Summary of Financial Report for the 2nd Quarter of FY2024 (Non-Consolidated)

October 31, 2024

Listed Company Name : Japan Tissue Engineering Co., Ltd. https://www.jpte.co.jp
Listed Securities Exchange : Tokyo Growth Stock Code 7774
Representative : Ken-ichiro Hata, President and CEO
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(Rounding down to the nearest million yen)

1. Results for the 2nd Quarter of FY2024 (April 1, 2024 to September 30, 2024)

(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	%
2nd quarter of FY2024	1,161	-6.8	-207	—	-206	—	-225	—
2nd quarter of FY2023	1,246	28.2	-10	—	-9	—	-11	—

	Net income per share	Net income per share, diluted
	yen	yen
2nd quarter of FY2024	-5.55	—
2nd quarter of FY2023	-0.29	—

(2) Financial Condition

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
2nd quarter of FY2024	6,487	5,855	90.3
FY2023	6,988	6,080	87.0

Note: Shareholders' equity 2nd quarter of FY2024: 5,855 million yen FY2023: 6,080 million yen

2. Cash Dividends

	Dividends per share				
	1Q end	2Q end	3Q end	Term end	Annual
	yen	yen	yen	yen	yen
FY2023	—	0.00	—	0.00	0.00
FY2024	—	0.00			
FY2024 (Forecast)			—	0.00	0.00

3. Forecast for FY2024 (April 1, 2024 to March 31, 2025)

(% 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
FY2024	2,944	17.1	120	-17.0	123	-16.3	87	-39.2	2.14

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 FY2024
(April 1, 2024 - September 30, 2024)

(1) Non-consolidated Balance Sheets

(Thousands of yen)

	FY2023 As of March 31, 2024	FY2024 2Q As of September 30, 2024
Assets		
Current assets		
Cash and deposits	4,266,344	4,036,755
Notes and accounts receivable - trade	526,295	485,346
Electronically recorded monetary claims - operating	82,362	28,999
Work in process	55,679	19,944
Raw materials and supplies	172,886	168,345
Other	235,711	155,512
Total current assets	5,339,279	4,894,902
Non-current assets		
Property, plant and equipment		
Buildings, net	677,485	642,765
Land	582,770	582,770
Other, net	250,624	246,374
Total property, plant and equipment	1,510,880	1,471,910
Intangible assets	102,527	93,117
Investments and other assets	36,086	27,280
Total non-current assets	1,649,495	1,592,308
Total assets	6,988,774	6,487,210
Liabilities		
Current liabilities		
Accounts payable - trade	19,573	20,700
Electronically recorded obligations - operating	64,014	39,553
Income taxes payable	35,443	24,477
Provision for bonuses	161,792	129,062
Provision for bonuses for directors (and other officers)	—	1,132
Other	592,708	375,356
Total current liabilities	873,531	590,283
Non-current liabilities		
Provision for retirement benefits	—	3,300
Provision for retirement benefits for directors (and other officers)	34,900	38,600
Total non-current liabilities	34,900	41,900
Total liabilities	908,431	632,183
Net assets		
Shareholders' equity		
Share capital	4,958,763	4,958,763
Capital surplus	2,788,763	2,788,763
Retained earnings	-1,666,875	-1,892,188
Treasury shares	-308	-311
Total shareholders' equity	6,080,342	5,855,027
Total net assets	6,080,342	5,855,027
Total liabilities and net assets	6,988,774	6,487,210

(2) Non-consolidated Statements of Income

(Thousands of yen)

	FY2023 2Q Six months ended September 30, 2023	FY2024 2Q Six months ended September 30, 2024
Net sales	1,246,595	1,161,856
Cost of sales	421,989	490,301
Gross profit	824,605	671,554
Selling, general and administrative expenses	835,458	878,881
Operating loss	-10,852	-207,326
Non-operating income		
Interest and dividend income	389	504
IncomeFromEmployee	476	474
Other	429	342
Total non-operating income	1,294	1,322
Non-operating expenses		
Foreign exchange losses	174	320
Other	0	77
Total non-operating expenses	174	398
Ordinary loss	-9,731	-206,402
Loss before income taxes	-9,731	-206,402
Income taxes - current	1,901	18,909
Total income taxes	1,901	18,909
Loss	-11,633	-225,312

(3) Non-consolidated Statements of Cash Flows

(Thousands of yen)

	FY2023 2Q Six months ended September 30, 2023	FY2024 2Q Six months ended September 30, 2024
Cash flows from operating activities		
Loss before income taxes	-9,731	-206,402
Depreciation	67,449	79,092
Increase (decrease) in provision for bonuses	4,246	-32,729
Increase (decrease) in provision for bonuses for directors (and other officers)	-3,685	1,132
Increase (decrease) in provision for retirement benefits	—	3,300
Increase (decrease) in provision for retirement benefits for directors (and other officers)	—	3,700
Interest and dividend income	-389	-504
Decrease (increase) in trade receivables	187,631	94,312
Decrease (increase) in inventories	40,523	40,275
Increase (decrease) in trade payables	-78,286	-23,333
Increase (decrease) in accounts payable - other	-65,266	-30,748
Increase (decrease) in accrued consumption taxes	56,789	-55,109
Other, net	-35,662	-39,187
Subtotal	163,618	-166,203
Interest and dividends received	12	214
Income taxes refund (paid)	-3,666	-20,743
Net cash provided by (used in) operating activities	159,964	-186,732
Cash flows from investing activities		
Payments into time deposits	-100,000	-300,000
Proceeds from withdrawal of time deposits	—	300,000
Purchase of property, plant and equipment	-40,185	-41,633
Purchase of intangible assets	-51,524	-2,355
Other, net	180	1,136
Net cash provided by (used in) investing activities	-191,529	-42,853
Cash flows from financing activities		
Repayments of lease liabilities	-133	—
Purchase of treasury shares	—	-3
Net cash provided by (used in) financing activities	-133	-3
Net increase (decrease) in cash and cash equivalents	-31,698	-229,589
Cash and cash equivalents at beginning of period	2,034,570	2,066,344
Cash and cash equivalents at end of period	2,002,872	1,836,755

(4) Segment Information

I. FY2023 2Q (April 1, 2023 – September 30, 2023)

(Thousands of yen)

	Reportable segments				Reconciling items	Per semi-annual financial statements
	Regenerative Medicine Business	Custom Development and Manufacturing Business	R&D Support Business	Reportable segments		
Sales						
Revenues from external customers	661,235	469,756	115,602	1,246,595	—	1,246,595
Transactions with other segments	—	—	—	—	—	—
Net sales	661,235	469,756	115,602	1,246,595	—	1,246,595
Operating profit (loss)	49,525	336,686	34,734	420,945	-431,797	-10,852

II. FY2024 2Q (April 1, 2024 – September 30, 2024)

(Thousands of yen)

	Reportable segments				Reconciling items	Per semi-annual financial statements
	Regenerative Medicine Business	Custom Development and Manufacturing Business	R&D Support Business	Reportable segments		
Sales						
Revenues from external customers	743,177	309,510	109,169	1,161,856	—	1,161,856
Transactions with other segments	—	—	—	—	—	—
Net sales	743,177	309,510	109,169	1,161,856	—	1,161,856
Operating profit (loss)	109,972	135,271	29,939	275,183	-482,509	-207,326