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

February 14, 2018

Name of Company BrightPath Biotherapeutics Co., Ltd. Listed Market Mothers, TSE

TSE Code 4594 URL https://www.brightpathbio.com/english/

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Scheduled date of submission of quarterly report : February 14, 2018

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 3rd quarter of the fiscal year ending March 31, 2018 (April 1, 2017 – December 31, 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	%
Nine months ended December 31, 2017	246	-42.8	-1,169	_	-1,172	_	-1,175	_
Nine months ended December 31, 2016	431	_	-699		-711	_	-712	_

(Note) Comprehensive income Nine months ended December 31, 2017 -1,176 Million yen (— %) Nine months ended December 31, 2016 -716 Million yen (— %)

	Net income per share for the quarter	Fully diluted net income per share for the quarter
	Yen	Yen
Nine months ended December 31, 2017	-31.52	_
Nine months ended December 31, 2016	-21.45	_

(Notes) 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
	Million yen	Million yen	%
As of December 31, 2017	4,471	4,231	93.4
As of March 31, 2017	5,408	5,201	95.8

(Reference) Shareholders' equity As of December 31, 2017 4,175 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		
	Yen	Yen	Yen	Yen	Yen		
Fiscal Year ended March 31, 2017	_	0.00	_	0.00	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 s	sales	Operatin	g income	Ordinary	income	Net in	ncome	Profit attributable to owners of parent
	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	s outstanding at the
end of fiscal term	(including treasury
stocks)	

2) Number of treasury stocks at the end of fiscal term

3) Average number of shares during the fiscal term (cumulative from beginning of quarter)

As of December 31, 2017	37,600,700	shares	As of March 31, 2017	37,218,400	shares
As of December 31, 2017	_	shares	As of March 31, 2017		shares
Nine months ended December 31, 2017	37,295,466	shares	Nine months ended December 31, 2016	33,232,809	shares

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

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.

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

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

		(Thousands of yen
	As of December 31, 2016	As of December 31, 2017
Assets		
Current assets		
Cash and deposits	4,950,570	3,942,03
Accounts receivable - trade	54,944	34,78
Merchandise and finished products	180	1,89
Work in process	18,557	2,85
Raw materials and supplies	23,573	23,57
Advance payments - other	136,909	156,44
Other	54,734	68,76
Total current assets	5,239,469	4,230,33
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings, net	38,789	57,85
Machinery and equipment, net	327	22
Tools, furniture and fixtures, net	76,755	123,70
Total property, plant and equipment	115,872	181,78
Intangible assets		
Other	13,789	14,20
Total intangible assets	13,789	14,20
Investments and other assets		
Other	39,169	45,0
Total investments and other assets	39,169	45,0
Total non-current assets	168,831	241,00
Total assets	5,408,300	4,471,40
Liabilities		
Current liabilities		
Accounts payable - trade	22,554	20,51
Accounts payable - other	89,179	134,19
Income taxes payable	24,689	13,25
Other	24,846	18,63
Total current liabilities	161,268	186,58
Non-current liabilities		
Net defined benefit liability	25,219	28,00
Asset retirement obligations	16,552	20,03
Deferred tax liabilities	4,110	4,81
Total non-current liabilities	45,882	52,86
Total liabilities	207,151	239,44

	As of December 31, 2016	As of December 31, 2017
Net assets		
Shareholders' equity		
Capital stock	3,774,413	3,859,963
Capital surplus	3,757,998	3,843,547
Retained earnings	-2,352,753	-3,528,166
Total shareholders' equity	5,179,658	4,175,345
Subscription rights to shares	20,216	56,610
Non-controlling interests	1,274	-
Total net assets	5,201,149	4,231,955
Total liabilities and net assets	5,408,300	4,471,402

(2) Quarterly Consolidated Statements of Income and Comprehensive Income Quarterly Consolidated Statements of Income For the Nine Months Ended December 31, 2017

		(Thousands of yen)
	For the nine months ended December 31, 2016	For the nine months ended December 31, 2017
Net sales	431,430	246,634
Cost of sales	423,034	240,058
Gross profit	8,395	6,576
Selling, general and administrative expenses	707,606	1,176,105
Operating loss	-699,210	-1,169,529
Non-operating income		
Interest income	14	23
Subsidy income	-	300
Other	108	17
Total non-operating income	122	341
Non-operating expenses		
Share issuance cost	9,064	292
Foreign exchange losses	-	2,528
Other	3,739	409
Total non-operating expenses	12,804	3,230
Ordinary loss	-711,892	-1,172,418
Extraordinary losses		
Loss on retirement of non-current assets	372	-
Total extraordinary losses	372	-
Loss before income taxes	-712,264	-1,172,418
Income taxes - current	2,010	3,572
Income taxes - deferred	2,499	696
Total income taxes	4,510	4,268
Net loss	-716,775	-1,176,687
Net loss attributable to non-controlling interests	-3,892	-1,274
Net loss attributable to owners of parent	-712,882	-1,175,412

Quarterly Consolidated Statements of Comprehensive Income For the Nine Months Ended December 31, 2017

		(Thousands of yen)
	For the nine months ended December 31, 2016	For the nine months ended December 31, 2017
Net loss	-716,775	-1,176,687
Comprehensive income	-716,775	-1,176,687
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	-712,882	-1,175,412
Comprehensive income attributable to non-controlling interests	-3,892	-1,274