

## Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2017 [Japanese GAAP] (non-consolidated)

November 11, 2016

Name of Company	GreenPeptide Co., Ltd.	Listed Market	Mothers, TSE
TSE Code	4594	URL	<a href="http://www.green-peptide.com/">http://www.green-peptide.com/</a>
Representative	(Title) President & CEO	(Name)	Kenichi Nagai
Contact	(Title) Director/CFO	(Name)	Teruhiko Sakai
Scheduled date of submission of quarterly report	: November 11, 2016		
Scheduled date of dividend payment commencement	: —		
Supplementary materials for quarterly financial statements	: None		
Briefing of quarterly financial results	: Yes ( for analysts and institutional investors )		

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

### 1. Results of the 2nd quarter of the fiscal year ending March 31, 2017 (April 1, 2016 – September 30, 2016)

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

	Net sales		Operating income		Ordinary income		Net income for the quarter	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2016	317	-23.8	-468	—	-472	—	-476	—
Six months ended September 30, 2015	415	—	-606	—	-593	—	-594	—

	Net earnings per share for the quarter	Fully diluted net earnings per share for the quarter
	Yen	Yen
Six months ended September 30, 2016	-14.58	—
Six months ended September 30, 2015	-23.50	—

#### (Notes)

- 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 for the quarter has been calculated as if a series of transaction for the stock split was conducted at the beginning of the previous fiscal year.
- Fully diluted net earnings per share for the quarter 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
	Million yen	Million yen	%
As of September 30, 2016	4,066	3,917	95.6
As of March 31, 2016	2,877	2,720	94.6

(Reference) Shareholders' equity As of September 30, 2016 3,885 Million yen As of March 31, 2016 2,720 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, 2016	—	0.00	—	0.00	0.00
Fiscal Year ending March 31, 2017	—	0.00	—	—	—
Fiscal Year ending March 31, 2017 (Forecast)	—	—	—	0.00	0.00

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

### 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) Corrections to most recently disclosed financial results projections : None

[Notes]

(1) Application of special accounting methods for the preparation of quarterly financial statements : None

(2) Changes in significant accounting policies, changes in accounting estimates and restatements

1) Changes in accounting policies due to revisions of accounting standards, etc. : Yes

2) Changes in accounting policies due to other reasons than above 1) : None

3) Changes in accounting estimates : None

4) Restatements : None

(3) Number of shares outstanding (common stock)

1) Number of shares outstanding at the end of fiscal term (including treasury stocks)	As of September 30, 2016	34,018,400 shares	As of March 31, 2016	31,807,700 shares
2) Number of treasury stocks at the end of fiscal term	As of September 30, 2016	— shares	As of March 31, 2016	— shares
3) Average number of shares during the fiscal term (cumulative from beginning of quarter)	Six months ended September 30, 2016	32,698,468 shares	Six months ended September 30, 2015	25,307,700 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 on the status of the quarterly review procedures.

Although this quarterly financial report is not subject to the requirement of the quarterly review procedures under the Financial Instruments and Exchange Act, the quarterly review procedures for the quarterly financial statements have been completed at the time of disclosure of the quarterly financial report.

\* 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 for the quarter

### (1) Balance sheets for the quarter

(Thousands of yen)

	As of March 31, 2016	As of September 30, 2016
<b>Assets</b>		
Current assets		
Cash and deposits	2,555,458	3,596,765
Accounts receivable - trade	106,749	87,299
Merchandise and finished products	12,666	11,366
Work in process	—	3,133
Raw materials and supplies	23,573	23,573
Advance payments - trade	8,061	2,889
Advance payments - other	63,031	124,846
Accounts receivable - other	9,338	21,104
Consumption taxes receivable	2,074	11,806
Other	10,404	13,151
<b>Total current assets</b>	<b>2,791,358</b>	<b>3,895,936</b>
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings, net	12,424	40,150
Machinery and equipment, net	737	394
Tools, furniture and fixtures, net	35,359	75,812
<b>Total property, plant and equipment</b>	<b>48,521</b>	<b>116,358</b>
Intangible assets		
Software	1,903	14,177
Software in progress	9,352	—
<b>Total intangible assets</b>	<b>11,256</b>	<b>14,177</b>
Investments and other assets		
Guarantee deposits	24,073	38,708
Long-term prepaid expenses	2,041	1,309
<b>Total investments and other assets</b>	<b>26,115</b>	<b>40,017</b>
<b>Total non-current assets</b>	<b>85,893</b>	<b>170,553</b>
<b>Total assets</b>	<b>2,877,251</b>	<b>4,066,489</b>

(Thousands of yen)

	As of March 31, 2016	As of September 30, 2016
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	66,308	34,359
Accounts payable - other	29,922	48,356
Accrued expenses	2,988	3,742
Income taxes payable	10,487	11,378
Advances received	16,361	2,889
Deposits received	2,828	4,424
<b>Total current liabilities</b>	<b>128,897</b>	<b>105,150</b>
Non-current liabilities		
Provision for retirement benefits	18,520	22,764
Deferred tax liabilities	1,715	4,300
Asset retirement obligations	7,455	16,457
<b>Total non-current liabilities</b>	<b>27,690</b>	<b>43,521</b>
<b>Total liabilities</b>	<b>156,588</b>	<b>148,672</b>
Net assets		
Shareholders' equity		
Capital stock	1,988,085	2,809,052
Capital surplus	1,971,670	2,792,637
Retained earnings	-1,239,092	-1,715,918
<b>Total shareholders' equity</b>	<b>2,720,663</b>	<b>3,885,771</b>
Subscription rights to shares	—	32,046
<b>Total net assets</b>	<b>2,720,663</b>	<b>3,917,817</b>
<b>Total liabilities and net assets</b>	<b>2,877,251</b>	<b>4,066,489</b>

(2) Statements of operations for the quarter

For the first six months (ended September 30, 2016)

(Thousands of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Net sales	415,904	317,030
Cost of sales	389,011	312,909
Gross profit	26,892	4,120
Selling, general and administrative expenses	633,600	472,961
Operating loss	-606,707	-468,841
Non-operating income		
Interest income	71	14
Foreign exchange gains	—	3,324
Subsidy income	12,789	—
Other	70	101
Total non-operating income	12,931	3,440
Non-operating expenses		
Foreign exchange losses	181	—
Stock issuance expenses	—	6,710
Other	—	516
Total non-operating expenses	181	7,227
Ordinary loss	-593,957	-472,627
Extraordinary losses		
Loss on retirement of non-current assets	—	372
Total extraordinary losses	—	372
Loss before income taxes	-593,957	-473,000
Income taxes - current	884	1,240
Income taxes - deferred	-141	2,585
Total income taxes	742	3,826
Net loss	-594,699	-476,826

## (3) Statements of Cash Flows for the quarter

(Thousands of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Cash flows from operating activities		
Loss before income taxes	-593,957	-473,000
Depreciation	8,825	15,535
Share-based compensation expenses	—	5,054
Loss on retirement of non-current assets	—	372
Increase (decrease) in provision for retirement benefits	2,873	4,244
Interest and dividend income	-71	-14
Subsidy income	-12,789	—
Decrease (increase) in accounts receivable - trade	-5,852	19,449
Decrease (increase) in inventories	27,825	-1,834
Increase (decrease) in accounts payable - trade	8,607	-31,948
Increase (decrease) in advances received	-28,117	-13,472
Other, net	54,585	-66,642
Subtotal	-538,070	-542,256
Interest and dividend income received	71	14
Subsidy income received	12,789	—
Income taxes paid	-1,841	-1,923
Net cash provided by (used in) operating activities	-527,050	-544,165
Cash flows from investing activities		
Purchase of property, plant and equipment	-1,467	-71,699
Purchase of intangible assets	-250	-4,527
Net cash provided by (used in) investing activities	-1,717	-76,226
Cash flows from financing activities		
Proceeds from issuance of subscription rights to shares	—	45,099
Proceeds from issuance of shares resulting from exercise of subscription rights to shares	—	1,616,599
Net cash provided by (used in) financing activities	—	1,661,699
Net increase (decrease) in cash and cash equivalents	-528,767	1,041,306
Cash and cash equivalents at beginning of period	823,737	2,555,458
Cash and cash equivalents at end of period	294,969	3,596,765