

English Translation

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

August 4, 2021

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: August 12, 2021
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, 2021 (from April 1, 2021 to June 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 | % |
| Three months ended June 30, 2021 | 930 | 13.6 | 381 | 20.4 | 122 | 21.2 | 88 | (5.9) | 54 | (2.4) |
| Three months ended June 30, 2020 | 818 | - | 316 | - | 100 | - | 93 | - | 55 | - |

(Note) Three months ended June 30, 2021: 148 million yen (337.8%)
Three months ended June 30, 2020: 33 million yen (-%)
Comprehensive income

| | Basic earnings per share | Diluted earnings per share |
|----------------------------------|--------------------------|----------------------------|
| Three months ended June 30, 2021 | 2.54 yen | 2.52 yen |
| Three months ended June 30, 2020 | 2.71 yen | 2.65 yen |

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

(Note) Since the Company prepares its quarterly consolidated financial statement from the six months ended September 30, 2019, 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, 2021 | 24,346 | 14,548 | 59.8 |
| As of March 31, 2021 | 16,745 | 7,137 | 42.6 |

(Reference) Equity As of June 30, 2021 14,548 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 | - | | | | |
| Fiscal year ending March 2022 (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 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 June 30, 2021 | 21,961,718 shares | As of March 31, 2021 | 20,832,872 shares |
| (ii) Number of treasury shares at the end of period | As of June 30, 2021 | 16,084 shares | As of March 31, 2021 | 84 shares |
| (iii) Average number of shares during period (cumulative) | Three months ended June 30, 2021 | 21,384,561 shares | Three months ended June 30, 2020 | 20,527,188 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 June 30, 2021 |
|---|----------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 8,398,235 | 15,820,210 |
| Accounts receivable - trade | 397,015 | 402,187 |
| Other | 160,032 | 160,561 |
| Total current assets | 8,955,283 | 16,382,959 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Machinery, equipment and vehicles, net | 5,433,205 | 5,577,474 |
| Other, net | 1,535,492 | 1,547,001 |
| Total property, plant and equipment | 6,968,697 | 7,124,475 |
| Intangible assets | | |
| Goodwill | 329,143 | 346,534 |
| Other | 252 | 192 |
| Total intangible assets | 329,395 | 346,726 |
| Investments and other assets | 491,990 | 492,340 |
| Total non-current assets | 7,790,083 | 7,963,542 |
| Total assets | 16,745,366 | 24,346,502 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 129,417 | 133,202 |
| Accounts payable - other | 851,664 | 699,183 |
| Current portion of long-term borrowings | 210,000 | 210,000 |
| Contract liabilities | 7,156,455 | 7,580,591 |
| Other | 395,364 | 373,360 |
| Total current liabilities | 8,742,901 | 8,996,337 |
| Non-current liabilities | | |
| Long-term borrowings | 210,000 | 195,000 |
| Other | 655,299 | 607,130 |
| Total non-current liabilities | 865,299 | 802,130 |
| Total liabilities | 9,608,201 | 9,798,468 |

(Thousands of yen)

| | As of March 31, 2021 | As of June 30, 2021 |
|--|----------------------|---------------------|
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 4,300,871 | 7,981,426 |
| Capital surplus | 2,462,195 | 6,142,751 |
| Retained earnings | 523,956 | 578,321 |
| Treasury shares | (350) | (99,396) |
| Total shareholders' equity | 7,286,673 | 14,603,103 |
| Accumulated other comprehensive income | | |
| Foreign currency translation adjustment | (149,508) | (55,069) |
| Total accumulated other comprehensive income | (149,508) | (55,069) |
| Total net assets | 7,137,165 | 14,548,033 |
| Total liabilities and net assets | 16,745,366 | 24,346,502 |

(2) Quarterly Consolidated Statement of Income

(Thousands of yen)

| | Three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020) | Three months ended June 30, 2021 (from April 1, 2021 to June 30, 2021) |
|---|---|---|
| Net sales | 818,911 | 930,103 |
| Cost of sales | 394,064 | 429,008 |
| Gross profit | 424,846 | 501,094 |
| Selling, general and administrative expenses | 323,891 | 378,720 |
| Operating profit | 100,954 | 122,374 |
| Non-operating income | | |
| Interest income | 7,636 | 4,978 |
| Other | 151 | 15 |
| Total non-operating income | 7,788 | 4,993 |
| Non-operating expenses | | |
| Interest expenses | 6,449 | 6,362 |
| Share of loss of entities accounted for using equity method | 8,197 | — |
| Share issuance costs | — | 32,563 |
| Other | 180 | 32 |
| Total non-operating expenses | 14,827 | 38,958 |
| Ordinary profit | 93,915 | 88,409 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | — | 6,267 |
| Total extraordinary losses | — | 6,267 |
| Profit before income taxes | 93,915 | 82,141 |
| Income taxes | 38,210 | 27,776 |
| Profit | 55,704 | 54,365 |
| Profit attributable to owners of parent | 55,704 | 54,365 |

(3) Quarterly Consolidated Statements of Comprehensive Income

(Thousands of yen)

| | Three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020) | Three months ended June 30, 2021 (from April 1, 2021 to June 30, 2021) |
|--|---|---|
| Profit | 55,704 | 54,365 |
| Other comprehensive income | | |
| Foreign currency translation adjustment | (24,829) | 94,724 |
| Share of other comprehensive income of entities accounted for using equity method | 3,109 | (285) |
| Total other comprehensive income | (21,719) | 94,439 |
| Comprehensive income | 33,985 | 148,804 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 33,985 | 148,804 |
| Comprehensive income attributable to non- controlling interests | — | — |