

English Translation

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Summary of Financial Results for the Six Months Ended September 30, 2022 (Japanese GAAP) (Consolidated)

November 9, 2022

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: November 10, 2022
 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, 2022 (from April 1, 2022 to September 30, 2022)
 (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, 2022	2,284	20.3	893	17.9	229	(0.5)	329	66.8	223	74.4
Six months ended September 30, 2021	1,899	9.9	757	20.2	231	23.3	197	12.5	128	(36.0)

(Note) Six months ended September 30, 2022: 454 million yen (99.6%) Six months ended September 30, 2021: 227 million yen (15.4%)
 Comprehensive income

	Basic earnings per share	Diluted earnings per share
	yen	yen
Six months ended September 30, 2022	10.16	10.11
Six months ended September 30, 2021	5.92	5.88

*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, 2022	26,222	15,682	59.8
As of March 31, 2022	25,005	15,219	60.9

(Reference) Equity As of September 30, 2022 15,682 million yen As of March 31, 2022 15,219 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 2022	-	0.00	-	0.00	0.00
Fiscal year ending March 2023	-	0.00			
Fiscal year ending March 2023 (forecast)			-	0.00	0.00

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

3. Consolidated financial forecast for fiscal year ending March 2023 (from April 1, 2022 to March 31, 2023)

(% 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	5,840	38.5	1,590	(6.3)	(240)	-	(1,800)	-	(1,840)	-	(83.60)

(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. : 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, 2022	22,026,418 shares	As of March 31, 2022	22,009,418 shares
(ii) Number of treasury shares at the end of period	As of September 30, 2022	16,159 shares	As of March 31, 2022	16,159 shares
(iii) Average number of shares during period (cumulative)	Six months ended September 30, 2022	21,997,528 shares	Six months ended September 30, 2021	21,633,894 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, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	14,835,264	15,610,770
Accounts receivable - trade	592,821	648,844
Other	354,630	202,513
Total current assets	15,782,716	16,462,128
Non-current assets		
Property, plant and equipment		
Machinery, equipment and vehicles, net	6,675,865	7,012,711
Other, net	1,641,462	1,832,345
Total property, plant and equipment	8,317,328	8,845,057
Intangible assets		
Goodwill	339,603	374,128
Other	633	561
Total intangible assets	340,237	374,689
Investments and other assets	564,740	540,558
Total non-current assets	9,222,305	9,760,306
Total assets	25,005,022	26,222,434
Liabilities		
Current liabilities		
Accounts payable - trade	294,326	163,909
Accounts payable - other	975,233	1,019,403
Current portion of long-term borrowings	60,000	55,000
Contract liabilities	7,473,803	8,317,619
Other	412,088	470,128
Total current liabilities	9,215,452	10,026,061
Non-current liabilities		
Long-term borrowings	150,000	125,000
Other	419,578	389,257
Total non-current liabilities	569,578	514,257
Total liabilities	9,785,030	10,540,319

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
Net assets		
Shareholders' equity		
Share capital	7,989,122	7,992,988
Capital surplus	6,150,446	6,154,312
Retained earnings	1,168,343	1,391,897
Treasury shares	(100,038)	(100,038)
Total shareholders' equity	15,207,873	15,439,160
Accumulated other comprehensive income		
Foreign currency translation adjustment	12,118	242,855
Total accumulated other comprehensive income	12,118	242,855
Non-controlling interests	—	100
Total net assets	15,219,992	15,682,115
Total liabilities and net assets	25,005,022	26,222,434

(2) Quarterly Consolidated Statement of Income

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	1,899,086	2,284,297
Cost of sales	881,668	1,105,714
Gross profit	1,017,417	1,178,583
Selling, general and administrative expenses	786,405	948,657
Operating profit	231,011	229,926
Non-operating income		
Interest income	10,326	11,380
Foreign exchange gains	—	95,670
Other	1,026	58
Total non-operating income	11,352	107,109
Non-operating expenses		
Interest expenses	12,297	6,736
Share issuance costs	32,602	120
Other	270	1,164
Total non-operating expenses	45,170	8,021
Ordinary profit	197,193	329,014
Extraordinary losses		
Loss on retirement of non-current assets	6,267	—
Total extraordinary losses	6,267	—
Profit before income taxes	190,925	329,014
Income taxes	62,767	105,460
Profit	128,158	223,553
Profit attributable to owners of parent	128,158	223,553

(3) Quarterly Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	128,158	223,553
Other comprehensive income		
Foreign currency translation adjustment	97,702	230,736
Share of other comprehensive income of entities accounted for using equity method	1,794	—
Total other comprehensive income	99,497	230,736
Comprehensive income	227,655	454,290
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	227,655	454,290
Comprehensive income attributable to non-controlling interests	—	—

(4) Quarterly Consolidated Statements of Cash Flows

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	190,925	329,014
Depreciation	510,669	644,727
Amortization of goodwill	15,005	17,232
Share issuance costs	32,602	120
Foreign exchange losses (gains)	—	(96,321)
Decrease (increase) in trade receivables	22,054	(15,259)
Increase (decrease) in trade payables	14,655	(141,402)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	21,855	38,950
Increase (decrease) in accounts payable - other	(9,815)	54,399
Increase (decrease) in contract liabilities	476,670	842,744
Other, net	90,301	33,774
Subtotal	1,364,924	1,707,979
Interest received	11,935	8,832
Interest paid	(12,297)	(6,736)
Income taxes paid	(36,266)	(50,510)
Net cash provided by (used in) operating activities	1,328,295	1,659,564
Cash flows from investing activities		
Payments into time deposits	(473,730)	(336,733)
Proceeds from withdrawal of time deposits	406,856	305,046
Purchase of property, plant and equipment	(983,999)	(1,133,365)
Subsidies received	—	150,000
Proceeds from refund of leasehold and guarantee deposits	—	35,311
Other, net	(771)	2,311
Net cash provided by (used in) investing activities	(1,051,645)	(977,428)
Cash flows from financing activities		
Repayments of long-term borrowings	(30,000)	(30,000)
Proceeds from issuance of shares	7,335,549	7,613
Purchase of treasury shares	(99,367)	—
Proceeds from sale and leaseback transactions	16,667	46,761
Repayments of lease liabilities	(136,324)	(124,523)
Other, net	—	100
Net cash provided by (used in) financing activities	7,086,526	(100,048)
Effect of exchange rate change on cash and cash equivalents	2,555	101,468
Net increase (decrease) in cash and cash equivalents	7,365,731	683,556
Cash and cash equivalents at beginning of period	7,990,145	14,375,112
Cash and cash equivalents at end of period	15,355,877	15,058,669