

Summary of Financial Report for the 2nd Quarter of FY2022 (Non-Consolidated)

October 31, 2022

Listed Company Name: Japan Tissue Engineering Co., Ltd.
Stock Code: 7774

Listed Securities Exchange: Tokyo Growth
URL <https://www.jpte.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 2nd Quarter of FY2022 (April 1, 2022 to September 30, 2022)

(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 FY2022	972	-0.9	-420	—	-419	—	-421	—
2 nd quarter of FY2021	980	7.0	-267	—	-265	—	-267	—

	Net income per share	Net income per share, diluted
	yen	yen
2 nd quarter of FY2022	-10.38	—
2 nd quarter of FY2021	-6.59	—

(2) Financial Condition

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
2 nd quarter of FY2022	7,123	6,245	87.7
End of FY2021	7,598	6,666	87.7

Note: Shareholders' equity 2nd quarter of FY2022: 6,245 million yen End of FY2021: 6,666 million yen

2. Cash Dividends

	Dividends per share				
	Q1 end	Q2 end	Q3 end	Term end	Annual
	yen	yen	yen	yen	yen
FY2021	—	0.00	—	0.00	0.00
FY2022	—	0.00	—	—	—
FY2022 (Forecast)	—	—	—	0.00	0.00

Note: Revisions to cash dividends this quarter No

3. Forecast for FY2022 (April 1, 2022 to March 31, 2023)

(% 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	
FY2022	2,540	20.8	-389	—	-384	—	-388	—	—	-9.57

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 FY2022
(April 1, 2022 – September 30, 2022)

(1) Non-consolidated Balance Sheets

(Thousands of yen)

	FY2021 As of March 31, 2022	FY2022 2Q As of September 30, 2022
Assets		
Current assets		
Cash and deposits	4,933,319	4,495,389
Notes and accounts receivable - trade	496,493	466,175
Work in process	28,837	30,352
Raw materials and supplies	158,448	166,706
Other	328,837	345,214
Total current assets	5,945,936	5,503,838
Non-current assets		
Property, plant and equipment		
Buildings, net	813,664	779,123
Land	582,770	582,770
Other, net	217,320	206,552
Total property, plant and equipment	1,613,755	1,568,446
Intangible assets	36,267	35,995
Investments and other assets	2,195	15,580
Total non-current assets	1,652,219	1,620,022
Total assets	7,598,156	7,123,861
Liabilities		
Current liabilities		
Notes and accounts payable - trade	117,092	111,289
Income taxes payable	26,001	22,181
Provision for bonuses	126,668	128,750
Provision for bonuses for directors (and other officers)	3,643	1,228
Other	623,225	580,411
Total current liabilities	896,630	843,862
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	34,900	34,900
Other	133	-
Total non-current liabilities	35,033	34,900
Total liabilities	931,664	878,762
Net assets		
Shareholders' equity		
Share capital	4,958,763	4,958,763
Capital surplus	2,788,763	2,788,763
Retained earnings	-1,080,727	-1,502,119
Treasury shares	-307	-307
Total shareholders' equity	6,666,491	6,245,099
Total net assets	6,666,491	6,245,099
Total liabilities and net assets	7,598,156	7,123,861

(2) Non-consolidated Statements of Income

(Thousands of yen)

	FY2021 Q2	FY2022 Q2
	April 1 - September 30, 2021	April 1 - September 30, 2022
Net sales	980,725	972,188
Cost of sales	385,034	438,649
Gross profit	595,690	533,538
Selling, general and administrative expenses	863,650	953,546
Operating loss	-267,960	-420,008
Non-operating income		
Interest and dividend income	1,206	576
Income from employee	469	479
Other	825	606
Total non-operating income	2,501	1,662
Non-operating expenses		
Foreign exchange losses	15	1,144
Other	0	0
Total non-operating expenses	15	1,144
Ordinary loss	-265,474	-419,490
Loss before income taxes	-265,474	-419,490
Income taxes - current	2,097	1,901
Total income taxes	2,097	1,901
Loss	-267,571	-421,392

(3) Non-consolidated Statements of Cash Flows

(Thousands of yen)

	FY2021 Q2	FY2022 Q2
	April 1 - September 30, 2021	April 1 - September 30, 2022
Cash flows from operating activities		
Loss before income taxes	-265,474	-419,490
Depreciation	60,534	65,593
Increase (decrease) in provision for bonuses	-13,298	2,082
Increase (decrease) in provision for bonuses for directors (and other officers)	-3,609	-2,415
Interest and dividend income	-1,206	-576
Decrease (increase) in trade receivables	387,231	30,317
Decrease (increase) in inventories	-37,201	-9,773
Increase (decrease) in trade payables	-48,314	-5,803
Increase (decrease) in accounts payable - other	-122,405	-72,177
Increase (decrease) in accrued consumption taxes	3,355	7,819
Other, net	-38,452	83,584
Subtotal	-78,841	-320,838
Interest and dividends received	1,289	9
Income taxes refund (paid)	-3,555	-3,279
Net cash provided by (used in) operating activities	-81,107	-324,108
Cash flows from investing activities		
Payments into time deposits	-1,500,000	-
Proceeds from withdrawal of time deposits	1,500,000	-
Purchase of property, plant and equipment	-18,634	-100,203
Purchase of intangible assets	-12,461	-13,967
Other, net	655	750
Net cash provided by (used in) investing activities	-30,440	-113,420
Cash flows from financing activities		
Repayments of lease liabilities	-401	-401
Purchase of treasury shares	-20	-
Net cash provided by (used in) financing activities	-422	-401
Net increase (decrease) in cash and cash equivalents	-111,970	-437,930
Cash and cash equivalents at beginning of period	1,875,871	1,533,319
Cash and cash equivalents at end of period	1,763,900	1,095,389