

Translation

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Summary of Consolidated Financial Results for the Three Months Ended May 31, 2022 (Based on Japanese GAAP)

July 14, 2022

Company name: JNS HOLDINGS INC.
 Stock exchange listing: Tokyo
 Stock code: 3627 URL <https://www.jns.inc/>
 Representative: President & Representative Director Masashi Ikeda
 Senior Managing Director, Member of the Board
 Inquiries: Takashi Nakano TEL (03)6838-8800
 Scheduled date to file Quarterly Securities Report: July 14, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended May 31, 2022 (from March 1, 2022 to May 31, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended May 31, 2022	1,887	32.9	(41)	–	2	–	(14)	–
Three months ended May 31, 2021	1,420	(21.8)	(104)	–	(151)	–	(133)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended May 31, 2022	(1.21)	–
Three months ended May 31, 2021	(11.16)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of May 31, 2022	8,159	5,593	68.0	465.37
As of February 28, 2022	8,786	5,593	63.2	465.64

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended February 28, 2022	–	0.00	–	10.00	10.00
Year ending February 28, 2023	–				
Year ending February 28, 2023 (Forecast)		0.00	–	5.00	5.00

3. Forecast of consolidated financial results for the year ending February 28, 2023 (from March 1, 2022 to February 28, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	9,600	0.5	260	(49.7)	250	(42.2)	180	(49.1)	15.08

4. Notes

- (1) Changes in significant subsidiaries during the three months ended May 31, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of May 31, 2022	12,141,100 shares	As of February 28, 2022	12,140,400 shares
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Number of treasury shares at the end of the period

As of May 31, 2022	210,105 shares	As of February 28, 2022	210,105 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended May 31, 2022	11,930,881 shares	Three months ended May 31, 2021	11,933,304 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of February 28, 2022	As of May 31, 2022
Assets		
Current assets		
Cash and deposits	4,982,263	4,618,465
Notes and accounts receivable - trade	1,134,617	–
Notes and accounts receivable - trade, and contract assets	–	853,900
Merchandise	104,507	115,727
Work in process	132,460	276,943
Raw materials	240,012	248,434
Advance payments to suppliers	291,341	80,770
Other	305,941	329,852
Allowance for doubtful accounts	(5,146)	(4,028)
Total current assets	7,185,998	6,520,065
Non-current assets		
Property, plant and equipment		
Buildings, net	149,931	144,231
Vehicles, net	3,592	3,297
furniture and fixtures, net	90,068	90,555
Construction in progress	1,433	1,433
Total property, plant and equipment	245,025	239,518
Intangible assets		
Software	153,736	190,946
Software in progress	69,950	68,452
Goodwill	37,590	28,915
Other	6,441	8,071
Total intangible assets	267,718	296,386
Investments and other assets		
Investment securities	741,078	769,981
Investments in capital of subsidiaries and associates	1,295	790
Deferred tax assets	152,951	139,703
Guarantee deposits	198,166	199,760
Other	31,010	30,462
Allowance for doubtful accounts	(37,131)	(37,131)
Total investments and other assets	1,087,371	1,103,566
Total non-current assets	1,600,115	1,639,471
Total assets	8,786,113	8,159,536

(Thousands of yen)

	As of February 28, 2022	As of May 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	370,447	330,442
Short-term borrowings	89,539	–
Current portion of long-term borrowings	413,526	401,028
Income taxes payable	245,230	39,081
Advances received	100,228	–
Contract liabilities	–	162,250
Provision for bonuses	259,854	58,492
Provision for product warranties	427	427
Other	473,068	435,815
Total current liabilities	1,952,322	1,427,536
Non-current liabilities		
Long-term borrowings	1,191,212	1,093,044
Deferred tax liabilities	7,952	2,916
Asset retirement obligations	35,014	35,102
Other	6,602	7,218
Total non-current liabilities	1,240,781	1,138,281
Total liabilities	3,193,103	2,565,817
Net assets		
Shareholders' equity		
Share capital	2,391,423	2,391,580
Capital surplus	1,500,413	1,500,571
Retained earnings	1,650,907	1,517,128
Treasury shares	(115,366)	(115,366)
Total shareholders' equity	5,427,378	5,293,913
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	49,348	75,838
Deferred gains or losses on hedges	5,899	21,461
Foreign currency translation adjustment	72,630	161,131
Total accumulated other comprehensive income	127,877	258,431
Share acquisition rights	37,754	41,373
Total net assets	5,593,010	5,593,718
Total liabilities and net assets	8,786,113	8,159,536

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended May 31, 2021	Three months ended May 31, 2022
Net sales	1,420,412	1,887,092
Cost of sales	882,002	1,210,847
Gross profit	538,409	676,245
Selling, general and administrative expenses	643,273	718,210
Operating loss	(104,864)	(41,965)
Non-operating income		
Interest income	169	913
Foreign exchange gains	4,899	45,223
Other	2,385	1,513
Total non-operating income	7,454	47,651
Non-operating expenses		
Interest expenses	2,715	2,589
Share of loss of entities accounted for using equity method	47,392	505
Other	4,432	255
Total non-operating expenses	54,540	3,350
Ordinary profit (loss)	(151,950)	2,335
Extraordinary losses		
Loss on change in equity	8,742	–
Total extraordinary losses	8,742	–
Profit (loss) before income taxes	(160,692)	2,335
Income taxes	(27,525)	16,811
Loss	(133,167)	(14,476)
Loss attributable to owners of parent	(133,167)	(14,476)

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended May 31, 2021	Three months ended May 31, 2022
Loss	(133,167)	(14,476)
Other comprehensive income		
Valuation difference on available-for-sale securities	21,194	26,490
Deferred gains or losses on hedges	(1,387)	15,562
Foreign currency translation adjustment	39,035	88,501
Share of other comprehensive income of entities accounted for using equity method	(2,364)	–
Total other comprehensive income	56,477	130,553
Comprehensive income	(76,690)	116,077
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(76,690)	116,077