

Summary of Financial Report for the 1st Quarter of FY ending March 2019 (Non-Consolidated)

July 30, 2018

Listed Company Name: Japan Tissue Engineering Co., Ltd.
Stock Code: 7774
Representative: Ken-ichiro Hata, President
Contact: Toshiyuki Hara, Director

Listed Securities Exchange: JQ
URL <http://www.jppe.co.jp>

TEL (0533) 66-2020

(Rounding down to the nearest million yen)

1. Results for the 1st Quarter of FY2018 (April 1, 2018 to June 30, 2018)

(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	%
1 st quarter of FY2018	424	-16.5	-441	—	-438	—	-440	—
1 st quarter of FY2017	507	40.8	6	—	5	—	3	—

	Net income per share	Net income per share, diluted
	yen	yen
1 st quarter of FY2018	-10.84	—
1 st quarter of FY2017	0.09	—

(2) Financial Condition

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
1 st quarter of FY2018	8,746	7,811	89.3
FY2017	9,023	8,251	91.4

Note: Shareholders' equity 1st quarter of FY2018: 7,811 million yen FY2017: 8,251 million yen

2. Cash Dividends

	Dividends per share				
	Q1 end	Q2 end	Q3 end	Term end	Annual
	yen	yen	yen	yen	yen
FY2017	—	0.00	—	0.00	0.00
FY2018	—	—	—	—	—
FY2018 (Forecast)	—	0.00	—	0.00	0.00

Note: Revisions to cash dividends this quarter No

3. Forecast for FY2018 (April 1, 2018 to March 31, 2019)

(% indicate increase/decrease on previous year)

	Sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
FY2018	3,080	35.6	-49	—	-42	—	-53	—	-1.32

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 FY2018
(April 1, 2018 - June 30, 2018)

(1) Non-consolidated Balance Sheets

(In thousands yen)

	FY2017	FY2018 Q1
	As of March 31, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and cash equivalents	6,203,808	6,314,013
Trade notes and accounts receivable	591,113	350,447
Finished goods	508	1,394
Work in process	25,273	38,583
Raw materials and supplies	109,405	100,358
Other	163,938	31,794
Total current assets	7,094,047	6,836,591
Noncurrent assets		
Property, plant and equipment		
Buildings, net	974,592	957,112
Land	582,770	582,770
Other, net	98,779	101,265
Total property, plant and equipment	1,656,142	1,641,148
Intangible assets	23,041	19,304
Investments and other assets		
Long-term time deposits	200,000	200,000
Other	49,751	49,298
Total Investments and other assets	249,751	249,298
Total noncurrent assets	1,928,935	1,909,750
Deferred assets	87	68
Total assets	9,023,070	8,746,410
Liabilities		
Current liabilities		
Trade notes payable	73,842	67,465
Income taxes and enterprise taxes payable	35,690	10,601
Reserve for bonuses	84,766	62,754
Provision for directors' bonuses	3,975	-
Other	535,571	754,467
Total current liabilities	733,846	895,289
Noncurrent liabilities		
Reserve for directors' retirement benefits	34,900	34,900
Other	2,893	4,975
Total noncurrent liabilities	37,793	39,875
Total liabilities	771,639	935,164
Net assets		
Shareholders' equity		
Capital	4,958,763	4,958,763
Capital surplus	2,788,763	2,788,763
Retained earnings	504,132	63,292
Treasury shares	-228	-244
Total shareholders' equity	8,251,430	7,811,245
Total net assets	8,251,430	7,811,245
Total liabilities and net assets	9,023,070	8,746,410

(2) Non-consolidated Statements of Income

(In thousands yen)

	FY2017 Q1	FY2018 Q1
	April 1 - June 30, 2017	April 1 - June 30, 2018
Net Sales	507,729	424,154
Cost of sales	225,189	219,208
Gross profit	282,539	204,946
Selling, general and administrative expenses	276,506	646,562
Operating income (loss)	6,032	-441,616
Non-operating income		
Interest income	1,180	973
Dividends income	0	0
Refunded consumption taxes	-	1,318
Other	592	595
Total non-operating income	1,772	2,888
Non-operating expenses		
Amortization of stock issuance expenses	2,243	19
Foreign exchange losses	-	184
Other	-	40
Total non-operating expenses	2,243	245
Ordinary income (loss)	5,561	-438,973
Net income(loss) before income taxes	5,561	-438,973
Income taxes including inhabitants' and enterprise taxes	2,069	1,570
Income taxes - deferred	-	-373
Total income taxes	2,069	1,196
Net income (loss)	3,492	-440,169