

Financial Results for the Fiscal Year ended March 31, 2017 [Japanese GAAP] (Consolidated)

May 12, 2017

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 29, 2017
Scheduled date of dividend payment commencement : —
Scheduled date of submission of annual securities report : June 30, 2017
Supplementary materials for financial statements : None
Scheduled briefing of financial results : Yes (for analysts and institutional investors)

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

1. Consolidated financial results for the fiscal year ended March 31, 2017 (April 1, 2016 – March 31, 2017)

(1) Consolidated results of operation (Percentages represent changes from the same period of previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2017	529	—	-1,113	—	-1,116	—	-1,113	—
Fiscal year ended March 31, 2016	—	—	—	—	—	—	—	—

(Note) Comprehensive income Fiscal year ended March 31, 2017 -1,122 Million yen (— %)
Fiscal year ended March 31, 2016 — Million yen (— %)

	Net income per share	Fully diluted net income per share	Return on shareholders' equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2017	-32.74	—	-28.2	-27.0	-210.3
Fiscal year ended March 31, 2016	—	—	—	—	—

(Reference) Equity in net income of affiliates Fiscal 2017 — Million yen Fiscal 2016 — Million yen

(Notes)

- Figures for the fiscal year ended March 31, 2016 and year-on-year changes are not stated, because the company began preparing quarterly consolidated financial statements from the third quarter of the fiscal year ended March 31, 2017.
- Fully diluted net income per share 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	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2017	5,408	5,201	95.8	139.17
As of March 31, 2016	—	—	—	—

(Reference) Shareholders' equity As of March 31, 2017 5,179 Million yen As of March 31, 2016 — Million yen

(Notes) Figures as of the March 31, 2016 are not stated, because the company began preparing consolidated financial statements from the third quarter of the fiscal year ended March 31, 2017.

(3) 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
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2017	-1,067	-96	3,559	4,950
Fiscal year ended March 31, 2016	—	—	—	—

(Notes) Figures as of the March 31, 2016 are not stated, because the company began preparing consolidated financial statements from the third quarter of the fiscal year ended March 31, 2017.

2. Dividends

	Annual Dividends per share					Total dividends paid (annual)	Payout ratio	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, 2016	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ended March 31, 2017	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ending March 31, 2018 (Forecast)	—	0.00	—	0.00	0.00		—	

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 fiscal 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	—	-53.74

[Notes]

(1) Changes in significant subsidiaries during the period (change in scope of consolidation) : None

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

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 March 31, 2017	37,218,400 shares	As of March 31, 2016	31,807,700 shares
2) Number of treasury stocks at the end of fiscal term	As of March 31, 2017	— shares	As of March 31, 2016	— shares
3) Average number of shares during the fiscal term	Year ended March 31, 2017	34,014,937 shares	Year ended March 31, 2016	28,184,750 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.

(Reference) Summary of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31, 2017 (April 1, 2016 – March 31, 2017)

(1) Non-consolidated results of operations (Percentages represent changes from the same period of previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2017	529	-35.6	-1,094	—	-1,089	—	-1,113	—
Fiscal year ended March 31, 2016	822	0.1	-988	—	-992	—	-994	—

	Net income per share	Fully diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2017	-32.74	—
Fiscal year ended March 31, 2016	-35.28	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2017	5,404	5,199	95.8	139.17
As of March 31, 2016	2,877	2,720	94.6	85.53

(Reference) Shareholders' equity As of March 31, 2017 5,179 Million yen As of March 31, 2016 2,720 Million yen

* This financial results report is exempt from the audit procedures.

* 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.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of yen)

As of March 31, 2017

Assets	
Current assets	
Cash and deposits	4,950,570
Accounts receivable - trade	54,944
Merchandise and finished products	180
Work in process	18,557
Raw materials and supplies	23,573
Advance payments	136,909
Other	54,734
Total current assets	5,239,469
Non-current assets	
Property, plant and equipment	
Facilities attached to buildings, net	38,789
Machinery and equipment, net	327
Tools, furniture and fixtures, net	76,755
Total property, plant and equipment	115,872
Intangible assets	
Other	13,789
Total intangible assets	13,789
Investments and other assets	
Other	39,169
Total investments and other assets	39,169
Total non-current assets	168,831
Total assets	5,408,300

(Thousands of yen)

As of March 31, 2017

Liabilities	
Current liabilities	
Accounts payable - trade	22,554
Income taxes payable	24,689
Accounts payable - other	89,179
Other	24,846
Total current liabilities	161,268
Non-current liabilities	
Net defined benefit liability	25,219
Asset retirement obligations	16,552
Deferred tax liabilities	4,110
Total non-current liabilities	45,882
Total liabilities	207,151
Net assets	
Shareholders' equity	
Capital stock	3,774,413
Capital surplus	3,757,998
Retained earnings	-2,352,753
Total shareholders' equity	5,179,658
Subscription rights to shares	20,216
Non-controlling interests	1,274
Total net assets	5,201,149
Total liabilities and net assets	5,408,300

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2017
Net sales	529,612
Cost of sales	524,913
Gross profit	4,699
Selling, general and administrative expenses	1,118,249
Operating loss	-1,113,550
Non-operating income	
Interest income	33
Subsidy income	12,928
Other	150
Total non-operating income	13,111
Non-operating expenses	
Foreign exchange losses	1,953
Stock issuance expenses	13,647
Other	516
Total non-operating expenses	16,118
Ordinary loss	-1,116,556
Extraordinary losses	
Loss on retirement of non-current assets	372
Total extraordinary losses	372
Loss before income taxes	-1,116,928
Income taxes - current	2,676
Income taxes - deferred	2,395
Total income taxes	5,071
Net loss	-1,122,000
Net loss attributable to non-controlling interests	-8,339
Net loss attributable to owners of parent	-1,113,661

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended March 31, 2017
Net loss	-1,122,000
Comprehensive income	-1,122,000
Comprehensive income attributable to :	
Comprehensive income attributable to owners of parent	-1,113,661
Comprehensive income attributable to non-controlling interests	-8,339

(3) Consolidated Statement of Changes in Net Assets

Fiscal year ended March 31, 2017 (From April 1, 2016 to March 31, 2017)

(Thousands of yen)

	Shareholders' equity				Subscription rights to shares	Non-controlling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity			
Balance at beginning of current period	1,988,085	1,971,670	-1,239,092	2,720,663			2,720,663
Changes of items during period							
Issuance of new shares	1,786,328	1,786,328		3,572,656			3,572,656
Net loss attributable to owners of parent			-1,113,661	-1,113,661			-1,113,661
Net changes of items other than shareholders' equity					20,216	1,274	21,490
Total changes of items during period	1,786,328	1,786,328	-1,113,661	2,458,995	20,216	1,274	2,480,485
Balance at end of current period	3,774,413	3,757,998	-2,352,753	5,179,658	20,216	1,274	5,201,149

Consolidated Statements of Cash Flows

(Thousands of yen)

	Fiscal year ended March 31, 2017
Cash flows from operating activities	
Loss before income taxes	-1,116,928
Depreciation	41,936
Amortization of goodwill	771
Share-based compensation expenses	20,216
Loss on retirement of non-current assets	372
Increase (decrease) in provision for retirement benefits	6,699
Interest and dividend income	-33
Subsidy income	-12,928
Decrease (increase) in accounts receivable - trade	51,804
Decrease (increase) in inventories	-6,070
Increase (decrease) in accounts payable - trade	-41,142
Increase (decrease) in advances received	12,076
Other, net	-34,766
Subtotal	-1,077,992
Interest and dividend income received	33
Subsidy income received	12,928
Income taxes paid	-2,481
Net cash provided by (used in) operating activities	-1,067,512
Cash flows from investing activities	
Purchase of property, plant and equipment	-97,237
Purchase of intangible assets	-6,605
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	7,277
Net cash provided by (used in) investing activities	-96,564
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 stock	3,514,088
Net cash provided by (used in) financing activities	3,559,188
Net increase (decrease) in cash and cash equivalents	2,395,111
Cash and cash equivalents at beginning of period	2,555,458
Cash and cash equivalents at end of period	4,950,570