Summary of Financial Report for the 1st Quarter of FY ending March 2021 (Non-Consolidated)

July 30, 2020

Listed Company Name: Japan Tissue Engineering Co., Ltd. Listed Securities Exchange: JQ
Stock Code: 7774 URL http://www.jpte.co.jp
Representative: Ken-ichiro Hata, President and CEO
Contact: Masahito Obayashi, Director TEL (0533) 66-2020

(Rounding down to the nearest million yen)

1. Results for the 1st Quarter of FY2020 (April 1, 2020 to June 30, 2020)

(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 FY2020	377	-12.7	-174	—	-173	—	-174	—
1st quarter of FY2019	433	2.1	-184	—	-183	—	-184	—

	Net income per share	Net income per share, diluted
	yen	yen
1st quarter of FY2020	-4.31	—
1st quarter of FY2019	-4.54	—

(2) Financial Condition

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
1st quarter of FY2020	8,272	7,456	91.1
FY2019	8,451	7,631	90.3

Note: Shareholders' equity 1st quarter of FY2020: 7,456 million yen FY2019: 7,631 million yen

2. Cash Dividends

	Dividends per share				
	Q1 end	Q2 end	Q3 end	Term end	Annual
	yen	yen	yen	yen	yen
FY2019	—	0.00	—	0.00	0.00
FY2020	—	———	———	———	———
FY2020 (Forecast)	———	0.00	—	0.00	0.00

Note: Revisions to cash dividends this quarter No

3. Forecast for FY2020 (April 1, 2020 to March 31, 2021)

The 2019 novel coronavirus infection has spread worldwide and has a great impact on the business environment in Japan and overseas. Since there are many uncertainties that will affect our business due to the spread of infection, it is difficult to reasonably calculate the business forecast for the fiscal year ending March 2021 at this point. We will make an announcement as soon as the situation has settled and it is possible to calculate the earnings forecast.

*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 FY2020
(April 1, 2020 - June 30, 2020)

(1) Non-consolidated Balance Sheets

(Thousands of yen)

	FY2019 As of March 31, 2020	FY2020 Q1 As of June 30, 2020
Assets		
Current assets		
Cash and deposits	5,750,876	5,750,479
Notes and accounts receivable - trade	681,598	411,344
Merchandise and finished goods	2,798	5,322
Work in process	12,946	47,131
Raw materials and supplies	150,298	180,284
Other	218,321	264,083
Total current assets	6,816,839	6,658,646
Non-current assets		
Property, plant and equipment		
Buildings, net	857,168	842,384
Land	582,770	582,770
Other, net	181,429	174,696
Total property, plant and equipment	1,621,368	1,599,851
Intangible assets	10,008	10,843
Investments and other assets	3,337	3,310
Total non-current assets	1,634,714	1,614,006
Deferred assets	9	2
Total assets	8,451,563	8,272,655
Liabilities		
Current liabilities		
Notes and accounts payable - trade	119,806	124,403
Income taxes payable	29,301	11,246
Provision for bonuses	127,576	75,984
Provision for bonuses for directors (and other officers)	6,406	-
Other	500,871	568,492
Total current liabilities	783,961	780,127
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	34,900	34,900
Other	1,678	1,477
Total non-current liabilities	36,578	36,377
Total liabilities	820,539	816,504
Net assets		
Shareholders' equity		
Share capital	4,958,763	4,958,763
Capital surplus	2,788,763	2,788,763
Retained earnings	-116,215	-291,089
Treasury shares	-287	-287
Total shareholders' equity	7,631,024	7,456,150
Total net assets	7,631,024	7,456,150
Total liabilities and net assets	8,451,563	8,272,655

(2) Non-consolidated Statements of Income

(Thousands of yen)

	FY2019 Q1 April 1 - June 30, 2019	FY2020 Q1 April 1 - June 30, 2020
Net sales	433,011	377,843
Cost of sales	253,956	183,794
Gross profit	179,055	194,048
Selling, general and administrative expenses	363,853	368,741
Operating loss	-184,798	-174,692
Non-operating income		
Interest and dividend income	890	790
Other	589	632
Total non-operating income	1,480	1,422
Non-operating expenses		
Foreign exchange losses	-	447
Other	15	7
Total non-operating expenses	15	454
Ordinary loss	-183,333	-173,724
Loss before income taxes	-183,333	-173,724
Income taxes - current	1,185	1,149
Income taxes - deferred	-62	-
Total income taxes	1,123	1,149
Loss	-184,457	-174,873