Summary of Financial Report for the 1st Quarter of FY ending March 2020 (Non-Consolidated)

July 30, 2019

Listed Company Name: Japan Tissue Engineering Co., Ltd. Listed Securities Exchange: JQ
Stock Code: 7774 URL http://www.jpte.co.jp
Representative: Masataka Akiyama, President and COO
Contact: Toshiyuki Hara, Director TEL (0533) 66-2020

(Rounding down to the nearest million yen)

1. Results for the 1st Quarter of FY2019 (April 1, 2019 to June 30, 2019)

(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 FY2019	433	2.1	-184	—	-183	—	-184	—
1st quarter of FY2018	424	-16.5	-441	—	-438	—	-440	—

	Net income per share	Net income per share, diluted
	yen	yen
1st quarter of FY2019	-4.54	—
1st quarter of FY2018	-10.84	—

(2) Financial Condition

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
1st quarter of FY2019	8,449	7,733	91.5
FY2018	8,751	7,918	90.5

Note: Shareholders' equity 1st quarter of FY2019: 7,733 million yen FY2018: 7,918 million yen

2. Cash Dividends

	Dividends per share				
	Q1 end	Q2 end	Q3 end	Term end	Annual
	yen	yen	yen	yen	yen
FY2018	—	0.00	—	0.00	0.00
FY2019	—				
FY2019 (Forecast)		0.00	—	0.00	0.00

Note: Revisions to cash dividends this quarter No

3. Forecast for FY2019 (April 1, 2019 to March 31, 2020)

(% 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
FY2019	3,080	30.6	106	—	112	—	86	—	2.12

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 FY2019
(April 1, 2019 - June 30, 2019)

(1) Non-consolidated Balance Sheets

(In thousands yen)

	FY2018 As of March 31, 2019	FY2019 Q1 As of June 30, 2019
Assets		
Current assets		
Cash and cash equivalents	5,929,601	6,083,218
Trade notes and accounts receivable	733,806	351,382
Finished goods	124	1,577
Work in process	29,422	31,053
Raw materials and supplies	116,727	151,930
Other	214,520	104,595
Total current assets	7,024,202	6,723,757
Noncurrent assets		
Property, plant and equipment		
Buildings, net	915,788	898,128
Land	582,770	582,770
Other, net	153,334	168,895
Total property, plant and equipment	1,651,892	1,649,794
Intangible assets	18,577	15,573
Investments and other assets	57,261	60,720
Total noncurrent assets	1,727,731	1,726,088
Deferred assets	38	30
Total assets	8,751,972	8,449,877
Liabilities		
Current liabilities		
Trade notes payable	90,415	133,320
Income taxes and enterprise taxes payable	22,043	10,845
Reserve for bonuses	118,558	70,668
Provision for directors' bonuses	5,153	—
Other	559,731	463,819
Total current liabilities	795,902	678,653
Noncurrent liabilities		
Reserve for directors' retirement benefits	34,900	34,900
Other	3,046	2,657
Total noncurrent liabilities	37,946	37,557
Total liabilities	833,849	716,211
Net assets		
Shareholders' equity		
Capital	4,958,763	4,958,763
Capital surplus	2,788,763	2,788,763
Retained earnings	170,883	-13,573
Treasury shares	-287	-287
Total shareholders' equity	7,918,123	7,733,666
Total net assets	7,918,123	7,733,666
Total liabilities and net assets	8,751,972	8,449,877

(2) Non-consolidated Statements of Income

(In thousands yen)

	FY2018 Q1 April 1 - June 30, 2018	FY2019 Q1 April 1 - June 30, 2019
Net Sales	424,154	433,011
Cost of sales	219,208	253,956
Gross profit	204,946	179,055
Selling, general and administrative expenses	646,562	363,853
Operating loss (-)	-441,616	-184,798
Non-operating income		
Interest and dividend income	974	890
Refunded consumption taxes	1,318	—
Other	595	589
Total non-operating income	2,888	1,480
Non-operating expenses		
Amortization of stock issuance expenses	19	7
Foreign exchange losses	184	—
Loss on retirement of non-current assets	—	7
Other	40	—
Total non-operating expenses	245	15
Ordinary loss (-)	-438,973	-183,333
Net loss (-) before income taxes	-438,973	-183,333
Income taxes including inhabitants' and enterprise taxes	1,570	1,185
Income taxes - deferred	-373	-62
Total income taxes	1,196	1,123
Net loss (-)	-440,169	-184,457