Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Non-Consolidated Financial Results for the Six Months Ended September 30, 2019 (Based on Japanese GAAP)

November 12, 2019

Company name: RIBOMIC Inc.
Stock exchange listing: Tokyo
Stock code: 4591 URL https://www.ribomic.com/
Representative: President and CEO Yoshikazu Nakamura
Inquiries: Executive Senior Director of Business Administration Masayuki Miyazaki TEL 03（3440）3745
Scheduled date to file Quarterly Securities Report: November 13, 2019
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, 2019 (from April 1, 2019 to September 30, 2019)

(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, 2019	3	–	(400)	–	(398)	–	(399)	–
Six months ended September 30, 2018	–	(100.0)	(463)	–	(473)	–	(474)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2019	(25.91)	–
Six months ended September 30, 2018	(33.07)	–

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, 2019	2,430	2,120	87.2
As of March 31, 2019	2,569	1,483	57.7

Reference: Equity As of September 30, 2019 ¥2,118 million
As of March 31, 2019 ¥1,481 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, 2019	–	0.00	–	0.00	0.00
Year ending March 31, 2020	–	0.00			
Year ending March 31, 2020 (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, 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)

Notes: 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.

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, 2019	16,097,284 shares	As of March 31, 2019	14,389,900 shares

Number of treasury shares at the end of the period

As of September 30, 2019	– shares	As of March 31, 2019	– shares

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2019	15,409,683 shares	Six months ended September 30, 2018	14,351,121 shares

* 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

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.

Quarterly non-consolidated financial statements

Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2019	As of September 30, 2019
Assets		
Current assets		
Cash and deposits	1,413,982	1,288,236
Securities	999,994	999,994
Supplies	8,182	2,953
Advance payments - trade	48,179	44,112
Prepaid expenses	8,914	20,280
Consumption taxes receivable	22,273	10,647
Other	487	3,254
Total current assets	2,502,014	2,369,478
Non-current assets		
Property, plant and equipment	25,654	21,375
Intangible assets	2,404	2,015
Investments and other assets	38,962	37,833
Total non-current assets	67,021	61,224
Total assets	2,569,036	2,430,703
Liabilities		
Current liabilities		
Accounts payable - other	35,471	23,228
Accrued expenses	11,272	9,371
Income taxes payable	18,455	20,376
Advances received	6,750	7,250
Other	14,067	50,280
Total current liabilities	86,016	110,507
Non-current liabilities		
Convertible bond-type bonds with share acquisition rights	1,000,000	200,000
Total non-current liabilities	1,000,000	200,000
Total liabilities	1,086,016	310,507
Net assets		
Shareholders' equity		
Capital stock	3,261,040	3,779,454
Capital surplus	3,234,040	3,752,454
Retained earnings	(5,013,695)	(5,412,974)
Total shareholders' equity	1,481,385	2,118,934
Share acquisition rights	1,634	1,261
Total net assets	1,483,019	2,120,196
Total liabilities and net assets	2,569,036	2,430,703

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Operating revenues	–	3,832
Operating expenses		
Research and development expenses	297,877	228,011
Selling, general and administrative expenses	165,447	176,690
Total operating expenses	463,324	404,702
Operating loss	(463,324)	(400,869)
Non-operating income		
Interest income	360	583
Subsidy income	–	6,018
Other	669	280
Total non-operating income	1,030	6,882
Non-operating expenses		
Share issuance cost	11,438	3,788
Other	–	898
Total non-operating expenses	11,438	4,686
Ordinary loss	(473,732)	(398,673)
Extraordinary losses		
Loss on retirement of non-current assets	214	–
Total extraordinary losses	214	–
Loss before income taxes	(473,947)	(398,673)
Income taxes	605	605
Loss	(474,552)	(399,278)

Non-consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Cash flows from operating activities		
Loss before income taxes	(473,947)	(398,673)
Depreciation	13,316	5,865
Interest income	(360)	(583)
Foreign exchange losses (gains)	(1,539)	1,343
Share issuance cost	11,438	3,788
Decrease (increase) in inventories	519	5,229
Increase (decrease) in advances received	4,750	500
Increase (decrease) in accounts payable - other	(16,296)	(13,039)
Other, net	52,597	39,242
Subtotal	(409,522)	(356,328)
Interest income received	525	798
Income taxes paid	(1,185)	(1,139)
Net cash provided by (used in) operating activities	(410,182)	(356,669)
Cash flows from investing activities		
Purchase of property, plant and equipment	(14,056)	(399)
Purchase of intangible assets	(380)	–
Net decrease (increase) in short-term investment securities	(699,999)	0
Payments into time deposits	(401,636)	(401,738)
Proceeds from withdrawal of time deposits	401,586	401,688
Net cash provided by (used in) investing activities	(714,486)	(449)
Cash flows from financing activities		
Proceeds from issuance of shares	92,092	235,475
Proceeds from issuance of convertible bond-type bonds with acquisition rights to shares	989,124	–
Other, net	(183)	(2,809)
Net cash provided by (used in) financing activities	1,081,033	232,666
Effect of exchange rate change on cash and cash equivalents	1,539	(1,343)
Net increase (decrease) in cash and cash equivalents	(42,095)	(125,796)
Cash and cash equivalents at beginning of period	1,179,351	1,012,293
Cash and cash equivalents at end of period	1,137,255	886,497