Summary of Financial Report for the 3rd Quarter of FY ending March 2020 (Non-Consolidated)

January 30, 2020

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
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(Rounding down to the nearest million yen)

1. Results for the 3rd Quarter of FY2019 (April 1, 2019 to December 31, 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	%
3rd quarter of FY2019	1,505	-2.1	-363	—	-359	—	-362	—
3rd quarter of FY2018	1,537	-4.4	-480	—	-472	—	-485	—

	Net income per share	Net income per share, diluted
	yen	yen
3rd quarter of FY2019	-8.93	—
3rd quarter of FY2018	-11.95	—

(2) Financial Condition

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
3rd quarter of FY2019	8,229	7,555	91.8
FY2018	8,751	7,918	90.5

Note: Shareholders' equity 3rd quarter of FY2019: 7,555 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	—	0.00	—	———	———
FY2019 (Forecast)	———	———	———	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 2nd Quarter of FY2019
(April 1, 2019 - December 31, 2019)

(1) Non-consolidated Balance Sheets

(In thousands yen)

	FY2018 As of March 31, 2019	FY2019 Q3 As of December 31, 2019
Assets		
Current assets		
Cash and cash equivalents	5,929,601	5,718,931
Trade notes and accounts receivable	733,806	476,756
Finished goods	124	3,495
Work in process	29,422	51,210
Raw materials and supplies	116,727	153,161
Other	214,520	144,308
Total current assets	7,024,202	6,547,864
Noncurrent assets		
Property, plant and equipment		
Buildings, net	915,788	875,048
Land	582,770	582,770
Other, net	153,334	155,116
Total property, plant and equipment	1,651,892	1,612,935
Intangible assets	18,577	11,385
Investments and other assets	57,261	57,100
Total noncurrent assets	1,727,731	1,681,421
Deferred assets	38	16
Total assets	8,751,972	8,229,302
Liabilities		
Current liabilities		
Trade notes payable	90,415	112,212
Income taxes and enterprise taxes payable	22,043	13,629
Reserve for bonuses	118,558	63,748
Provision for directors' bonuses	5,153	4,271
Other	559,731	443,384
Total current liabilities	795,902	637,245
Noncurrent liabilities		
Reserve for directors' retirement benefits	34,900	34,900
Other	3,046	1,879
Total noncurrent liabilities	37,946	36,779
Total liabilities	833,849	674,024
Net assets		
Shareholders' equity		
Capital	4,958,763	4,958,763
Capital surplus	2,788,763	2,788,763
Retained earnings	170,883	-191,961
Treasury shares	-287	-287
Total shareholders' equity	7,918,123	7,555,277
Total net assets	7,918,123	7,555,277
Total liabilities and net assets	8,751,972	8,229,302

(2) Non-consolidated Statements of Income

(In thousands yen)

	FY2018 Q3 April 1 - December 31, 2018	FY2019 Q3 April 1 - December 31, 2019
Net Sales	1,537,539	1,505,006
Cost of sales	719,537	789,483
Gross profit	818,001	715,523
Selling, general and administrative expenses	1,298,916	1,079,389
Operating income (loss)	-480,915	-363,865
Non-operating income		
Interest income	2,923	2,624
Refunded consumption taxes	2,218	-
Other	3,431	1,469
Total non-operating income	8,573	4,093
Non-operating expenses		
Amortization of stock issuance expenses	42	21
Foreign exchange losses	243	4
Loss on retirement of non-current assets	9	52
Other	40	-
Total non-operating expenses	336	78
Ordinary income (loss)	-472,678	-359,850
Net income (loss) before income taxes	-472,678	-359,850
Income taxes including inhabitants' and enterprise taxes	1,146	3,127
Income taxes - deferred	11,652	-132
Total income taxes	12,799	2,995
Net income (loss)	-485,478	-362,845