

English Translation

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Summary of Financial Results for the Year Ended March 31, 2024 (Japanese GAAP) (Consolidated)

May 9, 2024

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) Executive officer and CFO (Name) Hideki Inanobe TEL: +81-3-6447-2614
 Scheduled date of ordinary general meeting of shareholders: June 28, 2024
 Scheduled date to file Securities Report: June 28, 2024
 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 year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)
 (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	%
Year ended March 31, 2024	11,519	120.3	5,478	224.5	868	641.5	(102)	—	(200)	—
Year ended March 31, 2023	5,228	24.0	1,688	(0.5)	117	(79.1)	(1,238)	—	(1,602)	—

(Note)

Comprehensive income Year ended March 31, 2024: (222) million yen (-%) Year ended March 31, 2023: (2,338) million yen (-%)

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	yen	yen	%	%	%
Year ended March 31, 2024	(9.00)	—	(0.9)	(0.1)	7.5
Year ended March 31, 2023	(72.84)	—	(11.4)	(3.2)	2.2

(Reference) Share of loss of entities

accounted for using equity method Year ended March 31, 2024: - million yen Year ended March 31, 2023: - million yen

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

(Note) Though there are diluted shares, the diluted earnings per share are not described due to the net loss per share.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	million yen	million yen	%	Yen
As of March 31, 2024	146,620	54,457	21.0	1,200.81
As of March 31, 2023	52,042	12,893	24.8	585.65

(Reference) Equity As of March 31, 2024 30,825 million yen As of March 31, 2023 12,893 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	million yen	million yen	million yen	million yen
Year ended March 31, 2024	7,731	(89,507)	87,973	29,850
Year ended March 31, 2023	1,445	(12,715)	20,445	23,603

2. Dividends

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on net assets (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	(Total)			
	yen	yen	yen	yen	yen	million yen	%	%
Year ended March 31, 2023	-	0.00	-	0.00	0.00	-	-	-
Year ended March 31, 2024	-	0.00	-	0.00	0.00	-	-	-
Year ending March 31, 2025 (forecast)	-	0.00	-	0.00	0.00		-	

3. Consolidated financial forecast for fiscal year ending March 2025 (from April 1, 2024 to March 31, 2025)

(% 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	%	
Full fiscal year	15,700	36.3	7,000	27.8	450	(48.2)	(1,000)	—	(500)	—	yen (19.48)

* Explanatory notes

(1) Changes in significant subsidiaries during the period
(Changes in specified subsidiaries resulting in change in scope of consolidation): No

(2) 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

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

(i) Number of shares issued and outstanding (including treasury shares) at end of period	As of March 31, 2024	25,686,818 shares	As of March 31, 2023	22,031,718 shares
(ii) Number of treasury shares at end of period	As of March 31, 2024	16,146 shares	As of March 31, 2023	16,159 shares
(iii) Average number of shares during period (cumulative)	Year ended March 31, 2024	22,314,649 shares	Year ended March 31, 2023	22,003,857 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.

(Reference) Overview of Non-consolidated financial results

Non-consolidated Financial Results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results (cumulative)

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

	Net sales		EBITDA		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2024	5,464	32.4	1,847	26.3	255	1.0	(94)	—	(126)	—
Year ended March 31, 2023	4,127	13.2	1,462	(2.4)	252	(50.9)	(12)	—	(348)	—

	Basic earnings per share	Diluted earnings per share
	yen	yen
Year ended March 31, 2024	(5.69)	—
Year ended March 31, 2023	(15.82)	—

(Note) Though there are diluted shares, the diluted earnings per share are not described due to the net loss per share.

(2) Non-Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	million yen	million yen	%	Yen
As of March 31, 2024	59,865	32,405	54.1	1,262.37
As of March 31, 2023	43,955	15,354	34.9	697.42

(Reference) Equity As of March 31, 2024 32,405 million yen As of March 31, 2023 15,354 million yen

* 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.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	24,247,780	30,685,546
Accounts receivable - trade	529,968	644,984
Other	985,192	2,584,999
Allowance for doubtful accounts	—	(6,401)
Total current assets	25,762,941	33,909,128
Non-current assets		
Property, plant and equipment		
Buildings and structures	14,879,185	100,025,621
Accumulated depreciation	(179,448)	(3,030,355)
Accumulated impairment	(94,334)	(94,334)
Buildings and structures, net	14,605,402	96,900,931
Machinery, equipment and vehicles	12,412,619	15,628,812
Accumulated depreciation	(4,145,344)	(5,364,890)
Accumulated impairment	(126,685)	(147,716)
Machinery, equipment and vehicles, net	8,140,589	10,116,206
Leased assets	1,437,118	2,231,193
Accumulated depreciation	(707,597)	(894,456)
Leased assets, net	729,520	1,336,736
Construction in progress	1,931,879	2,015,931
Other	95,703	102,621
Accumulated depreciation	(49,547)	(61,217)
Accumulated impairment	(25,407)	(25,407)
Other, net	20,747	15,996
Total property, plant and equipment	25,428,139	110,385,802
Intangible assets		
Goodwill	338,352	316,972
Other	37,774	1,480,941
Total intangible assets	376,126	1,797,914
Investments and other assets		
Investment securities	50,320	50,320
Deferred tax assets	219,501	230,277
Other	205,196	247,415
Total investments and other assets	475,017	528,013
Total non-current assets	26,279,284	112,711,729
Total assets	52,042,226	146,620,858

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	277,246	720,138
Current portion of long-term borrowings	930,000	2,456,295
Lease liabilities	177,781	281,986
Accounts payable - other	7,451,808	8,992,323
Income taxes payable	61,738	167,752
Contract liabilities	7,825,543	10,598,344
Other	106,395	808,821
Total current liabilities	16,830,513	24,025,662
Non-current liabilities		
Long-term borrowings	21,146,000	66,295,200
Lease liabilities	158,498	643,557
Interest rate swap liabilities	882,298	1,008,326
Other	131,313	190,353
Total non-current liabilities	22,318,110	68,137,438
Total liabilities	39,148,623	92,163,101
Net assets		
Shareholders' equity		
Share capital	7,994,860	16,584,262
Capital surplus	6,156,184	15,371,205
Retained earnings	(434,467)	(635,282)
Treasury shares	(100,038)	(99,938)
Total shareholders' equity	13,616,540	31,220,246
Accumulated other comprehensive income		
Deferred gains or losses on hedges	(882,298)	(633,429)
Foreign currency translation adjustment	159,161	238,768
Total accumulated other comprehensive income	(723,137)	(394,661)
Non-controlling interests	200	23,632,171
Total net assets	12,893,602	54,457,757
Total liabilities and net assets	52,042,226	146,620,858

(2) Consolidated Statements of Income and Comprehensive Income
(Consolidated Statement of Income)

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	5,228,928	11,519,173
Cost of sales	2,678,709	7,823,820
Gross profit	2,550,219	3,695,353
Selling, general and administrative expenses	2,433,153	2,827,290
Operating profit	117,065	868,062
Non-operating income		
Interest income	26,563	49,337
Foreign exchange gains	66,043	38,768
Other	5,535	3,908
Total non-operating income	98,141	92,014
Non-operating expenses		
Interest expenses	37,239	735,627
Share issuance costs	240	61,552
Commission expenses	1,415,141	259,350
Other	1,240	6,062
Total non-operating expenses	1,453,860	1,062,592
Ordinary loss	(1,238,652)	(102,514)
Extraordinary profits		
Subsidy income	—	8,022
Contribution received for construction	19,474	—
Total extraordinary income	19,474	8,022
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	—	8,022
Tax purpose reduction entry of contribution for construction	19,474	—
Impairment losses	217,449	37,886
Total extraordinary losses	236,924	45,908
Loss before income taxes	(1,456,102)	(140,401)
Income taxes - current	39,339	51,074
Income taxes - deferred	107,368	(15,230)
Total income taxes	146,707	35,843
Loss	(1,602,810)	(176,244)
Profit attributable to non-controlling interests	—	24,570
Loss attributable to owners of parent	(1,602,810)	(200,815)

(Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Loss	(1,602,810)	(176,244)
Other comprehensive income		
Deferred gains or losses on hedges	(882,298)	(126,028)
Foreign currency translation adjustment	147,042	79,607
Total other comprehensive income	(735,256)	(46,420)
Comprehensive income	(2,338,066)	(222,665)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(2,338,066)	(378,736)
Comprehensive income attributable to non-controlling interests	—	156,070

(3) Consolidated Statement of Changes in Equity

For the year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,989,122	6,150,446	1,168,343	(100,038)	15,207,873
Changes during period					
Issuance of new shares	5,738	5,738			11,477
Profit (loss) attributable to owners of parent			(1,602,810)		(1,602,810)
Purchase of treasury shares					
Disposal of treasury shares					
Change in ownership interest of parent due to transactions with non-controlling interests					
Net changes in items other than shareholders' equity					
Total changes during period	5,738	5,738	(1,602,810)	—	(1,591,333)
Balance at end of period	7,994,860	6,156,184	(434,467)	(100,038)	13,616,540

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	—	12,118	12,118	—	15,219,992
Changes during period					
Issuance of new shares					11,477
Profit (loss) attributable to owners of parent					(1,602,810)
Purchase of treasury shares					
Disposal of treasury shares					
Change in ownership interest of parent due to transactions with non-controlling interests					
Net changes in items other than shareholders' equity	(882,298)	147,042	(735,256)	200	(735,056)
Total changes during period	(882,298)	147,042	(735,256)	200	(2,326,389)
Balance at end of period	(882,298)	159,161	(723,137)	200	12,893,602

For the year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,994,860	6,156,184	(434,467)	(100,038)	13,616,540
Changes during period					
Issuance of new shares	8,589,401	8,589,401			17,178,803
Profit (loss) attributable to owners of parent			(200,815)		(200,815)
Purchase of treasury shares				(519)	(519)
Disposal of treasury shares				619	619
Change in ownership interest of parent due to transactions with non-controlling interests		625,618			625,618
Net changes in items other than shareholders' equity					
Total changes during period	8,589,401	9,215,020	(200,815)	100	17,603,706
Balance at end of period	16,584,262	15,371,205	(635,282)	(99,938)	31,220,246

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	(882,298)	159,161	(723,137)	200	12,893,602
Changes during period					
Issuance of new shares					17,178,803
Profit (loss) attributable to owners of parent					(200,815)
Purchase of treasury shares					(519)
Disposal of treasury shares					619
Change in ownership interest of parent due to transactions with non-controlling interests					625,618
Net changes in items other than shareholders' equity	248,868	79,607	328,476	23,631,971	23,960,448
Total changes during period	248,868	79,607	328,476	23,631,971	41,564,154
Balance at end of period	(633,429)	238,768	(394,661)	23,632,171	54,457,757

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Loss before income taxes	(1,456,102)	(140,401)
Depreciation	1,532,024	4,570,248
Impairment losses	217,449	37,886
Loss on tax purpose reduction entry of non-current assets	—	8,022
Tax purpose reduction entry of contribution for construction	19,474	—
Subsidy income	—	(8,022)
Contribution received for construction	(19,474)	—
Amortization of goodwill	36,024	37,817
Increase (decrease) in allowance for doubtful accounts	—	6,422
Interest income	(26,563)	(49,337)
Interest expenses	37,239	735,627
Share issuance costs	240	61,552
Commission expenses	1,415,141	259,350
Foreign exchange losses (gains)	(48,861)	(47,560)
Decrease (increase) in trade receivables	86,659	(102,915)
Increase (decrease) in trade payables	(25,619)	440,434
Decrease (increase) in prepaid expenses	(70,028)	(845,887)
Increase (decrease) in income taxes payable - factor based tax	(20,822)	99,141
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(618,882)	(170,345)
Increase (decrease) in accounts payable - other	116,851	666,064
Increase (decrease) in contract liabilities	350,926	2,772,597
Other, net	64,099	91,133
Subtotal	1,589,775	8,421,829
Interest received	22,139	47,573
Interest paid	(78,029)	(715,857)
Income taxes paid	(88,698)	(22,501)
Net cash provided by (used in) operating activities	1,445,187	7,731,043
Cash flows from investing activities		
Payments into time deposits	(842,036)	(1,140,295)
Proceeds from withdrawal of time deposits	689,347	909,289
Purchase of property, plant and equipment	(12,732,072)	(88,448,450)
Purchase of intangible assets	(3,519)	(1,395,444)
Subsidies received	150,000	514,222
Other, net	22,957	52,937
Net cash provided by (used in) investing activities	(12,715,324)	(89,507,741)
Cash flows from financing activities		
Proceeds from short-term borrowings	—	8,369,000
Repayments of short-term borrowings	—	(8,369,000)
Proceeds from long-term borrowings	21,926,000	57,534,000
Repayments of long-term borrowings	(60,000)	(10,858,503)
Commission expenses paid	(1,245,106)	(442,217)
Proceeds from issuance of shares	11,237	17,742,869
Proceeds from share issuance to non-controlling shareholders	200	23,982,298
Proceeds from sale and leaseback transactions	46,761	219,497
Repayments of lease liabilities	(233,619)	(204,809)
Other, net	—	100
Net cash provided by (used in) financing activities	20,445,472	87,973,233
Effect of exchange rate change on cash and cash equivalents	53,531	49,966
Net increase (decrease) in cash and cash equivalents	9,228,867	6,246,501
Cash and cash equivalents at beginning of period	14,375,112	23,603,980
Cash and cash equivalents at end of period	23,603,980	29,850,482