

Financial Results for the Fiscal Year ended March 31, 2016 [Japanese GAAP] (non-consolidated)

May 13, 2016

Name of Company	GreenPeptide Co., Ltd.	Listed Market	Mothers, TSE
TSE Code	4594	URL	http://www.green-peptide.com/
Representative (Title)	President & CEO	(Name)	Kenichi Nagai
Contact (Title)	Director/CFO	(Name)	Teruhiko Sakai
		(TEL)	+81-3-5840-7697
Scheduled date of annual meeting of stockholders	: June 22, 2016		
Scheduled date of dividend payment commencement	: —		
Scheduled date of submission of securities report	: June 23, 2016		
Supplementary materials for financial statements	: None		
Briefing of financial results	: Yes (for analysts and institutional investors)		

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

1. Projected financial results for fiscal year 2015 (April 1, 2015 – March 31, 2016)

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

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2016	822	0.1	-988	—	-992	—	-994	—
Fiscal year ended March 31, 2015	821	—	-492	—	-413	—	-412	—

	Net income per share	Fully diluted net earnings per share	Return on shareholders' equity	Ratio of ordinary income to total assets	Operating margin
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2016	-35.28	—	-53.1	-48.4	-120.2
Fiscal year ended March 31, 2015	-20.60	—	-68.0	-50.9	-59.9

(Reference) Equity in earnings of Fiscal 2015 — Million yen Fiscal 2014 — Million yen

(Notes) 1. As for class A preferred stocks (42,428 shares), upon exercise of the acquisition request with put options in consideration of ordinary stocks, we issued 42,428 shares of ordinary stock effective July 14, 2015 and acquired the mentioned class A preferred stocks as treasury stocks. The treasury stocks were cancelled effective the same day. Then, the Company conducted a 100-for-1 stock split of its ordinary stocks effective July 31, 2015. Net income per share has been calculated as if a series of transaction for the stock split was conducted at the beginning of the previous fiscal year.

2. Fully diluted net earnings per share is not stated as net loss was recorded for this period although there are residual shares.

(2) Financial Positions

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2016	2,877	2,720	94.6	85.53
As of March 31, 2015	1,227	1,024	83.4	30.74

(Reference) Shareholders' equity As of March 31, 2016 2,720 Million yen As of March 31, 2015 1,024 Million yen

(3) 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
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2016	-908	-32	2,672	2,555
Fiscal year ended March 31, 2015	-447	-66	1,247	823

2. Dividends

	Annual Dividends per share					Total dividends paid (annual)	Payout ratio	Ratio of dividends to net assets
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2015	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ended March 31, 2016	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ending March 31, 2017 (Forecast)	—	0.00	—	0.00	0.00	—	—	—

3. Projected financial results for fiscal year ending March 31, 2017 (April 1, 2016 – March 31, 2017)

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	406	-50.5	-1,306	—	-1,306	—	-1,308	—	-41.14

[Notes]

- (1) Changes in significant accounting policies, changes in accounting estimates and restatement
- 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

(2) Number of shares outstanding (common stock)

1) Number of shares outstanding at the end of fiscal term (including treasury stocks)	As of March 31, 2016	31,807,700 shares	As of March 31, 2015	25,307,700 shares
2) Number of treasury stocks at the end of fiscal term	As of March 31, 2016	— shares	As of March 31, 2015	— shares
3) Average number of shares during the fiscal term	Year ended March 31, 2016	28,184,750 shares	Year ended March 31, 2015	20,024,100 shares

(Notes) Due to a 100-for-1 stock split which was conducted with an effective date of July 31, 2015, the number of shares is calculated as if such stock split was implemented at the beginning of the previous fiscal year.

* Disclosure regarding the implementation of audit procedures.

These financial results are outside the scope of audit procedures under the Financial Instruments and Exchange Act. At the time of disclosure of these financial results, audit procedures for the financial statements under the Financial Instruments and Exchange Act have not been completed.

* 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.

Financial statements

(1) Balance sheets

(Thousands of yen)

	As of March 31, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	823,737	2,555,458
Accounts receivable - trade	79,599	106,749
Merchandise and finished products	4,573	12,666
Work in process	16,770	-
Raw materials and supplies	127,157	23,573
Advance payments - trade	12,179	8,061
Advance payments - other	57,126	63,031
Accounts receivable - other	10,475	9,338
Consumption taxes receivable	12,170	2,074
Other	12,189	10,404
Total current assets	1,155,979	2,791,358
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings, net	14,539	12,424
Machinery and equipment, net	979	737
Tools, furniture and fixtures, net	29,735	35,359
Total property, plant and equipment	45,255	48,521
Intangible assets		
Software	2,157	1,903
Software in progress	-	9,352
Total intangible assets	2,157	11,256
Investments and other assets		
Guarantee deposits	24,073	24,073
Long-term prepaid expenses	-	2,041
Total investments and other assets	24,073	26,115
Total non-current assets	71,486	85,893
Total assets	1,227,465	2,877,251

(Thousands of yen)

	As of March 31, 2015	As of March 31, 2016
Liabilities		
Current liabilities		
Accounts payable - trade	57,920	66,308
Accounts payable - other	45,156	29,922
Accrued expenses	2,264	2,988
Income taxes payable	4,531	10,487
Advances received	66,850	16,361
Deposits received	2,186	2,828
Total current liabilities	178,910	128,897
Non-current liabilities		
Provision for retirement benefits	14,968	18,520
Deferred tax liabilities	2,076	1,715
Asset retirement obligations	7,383	7,455
Total non-current liabilities	24,427	27,690
Total liabilities	203,337	156,588
Net assets		
Shareholders' equity		
Capital stock	642,585	1,988,085
Capital surplus		
Legal capital surplus	626,170	1,971,670
Total capital surpluses	626,170	1,971,670
Retained earnings		
Other retained earnings		
Retained earnings brought forward	-244,627	-1,239,092
Total retained earnings	-244,627	-1,239,092
Total shareholders' equity	1,024,127	2,720,663
Total net assets	1,024,127	2,720,663
Total liabilities and net assets	1,227,465	2,877,251

(2) Statements of operations

(Thousands of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net sales		
Revenue from research and development	815,510	815,750
Net sales of finished products	1,730	2,345
Net sales of goods	4,385	4,460
Total net sales	821,625	822,556
Cost of sales		
Research and development costs	763,797	768,438
Cost of finished products sold		
Beginning finished products	3,375	2,923
Cost of products manufactured	—	8,311
Total	3,375	11,235
Ending finished products	2,923	10,356
Cost of finished products sold	451	879
Cost of goods sold		
Beginning goods	1,020	1,650
Cost of purchased goods	3,000	3,000
Total	4,020	4,650
Ending goods	1,650	2,310
Cost of goods sold	2,370	2,340
Total cost of sales	766,619	771,657
Gross profit	55,006	50,898
Selling, general and administrative expenses	547,192	1,039,649
Operating loss	-492,186	-988,750
Non-operating income		
Interest income	129	274
Subsidy income	83,308	13,788
Income from assignment of reagents for research	780	—
Income from cancellation by clinical trial sites	1,870	—
Other	134	167
Total non-operating income	86,222	14,230
Non-operating expenses		
Interest expenses	0	16
Foreign exchange losses	1,041	—
Loss on cancellation by clinical trial sites	1,870	—
Stock issuance expenses	4,623	18,441
Total non-operating expenses	7,536	18,458
Ordinary loss	-413,501	-992,977
Extraordinary income		
Gain on reversal of subscription rights to shares	5,100	—
Total extraordinary income	5,100	—

(Thousands of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Extraordinary losses		
Loss on retirement of non-current assets	31	—
Total extraordinary losses	31	—
Loss before income taxes	-408,432	-992,977
Income taxes - current	1,927	1,847
Income taxes - deferred	2,076	-360
Total income taxes	4,003	1,486
Net Loss	-412,435	-994,464

(3) Statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from operating activities		
Loss before income taxes	-408,432	-992,977
Depreciation	8,802	19,304
Increase (decrease) in provision for retirement benefits	2,179	3,552
Interest and dividend income	-129	-274
Subsidy income	-83,308	-13,788
Gain on reversal of subscription rights to shares	-5,100	—
Loss on retirement of property, plant and equipment	31	—
Decrease (increase) in accounts receivable - trade	33,142	-27,150
Decrease (increase) in inventories	-13,417	112,261
Increase (decrease) in accounts payable - trade	-42,388	8,388
Increase (decrease) in advances received	-11,191	-50,488
Other, net	-8,896	20,240
Subtotal	-528,707	-920,932
Interest and dividend income received	129	274
Subsidy income received	83,308	13,788
Income taxes paid	-1,926	-1,841
Net cash provided by (used in) operating activities	-447,197	-908,711
Cash flows from investing activities		
Purchase of property, plant and equipment	-40,552	-22,523
Purchase of intangible assets	-2,311	-9,602
Payments for guarantee deposits	-24,073	—
Proceeds from collection of guarantee deposits	2,725	—
Payments for asset retirement obligations	-2,642	—
Net cash provided by (used in) investing activities	-66,854	-32,125
Cash flows from financing activities		
Proceeds from issuance of common stock	1,247,716	2,672,558
Net cash provided by (used in) financing activities	1,247,716	2,672,558
Effect of exchange rate change on cash and cash equivalents	—	—
Net increase (decrease) in cash and cash equivalents	733,664	1,731,721
Cash and cash equivalents at beginning of period	90,073	823,737
Cash and cash equivalents at end of period	823,737	2,555,458