



Summary of Financial Report for the 1st Quarter of FY ending March 2010 (Non-Consolidated)

July 30, 2009

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

1. Results for the 1st Quarter of FY2009 (April 1, 2009 to June 30, 2009)

(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	%
1 st quarter of FY2009	24	5.7	-297	-	-303	-	-304	-
1 st quarter of FY2008	22	-	-286	-	-289	-	-306	-

	Net income per share	Net income per share, diluted
	yen	yen
1 st quarter of FY2009	-3,005.47	-
1 st quarter of FY2008	-3,035.79	-

(2) Financial Condition

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
1 st quarter of FY2009	3,663	2,114	57.7	20,880.59
FY2008	3,453	2,418	70.0	23,886.06

Note: Capital 1st quarter of FY2009: 2,114 million yen FY2008: 2,418 million yen

2. Cash Dividends

	Dividends per share				
	Q1 end	Q2 end	Q3	Term end	Annual
	yen	yen	yen	yen	yen
FY2009	-	0.00	-	0.00	0.00
FY2010	-	—	—	—	—
FY2010 (Forecast)	—	0.00	-	0.00	0.00

Note: Revisions to cash dividends this quarter No

3. Forecast for FY2009 (April 1, 2009 to March 31, 2010)

(% indicate increase/decrease on previous year)

	Sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
2 nd quarter of FY2009	116	92.8	-677	-	-688	-	-690	-	-6,815.78
FY2009	361	214.8	-1,150	-	-1,173	-	-1,177	-	-11,626.86

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 1st Quarter of FY2009
(April 1, 2009 - June 30, 2009)

(1) Non-consolidated Balance Sheets

(In thousands yen)

	FY2009 Q1	FY2008
	As of June 30, 2009	As of March 31, 2009
Assets		
Current assets		
Cash and cash equivalents	1,949,556	2,216,936
Trade notes and accounts receivable	19,162	20,999
Finished goods	74	274
Work in process	1,773	3,939
Raw materials and supplies	40,866	35,711
Other	27,719	26,639
Total current assets	2,039,152	2,304,502
Non-current assets		
Property, plant and equipment		
Buildings, net	928,340	739,795
Land	537,814	—
Other, net	104,260	347,139
Total property, plant and equipment	1,570,416	1,086,935
Intangible assets	36,212	36,377
Investments and other assets	5,847	11,093
Total non-current assets	1,612,476	1,134,406
Deferred assets	12,072	14,431
Total assets	3,663,701	3,453,340
Liabilities		
Current liabilities		
Trade notes payable	30,278	24,973
Current installments of long-term loans payable	120,250	96,700
Income taxes and enterprise taxes payable	5,552	13,025
Reserve for bonuses	21,002	38,239
Other	137,569	128,396
Total current liabilities	314,653	301,335
Non-current liabilities		
Long-term loans	1,134,900	638,450
Reserve for directors' retirement benefits	86,000	81,100
Other	13,967	13,967
Total non-current liabilities	1,234,867	733,517
Total liabilities	1,549,520	1,034,852
Net assets		
Shareholders' equity		
Capital	5,553,450	5,553,450
Capital surplus	3,383,450	3,383,450
Retained earnings	-6,822,719	-6,518,412
Total shareholders' equity	2,114,180	2,418,487
Total net assets	2,114,180	2,418,487
Total liabilities and net assets	3,663,701	3,453,340

(2) Non-consolidated Statements of Income

(In thousands yen)

	FY2008 Q1	FY2009 Q1
	April 1 - June 30, 2008	April 1 - June 30, 2009
Sales	22,788	24,085
Cost of sales	20,867	27,325
Gross profit	1,921	-3,240
Selling, general and administrative expenses	288,828	294,175
Operating Loss (-)	-286,907	-297,415
Non-operating income		
Interest income	1,984	932
Dividends income	0	0
Other	474	452
Total non-operating income	2,459	1,385
Non-operating expenses		
Interest expenses	3,024	4,962
Amortization of stock issuance expenses	2,347	2,359
Other	—	5
Total non-operating expenses	5,372	7,326
Ordinary loss (-)	-289,819	-303,356
Extraordinary income		
Reversal of reserve for directors' retirement benefits	1,600	—
Total extraordinary income	1,600	—
Extraordinary loss		
Compensation for damage	17,600	—
Total extraordinary loss	17,600	—
Loss before income taxes (-)	-305,819	-303,356
Income taxes including inhabitants' and enterprise taxes	950	950
Total income taxes	950	950
Net loss (-)	-306,769	-304,306

(3) Non-consolidated Statements of Cash Flows

(In thousands yen)

	FY2008 Q1	FY2009 Q1
	April 1 - June 30, 2008	April 1 - June 30, 2009
Cash flows from operating activities		
Loss before income taxes (-)	-305,819	-303,356
Depreciation and amortization	25,272	23,877
Increase / decrease in provision for bonuses (-: decrease)	-17,452	-17,236
Increase / decrease in provision for directors' retirement benefits (-: decrease)	2,900	4,900
Interest and dividends income	-1,984	-933
Interest expenses	3,024	4,962
Foreign exchange losses/gains (-: gains)	—	5
Increase / decrease in trade receivables (-: increase)	630	1,837
Increase / decrease in inventory assets (-: increase)	-3,298	-2,788
Increase / decrease in accounts payable (-: decrease)	-10,807	5,304
Increase / decrease in other accounts payable (-: decrease)	48,128	32,251
Increase / decrease in accrued consumption taxes (-: decrease)	12,005	322
Other	-2,669	1,905
Sub-total	-250,069	-248,948
Interest and dividends income received	463	780
Interest expenses paid	—	-3,866
Income taxes paid	-3,892	-3,956
Net cash provided by (used in) operating activities	-253,499	-255,990
Cash flows from investing activities		
Payments into time deposits	-100,000	—
Proceeds from withdrawal of time deposits	300,000	100,000
Payments for purchase of tangible fixed assets	-3,051	-510,349
Payments for purchase of intangible fixed assets	-5,250	-26,281
Other	52	5,246
Net cash provided by (used in) investing activities	191,750	-431,384
Cash flows from financing activities		
Proceeds from long-term loans	—	520,000
Net cash provided by (used in) financial activities	—	520,000
Effect of exchange rate changes on cash and cash equivalents	—	-5
Net increase / decrease in cash and cash equivalents (-: decrease)	-61,748	-167,380
Cash and cash equivalents at beginning of period	676,314	956,286
Cash and cash equivalents at end of period	614,565	788,906