

Summary of Financial Report for the 3rd Quarter of FY ending March 2019 (Non-Consolidated)

January 30, 2019

Listed Company Name: Japan Tissue Engineering Co., Ltd.
Stock Code: 7774
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Listed Securities Exchange: JQ
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(Rounding down to the nearest million yen)

1. Results for the 3rd Quarter of FY2018 (April 1, 2018 to December 31, 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	%
3 rd quarter of FY2018	1,537	-4.4	-480	—	-472	—	-485	—
3 rd quarter of FY2017	1,609	39.4	121	—	121	—	106	—

	Net income per share	Net income per share, diluted
	yen	yen
3 rd quarter of FY2018	-11.95	—
3 rd quarter of FY2017	2.62	—

(2) Financial Condition

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
3 rd quarter of FY2018	8,503	7,765	91.3
FY2017	9,023	8,251	91.4

Note: Shareholders' equity 3rd quarter of FY2018: 7,765 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	—	0.00	—	—	—
FY2018 (Forecast)	—	—	—	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)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
FY2018	2,343	3.1	-415	-	-405	-	-413	-	-10.18

Note: Revisions to forecast this quarter Yes

*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 3rd Quarter of FY2018
(October 1, 2018 - December 30, 2018)

(1) Non-consolidated Balance Sheets

(In thousands yen)

	FY2017	FY2018 Q3
	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and cash equivalents	6,203,808	5,819,592
Trade notes and accounts receivable	591,113	459,759
Finished goods	508	-
Work in process	25,273	47,323
Raw materials and supplies	109,405	128,722
Other	163,938	125,919
Total current assets	7,094,047	6,581,318
Noncurrent assets		
Property, plant and equipment		
Buildings, net	974,592	930,959
Land	582,770	582,770
Other, net	98,779	153,336
Total property, plant and equipment	1,656,142	1,667,066
Intangible assets	23,041	17,343
Investments and other assets		
Long-term time deposits	200,000	200,000
Other	49,751	37,581
Total Investments and other assets	249,751	237,581
Total noncurrent assets	1,928,935	1,921,992
Deferred assets	87	45
Total assets	9,023,070	8,503,355
Liabilities		
Current liabilities		
Trade notes payable	73,842	92,748
Income taxes and enterprise taxes payable	35,690	23
Reserve for bonuses	84,766	58,520
Provision for directors' bonuses	3,975	3,435
Other	535,571	544,355
Total current liabilities	733,846	699,083
Noncurrent liabilities		
Reserve for directors' retirement benefits	34,900	34,900
Other	2,893	3,435
Total noncurrent liabilities	37,793	38,335
Total liabilities	771,639	737,418
Net assets		
Shareholders' equity		
Capital	4,958,763	4,958,763
Capital surplus	2,788,763	2,788,763
Retained earnings	504,132	18,654
Treasury shares	-228	-244
Total shareholders' equity	8,251,430	7,765,936
Total net assets	8,251,430	7,765,936
Total liabilities and net assets	9,023,070	8,503,355

(2) Non-consolidated Statements of Income

(In thousands yen)

	FY2017 Q3	FY2018 Q3
	April 1 - December 31, 2017	April 1 - December 31, 2018
Net Sales	1,609,011	1,537,539
Cost of sales	665,735	719,537
Gross profit	943,276	818,001
Selling, general and administrative expenses	821,728	1,298,916
Operating income (loss)	121,548	-480,915
Non-operating income		
Interest income	3,671	2,922
Dividends income	0	0
Insurance income	-	2,218
Other	2,113	3,431
Total non-operating income	5,785	8,573
Non-operating expenses		
Amortization of stock issuance expenses	5,960	42
Foreign exchange losses	-	243
Other	41	50
Total non-operating expenses	6,001	336
Ordinary income (loss)	121,332	-472,678
Net income(loss) before income taxes	121,332	-472,678
Income taxes including inhabitants' and enterprise taxes	15,007	1,146
Income taxes - deferred	-	11,652
Total income taxes	15,007	12,799
Net income (loss)	106,324	-485,478