

English Translation

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Summary of Financial Results for the Three Months Ended June 30, 2020 (Japanese GAAP) (Consolidated)

August 7, 2020

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 General Business Administration Department Head (Name) Ryosuke Nakamura TEL: +81-3-6447-2614
 Scheduled date to file Securities Report: August 14, 2020
 Scheduled date of dividend payments: -
 Supplementary materials for financial results: Yes
 Holding of financial results meeting: No

(Amounts are rounded down to the nearest million yen)

1. Consolidated financial results for the three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)

(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, 2020	818	-	316	-	100	-	93	-	55	-
Three months ended June 30, 2019	-	-	-	-	-	-	-	-	-	-

(Note) Three months ended June 30, 2020: 33 million yen (-%) Three months ended June 30, 2019: - million yen (-%)
 Comprehensive income

	Basic earnings per share	Diluted earnings per share
	yen	yen
Three months ended June 30, 2020	2.71	2.65
Three months ended June 30, 2019	-	-

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

(Note) The Company has not prepared a quarterly consolidated financial statement for three months ended June 30, 2019, so the figures of three months ended June 2019 and the rate of increase (decrease) compared with the same period of previous fiscal year for the three months ended June 30, 2020 are not described.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	million yen	million yen	%
As of June 30, 2020	16,237	6,681	41.1
As of March 31, 2020	14,646	6,635	45.3

(Reference) Equity As of June 30, 2020 6,681 million yen As of March 31, 2020 6,635 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 2020	-	0.00	-	0.00	0.00
Fiscal year ending March 2021	-				
Fiscal year ending March 2021 (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 2021 (from April 1, 2020 to March 31, 2021)

(% 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	3,381	32.1	1,128	52.9	150	115.4	107	-	62	-	yen 3.02

(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, 2020	20,541,572 shares	As of March 31, 2020	20,505,572 shares
(ii) Number of treasury shares at the end of period	As of June 30, 2020	84 shares	As of March 31, 2020	84 shares
(iii) Average number of shares during period (cumulative)	Three months ended June 30, 2020	20,527,188 shares	Three months ended June 30, 2019	- shares

(Note) A quarterly consolidated financial statement has not been prepared for the three months ended June 30, 2019, so the average number of shares during period (cumulative) of the three months ended June 2019 are not described.

* 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, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	7,188,584	8,643,978
Notes and accounts receivable - trade	482,467	367,404
Other	361,675	244,446
Total current assets	8,032,726	9,255,829
Non-current assets		
Property, plant and equipment		
Machinery, equipment and vehicles, net	4,620,656	4,934,413
Other, net	1,239,818	1,314,841
Total property, plant and equipment	5,860,475	6,249,255
Intangible assets		
Goodwill	579,101	558,519
Other	7,611	6,978
Total intangible assets	586,712	565,497
Investments and other assets	166,881	167,128
Total non-current assets	6,614,069	6,981,881
Total assets	14,646,796	16,237,710
Liabilities		
Current liabilities		
Accounts payable - trade	193,462	149,571
Accounts payable - other	1,204,276	1,098,178
Unearned revenue	1,525,681	2,185,081
Other	365,137	363,568
Total current liabilities	3,288,557	3,796,400
Non-current liabilities		
Long-term borrowings	300,000	300,000
Long-term unearned revenue	3,869,972	4,766,067
Other	553,099	694,165
Total non-current liabilities	4,723,072	5,760,233
Total liabilities	8,011,629	9,556,633

(Thousands of yen)

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(Thousands of yen)

	As of March 31, 2020	As of June 30, 2020
Net assets		
Shareholders' equity		
Share capital	4,272,495	4,278,457
Capital surplus	2,433,819	2,439,782
Retained earnings	17,489	73,194
Treasury shares	(350)	(350)
Total shareholders' equity	6,723,454	6,791,084
Accumulated other comprehensive income		
Foreign currency translation adjustment	(88,288)	(110,007)
Total accumulated other comprehensive income	(88,288)	(110,007)
Total net assets	6,635,166	6,681,076
Total liabilities and net assets	14,646,796	16,237,710

(2) Quarterly Consolidated Statement of Income

(Thousands of yen)

	Three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)
Net sales	818,911
Cost of sales	394,064
Gross profit	424,846
Selling, general and administrative expenses	323,891
Operating profit	100,954
Non-operating income	
Interest income	7,636
Other	151
Total non-operating income	7,788
Non-operating expenses	
Interest expenses	6,449
Share of loss of entities accounted for using equity method	8,197
Other	180
Total non-operating expenses	14,827
Ordinary profit	93,915
Profit before income taxes	93,915
Income taxes	38,210
Profit	55,704
Profit attributable to owners of parent	55,704

(3) Quarterly Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)
Profit	55,704
Other comprehensive income	
Foreign currency translation adjustment	(24,829)
Share of other comprehensive income of entities accounted for using equity method	3,109
Total other comprehensive income	(21,719)
Comprehensive income	33,985
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	33,985
Comprehensive income attributable to non- controlling interests	—