

English Translation

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Summary of Financial Results for the Year Ended March 31, 2022 (Japanese GAAP) (Consolidated)

May 12, 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 of ordinary general meeting of shareholders: June 24, 2022
Scheduled date to file Securities Report: June 27, 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 year ended March 31, 2022 (from April 1, 2021 to March 31, 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	%
Year ended March 31, 2022	4,216	20.4	1,696	25.7	560	33.9	555	210.5	644	27.2
Year ended March 31, 2021	3,501	36.9	1,349	83.0	418	501.3	178	-	506	-

(Note)

Comprehensive income Year ended March 31, 2022: 806 million yen (81.0%) Year ended March 31, 2021: 445 million yen (-%)

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	yen	yen	%	%	%
Year ended March 31, 2022	29.56	29.36	5.8	2.7	13.3
Year ended March 31, 2021	24.58	24.08	7.4	1.1	12.0

(Reference) Share of loss of entities

accounted for using equity method Year ended March 31, 2022: - million yen Year ended March 31, 2021: (240) million yen

*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	Net assets per share
	million yen	million yen	%	Yen
As of March 31, 2022	25,005	15,219	60.9	692.03
As of March 31, 2021	16,745	7,137	42.6	342.59

(Reference) Equity As of March 31, 2022 15,219 million yen As of March 31, 2021 7,137 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	million yen	million yen	million yen	million yen
Year ended March 31, 2022	1,949	(2,378)	6,781	14,375
Year ended March 31, 2021	3,311	(2,470)	418	7,990

2. Dividends

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on net assets (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	(Total)			
	yen	yen	yen	yen	yen	million yen	%	%
Year ended March 31, 2021	-	0.00	-	0.00	0.00	-	-	-
Year ended March 31, 2022	-	0.00	-	0.00	0.00	-	-	-
Year ending March 31, 2023 (forecast)	-	0.00	-	0.00	0.00		-	

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)	-	(83.68)

* 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 names) —

(2) 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

(3) Number of shares issued and outstanding (common shares)

(i) Number of shares issued and outstanding (including treasury shares) at end of period	As of March 31, 2022	22,009,418 shares	As of March 31, 2021	20,832,872 shares
(ii) Number of treasury shares at end of period	As of March 31, 2022	16,159 shares	As of March 31, 2021	84 shares
(iii) Average number of shares during period (cumulative)	Year ended March 31, 2022	21,796,362 shares	Year ended March 31, 2021	20,603,665 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.

(Reference) Overview of Non-consolidated financial results

Non-consolidated Financial Results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Non-consolidated operating results (cumulative)

(% figures show the change from the same period of previous fiscal year)

	Net sales		EBITDA*		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2022	3,646	24.9	1,498	21.7	515	16.6	489	17.8	599	85.7
Year ended March 31, 2021	2,919	52.4	1,231	92.9	441	262.5	415	593.1	322	360.7

	Basic earnings per share	Diluted earnings per share
	yen	yen
Year ended March 31, 2022	27.49	27.30
Year ended March 31, 2021	15.65	15.33

(2) Non-Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	million yen	million yen	%	Yen
As of March 31, 2022	25,305	15,690	62.0	713.43
As of March 31, 2021	17,299	7,814	45.2	375.12

(Reference) Equity As of March 31, 2022 15,690 million yen As of March 31, 2021 7,814 million yen

* 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.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	8,398,235	14,835,264
Accounts receivable - trade	397,015	592,821
Other	160,032	354,630
Total current assets	8,955,283	15,782,716
Non-current assets		
Property, plant and equipment		
Machinery, equipment and vehicles	7,419,350	9,670,751
Accumulated depreciation	(1,894,949)	(2,895,719)
Accumulated impairment	(91,195)	(99,166)
Machinery, equipment and vehicles, net	5,433,205	6,675,865
Leased assets	1,373,688	1,390,356
Accumulated depreciation	(383,001)	(542,681)
Leased assets, net	990,686	847,675
Construction in progress	485,958	721,041
Other	71,712	126,178
Accumulated depreciation	(12,865)	(53,254)
Accumulated impairment	—	(178)
Other, net	58,847	72,745
Total property, plant and equipment	6,968,697	8,317,328
Intangible assets		
Goodwill	329,143	339,603
Other	252	633
Total intangible assets	329,395	340,237
Investments and other assets		
Investment securities	41,823	50,320
Deferred tax assets	369,843	331,591
Other	118,069	182,828
Allowance for doubtful accounts	(37,745)	—
Total investments and other assets	491,990	564,740
Total non-current assets	7,790,083	9,222,305
Total assets	16,745,366	25,005,022

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	129,417	294,326
Current portion of long-term borrowings	210,000	60,000
Lease liabilities	265,708	224,554
Accounts payable - other	851,664	975,233
Income taxes payable	61,784	108,177
Contract liabilities	7,156,455	7,473,803
Other	67,871	79,356
Total current liabilities	8,742,901	9,215,452
Non-current liabilities		
Long-term borrowings	210,000	150,000
Lease liabilities	509,690	298,582
Other	145,609	120,996
Total non-current liabilities	865,299	569,578
Total liabilities	9,608,201	9,785,030
Net assets		
Shareholders' equity		
Share capital	4,300,871	7,989,122
Capital surplus	2,462,195	6,150,446
Retained earnings	523,956	1,168,343
Treasury shares	(350)	(100,038)
Total shareholders' equity	7,286,673	15,207,873
Accumulated other comprehensive income		
Foreign currency translation adjustment	(149,508)	12,118
Total accumulated other comprehensive income	(149,508)	12,118
Total net assets	7,137,165	15,219,992
Total liabilities and net assets	16,745,366	25,005,022

(2) Consolidated Statements of Income and Comprehensive Income
(Consolidated Statement of Income)

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	3,501,932	4,216,037
Cost of sales	1,685,700	2,050,953
Gross profit	1,816,231	2,165,084
Selling, general and administrative expenses	1,397,560	1,604,630
Operating profit	418,671	560,453
Non-operating income		
Interest income	28,062	20,993
Foreign exchange gains	—	27,942
Other	277	161
Total non-operating income	28,339	49,097
Non-operating expenses		
Interest expenses	26,466	20,919
Share of loss of entities accounted for using equity method	240,337	—
Share issuance costs	—	32,782
Other	1,264	246
Total non-operating expenses	268,068	53,947
Ordinary profit	178,942	555,603
Extraordinary income		
Gain on change in equity	99,979	—
Gain on sale of investment securities	—	240,164
Subsidy income	—	166,728
Contribution for construction	—	71,125
Total extraordinary income	99,979	478,017
Extraordinary losses		
Loss on retirement of non-current assets	—	7,266
Loss on tax purpose reduction entry of non-current assets	—	150,000
Tax purpose reduction entry of contribution for construction	—	71,125
Impairment losses	27,006	8,148
Provision of allowance for doubtful accounts	37,745	—
Total extraordinary losses	64,751	236,539
Profit before income taxes	214,170	797,081
Income taxes - current	60,978	74,984
Income taxes - deferred	(353,274)	34,072
Income taxes for prior periods	—	43,637
Total income taxes	(292,296)	152,694
Profit	506,466	644,386
Profit attributable to owners of parent	506,466	644,386

(Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	506,466	644,386
Other comprehensive income		
Foreign currency translation adjustment	(61,370)	163,420
Share of other comprehensive income of entities accounted for using equity method	149	(1,793)
Total other comprehensive income	(61,220)	161,627
Comprehensive income	445,246	806,014
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	445,246	806,014
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statement of Changes in Equity
For the year ended March 31, 2021

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,272,495	2,433,819	17,489	(350)	6,723,454
Changes during period					
Issuance of new shares	28,376	28,376			56,752
Profit (loss) attributable to owners of parent			506,466		506,466
Net changes in items other than shareholders' equity					
Total changes during period	28,376	28,376	506,466	—	563,219
Balance at end of period	4,300,871	2,462,195	523,956	(350)	7,286,673

	Accumulated other comprehensive income		Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	(88,288)	(88,288)	6,635,166
Changes during period			
Issuance of new shares			56,752
Profit (loss) attributable to owners of parent			506,466
Net changes in items other than shareholders' equity	(61,220)	(61,220)	(61,220)
Total changes during period	(61,220)	(61,220)	501,998
Balance at end of period	(149,508)	(149,508)	7,137,165

For the year ended March 31, 2022

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,300,871	2,462,195	523,956	(350)	7,286,673
Changes during period					
Issuance of new shares	3,688,250	3,688,250			7,376,500
Profit attributable to owners of parent			644,386		644,386
Purchase of treasury shares				(99,688)	(99,688)
Net changes in items other than shareholders' equity					
Total changes during period	3,688,250	3,688,250	644,386	(99,688)	7,921,199
Balance at end of period	7,989,122	6,150,446	1,168,343	(100,038)	15,207,873

	Accumulated other comprehensive income		Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	(149,508)	(149,508)	7,137,165
Changes during period			
Issuance of new shares			7,376,500
Profit attributable to owners of parent			644,386
Purchase of treasury shares			(99,688)
Net changes in items other than shareholders' equity	161,627	161,627	161,627
Total changes during period	161,627	161,627	8,082,827
Balance at end of period	12,118	12,118	15,219,992

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	214,170	797,081
Depreciation	887,542	1,102,581
Loss on tax purpose reduction entry of non-current assets	—	150,000
Tax purpose reduction entry of contribution for construction	—	71,125
Subsidy income	—	(166,728)
Proceeds from contribution for construction	—	(71,125)
Loss (gain) on sale of shares of subsidiaries and associates	—	(240,165)
Amortization of goodwill	41,126	30,738
Increase (decrease) in allowance for doubtful accounts	37,745	—
Interest income	(28,062)	(20,993)
Interest expenses	26,466	20,919
Share issuance costs	—	32,782
Share of loss (profit) of entities accounted for using equity method	240,337	—
Loss (gain) on change in equity	(99,979)	—
Decrease (increase) in trade receivables	55,564	(168,662)
Increase (decrease) in trade payables	(47,256)	156,843
Increase (decrease) in income taxes payable - factor based tax	(10,620)	39,531
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	122,374	(32,643)
Increase (decrease) in contract liability	1,887,924	316,667
Other, net	24,184	39,926
Subtotal	3,351,518	2,057,878
Interest received	34,053	21,765
Interest paid	(26,466)	(20,919)
Income taxes paid	(47,889)	(109,194)
Net cash provided by (used in) operating activities	3,311,216	1,949,530
Cash flows from investing activities		
Payments into time deposits	(660,987)	(843,519)
Proceeds from withdrawal of time deposits	571,354	844,477
Proceeds from redemption of securities	50,569	—
Purchase of property, plant and equipment	(2,401,912)	(2,585,342)
Proceeds from contribution received for construction	—	71,125
Payments of leasehold and guarantee deposits	(3,982)	(95,178)
Purchase of shares of nonconsolidated subsidiaries	(26,030)	(10,290)
Proceeds from sale of shares of subsidiaries and associates	—	240,165
Other, net	—	(243)
Net cash provided by (used in) investing activities	(2,470,988)	(2,378,805)
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)	(210,000)
Proceeds from issuance of shares	56,752	7,343,718
Purchase of treasury shares	—	(99,688)
Proceeds from share issuance to non-controlling shareholders	99,979	—
Proceeds from sale and leaseback transactions	303,812	16,667
Repayments of lease liabilities	(267,244)	(268,929)
Net cash provided by (used in) financing activities	418,299	6,781,769
Effect of exchange rate change on cash and cash equivalents	(1,856)	32,473
Net increase (decrease) in cash and cash equivalents	1,256,670	6,384,967
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	7,990,145	14,375,112