

English Translation

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Summary of Financial Results for the Three Months Ended June 30, 2023 (Japanese GAAP) (Consolidated)

August 8, 2023

Name of listed company: JTOWER Inc. Listing exchange: Tokyo
Securities code: 4485 URL: <https://en.jtower.co.jp/>
Representative: (Position) Representative Director (Name) Atsushi Tanaka
Contact for inquiries: (Position) Managing Director CFO and Corporate Department Head (Name) Ryosuke Nakamura TEL: +81-3-6447-2614

Scheduled date to file Securities Report: August 9, 2023
Scheduled date of dividend payments: -
Supplementary materials for financial results: Yes
Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

1. Consolidated financial results for the three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)
(1) Consolidated operating results (cumulative)

(% figures show the change from the same period of previous fiscal year)

	Net sales		EBITDA*		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
Three months ended June 30, 2023	2,086	88.2	945	104.5	180	34.2	105	(46.5)	68	(49.3)
Three months ended June 30, 2022	1,108	19.2	462	21.3	134	9.9	196	122.4	134	146.8

(Note) Three months ended June 30, 2023: (78) million yen (−%) Three months ended June 30, 2022: 218 million yen (46.8%)
Comprehensive income

	Basic earnings per share	Diluted earnings per share
Three months ended June 30, 2023	3.09 yen	3.08 yen
Three months ended June 30, 2022	6.10 yen	6.07 yen

*EBITDA = Operating income + Depreciation + Amortization of goodwill + Amortization of long-term prepaid expenses

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	million yen	million yen	%
As of June 30, 2023	86,401	13,950	14.8
As of March 31, 2023	52,042	12,893	24.8

(Reference) Equity As of June 30, 2023 12,824 million yen As of March 31, 2023 12,893 million yen

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	(Total)
	yen	yen	yen	yen	yen
Fiscal year ended March 2023	-	0.00	-	0.00	0.00
Fiscal year ending March 2024	-				
Fiscal year ending March 2024 (forecast)		0.00	-	0.00	0.00

(Note) Recently announced dividend forecast corrected? Yes/No: No

3. Consolidated financial forecast for fiscal year ending March 2024 (from April 1, 2023 to March 31, 2024)

(% figures show the change from the same period of previous fiscal year)

	Net sales		EBITDA		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	Yen
Full fiscal year	10,500	100.8	4,740	180.7	560	378.4	(680)	—	(700)	—	(31.77)

(Note) Recently announced earnings estimate corrected? Yes/No: No

* Explanatory notes

- (1) Changes in significant subsidiaries during the period
(Changes in specified subsidiaries resulting in change in scope of consolidation): No
- (2) Application of accounting treatments specific to preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatements
- (i) Changes in accounting policies due to amendment of accounting standards, etc. : No
 - (ii) Changes in accounting policies other than (i) : No
 - (iii) Changes in accounting estimates : No
 - (iv) Restatements : No

(4) Number of shares issued and outstanding (common shares)

(i) Number of shares issued and outstanding (including treasury shares) at the end of period	As of June 30, 2023	22,046,318 shares	As of March 31, 2023	22,031,718 shares
(ii) Number of treasury shares at the end of period	As of June 30, 2023	16,206 shares	As of March 31, 2023	16,159 shares
(iii) Average number of shares during period (cumulative)	Three months ended June 30, 2023	22,019,797 shares	Three months ended June 30, 2022	21,994,109 shares

(Note) The Company has introduced the Employee Stock Ownership Plan (J-ESOP) and the shares in the Company held by the trusts are included in the number of treasury shares to be subtracted upon calculating the number of treasury shares at the end of the period and the average number of shares during period.

* This summary of financial results is not subject to quarterly review by a certified public accountant or auditing company.

* Explanation regarding appropriate use of financial forecasts, and other notes

(Notes on forward-looking statements)

The financial forecast and other forward-looking statements contained in this document are based on information currently available to and certain assumptions that are thought to be reasonable by the Company. Accordingly, such statements should not be construed as a guarantee of achieving the results by the Company. Actual business performance and other results may differ materially due to various factors.

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	24,247,780	24,313,032
Accounts receivable - trade	529,968	648,921
Other	985,192	3,570,360
Total current assets	25,762,941	28,532,314
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	14,605,402	44,844,798
Machinery, equipment and vehicles, net	8,140,589	8,899,976
Other, net	2,682,147	2,860,895
Total property, plant and equipment	25,428,139	56,605,671
Intangible assets		
Goodwill	338,352	335,384
Other	37,774	440,296
Total intangible assets	376,126	775,680
Investments and other assets	475,017	487,438
Total non-current assets	26,279,284	57,868,790
Total assets	52,042,226	86,401,104
Liabilities		
Current liabilities		
Accounts payable - trade	277,246	242,939
Short-term borrowings	—	2,281,000
Current portion of long-term borrowings	930,000	1,408,713
Accounts payable - other	7,451,808	21,560,783
Contract liabilities	7,825,543	9,037,646
Other	345,914	893,061
Total current liabilities	16,830,513	35,424,144
Non-current liabilities		
Long-term borrowings	21,146,000	35,700,839
Interest rate swap liabilities	882,298	1,059,705
Other	289,811	265,604
Total non-current liabilities	22,318,110	37,026,149
Total liabilities	39,148,623	72,450,294

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
Net assets		
Shareholders' equity		
Share capital	7,994,860	8,000,207
Capital surplus	6,156,184	6,161,531
Retained earnings	(434,467)	(366,428)
Treasury shares	(100,038)	(100,334)
Total shareholders' equity	13,616,540	13,694,975
Accumulated other comprehensive income		
Deferred gains or losses on hedges	(882,298)	(1,059,705)
Foreign currency translation adjustment	159,161	189,537
Total accumulated other comprehensive income	(723,137)	(870,167)
Non-controlling interests	200	1,126,002
Total net assets	12,893,602	13,950,810
Total liabilities and net assets	52,042,226	86,401,104

(2) Quarterly Consolidated Statement of Income

(Thousands of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	1,108,704	2,086,997
Cost of sales	532,252	1,293,021
Gross profit	576,452	793,975
Selling, general and administrative expenses	441,959	613,483
Operating profit	134,492	180,491
Non-operating income		
Interest income	5,186	10,180
Foreign exchange gains	61,346	29,883
Other	55	572
Total non-operating income	66,589	40,636
Non-operating expenses		
Interest expenses	3,571	93,995
Commission expenses	—	21,657
Other	870	212
Total non-operating expenses	4,442	115,865
Ordinary profit	196,639	105,262
Profit before income taxes	196,639	105,262
Income taxes	62,457	37,223
Profit	134,182	68,039
Profit attributable to owners of parent	134,182	68,039

(3) Quarterly Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	134,182	68,039
Other comprehensive income		
Deferred gains or losses on hedges	—	(177,406)
Foreign currency translation adjustment	84,301	30,376
Total other comprehensive income	84,301	(147,030)
Comprehensive income	218,484	(78,991)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	218,484	(78,991)
Comprehensive income attributable to non-controlling interests	—	—