Summary of Financial Report for the 1st Quarter of FY ending March 2016 (Non-Consolidated)

July 30, 2015

Listed Company Name: Japan Tissue Engineering Co., Ltd. Listed Securities Exchange: JQ
Stock Code: 7774 URL http://www.jpte.co.jp
Representative: Yosuke Ozawa, President
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(Rounding down to the nearest million yen)

1. Results for the 1st Quarter of FY2015 (April 1, 2015 to June 30, 2015)

(1) Business Results (% indicate increase / decrease on previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
1st quarter of FY2015	320	7.3	-234	—	-235	—	-236	—
1st quarter of FY2014	298	33.9	-211	—	-212	—	-213	—

	Net income per share	Net income per share, diluted
	yen	yen
1st quarter of FY2015	-5.82	—
1st quarter of FY2014	-5.81	—

(2) Financial Condition

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
1st quarter of FY2015	8,671	8,161	94.1
FY2014	8,853	8,397	94.8

Note: Shareholders' equity 1st quarter of FY2015: 8,161 million yen FY2014: 8,397 million yen

2. Cash Dividends

	Dividends per share				
	Q1 end	Q2 end	Q3 end	Term end	Annual
	yen	yen	yen	yen	yen
FY2014	—	0.00	—	0.00	0.00
FY2015	—	———	———	———	———
FY2015 (Forecast)	———	0.00	—	0.00	0.00

Note: Revisions to cash dividends this quarter No

3. Forecast for FY2015 (April 1, 2015 to March 31, 2016)

(% indicate increase/decrease on previous year)

	Sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
FY2015	1,734	31.2	-773	—	-584	—	-588	—	-14.50

Note: Revisions to forecast this quarter No

*Disclaimer regarding appropriate use of forecasts and related points of note
The above-mentioned forecasts are based on the information available on the date of release of these materials and on various assumptions made on the date of release of these materials including uncertain factors and may affect future earnings. Actual operating results may differ significantly from those forecasts as a consequence of various factors.

Japan Tissue Engineering Co., Ltd.
Non-consolidated Financial Statements for 1st Quarter of FY2015
(April 1, 2015 - June 30, 2015)

(1) Non-consolidated Balance Sheets

(In thousands yen)

	FY2014 As of March 31, 2015	FY2015 Q1 As of June 30, 2015
Assets		
Current assets		
Cash and cash equivalents	5,996,281	4,405,717
Trade notes and accounts receivable	403,508	267,095
Finished goods	-	1,252
Work in process	21,242	29,548
Raw materials and supplies	116,772	122,353
Other	165,186	36,152
Total current assets	6,672,991	4,862,120
Noncurrent assets		
Property, plant and equipment		
Buildings, net	626,370	616,747
Land	537,814	537,814
Other, net	533,725	677,911
Total property, plant and equipment	1,697,910	1,832,473
Intangible assets	48,301	45,246
Investments and other assets		
Long-term time deposits	400,000	1,900,000
Other	9,553	9,133
Total Investments and other assets	409,553	1,909,133
Total noncurrent assets	2,155,765	3,786,854
Deferred assets	24,429	22,160
Total assets	8,853,186	8,671,135
Liabilities		
Current liabilities		
Trade notes payable	39,448	68,827
Income taxes and enterprise taxes payable	33,019	11,695
Reserve for bonuses	76,267	41,480
Other	197,428	301,973
Total current liabilities	346,162	423,977
Noncurrent liabilities		
Reserve for directors' retirement benefits	91,200	69,100
Other	18,707	16,723
Total noncurrent liabilities	109,907	85,823
Total liabilities	456,070	509,801
Net assets		
Shareholders' equity		
Capital	11,517,425	11,517,675
Capital surplus	9,347,425	9,347,675
Retained earnings	-12,467,734	-12,704,015
Total shareholders' equity	8,397,115	8,161,334
Total net assets	8,397,115	8,161,334
Total liabilities and net assets	8,853,186	8,671,135

(2) Non-consolidated Statements of Income

(In thousands yen)

	FY2014 Q1 April 1 - June 30, 2014	FY2015 Q1 April 1 - June 30, 2015
Sales	298,760	320,673
Cost of sales	166,216	195,843
Gross profit	132,544	124,829
Selling, general and administrative expenses	344,280	359,705
Operating Loss (-)	-211,736	-234,875
Non-operating income		
Interest income	38	1,338
Dividends income	0	0
Technical support fee	675	-
Other	1,032	621
Total non-operating income	1,746	1,961
Non-operating expenses		
Interest expenses	2,594	-
Amortization of stock issuance expenses	110	2,341
Other	160	75
Total non-operating expenses	2,865	2,417
Ordinary loss (-)	-212,855	-235,331
Loss before income taxes (-)	-212,855	-235,331
Income taxes including inhabitants' and enterprise taxes	950	950
Total income taxes	950	950
Net loss (-)	-213,805	-236,281