Summary of Financial Report for the 3rd Quarter of FY ending March 2016 (Non-Consolidated)

January 29, 2016

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

1. Results for the 3rd Quarter of FY2015 (April 1, 2015 to December 31, 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	%
3rd quarter of FY2015	956	13.1	-727	—	-716	—	-719	—
3rd quarter of FY2014	846	24.9	-760	—	-755	—	-758	—

	Net income per share	Net income per share, diluted
	yen	yen
3rd quarter of FY2015	-17.72	—
3rd quarter of FY2014	-20.48	—

(2) Financial Condition

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
3rd quarter of FY2015	8,252	7,680	93.1
FY2014	8,853	8,397	94.8

Note: Shareholders' equity 3rd quarter of FY2015: 7,680 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	—	0.00	—	———	———
FY2015 (Forecast)	———	———	———	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 3rd Quarter of FY2015
(April 1, 2015 - December 31, 2015)

(1) Non-consolidated Balance Sheets

(In thousands yen)

	FY2014 As of March 31, 2015	FY2015 Q3 As of December 31, 2015
Assets		
Current assets		
Cash and cash equivalents	5,996,281	3,974,111
Trade notes and accounts receivable	403,508	251,453
Work in process	21,242	26,507
Raw materials and supplies	116,772	125,951
Other	165,186	49,297
Total current assets	6,672,991	4,427,321
Noncurrent assets		
Property, plant and equipment		
Buildings, net	626,370	1,140,568
Land	537,814	582,770
Other, net	533,725	133,264
Total property, plant and equipment	1,697,910	1,856,603
Intangible assets	48,301	40,929
Investments and other assets		
Long-term time deposits	400,000	1,900,000
Other	9,553	10,510
Total Investments and other assets	409,553	1,910,510
Total noncurrent assets	2,155,765	3,808,043
Deferred assets	24,429	17,563
Total assets	8,853,186	8,252,929
Liabilities		
Current liabilities		
Trade notes payable	39,448	67,299
Income taxes and enterprise taxes payable	33,019	18,270
Reserve for bonuses	76,267	38,685
Other	197,428	356,492
Total current liabilities	346,162	480,747
Noncurrent liabilities		
Reserve for directors' retirement benefits	91,200	75,600
Other	18,707	16,227
Total noncurrent liabilities	109,907	91,827
Total liabilities	456,070	572,575
Net assets		
Shareholders' equity		
Capital	11,517,425	11,518,675
Capital surplus	9,347,425	9,348,675
Retained earnings	-12,467,734	-13,186,996
Total shareholders' equity	8,397,115	7,680,353
Total net assets	8,397,115	7,680,353
Total liabilities and net assets	8,853,186	8,252,929

(2) Non-consolidated Statements of Income

(In thousands yen)

	FY2014 Q3 April 1 - December 31, 2014	FY2015 Q3 April 1 - December 31, 2015
Sales	846,009	956,535
Cost of sales	575,701	599,584
Gross profit	270,308	356,951
Selling, general and administrative expenses	1,030,587	1,084,270
Operating Loss (-)	-760,279	-727,318
Non-operating income		
Interest income	119	4,301
Dividends income	0	0
Grant income	10,000	11,715
Other	4,929	2,006
Total non-operating income	15,049	18,023
Non-operating expenses		
Interest expenses	8,555	-
Amortization of stock issuance expenses	1,114	7,041
Other	991	75
Total non-operating expenses	10,661	7,117
Ordinary loss (-)	-755,891	-716,412
Loss before income taxes (-)	-755,891	-716,412
Income taxes including inhabitants' and enterprise taxes	2,850	2,850
Total income taxes	2,850	2,850
Net loss (-)	-758,741	-719,262