22,552)	—
Net cash provided by (used in) investing activities	958,825	(418,407)
Cash flows from financing activities		
Proceeds from issuance of common shares	534,265	92,032
Proceeds from issuance of convertible bond-type bonds with subscription rights to shares	—	989,124
Other, net	303	(183)
Net cash provided by (used in) financing activities	534,568	1,080,973
Effect of exchange rate change on cash and cash equivalents	(1,495)	839
Net increase (decrease) in cash and cash equivalents	797,101	(167,057)
Cash and cash equivalents at beginning of period	382,249	1,179,351
Cash and cash equivalents at end of period	1,179,351	1,012,293