

English Translation

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Summary of Financial Results for the Nine Months Ended December 31, 2023 (Japanese GAAP) (Consolidated)

February 8, 2024

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: February 9, 2024
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 nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)
(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, 2023	7,906	120.5	3,846	287.7	705	—	95	—	(3)	—
Nine months ended December 31, 2022	3,585	23.1	992	(15.9)	(74)	—	(937)	—	(1,159)	—

(Note) Nine months ended December 31, 2023: 244 million yen (—%)
Comprehensive income Nine months ended December 31, 2022: (839) million yen (—%)

	Basic earnings per share	Diluted earnings per share
	Yen	yen
Nine months ended December 31, 2023	(0.14)	—
Nine months ended December 31, 2022	(52.70)	—

*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, 2023	133,540		33,146		10.5	
As of March 31, 2023	52,042		12,893		24.8	

(Reference) Equity As of December 31, 2023 14,088 million yen As of March 31, 2023 12,893 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 2023	-	0.00	-	0.00	0.00
Fiscal year ending March 2024	-	0.00	-		
Fiscal year ending March 2024 (forecast)				0.00	0.00

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

3. Consolidated financial forecast for fiscal year ending March 2024 (from April 1, 2023 to March 31, 2024)

(% 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	11,200	114.2	5,210	208.6	660	463.8	(280)	—	(380)	—	(17.24)

(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. : No
 - (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, 2023	22,061,818 shares	As of March 31, 2023	22,031,718 shares
(ii) Number of treasury shares at the end of period	As of December 31, 2023	16,126 shares	As of March 31, 2023	16,159 shares
(iii) Average number of shares during period (cumulative)	Nine months ended December 31, 2023	22,030,342 shares	Nine months ended December 31, 2022	22,001,347 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, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	24,247,780	24,873,108
Accounts receivable - trade	529,968	776,675
Other	985,192	2,636,363
Total current assets	25,762,941	28,286,147
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	14,605,402	89,585,546
Machinery, equipment and vehicles, net	8,140,589	9,844,448
Other, net	2,682,147	3,689,022
Total property, plant and equipment	25,428,139	103,119,017
Intangible assets		
Goodwill	338,352	345,106
Other	37,774	1,274,267
Total intangible assets	376,126	1,619,373
Investments and other assets	475,017	515,662
Total non-current assets	26,279,284	105,254,053
Total assets	52,042,226	133,540,201
Liabilities		
Current liabilities		
Accounts payable - trade	277,246	495,782
Short-term borrowings	—	1,805,000
Current portion of long-term borrowings	930,000	2,318,549
Accounts payable - other	7,451,808	21,620,028
Contract liabilities	7,825,543	9,144,072
Other	345,914	1,419,601
Total current liabilities	16,830,513	36,803,034
Non-current liabilities		
Long-term borrowings	21,146,000	62,388,034
Interest rate swap liabilities	882,298	834,459
Other	289,811	367,735
Total non-current liabilities	22,318,110	63,590,228
Total liabilities	39,148,623	100,393,263

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
Net assets		
Shareholders' equity		
Share capital	7,994,860	8,002,520
Capital surplus	6,156,184	6,728,845
Retained earnings	(434,467)	(437,567)
Treasury shares	(100,038)	(99,841)
Total shareholders' equity	13,616,540	14,193,956
Accumulated other comprehensive income		
Deferred gains or losses on hedges	(882,298)	(451,326)
Foreign currency translation adjustment	159,161	345,545
Total accumulated other comprehensive income	(723,137)	(105,781)
Non-controlling interests	200	19,058,762
Total net assets	12,893,602	33,146,937
Total liabilities and net assets	52,042,226	133,540,201

(2) Quarterly Consolidated Statement of Income

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	3,585,456	7,906,429
Cost of sales	1,785,225	5,291,870
Gross profit	1,800,231	2,614,558
Selling, general and administrative expenses	1,874,969	1,909,469
Operating profit (loss)	(74,737)	705,089
Non-operating income		
Interest income	18,131	37,033
Foreign exchange gains	62,908	14,423
Other	4,862	993
Total non-operating income	85,902	52,450
Non-operating expenses		
Interest expenses	9,518	484,470
Commission expenses	937,816	177,370
Other	1,446	641
Total non-operating expenses	948,782	662,482
Ordinary profit (loss)	(937,617)	95,057
Extraordinary income		
Contribution received for construction	19,474	—
Total extraordinary income	19,474	—
Extraordinary losses		
Tax purpose reduction entry of contribution for construction	19,474	—
Impairment losses	191,553	—
Total extraordinary losses	211,028	—
Profit (loss) before income taxes	(1,129,170)	95,057
Income taxes	30,221	84,631
Profit (loss)	(1,159,391)	10,425
Profit attributable to non-controlling interests	—	13,525
Loss attributable to owners of parent	(1,159,391)	(3,099)

(3) Quarterly Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit (loss)	(1,159,391)	10,425
Other comprehensive income		
Deferred gains or losses on hedges	16,613	47,839
Foreign currency translation adjustment	303,063	186,383
Total other comprehensive income	319,676	234,223
Comprehensive income	(839,714)	244,648
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(839,714)	146,834
Comprehensive income attributable to non-controlling interests	—	97,814