

English Translation

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Summary of Financial Results for the Nine Months Ended December 31, 2021 (Japanese GAAP) (Consolidated)

February 8, 2022

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: February 9, 2022
 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 nine months ended December 31, 2021 (from April 1, 2021 to December 31, 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	%
Nine months ended December 31, 2021	2,912	12.5	1,180	21.9	367	26.3	334	26.4	179	(31.0)
Nine months ended December 31, 2020	2,588	49.7	968	98.5	291	-	264	-	260	-

(Note) Nine months ended December 31, 2021: 297 million yen (30.4%)
 Comprehensive income Nine months ended December 31, 2020: 228 million yen (-%)

	Basic earnings per share	Diluted earnings per share
	yen	yen
Nine months ended December 31, 2021	8.25	8.20
Nine months ended December 31, 2020	12.65	12.39

*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 December 31, 2021	24,402	14,711	60.3
As of March 31, 2021	16,745	7,137	42.6

(Reference) Equity As of December 31, 2021 14,711 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	4,200	19.9	1,670	23.7	520	24.2	490	173.8	280	(44.7)	12.85

(Note) 1. Recently announced earnings estimate corrected? Yes/No: Yes

2. For the revision of the consolidated financial forecast, please refer to “Announcement of financial forecast revision” that was announced on February 8, 2022.

* 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 December 31, 2021	22,003,618 shares	As of March 31, 2021	20,832,872 shares
(ii) Number of treasury shares at the end of period	As of December 31, 2021	16,127 shares	As of March 31, 2021	84 shares
(iii) Average number of shares during period (cumulative)	Nine months ended December 31, 2021	21,737,993 shares	Nine months ended December 31, 2020	20,568,888 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 December 31, 2021
Assets		
Current assets		
Cash and deposits	8,398,235	15,345,190
Accounts receivable - trade	397,015	448,972
Other	160,032	125,843
Total current assets	8,955,283	15,920,006
Non-current assets		
Property, plant and equipment		
Machinery, equipment and vehicles, net	5,433,205	5,984,659
Other, net	1,535,492	1,573,247
Total property, plant and equipment	6,968,697	7,557,906
Intangible assets		
Goodwill	329,143	337,341
Other	252	716
Total intangible assets	329,395	338,058
Investments and other assets	491,990	586,948
Total non-current assets	7,790,083	8,482,913
Total assets	16,745,366	24,402,920
Liabilities		
Current liabilities		
Accounts payable - trade	129,417	165,128
Accounts payable - other	851,664	644,755
Current portion of long-term borrowings	210,000	60,000
Contract liabilities	7,156,455	7,677,101
Other	395,364	493,969
Total current liabilities	8,742,901	9,040,954
Non-current liabilities		
Long-term borrowings	210,000	170,000
Other	655,299	480,645
Total non-current liabilities	865,299	650,645
Total liabilities	9,608,201	9,691,599

(Thousands of yen)

	As of March 31, 2021	As of December 31, 2021
Net assets		
Shareholders' equity		
Share capital	4,300,871	7,988,686
Capital surplus	2,462,195	6,150,010
Retained earnings	523,956	703,397
Treasury shares	(350)	(99,717)
Total shareholders' equity	7,286,673	14,742,376
Accumulated other comprehensive income		
Foreign currency translation adjustment	(149,508)	(31,055)
Total accumulated other comprehensive income	(149,508)	(31,055)
Total net assets	7,137,165	14,711,320
Total liabilities and net assets	16,745,366	24,402,920

(2) Quarterly Consolidated Statement of Income

(Thousands of yen)

	Nine months ended December 31, 2020 (from April 1, 2020 to December 31, 2020)	Nine months ended December 31, 2021 (from April 1, 2021 to December 31, 2021)
Net sales	2,588,322	2,912,093
Cost of sales	1,247,153	1,352,725
Gross profit	1,341,168	1,559,367
Selling, general and administrative expenses	1,049,964	1,191,492
Operating profit	291,204	367,875
Non-operating income		
Interest income	21,882	15,520
Other	235	1,565
Total non-operating income	22,117	17,086
Non-operating expenses		
Interest expenses	19,350	17,124
Share of loss of entities accounted for using equity method	28,021	—
Share issuance costs	—	32,692
Other	1,171	363
Total non-operating expenses	48,543	50,180
Ordinary profit	264,778	334,781
Extraordinary income		
Gain on change in equity	99,979	—
Total extraordinary income	99,979	—
Extraordinary losses		
Loss on retirement of non-current assets	—	7,266
Total extraordinary losses	—	7,266
Profit before income taxes	364,757	327,514
Income taxes	104,578	106,971
Income taxes for prior periods	—	41,102
Total income taxes	104,578	148,074
Profit	260,179	179,440
Profit attributable to owners of parent	260,179	179,440

(3) Quarterly Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Nine months ended December 31, 2020 (from April 1, 2020 to December 31, 2020)	Nine months ended December 31, 2021 (from April 1, 2021 to December 31, 2021)
Profit	260,179	179,440
Other comprehensive income		
Foreign currency translation adjustment	(36,640)	120,246
Share of other comprehensive income of entities accounted for using equity method	4,973	(1,793)
Total other comprehensive income	(31,667)	118,453
Comprehensive income	228,511	297,893
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	228,511	297,893
Comprehensive income attributable to non-controlling interests	—	—