

English Translation

This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Financial Results for the Six Months Ended September 30, 2021 (Japanese GAAP) (Consolidated)

November 10, 2021

Listing exchange: Tokyo

Name of listed company: JTOWER Inc.
 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: November 11, 2021
 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 six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)
 (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	%
Six months ended September 30, 2021	1,899	9.9	757	20.2	231	23.3	197	12.5	128	(36.0)
Six months ended September 30, 2020	1,728	57.7	630	101.5	187	-	175	-	200	-

(Note) Six months ended September 30, 2021: 227 million yen (15.4%) Six months ended September 30, 2020: 197 million yen (-%)
 Comprehensive income

	Basic earnings per share	Diluted earnings per share
	yen	yen
Six months ended September 30, 2021	5.92	5.88
Six months ended September 30, 2020	9.74	9.54

*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 September 30, 2021	24,510	14,633	59.7
As of March 31, 2021	16,745	7,137	42.6

(Reference) Equity As of September 30, 2021 14,633 million yen As of March 31, 2021 7,137 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 2021	-	0.00	-	0.00	0.00
Fiscal year ending March 2022	-	0.00			
Fiscal year ending March 2022 (forecast)			-	0.00	0.00

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

3. Consolidated financial forecast for fiscal year ending March 2022 (from April 1, 2021 to March 31, 2022)

(% 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	4,600	31.4	1,590	17.8	260	(37.9)	180	0.6	100	(80.3)	4.59

(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

Newly included: — companies (Company name) —

Excluded: — companies (Company name) —

(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. : Yes

(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 September 30, 2021	21,985,218 shares	As of March 31, 2021	20,832,872 shares
(ii) Number of treasury shares at the end of period	As of September 30, 2021	16,127 shares	As of March 31, 2021	84 shares
(iii) Average number of shares during period (cumulative)	Six months ended September 30, 2021	21,633,894 shares	Six months ended September 30, 2020	20,541,845 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, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	8,398,235	15,864,775
Accounts receivable - trade	397,015	391,010
Other	160,032	141,305
Total current assets	8,955,283	16,397,091
Non-current assets		
Property, plant and equipment		
Machinery, equipment and vehicles, net	5,433,205	5,780,068
Other, net	1,535,492	1,496,433
Total property, plant and equipment	6,968,697	7,276,502
Intangible assets		
Goodwill	329,143	339,539
Other	252	845
Total intangible assets	329,395	340,385
Investments and other assets	491,990	496,848
Total non-current assets	7,790,083	8,113,735
Total assets	16,745,366	24,510,826
Liabilities		
Current liabilities		
Accounts payable - trade	129,417	148,462
Accounts payable - other	851,664	721,638
Current portion of long-term borrowings	210,000	210,000
Contract liabilities	7,156,455	7,633,617
Other	395,364	441,532
Total current liabilities	8,742,901	9,155,249
Non-current liabilities		
Long-term borrowings	210,000	180,000
Other	655,299	541,971
Total non-current liabilities	865,299	721,971
Total liabilities	9,608,201	9,877,221

(Thousands of yen)

	As of March 31, 2021	As of September 30, 2021
Net assets		
Shareholders' equity		
Share capital	4,300,871	7,984,947
Capital surplus	2,462,195	6,146,271
Retained earnings	523,956	652,114
Treasury shares	(350)	(99,717)
Total shareholders' equity	7,286,673	14,683,617
Accumulated other comprehensive income		
Foreign currency translation adjustment	(149,508)	(50,011)
Total accumulated other comprehensive income	(149,508)	(50,011)
Total net assets	7,137,165	14,633,605
Total liabilities and net assets	16,745,366	24,510,826

(2) Quarterly Consolidated Statement of Income

(Thousands of yen)

	Six months ended September 30, 2020 (from April 1, 2020 to September 30, 2020)	Six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)
Net sales	1,728,489	1,899,086
Cost of sales	837,802	881,668
Gross profit	890,687	1,017,417
Selling, general and administrative expenses	703,370	786,405
Operating profit	187,316	231,011
Non-operating income		
Interest income	14,892	10,326
Other	236	1,026
Total non-operating income	15,128	11,352
Non-operating expenses		
Interest expenses	12,517	12,297
Share of loss of entities accounted for using equity method	14,367	—
Share issuance costs	—	32,602
Other	242	270
Total non-operating expenses	27,127	45,170
Ordinary profit	175,317	197,193
Extraordinary income		
Gain on change in equity	99,979	—
Total extraordinary income	99,979	—
Extraordinary losses		
Loss on retirement of non-current assets	—	6,267
Total extraordinary losses	—	6,267
Profit before income taxes	275,296	190,925
Income taxes	75,139	62,767
Profit	200,157	128,158
Profit attributable to owners of parent	200,157	128,158

(3) Quarterly Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Six months ended September 30, 2020 (from April 1, 2020 to September 30, 2020)	Six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)
Profit	200,157	128,158
Other comprehensive income		
Foreign currency translation adjustment	(6,208)	97,702
Share of other comprehensive income of entities accounted for using equity method	3,350	1,794
Total other comprehensive income	(2,857)	99,497
Comprehensive income	197,300	227,655
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	197,300	227,655
Comprehensive income attributable to non-controlling interests	—	—

(4) Quarterly Consolidated Statement of Cash Flows

(Thousands of yen)

	Six months ended September 30, 2020 (from April 1, 2020 to September 30, 2020)	Six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)
Cash flows from operating activities		
Profit before income taxes	275,296	190,925
Depreciation	415,572	510,669
Amortization of goodwill	26,531	15,005
Share issuance costs	—	32,602
Loss (gain) on change in equity	(99,979)	—
Decrease (increase) in trade receivables	13,169	22,054
Increase (decrease) in trade payables	(30,639)	14,655
Decrease/increase in consumption taxes receivable/payable	127,879	21,855
Increase (decrease) in contract liabilities	1,706,102	476,670
Other, net	40,632	80,485
Subtotal	2,474,565	1,364,924
Interest received	17,894	11,935
Interest paid	(12,517)	(12,297)
Income taxes paid	(26,027)	(36,266)
Net cash provided by (used in) operating activities	2,453,914	1,328,295
Cash flows from investing activities		
Payments into time deposits	(305,602)	(473,730)
Proceeds from withdrawal of time deposits	220,610	406,856
Proceeds from redemption of securities	51,096	—
Purchase of property, plant and equipment	(1,282,982)	(983,999)
Purchase of shares of nonconsolidated subsidiaries	(26,030)	—
Other, net	—	(771)
Net cash provided by (used in) investing activities	(1,342,909)	(1,051,645)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(45,000)	—
Proceeds from long-term borrowings	300,000	—
Repayments of long-term borrowings	—	(30,000)
Proceeds from issuance of shares	19,170	7,335,549
Purchase of treasury shares	—	(99,367)
Proceeds from share issuance to non-controlling shareholders	99,979	—
Proceeds from sale and leaseback transactions	258,319	16,667
Repayments of lease obligations	(130,603)	(136,324)
Net cash provided by (used in) financing activities	501,866	7,086,526
Effect of exchange rate change on cash and cash equivalents	(436)	2,555
Net increase (decrease) in cash and cash equivalents	1,612,435	7,365,731
Cash and cash equivalents at beginning of period	6,851,458	7,990,145
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(117,984)	—
Cash and cash equivalents at end of period	8,345,909	15,355,877