

Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2018 [Japanese GAAP] (Consolidated)

November 10, 2017

BrightPath Biotherapeutics Co., Ltd. Listed Market Mothers, TSE
 TSE Code 4594 URL <https://www.brightpathbio.com/>
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 Scheduled date of submission of quarterly report : November 10, 2017
 Scheduled date of dividend payment commencement : –
 Supplementary materials for quarterly financial statements : None
 Briefing of quarterly financial results : None

(Millions of yen, rounded down to the nearest million)

1. Consolidated financial results for the second quarter of the fiscal year ending March 31, 2018 (April 1, 2017 – September 30, 2017)

(1) Consolidated results of Operation (Percentages represent changes from the same quarter of previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2017	182	–	-685	–	-685	–	-687	–
Six months ended September 30, 2016	–	–	–	–	–	–	–	–

(Note) Comprehensive income Six months ended September 30, 2017 -688 Million yen (– %)
 Six months ended September 30, 2016 – Million yen (– %)

	Net income per share for the quarter	Fully diluted net income per share for the quarter
Six months ended September 30, 2017	Yen -18.45	Yen –
Six months ended September 30, 2016	–	–

(Notes)

- Figures for the second quarter of the fiscal year ended March 31, 2017 are not stated, because the company began preparing quarterly consolidated financial statements from the third quarter of the fiscal year ending March 31, 2017.
- Fully diluted net income per share for the quarter is not stated as net loss was recorded for this period although there are residual shares.

(2) Consolidated financial Positions

	Total assets	Net assets	Equity ratio
As of September 30, 2017	Million yen 4,762	Million yen 4,538	% 94.5
As of March 31, 2017	5,408	5,201	95.8

(Reference) Shareholders' equity As of September 30, 2017 4,503 Million yen
 As of March 31, 2017 5,179 Million yen

2. Dividends

	Annual Dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
Fiscal Year ended March 31, 2017	Yen –	Yen 0.00	Yen –	Yen 0.00	Yen 0.00
Fiscal Year ending March 31, 2018	–	0.00	–	–	–
Fiscal Year ending March 31, 2018 (Forecast)	–	–	–	0.00	0.00

(Notes) Corrections to most recently disclosed dividend projections : None

3. Consolidated financial forecast for the fiscal year ending March 31, 2018
(April 1, 2017 – March 31, 2018)

(Percentages represent changes from the same period of previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	280	-47.1	-2,000	-	-2,000	-	-2,000	-	-53.73

(Notes) Corrections to most recently disclosed financial results projections : None

[Notes]

- (1) Changes in significant subsidiaries during the period (change in scope of consolidation) : None
- (2) Application of special accounting methods for the preparation of quarterly consolidated financial statements : None
- (3) Changes in significant accounting policies, changes in accounting estimates and restatements
- 1) Changes in accounting policies due to revisions of accounting standards, etc. : None
 - 2) Changes in accounting policies due to other reasons than above 1) : None
 - 3) Changes in accounting estimates : None
 - 4) Restatements : None

(4) Number of shares outstanding (common stock)

1) Number of shares outstanding at the end of fiscal term (including treasury stocks)	As of September 30, 2017	37,325,200 shares	As of March 31, 2017	37,218,400 shares
2) Number of treasury stocks at the end of fiscal term	As of September 30, 2017	- shares	As of March 31, 2017	- shares
3) Average number of shares during the fiscal term (cumulative from beginning of quarter)	Six months ended September 30, 2017	37,256,851 shares	Six months ended September 30, 2016	32,698,468 shares

* These quarterly financial results are outside the scope of quarterly review.

* Explanations regarding appropriate use of forecasts and projections of financial results, and other specific notes.

All forecasts and projections contained in this presentation are based on the information currently available to the management and they are not intended to represent our promise to attain them as a goal. Furthermore, due to various reasons, actual results may differ substantially.

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2017	As of September 30, 2017
Assets		
Current assets		
Cash and deposits	4,950,570	4,287,725
Accounts receivable - trade	54,944	41,527
Merchandise and finished products	180	2,310
Work in process	18,557	1,371
Raw materials and supplies	23,573	23,573
Advance payments - other	136,909	158,895
Other	54,734	62,555
Total current assets	5,239,469	4,577,959
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings, net	38,789	47,202
Machinery and equipment, net	327	259
Tools, furniture and fixtures, net	76,755	76,228
Construction in progress	-	3,456
Total property, plant and equipment	115,872	127,146
Intangible assets		
Other	13,789	13,328
Total intangible assets	13,789	13,328
Investments and other assets		
Other	39,169	44,179
Total investments and other assets	39,169	44,179
Total non-current assets	168,831	184,655
Total assets	5,408,300	4,762,614
Liabilities		
Current liabilities		
Accounts payable - trade	22,554	20,314
Accounts payable - other	89,179	113,339
Income taxes payable	24,689	17,597
Other	24,846	19,593
Total current liabilities	161,268	170,844
Non-current liabilities		
Net defined benefit liability	25,219	28,542
Asset retirement obligations	16,552	20,014
Deferred tax liabilities	4,110	4,928
Total non-current liabilities	45,882	53,485
Total liabilities	207,151	224,330

(Thousands of yen)

	As of March 31, 2017	As of September 30, 2017
Net assets		
Shareholders' equity		
Capital stock	3,774,413	3,779,753
Capital surplus	3,757,998	3,763,338
Retained earnings	-2,352,753	-3,040,086
Total shareholders' equity	5,179,658	4,503,005
Subscription rights to shares	20,216	35,279
Non-controlling interests	1,274	-
Total net assets	5,201,149	4,538,284
Total liabilities and net assets	5,408,300	4,762,614

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
 Quarterly Consolidated Statements of Income
 For the First Six Months Ended September 30, 2017

(Thousands of yen)

	For the six months ended September 30, 2017
Net sales	182,683
Cost of sales	177,943
Gross profit	4,739
Selling, general and administrative expenses	690,660
Operating loss	-685,920
Non-operating income	
Interest income	23
Foreign exchange gains	395
Subsidy income	300
Other	14
Total non-operating income	733
Ordinary loss	-685,187
Loss before income taxes	-685,187
Income taxes - current	2,609
Income taxes - deferred	810
Total income taxes	3,420
Net loss	-688,607
Net loss attributable to non-controlling interests	-1,274
Net loss attributable to owners of parent	-687,332

Quarterly Consolidated Statements of Comprehensive Income
For the Six Months Ended September 30, 2017

(Thousands of yen)

	For the six months ended September 30, 2017
Net loss	-688,607
Comprehensive income	-688,607
Comprehensive income attributable to :	
Comprehensive income attributable to owners of parent	-687,332
Comprehensive income attributable to non-controlling interests	-1,274

(3) Quarterly Consolidated Statements of Cash Flows

(Thousands of yen)

For the six months ended
September 30, 2017

Cash flows from operating activities	
Loss before income taxes	-685,187
Depreciation	24,724
Share-based compensation expenses	15,063
Increase (decrease) in net defined benefit liability	3,323
Interest and dividend income	-23
Subsidy income	-300
Decrease (increase) in notes and accounts receivable - trade	13,417
Decrease (increase) in inventories	15,055
Increase (decrease) in notes and accounts payable - trade	-2,239
Increase (decrease) in advances received	-5,455
Other, net	-16,849
Subtotal	-638,472
Interest and dividend income received	23
Proceeds from subsidy income	300
Income taxes paid	-3,255
Net cash provided by (used in) operating activities	-641,404
Cash flows from investing activities	
Purchase of property, plant and equipment	-30,745
Purchase of intangible assets	-1,375
Net cash provided by (used in) investing activities	-32,120
Cash flows from financing activities	
Proceeds from issuance of shares resulting from exercise of subscription rights to shares	10,680
Net cash provided by financing activities	10,680
Net increase (decrease) in cash and cash equivalents	-662,844
Cash and cash equivalents at beginning of period	4,950,570
Cash and cash equivalents at end of period	4,287,725