

Summary of Financial Report for the 2nd Quarter of FY2023 (Non-Consolidated)

October 31, 2023

Listed Company Name: Japan Tissue Engineering Co., Ltd. Listed Securities Exchange: Tokyo Growth
 Stock Code: 7774 URL <https://www.jpte.co.jp>
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(Rounding down to the nearest million yen)

1. Results for the 2nd Quarter of FY2023 (April 1, 2023 to September 30, 2023)

(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 FY2023	1,246	28.2	-10	—	-9	—	-11	—
2 nd quarter of FY2022	972	-0.9	-420	—	-419	—	-421	—

	Net income per share	Net income per share, diluted
	yen	yen
2 nd quarter of FY2023	-0.29	—
2 nd quarter of FY2022	-10.38	—

(2) Financial Condition

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
2 nd quarter of FY2023	6,776	5,925	87.4
FY2022	6,883	5,937	86.3

Note: Shareholders' equity 2nd quarter of FY2023: 5,925 million yen FY2022: 5,937 million yen

2. Cash Dividends

	Dividends per share				
	Q1 end	Q2 end	Q3 end	Term end	Annual
	yen	yen	yen	yen	yen
FY2022	—	0.00	—	0.00	0.00
FY2023	—	0.00	—	—	—
FY2023 (Forecast)	—	—	—	0.00	0.00

Note: Revisions to cash dividends this quarter No

3. Forecast for FY2023 (April 1, 2023 to March 31, 2024)

(% 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
FY2023	2,749	35.3	126	—	127	—	109	—	2.69

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 FY2023
(April 1, 2023 - September 30, 2023)

(1) Non-consolidated Balance Sheets

(Thousands of yen)

	FY2022 As of March 31, 2023	FY2023 Q2 As of September 30, 2023
Assets		
Current assets		
Cash and deposits	4,134,570	4,202,872
Notes and accounts receivable - trade	520,216	344,159
Electronically recorded monetary claims - operating	56,012	44,438
Work in process	30,833	23,665
Raw materials and supplies	206,788	173,433
Other	262,941	356,856
Total current assets	5,211,363	5,145,424
Non-current assets		
Property, plant and equipment		
Buildings, net	746,600	711,746
Land	582,770	582,770
Other, net	238,112	222,279
Total property, plant and equipment	1,567,483	1,516,797
Intangible assets	93,580	89,847
Investments and other assets	10,892	24,353
Total non-current assets	1,671,956	1,630,998
Total assets	6,883,320	6,776,423
Liabilities		
Current liabilities		
Notes and accounts payable - trade	67,712	14,365
Electronically recorded obligations - operating	68,209	43,269
Income taxes payable	23,561	27,223
Provision for bonuses	127,352	131,598
Provision for bonuses for directors (and other officers)	3,685	—
Other	620,725	599,526
Total current liabilities	911,246	815,983
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	34,900	34,900
Total non-current liabilities	34,900	34,900
Total liabilities	946,146	850,883
Net assets		
Shareholders' equity		
Share capital	4,958,763	4,958,763
Capital surplus	2,788,763	2,788,763
Retained earnings	-1,810,045	-1,821,679
Treasury shares	-307	-307
Total shareholders' equity	5,937,173	5,925,540
Total net assets	5,937,173	5,925,540
Total liabilities and net assets	6,883,320	6,776,423

(2) Non-consolidated Statements of Income

(Thousands of yen)

	FY2022 Q2	FY2023 Q2
	April 1 - September 30, 2022	April 1 - September 30, 2023
Net sales	972,188	1,246,595
Cost of sales	438,649	421,989
Gross profit	533,538	824,605
Selling, general and administrative expenses	953,546	835,458
Operating loss	-420,008	-10,852
Non-operating income		
Interest and dividend income	576	389
IncomeFromEmployee	479	476
Other	606	429
Total non-operating income	1,662	1,294
Non-operating expenses		
Foreign exchange losses	1,144	174
Other	0	0
Total non-operating expenses	1,144	174
Ordinary loss	-419,490	-9,731
Loss before income taxes	-419,490	-9,731
Income taxes - current	1,901	1,901
Total income taxes	1,901	1,901
Loss	-421,392	-11,633

(3) Non-consolidated Statements of Cash Flows

(Thousands of yen)

	FY2022 Q2	FY2023 Q2
	April 1 - September 30, 2022	April 1 - September 30, 2023
Cash flows from operating activities		
Loss before income taxes	-419,490	-9,731
Depreciation	65,593	67,449
Increase (decrease) in provision for bonuses	2,082	4,246
Increase (decrease) in provision for bonuses for directors (and other officers)	-2,415	-3,685
Interest and dividend income	-576	-389
Decrease (increase) in trade receivables	30,317	187,631
Decrease (increase) in inventories	-9,773	40,523
Increase (decrease) in trade payables	-5,803	-78,286
Increase (decrease) in accounts payable - other	-72,177	-65,266
Increase (decrease) in accrued consumption taxes	7,819	56,789
Other, net	83,584	-35,662
Subtotal	-320,838	163,618
Interest and dividends received	9	12
Income taxes refund (paid)	-3,279	-3,666
Net cash provided by (used in) operating activities	-324,108	159,964
Cash flows from investing activities		
Payments into time deposits	—	-100,000
Purchase of property, plant and equipment	-100,203	-40,185
Purchase of intangible assets	-13,967	-51,524
Other, net	750	180
Net cash provided by (used in) investing activities	-113,420	-191,529
Cash flows from financing activities		
Repayments of lease liabilities	-401	-133
Net cash provided by (used in) financing activities	-401	-133
Net increase (decrease) in cash and cash equivalents	-437,930	-31,698
Cash and cash equivalents at beginning of period	1,533,319	2,034,570
Cash and cash equivalents at end of period	1,095,389	2,002,872