



Summary of Financial Report for the 3rd Quarter of FY ending March 2010 (Non-Consolidated)

January 29, 2010

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

Listed Securities Exchange: JQ NEO

Stock Code: 7774

URL <http://www.jpte.co.jp>

Representative: Yosuke Ozawa, President

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(Rounding down to the nearest million yen)

1. Results for the 3rd Quarter of FY2009 (April 1, 2009 to December 31, 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	%
3 rd quarter of FY2009	144	77.6	△814	—	△835	—	△838	—
3 rd quarter of FY2008	81	—	△842	—	△851	—	△870	—

	Net income per share	Net income per share, diluted
	yen	yen
3 rd quarter of FY2009	△8,277.53	—
3 rd quarter of FY2008	△8,612.47	—

(2) Financial Condition

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
3 rd quarter of FY2009	3,199	1,580	49.4	15,608.52
FY2008	3,453	2,418	70.0	23,886.06

Note: Capital 3rd quarter of FY2009: 1,580 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
FY2008	—	0	—	0	0
FY2009	—	0	—	—	—
FY2009 (Forecast)	—	—	—	0	0

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
FY2009	309	170.0	△1,107	—	△1,139	—	△1,142	—	△11,288.19

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 3rd Quarter of FY2009
(April 1, 2009 - December 31, 2009)

(1) Non-consolidated Balance Sheets

(In thousands yen)

	FY2009 Q3	FY2008
	As of December 31, 2009	As of March 31, 2009
Assets		
Current assets		
Cash and cash equivalents	1,440,041	2,216,936
Trade notes and accounts receivable	59,069	20,999
Finished goods	18	274
Work in process	29,887	3,939
Raw materials and supplies	53,246	35,711
Other	35,382	26,639
Total current assets	1,617,645	2,304,502
Non-current assets		
Property, plant and equipment		
Buildings, net	892,766	739,795
Land	537,814	-
Other, net	94,127	347,139
Total property, plant and equipment	1,524,708	1,086,935
Intangible assets	44,405	36,377
Investments and other assets	5,379	11,093
Total non-current assets	1,574,493	1,134,406
Deferred assets	7,353	14,431
Total assets	3,199,492	3,453,340
Liabilities		
Current liabilities		
Trade notes payable	49,122	24,973
Current installments of long-term loans payable	201,742	96,700
Income taxes and enterprise taxes payable	7,452	13,025
Reserve for bonuses	20,780	38,239
Other	131,642	128,396
Total current liabilities	410,739	301,335
Non-current liabilities		
Long-term loans	1,100,060	638,450
Reserve for directors' retirement benefits	96,200	81,100
Other	12,114	13,967
Total non-current liabilities	1,208,374	733,517
Total liabilities	1,619,113	1,034,852
Net assets		
Shareholders' equity		
Capital	5,553,450	5,553,450
Capital surplus	3,383,450	3,383,450
Retained earnings	-7,356,521	-6,518,412
Total shareholders' equity	1,580,378	2,418,487
Total net assets	1,580,378	2,418,487
Total liabilities and net assets	3,199,492	3,453,340

(2) Non-consolidated Statements of Income

(In thousands yen)

	FY2008 Q3	FY2009 Q3
	April 1 - December 31, 2008	April 1 - December 31, 2009
Sales	81,361	144,461
Cost of sales	76,015	132,391
Gross profit	5,346	12,069
Selling, general and administrative expenses	848,148	826,635
Operating Loss (-)	-842,801	-814,566
Non-operating income		
Interest income	6,266	1,932
Dividends income	0	0
Insurance income	-	1,355
Other	1,512	1,989
Total non-operating income	7,779	5,277
Non-operating expenses		
Interest expenses	8,819	18,887
Amortization of stock issuance expenses	7,045	7,078
Other	400	5
Total non-operating expenses	16,264	25,970
Ordinary loss (-)	-851,286	-835,258
Extraordinary income		
Reversal of reserve for directors' retirement benefits	1,600	-
Total extraordinary income	1,600	-
Extraordinary loss		
Loss on disposal of fixed assets	222	-
Compensation for damage	17,600	-
Total extraordinary loss	17,822	-
Loss before income taxes (-)	-867,509	-835,258
Income taxes including inhabitants' and enterprise taxes	2,850	2,850
Total income taxes	2,850	2,850
Net loss (-)	-870,359	-838,108

(3) Non-consolidated Statements of Cash Flows

(In thousands yen)

	FY2008 Q3	FY2009 Q3
	April 1 - December 31, 2008	April 1 - December 31, 2009
Cash flows from operating activities		
Loss before income taxes (-)	-867,509	-835,258
Depreciation and amortization	76,697	83,188
Increase / decrease in provision for bonuses (-: decrease)	-20,344	-17,459
Increase / decrease in provision for directors' retirement benefits (-: decrease)	13,500	15,100
Interest and dividends income	-6,267	-1,933
Interest expenses	8,819	18,887
Foreign exchange losses/gains (-: gains)	-11	5
Increase / decrease in trade receivables (-: increase)	2,171	-38,069
Increase / decrease in inventory assets (-: increase)	-5,162	-43,225
Increase / decrease in accounts payable (-: decrease)	-3,700	24,149
Increase / decrease in other accounts payable (-: decrease)	8,935	8,652
Increase / decrease in accrued consumption taxes (-: decrease)	4,580	-8,080
Other	6,615	13,509
Sub-total	-781,674	-780,534
Interest and dividends income received	4,784	2,276
Interest expenses paid	-6,100	-17,209
Income taxes paid	-4,174	-2,698
Net cash provided by (used in) operating activities	-787,165	-798,166
Cash flows from investing activities		
Payments into time deposits	-1,760,650	-760,650
Proceeds from withdrawal of time deposits	2,360,650	1,260,650
Payments for purchase of tangible fixed assets	-11,687	-516,500
Payments for purchase of intangible fixed assets	-7,875	-34,280
Other	52	5,404
Net cash provided by (used in) investing activities	580,489	-45,375
Cash flows from financing activities		
Proceeds from long-term loans	-	620,000
Repayments of long-term loans	-48,350	-53,348
Proceeds from issuance of common stock	9,931	-
Net cash provided by (used in) financial activities	-38,418	566,652
Effect of exchange rate changes on cash and cash	11	-5
Net increase / decrease in cash and cash equivalents (-: decrease)	-245,084	-276,895
Cash and cash equivalents at beginning of period	676,314	956,286
Cash and cash equivalents at end of period	431,230	679,391