

Translation

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Summary of Non-Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 12, 2023

Company name: RIBOMIC Inc.
 Stock exchange listing: Tokyo
 Stock code: 4591 URL <https://www.ribomic.com/>
 Representative: President and CEO Yoshikazu Nakamura
 Board Director of Business Administration
 Inquiries: Division Hisato Oiwa TEL 03(3440)3745
 Scheduled date of ordinary general meeting of shareholders: June 27, 2023
 Scheduled date to file Securities Report: June 28, 2023
 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, 2023 (from April 1, 2022 to March 31, 2023)

(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, 2023 | 65 | (18.5) | (1,786) | – | (1,649) | – | (1,653) | – |
| Year ended March 31, 2022 | 80 | (12.0) | (1,748) | – | (1,635) | – | (1,684) | – |

| | Earnings per share | Diluted earnings per share | Profit/equity | Ordinary income/total assets | Operating income/net revenues |
|---------------------------|--------------------|----------------------------|---------------|------------------------------|-------------------------------|
| | Yen | Yen | % | % | % |
| Year ended March 31, 2023 | (53.14) | – | (36.4) | (34.6) | – |
| Year ended March 31, 2022 | (59.95) | – | (31.5) | (29.5) | – |

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

Year ended March 31, 2023 ¥ – Million

Year ended March 31, 2022 ¥ – 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, 2023 | 4,583 | 4,384 | 95.7 | 122.85 |
| As of March 31, 2022 | 4,954 | 4,693 | 94.7 | 164.33 |

Reference: Equity As of March 31, 2023 ¥4,384 Million

As of March 31, 2022 ¥4,693 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, 2023 | (1,708) | 276 | 1,333 | 2,825 |
| Year ended March 31, 2022 | (1,499) | 689 | 354 | 2,901 |

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, 2022 | – | 0.00 | – | 0.00 | 0.00 | – | – | – |
| Year ended March 31, 2023 | – | 0.00 | – | 0.00 | 0.00 | – | – | – |
| Year ending March 31, 2024 (Forecast) | – | 0.00 | – | 0.00 | 0.00 | | – | |

3. Forecast of non-consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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 | – | – | (1,366) | – | (1,249) | – | (1,250) | – | (35.05) |

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, 2023 | 35,694,340 shares | As of March 31, 2022 | 28,559,340 shares |
|----------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|----------------------|--------------|----------------------|----------|
| As of March 31, 2023 | 6,101 shares | As of March 31, 2022 | – shares |
|----------------------|--------------|----------------------|----------|

Average number of shares during the period

| | | | |
|---------------------------|-------------------|---------------------------|-------------------|
| Year ended March 31, 2023 | 31,109,327 shares | Year ended March 31, 2022 | 28,102,677 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 15, 2023.

Non-consolidated financial statements
Non-consolidated balance sheets

| | (Thousands of yen) | |
|--|----------------------|----------------------|
| | As of March 31, 2022 | As of March 31, 2023 |
| Assets | | |
| Current assets | | |
| Cash and deposits | 2,901,796 | 2,825,182 |
| Securities | 1,800,000 | 1,500,000 |
| Supplies | 2,411 | 2,070 |
| Advance payments - trade | 121,931 | 107,694 |
| Prepaid expenses | 21,631 | 36,542 |
| Accounts receivable - other | 617 | 360 |
| Consumption taxes receivable | 59,121 | 70,191 |
| Other | 841 | 333 |
| Total current assets | <u>4,908,352</u> | <u>4,542,376</u> |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings | 22,851 | 22,851 |
| Accumulated depreciation | (16,035) | (16,035) |
| Accumulated impairment loss | (6,816) | (6,816) |
| Buildings, net | <u>0</u> | <u>0</u> |
| Tools, furniture and fixtures | 235,586 | 229,473 |
| Accumulated depreciation | (194,390) | (185,166) |
| Accumulated impairment loss | (41,195) | (44,306) |
| Tools, furniture and fixtures, net | <u>0</u> | <u>0</u> |
| Total property, plant and equipment | <u>0</u> | <u>0</u> |
| Investments and other assets | | |
| Shares of subsidiaries and associates | 22,552 | 22,552 |
| Leasehold deposits | 11,907 | 11,325 |
| Long-term prepaid expenses | 11,664 | 7,401 |
| Total investments and other assets | <u>46,124</u> | <u>41,279</u> |
| Total non-current assets | <u>46,124</u> | <u>41,279</u> |
| Total assets | <u>4,954,476</u> | <u>4,583,655</u> |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - other | 177,951 | 122,308 |
| Accrued expenses | 12,260 | 12,038 |
| Income taxes payable | 34,694 | 32,906 |
| Advances received | 3,666 | — |
| Deposits received | 5,957 | 6,005 |
| Other | 26,000 | 26,000 |
| Total current liabilities | <u>260,530</u> | <u>199,303</u> |
| Total liabilities | <u>260,530</u> | <u>199,303</u> |

(Thousands of yen)

| | As of March 31, 2022 | As of March 31, 2023 |
|-----------------------------------|----------------------|----------------------|
| Net assets | | |
| Shareholders' equity | | |
| Capital Stock | 238,294 | 722,040 |
| Capital surplus | | |
| Legal capital surplus | 6,139,732 | 5,315,313 |
| Total capital surpluses | 6,139,732 | 5,315,313 |
| Retained earnings | | |
| Other retained earnings | | |
| Retained earnings brought forward | (1,684,754) | (1,653,002) |
| Total retained earnings | (1,684,754) | (1,653,002) |
| Treasury shares | — | (0) |
| Total shareholders' equity | 4,693,273 | 4,384,351 |
| Share acquisition rights | 673 | — |
| Total net assets | 4,693,946 | 4,384,351 |
| Total liabilities and net assets | 4,954,476 | 4,583,655 |

Non-consolidated statements of income

(Thousands of yen)

| | Fiscal year ended March 31, 2022 | Fiscal year ended March 31, 2023 |
|--|-------------------------------------|-------------------------------------|
| Operating revenues | 80,909 | 65,969 |
| Operating expenses | | |
| Research and development expenses | 1,482,132 | 1,491,239 |
| Selling, general and administrative expenses | 346,888 | 360,771 |
| Total operating expenses | 1,829,021 | 1,852,011 |
| Operating loss | (1,748,112) | (1,786,041) |
| Non-operating income | | |
| Interest income | 116 | 1,387 |
| Gain on money held in trust | 1,569 | 966 |
| Subsidy income | 102,171 | 123,636 |
| Foreign exchange gains | 11,192 | 20,996 |
| Other | 143 | 58 |
| Total non-operating income | 115,192 | 147,045 |
| Non-operating expenses | | |
| Share issuance cost | 2,613 | 10,309 |
| Total non-operating expenses | 2,613 | 10,309 |
| Ordinary loss | (1,635,532) | (1,649,305) |
| Extraordinary income | | |
| Gain on reversal of share acquisition rights | - | 673 |
| Total Extraordinary income | - | 673 |
| Extraordinary losses | | |
| Impairment losses | 48,011 | 3,160 |
| Total extraordinary losses | 48,011 | 3,160 |
| Loss before income taxes | (1,683,544) | (1,651,792) |
| Income taxes – current | 1,210 | 1,210 |
| Total income taxes | 1,210 | 1,210 |
| Loss | (1,684,754) | (1,653,002) |

Non-consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(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 | Total retained earnings | | | |
| | | | | Retained earnings brought forward | | | | |
| Balance at beginning of period | 6,542,185 | 6,515,185 | 6,515,185 | (7,055,932) | (7,055,932) | 6,001,438 | 1,261 | 6,002,699 |
| Changes of items during period | | | | | | | | |
| Capital reduction | (6,492,185) | (563,747) | (563,747) | | | (7,055,932) | | (7,055,932) |
| Deficit disposition | | | | 7,055,932 | 7,055,932 | 7,055,932 | | 7,055,932 |
| Issuance of new shares | 188,294 | 188,294 | 188,294 | | | 376,589 | | 376,589 |
| Loss | | | | (1,684,754) | (1,684,754) | (1,684,754) | | (1,684,754) |
| Net changes of items other than shareholders' equity | | | | | | | (587) | (587) |
| Total changes of items during period | (6,303,890) | (375,452) | (375,452) | 5,371,178 | 5,371,178 | (1,308,164) | (587) | (1,308,752) |
| Balance at end of current period | 238,294 | 6,139,732 | 6,139,732 | (1,684,754) | (1,684,754) | 4,693,273 | 673 | 4,693,946 |

Fiscal year ended March 31, 2023

(Thousands of yen)

| | Shareholders' equity | | | | | | | Share acquisition rights | Total net assets |
|--|----------------------|-----------------------|-----------------------|-----------------------------------|-------------------------|-----------------|----------------------------|--------------------------|------------------|
| | Share capital | Capital surplus | | Retained earnings | | Treasury shares | Total shareholders' equity | | |
| | | Legal capital surplus | Total capital surplus | Other retained earnings | Total retained earnings | | | | |
| | | | | Retained earnings brought forward | | | | | |
| Balance at beginning of period | 238,294 | 6,139,732 | 6,139,732 | (1,684,754) | (1,684,754) | - | 4,693,273 | 673 | 4,693,946 |
| Changes of items during period | | | | | | | | | |
| Capital reduction | (188,294) | (1,496,459) | (1,496,459) | | | | (1,684,754) | | (1,684,754) |
| Deficit disposition | | | | 1,684,754 | 1,684,754 | | 1,684,754 | | 1,684,754 |
| Issuance of new shares | 672,040 | 672,040 | 672,040 | | | | 1,344,081 | | 1,344,081 |
| Loss | | | | (1,653,002) | (1,653,002) | | (1,653,002) | | (1,653,002) |
| Net changes of items other than shareholders' equity | | | | | | | | (673) | (673) |
| Purchase of treasury shares | | | | | | (0) | (0) | | (0) |
| Total changes of items during period | 483,746 | (824,418) | (824,418) | 31,751 | 31,751 | (0) | (308,921) | (673) | (309,594) |
| Balance at end of current period | 722,040 | 5,315,313 | 5,315,313 | (1,653,002) | (1,653,002) | (0) | 4,384,351 | - | 4,384,351 |

Non-consolidated statements of cash flows

(Thousands of yen)

| | Fiscal year ended March 31, 2022 | Fiscal year ended March 31, 2023 |
|---|-------------------------------------|-------------------------------------|
| Cash flows from operating activities | | |
| Loss before income taxes | (1,683,544) | (1,651,792) |
| Depreciation | 15,508 | 480 |
| Impairment losses | 48,011 | 3,160 |
| Foreign exchange losses (gains) | (18,688) | (21,877) |
| Share issuance costs | 2,613 | 10,309 |
| Interest income | (116) | (1,387) |
| Share-based compensation expenses | 3,111 | 6,594 |
| Decrease (increase) in inventories | 626 | 340 |
| Decrease (increase) in advance payments | 32,052 | 14,236 |
| Increase (decrease) in advances received | - | (3,666) |
| Increase (decrease) in accounts payable - other | 112,322 | (35,361) |
| Other, net | (11,551) | (30,707) |
| Subtotal | (1,499,653) | (1,709,671) |
| Interest income received | 1,698 | 2,356 |
| Income taxes paid | (1,268) | (1,310) |
| Net cash provided by (used in) operating activities | (1,499,224) | (1,708,626) |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (10,443) | (23,930) |
| Net decrease (increase) in short-term investment securities | 700,000 | 300,000 |
| Other, net | - | 284 |
| Net cash provided by (used in) investing activities | 689,556 | 276,353 |
| Cash flows from financing activities | | |
| Proceeds from issuance of common shares | 354,721 | 1,332,450 |
| Other, net | - | 284 |
| Net cash provided by (used in) financing activities | 354,721 | 1,333,771 |
| Effect of exchange rate change on cash and cash equivalents | 18,704 | 21,887 |
| Net increase (decrease) in cash and cash equivalents | (436,241) | (76,613) |
| Cash and cash equivalents at beginning of period | 3,338,038 | 2,901,796 |
| Cash and cash equivalents at end of period | 2,901,796 | 2,825,182 |