

Summary of Financial Report for the 3rd Quarter of FY ending March 2012 (Non-Consolidated)

January 31, 2012

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

Listed Securities Exchange: JQ

Stock Code: 7774

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

Representative: Yosuke Ozawa, President

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(Rounding down to the nearest million yen)

1. Results for the 3rd Quarter of FY2011 (April 1, 2011 to December 31, 2011)

(1) Business Results (% indicate increase / decrease on previous fiscal year)

	Sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
3 rd quarter of FY2011	332	38.9	-839	-	-846	-	-849	-
3 rd quarter of FY2010	239	65.7	-866	-	-884	-	-887	-

	Net income per share	Net income per share, diluted
	yen	yen
3 rd quarter of FY2011	-4,646.22	-
3 rd quarter of FY2010	-7,109.66	-

(2) Financial Condition

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
3 rd quarter of FY2011	4,819	3,638	75.5
FY2010	5,831	4,488	77.0

Note: Shareholders' equity 3rd quarter of FY2011: 3,638 million yen FY2010: 4,488 million yen

2. Cash Dividends

	Dividends per share				
	Q1 end	Q2 end	Q3 end	Term end	Annual
	yen	yen	yen	yen	yen
FY2010	-	0.00	-	0.00	0.00
FY2011	-	0.00	-	0.00	0.00
FY2011 (Forecast)	0.00	0.00	0.00	0.00	0.00

Note: Revisions to cash dividends this quarter No

3. Forecast for FY2011 (April 1, 2011 to March 31, 2012)

(% 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	
FY2011	471	34.1	-1,172	-	-1,149	-	-1,153	-	-6311.11	

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 FY2011
(April 1, 2011 - December 31, 2011)

(1) Non-consolidated Balance Sheets

(In thousands yen)

	FY2010	FY2011 Q3
	As of March 31, 2011	As of December 31, 2011
Assets		
Current assets		
Cash and cash equivalents	4,182,923	3,198,962
Trade notes and accounts receivable	78,025	96,856
Work in process	9,926	11,950
Raw materials and supplies	48,305	49,153
Other	37,323	31,913
Total current assets	4,356,503	3,388,837
Non-current assets		
Property, plant and equipment		
Buildings, net	812,245	774,148
Land	537,814	537,814
Other, net	67,613	69,009
Total property, plant and equipment	1,417,673	1,380,971
Intangible assets	36,139	31,431
Investments and other assets	8,072	8,584
Total non-current assets	1,461,885	1,420,988
Deferred assets	13,564	9,423
Total assets	5,831,953	4,819,249
Liabilities		
Current liabilities		
Trade notes payable	35,897	43,957
Current installments of long-term loans payable	244,492	249,292
Income taxes and enterprise taxes payable	21,625	9,680
Reserve for bonuses	45,425	24,906
Other	125,402	147,990
Total current liabilities	472,842	475,827
Non-current liabilities		
Long-term loans	764,270	601,476
Reserve for directors' retirement benefits	100,200	92,000
Other	6,557	11,288
Total non-current liabilities	871,027	704,764
Total liabilities	1,343,870	1,180,592
Net assets		
Shareholders' equity		
Capital	7,716,700	7,716,700
Capital surplus	5,546,700	5,546,700
Retained earnings	-8,775,316	-9,624,742
Total shareholders' equity	4,488,083	3,638,657
Total net assets	4,488,083	3,638,657
Total liabilities and net assets	5,831,953	4,819,249

(2) Non-consolidated Statements of Income

(In thousands yen)

	FY2010 Q3	FY2011 Q3
	April 1 - December 31, 2010	April 1 - December 31, 2011
Sales	239,299	332,472
Cost of sales	263,654	289,707
Gross profit or Gross loss (-)	-24,355	42,765
Selling, general and administrative expenses	841,788	881,902
Operating Loss (-)	-866,144	-839,137
Non-operating income		
Interest income	506	806
Dividends income	0	0
Technical support fee	-	2,650
Grant income	8,128	6,880
Other	1,495	1,659
Total non-operating income	10,130	11,996
Non-operating expenses		
Interest expenses	22,069	14,974
Amortization of stock issuance expenses	6,778	4,209
Other	85	250
Total non-operating expenses	28,934	19,434
Ordinary loss (-)	-884,947	-846,575
Loss before income taxes (-)	-884,947	-846,575
Income taxes including inhabitants' and enterprise taxes	2,850	2,850
Total income taxes	2,850	2,850
Net loss (-)	-887,797	-849,425