

Summary of Financial Report for the 3rd Quarter of FY2021 (Non-Consolidated)

January 31, 2022

Listed Company Name: Japan Tissue Engineering Co., Ltd.

Listed Securities Exchange: JQ

Stock Code: 7774

URL <http://www.jp-te.co.jp>

Representative: Ken-ichiro Hata, President and CEO

Contact: Masahito Obayashi, Corporate Officer

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(Rounding down to the nearest million yen)

1. Results for the 3rd Quarter of FY2021 (April 1, 2021 to December 31, 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	%
3 rd quarter of FY2021	1,595	15.3	-339	—	-337	—	-340	—
3 rd quarter of FY2020	1,383	-8.1	-410	—	-407	—	-410	—

	Net income per share	Net income per share, diluted
	yen	yen
3 rd quarter of FY2021	-8.39	—
3 rd quarter of FY2020	-10.10	—

(2) Financial Condition

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
3 rd quarter of FY2021	7,600	6,823	89.8
FY2020	8,119	7,164	88.2

Note: Shareholders' equity 3rd quarter of FY2021: 6,823 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	2,260	0.1	-450	—	-445	—	-449	—	-11.06

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 FY2021
(April 1, 2021 – December 31, 2021)

(1) Non-consolidated Balance Sheets

(Thousands of yen)

	FY2020 As of March 31, 2021	FY2021 3Q As of December 31, 2021
Assets		
Current assets		
Cash and deposits	5,275,871	4,988,531
Notes and accounts receivable - trade	822,446	583,957
Merchandise and finished goods	3,569	2,436
Work in process	12,037	46,353
Raw materials and supplies	188,464	172,714
Other	242,212	224,113
Total current assets	6,544,600	6,018,107
Non-current assets		
Property, plant and equipment		
Buildings, net	788,578	780,123
Land	582,770	582,770
Other, net	183,713	187,680
Total property, plant and equipment	1,555,063	1,550,574
Intangible assets	16,575	27,228
Investments and other assets	2,946	4,285
Total non-current assets	1,574,585	1,582,088
Total assets	8,119,186	7,600,196
Liabilities		
Current liabilities		
Notes and accounts payable - trade	147,467	95,904
Income taxes payable	14,394	13,150
Provision for bonuses	134,001	62,633
Provision for bonuses for directors (and other officers)	4,824	2,429
Other	618,322	567,064
Total current liabilities	919,009	741,181
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	34,900	34,900
Other	874	334
Total non-current liabilities	35,774	35,234
Total liabilities	954,784	776,416
Net assets		
Shareholders' equity		
Share capital	4,958,763	4,958,763
Capital surplus	2,788,763	2,788,763
Retained earnings	-582,837	-923,438
Treasury shares	-287	-307
Total shareholders' equity	7,164,401	6,823,780
Total net assets	7,164,401	6,823,780
Total liabilities and net assets	8,119,186	7,600,196

(2) Non-consolidated Statements of Income

(Thousands of yen)

	FY2020 Q3	FY2021 Q3
	April 1 – December 31, 2020	April 1 – December 31, 2021
Net sales	1,383,302	1,595,502
Cost of sales	658,358	610,525
Gross profit	724,943	984,977
Selling, general and administrative expenses	1,134,993	1,324,622
Operating loss	-410,050	-339,645
Non-operating income		
Interest and dividend income	2,308	1,810
Income from employee	684	706
Other	764	981
Total non-operating income	3,756	3,498
Non-operating expenses		
Foreign exchange losses	747	15
Loss on retirement of non-current assets	4	1,391
Other	9	—
Total non-operating expenses	760	1,406
Ordinary loss	-407,055	-337,552
Loss before income taxes	-407,055	-337,552
Income taxes - current	3,080	3,048
Total income taxes	3,080	3,048
Loss	-410,135	-340,601