

Summary of Financial Report for the 2nd Quarter of FY2021 (Non-Consolidated)

October 29, 2021

Listed Company Name: Japan Tissue Engineering Co., Ltd.
Stock Code: 7774
Representative: Ken-ichiro Hata, President and CEO
Contact: Masahito Obayashi, Corporate Officer

Listed Securities Exchange: JQ
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(Rounding down to the nearest million yen)

1. Results for the 2nd Quarter of FY2021 (April 1, 2021 to September 30, 2021)

(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	%
2 nd quarter of FY2021	980	7.0	-267	—	-265	—	-267	—
2 nd quarter of FY2020	916	-6.8	-272	—	-270	—	-272	—

	Net income per share	Net income per share, diluted
	yen	yen
2 nd quarter of FY2021	-6.59	—
2 nd quarter of FY2020	-6.70	—

(2) Financial Condition

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
2 nd quarter of FY2021	7,743	6,896	89.1
FY2020	8,119	7,164	88.2

Note: Shareholders' equity 2nd quarter of FY2021: 6,896 million yen FY2020: 7,164 million yen

2. Cash Dividends

	Dividends per share				
	Q1 end	Q2 end	Q3 end	Term end	Annual
	yen	yen	yen	yen	yen
FY2020	—	0.00	—	0.00	0.00
FY2021	—	0.00	—	—	—
FY2021 (Forecast)	—	—	—	0.00	0.00

Note: Revisions to cash dividends this quarter No

3. Forecast for FY2021 (April 1, 2021 to March 31, 2022)

(% 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
FY2021	2,758	22.2	-297	—	-292	—	-295	—	-7.29

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 FY2021
(April 1, 2021 – September 30, 2021)

(1) Non-consolidated Balance Sheets

(Thousands of yen)

	FY2020	FY2021 2Q
	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	5,275,871	5,163,900
Notes and accounts receivable - trade	822,446	435,215
Merchandise and finished goods	3,569	3,036
Work in process	12,037	50,522
Raw materials and supplies	188,464	187,713
Other	242,212	317,669
Total current assets	6,544,600	6,158,058
Non-current assets		
Property, plant and equipment		
Buildings, net	788,578	770,739
Land	582,770	582,770
Other, net	183,713	192,609
Total property, plant and equipment	1,555,063	1,546,119
Intangible assets	16,575	31,460
Investments and other assets	2,946	7,516
Total non-current assets	1,574,585	1,585,096
Total assets	8,119,186	7,743,155
Liabilities		
Current liabilities		
Notes and accounts payable - trade	147,467	99,153
Income taxes payable	14,394	23,915
Provision for bonuses	134,001	120,702
Provision for bonuses for directors (and other officers)	4,824	1,214
Other	618,322	565,924
Total current liabilities	919,009	810,909
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	34,900	34,900
Other	874	535
Total non-current liabilities	35,774	35,435
Total liabilities	954,784	846,345
Net assets		
Shareholders' equity		
Share capital	4,958,763	4,958,763
Capital surplus	2,788,763	2,788,763
Retained earnings	-582,837	-850,409
Treasury shares	-287	-307
Total shareholders' equity	7,164,401	6,896,809
Total net assets	7,164,401	6,896,809
Total liabilities and net assets	8,119,186	7,743,155

(2) Non-consolidated Statements of Income

(Thousands of yen)

	FY2020 Q2	FY2021 Q2
	April 1 - September 30, 2020	April 1 - September 30, 2021
Net sales	916,908	980,725
Cost of sales	433,866	385,034
Gross profit	483,042	595,690
Selling, general and administrative expenses	755,321	863,650
Operating loss	-272,279	-267,960
Non-operating income		
Interest and dividend income	1,575	1,206
Other	1,056	1,295
Total non-operating income	2,632	2,501
Non-operating expenses		
Foreign exchange losses	489	15
Other	13	0
Total non-operating expenses	503	15
Ordinary loss	-270,150	-265,474
Loss before income taxes	-270,150	-265,474
Income taxes - current	2,128	2,097
Total income taxes	2,128	2,097
Loss	-272,279	-267,571

(3) Non-consolidated Statements of Cash Flows

(Thousands of yen)

	FY2020 Q2 April 1 - September 30, 2020	FY2021 Q2 April 1 - September 30, 2021
Cash flows from operating activities		
Loss before income taxes	-270,150	-265,474
Depreciation	62,437	60,534
Increase (decrease) in provision for bonuses	9,491	-13,298
Increase (decrease) in provision for bonuses for directors (and other officers)	-4,798	-3,609
Interest and dividend income	-1,575	-1,206
Decrease (increase) in trade receivables	202,197	387,231
Decrease (increase) in inventories	-97,345	-37,201
Increase (decrease) in trade payables	-13,747	-48,314
Increase (decrease) in accounts payable - other	-48,337	-122,405
Increase (decrease) in accrued consumption taxes	-49,062	3,355
Other, net	7,001	-38,452
Subtotal	-203,889	-78,841
Interest and dividends received	1,494	1,289
Income taxes refund (paid)	-3,439	-3,555
Net cash provided by (used in) operating activities	-205,833	-81,107
Cash flows from investing activities		
Payments into time deposits	-1,500,000	-1,500,000
Proceeds from withdrawal of time deposits	1,700,000	1,500,000
Purchase of property, plant and equipment	-33,785	-18,634
Purchase of intangible assets	-5,171	-12,461
Other, net	-94	655
Net cash provided by (used in) investing activities	160,948	-30,440
Cash flows from financing activities		
Repayments of lease obligations	-778	-401
Purchase of treasury shares	-	-20
Net cash provided by (used in) financing activities	-778	-422
Net increase (decrease) in cash and cash equivalents	-45,662	-111,970
Cash and cash equivalents at beginning of period	2,150,876	1,875,871
Cash and cash equivalents at end of period	2,105,213	1,763,900