CONSOLIDATED FINANCIAL REPORT
For the Third Quarter of Fiscal Year Ending April 30, 2015
(Under Japan GAAP)

March 13, 2015

Company name: 3-D Matrix, Ltd.
Stock exchange listings: Tokyo JASDAQ
Stock code number: 7777
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Quarterly statement filling date (as planned): March 13, 2015
Supplemental material of quarterly results: No
Convening briefing of quarterly results: No

(Figures are rounded down to the nearest million yen)

1. Consolidated results for the Third quarter of FY 2014
(May 1, 2014 – January 31, 2015)

(1)Consolidated operating results (cumulative)

(%:Growth year on year)

	Business Revenues		Operating income		Ordinary income		Net income	
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%
3Q FY 2014	0	-100.0	-1,513	―	-1,422	―	-1,587	―
3Q FY 2013	56	―	-1,048	―	-1,057	―	-1,058	―

Note: Comprehensive income: 3Q Fiscal 2014 -1,632(―%) 3Q Fiscal 2013 -1,058(―%)

	Basic Net income per share	Diluted Net income per share
	(¥)	(¥)
3Q FY 2014	-75.95	―
3Q FY 2013	-54.20	―

(2)Consolidated financial positions

	Total assets	Net assets	Shareholders' equity per share
	(¥ million)	(¥ million)	%
As of January 31, 2015	7,156	6,737	89.8
As of April 30, 2014	4,120	3,133	70.5

2. Dividends

	Annual dividends per share				
	1Q end	2Q end	3Q end	Year end	Total
	(¥)	(¥)	(¥)	(¥)	(¥)
FY 2013	―	0.00	―	0.00	0.00
FY 2014	―	0.00	―		
FY 2014(Forecast)				0.00	0.00

Note: Revisions to the latest dividend forecast: None

3. Consolidated financial forecasts for Fiscal 2014

(May 1, 2014 – April 30, 2015)

(%:Growth year on year)

	Business Revenues		Operating Income		Ordinary income		Net income		Basic Net income per share
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	¥
Full fiscal year	51	-52.3	-1,984	—	-1,884	—	-2,080	—	-99.52

Note: Revisions to the latest dividend forecast: Yes

※Note

(1) Changes in number of significant subsidiaries during the period (changes in specified subsidiaries resulting in a change in scope of consolidation): None

(2) Application of special accounting treatment in preparation of consolidated quarterly financial statements: None

(3) Changes in accounting policies, accounting estimates and restatements

1) Changes in accounting policies in connection with revisions to accounting standards: None

2) Changes in accounting policies other than 1): None

3) Changes in accounting estimates: None

4) Restatements: None

(4) Number of shares issued (common stock)

(shares)

1) Number of shares issued as of the end of the reporting period (including treasury stock)	3Q FY2014	21,369,200	FY2013	19,876,400
2) Number of treasury stock shares as of the end of the reporting period	3Q FY2014	112	FY2013	112
3) Average number of shares outstanding (cumulative)	3Q FY2014	20,903,291	3Q FY2013	19,531,313

※Indication regarding execution of quarterly review procedures.

This quarterly financial results report is exempt from the quarterly review procedures in accordance with the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly financial report, the review procedures for quarterly financial statement in accordance with the Financial Instruments and Exchange Act have been completed.

※Disclaimer regarding forward-looking information including appropriate use of forecasted financial results

The forecasted statements shown in these materials are based on information currently available and certain assumptions that the Company regards as reasonable. Actual performance and other results may differ from these forecasted figures due to various factors. Please refer to page 3 for details with regard to the assumptions and other related matters concerning consolidated financial results forecasts.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Results of Operations

During the nine months ended January 31, 2015, the company's group has been focused on the development of medical devices with self-assembling peptide, which is the group's main technology.

In January, 2014, absorbable local hemostat (TDM-621) was approved to meet the requirements of the European CE marking (CE marking approved product: "PuraStat®"), and we became able to apply for the product registration in countries that adopt the CE marking system without conducting clinical studies. With this approval, we started the clinical use in major medical institutions in Europe. Our group continuously makes an effort to further expand the clinical use of PuraStat® in major institutions. Moreover, in parallel to the effort, the group continues to negotiate with its distribution partners about collaboration in marketing activities in Europe.

For countries other than Europe, we are conducting businesses to promote PuraStat® by leveraging the CE marking. We applied for product registration through our Singapore-based subsidiary, 3-D Matrix Asia Pte. Ltd., in Singapore in June 2014 and in Indonesia in July 2014. We also acquired a medical device registration approval in Singapore in September 2014. Since September 2014, PuraStat® has been used in the clinical setting in Hong Kong. Our group continues to promote the marketing of PuraStat® in the Asian and Oceanian regions.

In addition, for promoting businesses of PuraStat® in South America, we established a subsidiary in Brazil in June 2014, and worked on the preparation for product registration and search for marketing alliance in South America. Since October 2014, PuraStat® has been used in the clinical setting in Chile.

The group is going to continue to promote the use of PuraStat® in clinical settings in countries that adopt the CE marking system. At the same time, the product is also going to be launched in order.

In Japan, the company has submitted an application for the manufacture and marketing approval to Pharmaceuticals and Medical Devices Agency (PMDA) as of May 31, 2011. Since the precise validation of the efficacy of the hemostat was deemed necessary to obtain the approval through consultations between PMDA and the company, we have decided to withdraw the application on March 13, 2015, conduct a subsequent clinical trial and reapply for the approval. The subsequent clinical trial has already begun to be studied and is planned to start in FY2015. In the U.S., we have been consulting with the Food and Drug Administration (FDA) to commence a clinical study in the country. We are preparing for the commencement of a clinical study in mainland China as well.

With respect to the dental bone filler (TDM-711), we are currently engaged in a discussion with the FDA in order to further expand the clinical study of the product in the U.S.

With respect to the mucosa-elevating material (TDM-641), a clinical study has been started since December 2014, but the study has shown a tendency of lower efficacy of the material in study subjects than that expected from the results of pre-clinical studies; therefore, we decided to voluntarily and temporarily discontinue the study in order to explore the test method for more

evident efficacy and the development of drug product.

With respect to the wound healing material (TDM-511), we submitted the application for the 510(k) to the FDA in the U.S. in October 2014, and received the approval in February 2015.

As a result, consolidated operating revenue for the nine months ended January 31, 2015, totaled ¥— thousand (down ¥56,465 thousand from the same period of the previous year), with an ordinary loss of ¥1,422,977 thousand (compared to an ordinary loss of ¥1,057,846 thousand in the same period of the previous year), and a net loss of ¥1,587,562 thousand (compared to a net loss of ¥1,058,596 thousand in the same period of the previous year).

Since the Group has only a single segment (medical products), segment information is omitted.

(2) Explanation of Financial Position

As of January 31, 2015, total assets stood at ¥7,156,154 thousand (up ¥3,035,185 thousand from the end of the previous year).

Current assets totaled ¥6,551,717 thousand (up ¥2,959,092 thousand) due mainly to an increase of ¥2,950,992 thousand in cash and deposits.

Noncurrent assets totaled ¥ 604,436 thousand (up ¥ 76,093 thousand), due mainly to an increase of ¥51,519 thousand in intangible assets through acquisition of patent rights and an increase of ¥26,104 thousand in long-term prepaid expenses included in Investments and other assets.

Meanwhile, liabilities totaled ¥418,183 thousand (down ¥569,434 thousand), due mainly to a decrease of ¥600,000 thousand in short-term loans payable.

Net assets totaled ¥6,737,971 thousand (up ¥3,604,619 thousand), due mainly to an increase of ¥2,575,180 thousand in capital stock and an increase of ¥2,575,148 thousand in capital surplus as a result of a public offering, despite a decrease of ¥1,587,562 thousand in retained earnings.

(3) Explanation of Consolidated Financial Forecast and Other Forward-looking Information

The company revised consolidated financial results forecast for FY2014. For details, please refer to our notification “Revision of Forecast of Financial Results for FY2014 and Reduction of Board Members’ Compensation” announced as of March 13, 2015.

2. Quarterly Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	Previous Fiscal year (as of April 30, 2014)	Third Quarter of FY2014 (as of January 31, 2015)
Assets		
Current assets		
Cash and deposits	2,640,535	5,591,527
Inventories	789,397	803,350
Other, net	162,692	156,839
Total current assets	3,592,625	6,551,717
Noncurrent assets		
Property, plant and equipment	103,471	98,664
Intangible assets		
Goodwill	256,668	204,167
Other, net	82,259	186,279
Total intangible assets	338,927	390,446
Investments and other assets	85,945	115,325
Total noncurrent assets	528,343	604,436
Total assets	4,120,969	7,156,154
Liabilities		
Current liabilities		
Short-term loans payable	800,000	200,000
Income taxes payable	10,469	12,235
Other, net	147,883	184,073
Total current liabilities	958,353	396,309
Noncurrent liabilities		
Other, net	29,263	21,873
Total noncurrent liabilities	29,263	21,873
Total liabilities	987,617	418,183
Net assets		
Shareholders' equity		
Capital stock	3,338,757	5,913,937
Capital surplus	3,328,660	5,903,808
Retained earnings	(3,791,587)	(5,379,149)
Treasury stock	(59)	(59)
Total shareholders' equity	2,875,772	6,438,537
Accumulated other comprehensive income		
Foreign currency translation adjustment	29,451	(15,862)
Total accumulated other comprehensive income	29,451	(15,862)
Subscription rights to shares	228,128	315,296
Total net assets	3,133,352	6,737,971
Total liabilities and net assets	4,120,969	7,156,154

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly consolidated statements of income
for the nine months ended January 31, 2015

(Thousands of yen)

	Nine Months Ended January 31, 2014 (From May 1 to January 31, 2014)	Nine Months Ended January 31, 2015 (From May 1 to January 31, 2015)
Business revenues		
Net sales	6,388	-
Research and development revenues	50,077	-
Total business revenues	56,465	-
Business expenses		
Cost of sales	2,634	-
Research and development expenses	427,616	602,618
Selling, general and administrative expenses	675,048	911,254
Total business expenses	1,105,299	1,513,872
Operating loss	(1,048,833)	(1,513,872)
Non-operating income		
Interest income	257	1,926
Foreign exchange gains	18,570	131,094
Subsidy income	1,099	87
Other, net	402	399
Total non-operating income	20,329	133,508
Non-operating expenses		
Interest expenses	8,449	7,104
Commission fee	4,536	3,232
Stock issuance cost	15,615	32,045
Other, net	740	229
Total non-operating expenses	29,342	42,613
Ordinary loss	(1,057,846)	(1,422,977)
Extraordinary loss		
Settlement money	-	160,375
Total extraordinary loss	-	160,375
Loss before income taxes and minority interests	(1,057,846)	(1,583,352)
Income taxes-current	712	907
Income taxes-deferred	37	3,302
Total income taxes	749	4,210
Loss before minority interests	(1,058,596)	(1,587,562)
Net loss	(1,058,596)	(1,587,562)

Quarterly consolidated statements of comprehensive income
for the nine months ended January 31, 2015

(Thousands of yen)

	Nine Months Ended January 31, 2014 (From May 1 to January 31, 2014)	Nine Months Ended January 31, 2015 (From May 1 to January 31, 2015)
Loss before minority interests	(1,058,596)	(1,587,562)
Other comprehensive income		
Foreign currency translation adjustment	141	(45,314)
Total other comprehensive income	141	(45,314)
Comprehensive income	(1,058,454)	(1,632,876)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(1,058,454)	(1,632,876)
Comprehensive income attributable to minority interests	-	-

(3) Notes to Going Concern Assumptions

For the nine months ended January 31, 2015 (From May 1 to January 31, 2015)

Not applicable.

(4) Segment Information

Ⅰ For the nine months ended January 31, 2014 (From May 1 to January 31, 2014)

Since the Group has only a single segment (medical products), segment information is omitted.

Ⅱ For the nine months ended January 31, 2015 (From May 1 to January 31, 2015)

Since the Group has only a single segment (medical products), segment information is omitted.

(5) Notes in Case of Significant Changes in Shareholders' Equity

For the nine months ended January 31, 2014 (From May 1 to January 31, 2014)

Significant Changes in Shareholders' Equity

The company has issued new shares through a public offering with the payment due date of July 23, 2013. As a result, capital stock increased by ¥1,144,687 thousand and legal capital surplus by ¥1,144,687 thousand over the nine months ended January 31, 2015. As of the end of the consolidated Third quarter of FY2014, capital stock totaled ¥3,338,253 thousand, and capital surplus ¥3,328,164 thousand.

For the nine months ended January 31, 2015 (From May 1 to January 31, 2015)

Significant Changes in Shareholders' Equity

The company has issued new shares through a public offering with the payment due date of July 9, 2014. As a result, capital stock increased by ¥2,525,712 thousand and legal capital surplus by ¥2,525,712 thousand over the nine months ended January 31, 2015. As of the end of the consolidated Third quarter of FY2014, capital stock totaled ¥5,913,937 thousand, and capital surplus ¥5,903,808 thousand.

(6) Events after the Reporting Period

On March 13, 2015, the board meeting resolved to withdraw the application for the manufacture and marketing approval of absorbable local hemostat submitted to Pharmaceuticals and Medical Devices Agency as of May 31, 2011.

We are planning to conduct a subsequent clinical trial and reapply for manufacture and marketing approval; however, the specific schedule is still under review.

The research and development cost for the study will be allocated in year after FY2014, but the specific amount of the cost is difficult to be estimated at present.