Summary of Financial Report for the 3rd Quarter of FY ending March 2018 (Non-Consolidated)

January 30, 2018

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 FY2017 (April 1, 2017 to December 31, 2017)

(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 FY2017	1,609	39.4	121	—	121	—	106	—
3rd quarter of FY2016	1,154	20.7	-198	—	-200	—	-203	—

	Net income per share	Net income per share, diluted
	yen	yen
3rd quarter of FY2017	2.62	—
3rd quarter of FY2016	-5.02	—

(2) Financial Condition

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
3rd quarter of FY2017	8,709	8,129	93.3
FY2016	8,546	8,005	93.7

Note: Shareholders' equity 3rd quarter of FY2017: 8,129 million yen FY2016: 8,005 million yen

2. Cash Dividends

	Dividends per share				
	Q1 end	Q2 end	Q3 end	Term end	Annual
	yen	yen	yen	yen	yen
FY2016	—	0.00	—	0.00	0.00
FY2017	—	0.00	—	———	———
FY2017 (Forecast)	———	———	———	0.00	0.00

Note: Revisions to cash dividends this quarter No

3. Forecast for FY2017 (April 1, 2017 to March 31, 2018)

(% indicate increase/decrease on previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
FY2017	2,492	16.7	289	-7.2	288	-6.8	266	-3.7	6.56

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 FY2017
(April 1, 2017 - December 31, 2017)

(1) Non-consolidated Balance Sheets

(In thousands yen)

	FY2016 As of March 31, 2017	FY2017 Q3 As of December 31, 2017
Assets		
Current assets		
Cash and cash equivalents	4,089,734	5,997,781
Trade notes and accounts receivable	833,474	520,608
Work in process	8,810	30,305
Raw materials and supplies	96,335	119,609
Other	42,026	129,032
Total current assets	5,070,381	6,797,337
Noncurrent assets		
Property, plant and equipment		
Buildings, net	1,044,722	992,125
Land	582,770	582,770
Other, net	97,788	105,818
Total property, plant and equipment	1,725,280	1,680,714
Intangible assets	37,831	26,779
Investments and other assets		
Long-term time deposits	1,700,000	200,000
Other	6,889	4,111
Total Investments and other assets	1,706,889	204,111
Total noncurrent assets	3,470,001	1,911,605
Deferred assets	5,984	109
Total assets	8,546,367	8,709,051
Liabilities		
Current liabilities		
Trade notes payable	48,849	120,587
Income taxes and enterprise taxes payable	44,094	7,167
Provision for bonuses	81,454	40,748
Provision for directors' bonuses	-	3,486
Other	324,030	368,184
Total current liabilities	498,428	540,175
Noncurrent liabilities		
Provision for directors' retirement benefits	34,900	34,900
Other	7,898	4,111
Total noncurrent liabilities	42,798	39,011
Total liabilities	541,226	579,186
Net assets		
Shareholders' equity		
Capital	4,949,563	4,958,763
Capital surplus	2,779,563	2,788,763
Retained earnings	276,242	382,567
Treasury shares	-228	-228
Total shareholders' equity	8,005,140	8,129,865
Total net assets	8,005,140	8,129,865
Total liabilities and net assets	8,546,367	8,709,051

(2) Non-consolidated Statements of Income

(In thousands yen)

	FY2016 Q3 April 1 - December 31, 2016	FY2017 Q3 April 1 - December 31, 2017
Net Sales	1,154,311	1,609,011
Cost of sales	643,846	665,735
Gross profit	510,464	943,276
Selling, general and administrative expenses	709,397	821,728
Operating income (loss)	-198,933	121,548
Non-operating income		
Interest income	3,652	3,671
Dividends income	0	0
Other	1,514	2,113
Total non-operating income	5,168	5,785
Non-operating expenses		
Amortization of stock issuance expenses	6,956	5,960
Other	34	41
Total non-operating expenses	6,990	6,001
Ordinary income (loss)	-200,755	121,332
Net income(loss) before income taxes	-200,755	121,332
Income taxes including inhabitants' and enterprise taxes	2,850	15,007
Total income taxes	2,850	15,007
Net income (loss)	-203,605	106,324