Translation

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Summary of Non-Consolidated Financial Results for the Year Ended March 31, 2020 (Based on Japanese GAAP)

May 14, 2020

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 of ordinary general meeting of shareholders: June 25, 2020
Scheduled date to file Securities Report: Undecided
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, 2020 (from April 1, 2019 to March 31, 2020)

(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, 2020	121	–	(914)	–	(853)	–	(855)	–
Year ended March 31, 2019	7	(87.7)	(928)	–	(835)	–	(836)	–

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary income/total assets	Operating income/net revenues
	Yen	Yen	%	%	%
Year ended March 31, 2020	(53.62)	–	(46.9)	(35.3)	(753.5)
Year ended March 31, 2019	(58.22)	–	(45.1)	(34.1)	(11,681.8)

Reference: Share of income of investments accounted for using the equity method.
Year ended March 31, 2020 ¥– Million
Year ended March 31, 2019 ¥– 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, 2020	2,269	2,180	95.3	123.27
As of March 31, 2019	2,569	1,483	57.7	102.95

Reference: Equity As of March 31, 2020 ¥2,164 Million
As of March 31, 2019 ¥1,481 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, 2020	(902)	553	536	1,199
Year ended March 31, 2019	(830)	(418)	1,080	1,012

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, 2019	–	0.00	–	0.00	0.00	–	–	–
Year ended March 31, 2020	–	0.00	–	0.00	0.00	–	–	–
Year ending March 31, 2021 (Forecast)	–	0.00	–	0.00	0.00		–	

3. Forecast of non-consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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	118	(2.0)	(1,561)	–	(1,484)	–	(1,485)	–	(84.61)

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, 2020	17,555,784 shares	As of March 31, 2019	14,389,900 shares

Number of treasury shares at the end of the period

As of March 31, 2020	– shares	As of March 31, 2019	– shares

Average number of shares during the period

Year ended March 31, 2020	15,944,883 shares	Year ended March 31, 2019	14,370,457 shares

* 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 20, 2020.

Non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	1,413,982	1,601,728
Accounts receivable - trade	–	108,830
Securities	999,994	399,994
Supplies	8,182	6,364
Advance payments - trade	48,179	2,390
Prepaid expenses	8,914	18,764
Accounts receivable - other	185	1,831
Consumption taxes receivable	22,273	34,028
Other	301	1,661
Total current assets	2,502,014	2,175,594
Non-current assets		
Property, plant and equipment		
Buildings	22,555	22,555
Accumulated depreciation	(13,619)	(14,415)
Buildings, net	8,935	8,139
Tools, furniture and fixtures	223,297	270,053
Accumulated depreciation	(206,577)	(222,380)
Tools, furniture and fixtures, net	16,719	47,673
Total property, plant and equipment	25,654	55,812
Intangible assets		
Software	2,404	1,626
Total intangible assets	2,404	1,626
Investments and other assets		
Shares of subsidiaries and associates	22,552	22,552
Leasehold deposits	14,453	13,560
Long-term prepaid expenses	1,956	591
Total investments and other assets	38,962	36,704
Total non-current assets	67,021	94,143
Total assets	2,569,036	2,269,737
Liabilities		
Current liabilities		
Accounts payable - other	35,471	24,230
Accrued expenses	11,272	10,202
Income taxes payable	18,455	28,038
Advances received	6,750	6,875
Deposits received	7,567	6,442
Other	6,500	13,000
Total current liabilities	86,016	88,788
Non-current liabilities		
Convertible bond-type bonds with share acquisition rights	1,000,000	–
Total non-current liabilities	1,000,000	–
Total liabilities	1,086,016	88,788

(Thousands of yen)

	As of March 31, 2019	As of March 31, 2020
Net assets		
Shareholders' equity		
Capital Stock	3,261,040	4,029,956
Capital surplus		
Legal capital surplus	3,234,040	4,002,956
Total capital surpluses	3,234,040	4,002,956
Retained earnings		
Other retained earnings		
Retained earnings brought forward	(5,013,695)	(5,868,737)
Total retained earnings	(5,013,695)	(5,868,737)
Total shareholders' equity	1,481,385	2,164,174
Share acquisition rights	1,634	16,773
Total net assets	1,483,019	2,180,948
Total liabilities and net assets	2,569,036	2,269,737

Non-consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Operating revenues	7,949	121,385
Operating expenses		
Research and development expenses	612,979	673,605
Selling, general and administrative expenses	323,596	362,360
Total operating expenses	936,576	1,035,965
Operating loss	(928,626)	(914,580)
Non-operating income		
Interest income	823	993
Subsidy income	103,611	74,855
Other	610	1,203
Total non-operating income	105,045	77,053
Non-operating expenses		
Share issuance cost	11,498	14,305
Loss on redemption of bonds	–	2,000
Other	119	–
Total non-operating expenses	11,618	16,305
Ordinary loss	(835,200)	(853,832)
Extraordinary losses		
Loss on retirement of non-current assets	214	–
Total extraordinary losses	214	–
Loss before income taxes	(835,414)	(853,832)
Income taxes – current	1,210	1,210
Total income taxes	1,210	1,210
Loss	(836,624)	(855,042)

Non-consolidated statements of changes in equity

Fiscal year ended March 31, 2019

(Thousands of yen)

	Shareholders' equity						Share acquisition rights	Total net assets
	Share capital	Capital surplus		Retained earnings		Total shareholders' equity		
		Legal capital surplus	Total capital surplus	Other retained earnings: Retained earnings brought forward	Total retained earnings			
Balance at beginning of 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

Fiscal year ended March 31, 2020

(Thousands of yen)

	Shareholders' equity						Share acquisition rights	Total net assets
	Share capital	Capital surplus		Retained earnings		Total shareholders' equity		
		Legal capital surplus	Total capital surplus	Other retained earnings: Retained earnings brought forward	Total retained earnings			
Balance at beginning of period	3,261,040	3,234,040	3,234,040	(5,013,695)	(5,013,695)	1,481,385	1,634	1,483,019
Changes of items during period								
Issuance of new shares	768,915	768,915	768,915			1,537,831		1,537,831
Loss				(855,042)	(855,042)	(855,042)		(855,042)
Net changes of items other than shareholders' equity							15,139	15,139
Total changes of items during period	768,915	768,915	768,915	(855,042)	(855,042)	682,789	15,139	697,928
Balance at end of current period	4,029,956	4,002,956	4,002,956	(5,868,737)	(5,868,737)	2,164,174	16,773	2,180,948

Non-consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Loss before income taxes	(835,414)	(853,832)
Depreciation	27,503	17,718
Foreign exchange losses (gains)	(839)	(204)
Share issuance costs	11,498	14,305
Loss on redemption of bonds	–	2,000
Interest income	(823)	(993)
Decrease (increase) in trade receivables	–	(108,830)
Decrease (increase) in inventories	(4,970)	1,818
Decrease (increase) in accounts receivable - other	659	(1,650)
Increase (decrease) in advances received	6,750	125
Increase (decrease) in accounts payable - other	(20,964)	(11,503)
Other, net	(13,866)	38,686
Subtotal	(830,468)	(902,361)
Interest income received	1,301	1,278
Income taxes paid	(1,297)	(1,206)
Net cash provided by (used in) operating activities	(830,464)	(902,288)
Cash flows from investing activities		
Purchase of property, plant and equipment	(15,794)	(46,834)
Net decrease (increase) in short-term investment securities	(399,999)	600,000
Purchase of intangible assets	(2,511)	–
Payments into time deposits	(803,325)	(803,529)
Proceeds from withdrawal of time deposits	803,223	803,427
Net cash provided by (used in) investing activities	(418,407)	553,063
Cash flows from financing activities		
Proceeds from issuance of common shares	92,032	732,218
Proceeds from issuance of convertible bond-type bonds with subscription rights to shares	989,124	–
Redemption of convertible bond-type bonds with subscription rights to shares	–	(202,000)
Other, net	(183)	6,447
Net cash provided by (used in) financing activities	1,080,973	536,665
Effect of exchange rate change on cash and cash equivalents	839	204
Net increase (decrease) in cash and cash equivalents	(167,057)	187,644
Cash and cash equivalents at beginning of period	1,179,351	1,012,293
Cash and cash equivalents at end of period	1,012,293	1,199,938