

Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2019 [Japanese GAAP] (Consolidated)

November 9, 2018

BrightPath Biotherapeutics Co., Ltd. Listed Market Mothers, TSE
 TSE Code 4594 URL <https://www.brightpathbio.com/english/index.html>
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 Scheduled date of submission of quarterly report : November 9, 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, 2019 (April 1, 2018 – September 30, 2018)

(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, 2018	142	-22.0	-826	—	-822	—	-1,017	—
Six months ended September 30, 2017	182	—	-685	—	-685	—	-687	—

(Note) Comprehensive income Six months ended September 30, 2018 -1,017 Million yen (— %)
 Six months ended September 30, 2017 -688 Million yen (— %)

	Net income per share for the quarter	Fully diluted net income per share for the quarter
	Yen	Yen
Six months ended September 30, 2018	-24.31	—
Six months ended September 30, 2017	-18.45	—

(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
	Million yen	Million yen	%
As of September 30, 2018	6,163	5,940	95.3
As of March 31, 2018	7,235	6,950	95.3

(Reference) Shareholders' equity As of September 30, 2018 5,871 Million yen
 As of March 31, 2018 6,893 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, 2018	—	0.00	—	0.00	0.00
Fiscal Year ending March 31, 2019	—	0.00	—	0.00	0.00
Fiscal Year ending March 31, 2019 (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, 2019
(April 1, 2018 – March 31, 2019)**

(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	150	-57.7	-2,200	—	-2,200	—	-2,200	—	-52.59

(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, 2018	41,860,400 shares	As of March 31, 2018	41,835,400 shares
2) Number of treasury stocks at the end of fiscal term	As of September 30, 2018	— shares	As of March 31, 2018	— shares
3) Average number of shares during the fiscal term (cumulative from beginning of quarter)	Six months ended September 30, 2018	41,853,843 shares	Six months ended September 30, 2017	37,256,851 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, 2018	As of September 30, 2018
Assets		
Current assets		
Cash and deposits	6,528,759	5,623,045
Accounts receivable - trade	77,012	11,150
Merchandise and finished products	990	2,400
Work in process	3,006	—
Raw materials and supplies	23,573	—
Advance payments - other	194,581	245,610
Other	72,203	119,939
Total current assets	6,900,127	6,002,146
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings, net	58,563	0
Machinery and equipment, net	191	0
Tools, furniture and fixtures, net	207,594	112,402
Total property, plant and equipment	266,349	112,402
Intangible assets		
Other	13,514	0
Total intangible assets	13,514	0
Investments and other assets		
Other	55,911	48,618
Total investments and other assets	55,911	48,618
Total non-current assets	335,775	161,020
Total assets	7,235,902	6,163,166
Liabilities		
Current liabilities		
Accounts payable - trade	8,769	28,767
Income taxes payable	35,041	27,288
Accounts payable - other	163,729	82,790
Other	21,566	22,428
Total current liabilities	229,107	161,275
Non-current liabilities		
Net defined benefit liability	31,465	34,383
Asset retirement obligations	20,059	21,998
Deferred tax liabilities	4,700	5,051
Total non-current liabilities	56,225	61,432
Total liabilities	285,332	222,708

(Thousands of yen)

	As of March 31, 2018	As of September 30, 2018
Net assets		
Shareholders' equity		
Capital stock	5,419,931	5,421,181
Capital surplus	5,403,516	5,397,566
Retained earnings	-3,929,896	-4,947,239
Total shareholders' equity	6,893,551	5,871,507
Share acquisition rights	57,019	68,950
Total net assets	6,950,570	5,940,458
Total liabilities and net assets	7,235,902	6,163,166

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

For the First Six Months Ended September 30, 2018

(Thousands of yen)

	For the six months ended September 30, 2017	For the six months ended September 30, 2018
Net sales	182,683	142,435
Cost of sales	177,943	66,741
Gross profit	4,739	75,694
Selling, general and administrative expenses	690,660	901,786
Operating loss	-685,920	-826,092
Non-operating income		
Interest income	23	31
Foreign exchange gains	395	—
Subsidy income	300	7,142
Other	14	493
Total non-operating income	733	7,666
Non-operating expenses		
Foreign exchange losses	—	3,971
Total non-operating expenses	—	3,971
Ordinary loss	-685,187	-822,396
Extraordinary losses		
Impairment loss	—	192,671
Other	—	0
Total extraordinary losses	—	192,671
Net loss before income taxes	-685,187	-1,015,067
Income taxes - current	2,609	1,925
Income taxes - deferred	810	350
Total income taxes	3,420	2,275
Net loss	-688,607	-1,017,343
Net loss attributable to non-controlling interests	-1,274	—
Net loss attributable to owners of parent	-687,332	-1,017,343

Quarterly Consolidated Statements of Comprehensive Income
 For the Six Months Ended September 30, 2018

	(Thousands of yen)	
	For the six months ended September 30, 2017	For the six months ended September 30, 2018
Net loss	-688,607	-1,017,343
Comprehensive income	-688,607	-1,017,343
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	-687,332	-1,017,343
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	For the six months ended September 30, 2018
Cash flows from operating activities		
Net loss before income taxes	-685,187	-1,015,067
Depreciation	24,724	46,904
Share-based compensation expenses	15,063	11,931
Impairment loss	—	192,671
Increase (decrease) in net defined benefit liability	3,323	2,918
Interest and dividend income	-23	-31
Subsidy income	-300	-7,142
Decrease (increase) in notes and accounts receivable - trade	13,417	65,861
Decrease (increase) in inventories	15,055	25,169
Increase (decrease) in notes and accounts payable - trade	-2,239	19,998
Increase (decrease) in advances received	-5,455	992
Other, net	-16,849	-110,076
Subtotal	-638,472	-765,869
Interest and dividend income received	23	31
Proceeds from subsidy income	300	7,142
Income taxes paid	-3,255	-1,925
Net cash provided by (used in) operating activities	-641,404	-760,621
Cash flows from investing activities		
Purchase of property, plant and equipment	-30,745	-139,496
Purchase of intangible assets	-1,375	-897
Net cash provided by (used in) investing activities	-32,120	-140,393
Cash flows from financing activities		
Proceeds from issuance of shares resulting from exercise of share acquisition rights	10,680	2,500
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	-7,200
Net cash provided by financing activities	10,680	-4,700
Net increase (decrease) in cash and cash equivalents	-662,844	-905,714
Cash and cash equivalents at beginning of period	4,950,570	6,528,759
Cash and cash equivalents at end of period	4,287,725	5,623,045