English Translation
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Summary of Financial Results for the Six Months Ended September 30, 2024 (Japanese GAAP) (Consolidated)

November 14, 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) Senior Executive officer and CFO (Name) Hideki Inanobe TEL: +81-3-6447-2614
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 six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(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, 2024	7,704	61.2	3,509	54.3	241	(43.7)	(324)	—	(407)	—
Six months ended September 30, 2023	4,778	109.2	2,273	154.5	428	86.5	195	(40.6)	116	(47.7)

(Note) Comprehensive income Six months ended September 30, 2024: 3 million yen ((99.6%)) Six months ended September 30, 2023: 1,000 million yen (120.3%)

	Basic earnings per share	Diluted earnings per share
	yen	yen
Six months ended September 30, 2024	(15.85)	—
Six months ended September 30, 2023	5.30	5.28

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

(Note) For the Six months ended September 30, 2024, though there are diluted shares, the diluted earnings per share are not described due to the net loss per share.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	million yen	million yen	%
As of September 30, 2024	156,434	57,400	19.8
As of March 31, 2024	146,620	54,457	21.0

(Reference) Equity As of September 30, 2024 31,009 million yen As of March 31, 2024 30,825 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 2024	-	0.00	-	0.00	0.00
Fiscal year ending March 2025	-	0.00			
Fiscal year ending March 2025 (forecast)			-	0.00	0.00

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

3. Consolidated financial forecast for fiscal year ending March 2025 (from April 1, 2024 to March 31, 2025)

(% 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	15,700	36.3	7,000	27.8	450	(48.2)	(1,000)	―	(1,320)	―	(51.39)

(Note) Recently announced earnings estimate corrected? Yes/No: No

* Explanatory notes
  (1) Changes in significant subsidiaries during the period : 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 September 30, 2024	25,723,218 shares	As of March 31, 2024	25,686,818 shares
(ii) Number of treasury shares at the end of period	As of September 30, 2024	14,623 shares	As of March 31, 2024	16,146 shares
(iii) Average number of shares during period (cumulative)	Six months ended September 30, 2024	25,687,900 shares	Six months ended September 30, 2023	22,025,546 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.

* Review of quarterly consolidated financial statements by certified public accountant or auditing firm : No

* 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.

  (Change in units used for amounts reported)
  Previously, we stated the amounts of accounts in our quarterly consolidated financial statements and other items in thousands of yen. However, beginning with the current consolidated first quarter and the current consolidated cumulative first quarter, all financial information will be presented in millions of yen. To facilitate comparison, we have also provided the amounts for the prior consolidated fiscal year and the prior consolidated cumulative second quarter in millions of yen.

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	30,685	25,402
Accounts receivable - trade	644	492
Other	2,584	2,359
Allowance for doubtful accounts	(6)	(6)
Total current assets	33,909	28,247
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	96,900	110,398
Machinery, equipment and vehicles, net	10,116	10,797
Other, net	3,368	4,261
Total property, plant and equipment	110,385	125,457
Intangible assets		
Goodwill	316	327
Other	1,480	1,865
Total intangible assets	1,797	2,192
Investments and other assets	528	536
Total non-current assets	112,711	128,186
Total assets	146,620	156,434
Liabilities		
Current liabilities		
Accounts payable - trade	720	646
Short-term borrowings	—	1,227
Current portion of long-term borrowings	2,456	4,960
Accounts payable - other	8,992	6,135
Contract liabilities	10,598	11,319
Other	1,258	978
Total current liabilities	24,025	25,266
Non-current liabilities		
Long-term borrowings	66,295	72,473
Interest rate swap liabilities	1,008	517
Other	833	775
Total non-current liabilities	68,137	73,766
Total liabilities	92,163	99,033

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Net assets		
Shareholders' equity		
Share capital	16,584	16,592
Capital surplus	15,371	15,436
Retained earnings	(635)	(1,042)
Treasury shares	(99)	(90)
Total shareholders' equity	31,220	30,897
Accumulated other comprehensive income		
Deferred gains or losses on hedges	(633)	(295)
Foreign currency translation adjustment	238	407
Total accumulated other comprehensive income	(394)	111
Non-controlling interests	23,632	26,391
Total net assets	54,457	57,400
Total liabilities and net assets	146,620	156,434

(2) Quarterly Consolidated Statement of Income

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	4,778	7,704
Cost of sales	3,099	5,492
Gross profit	1,679	2,212
Selling, general and administrative expenses	1,250	1,971
Operating profit	428	241
Non-operating income		
Interest income	24	23
Foreign exchange gains	37	10
Other	0	1
Total non-operating income	61	35
Non-operating expenses		
Interest expenses	255	573
Commission expenses	38	24
Other	0	3
Total non-operating expenses	295	601
Ordinary profit (loss)	195	(324)
Extraordinary income		
Subsidy income	—	251
Total extraordinary income	—	251
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	—	251
Tender offer-related expenses	—	305
Total extraordinary losses	—	556
Profit (loss) before income taxes	195	(630)
Income taxes	71	25
Profit (loss)	124	(655)
Profit (loss) attributable to non-controlling interests	7	(248)
Profit (loss) attributable to owners of parent	116	(407)

(3) Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit (loss)	124	(655)
Other comprehensive income		
Deferred gains or losses on hedges	699	490
Foreign currency translation adjustment	177	169
Total other comprehensive income	876	659
Comprehensive income	1,000	3
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	665	(10)
Comprehensive income attributable to non-controlling interests	335	14

(4) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit (loss) before income taxes	195	(630)
Depreciation	1,824	3,245
Loss on tax purpose reduction entry of non-current assets	—	251
Subsidy income	—	(251)
Tender offer related expenses	—	305
Amortization of goodwill	18	19
Interest income	(24)	(23)
Interest expenses	255	573
Commission expenses	38	24
Foreign exchange losses (gains)	(42)	(12)
Decrease (increase) in trade receivables	(50)	171
Increase (decrease) in trade payables	78	(82)
Decrease (increase) in prepaid expenses	(184)	135
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(1,895)	(489)
Increase (decrease) in deposits received	484	(3)
Increase (decrease) in accounts payable - other	153	(287)
Increase (decrease) in contract liabilities	1,199	718
Other, net	15	(150)
Subtotal	2,067	3,515
Interest received	17	26
Interest paid	(267)	(579)
Income taxes paid	(4)	(34)
Payment amount of TOB related expenses	—	(305)
Net cash provided by (used in) operating activities	1,812	2,622
Cash flows from investing activities		
Payments into time deposits	(533)	(735)
Proceeds from withdrawal of time deposits	438	704
Purchase of property, plant and equipment	(47,084)	(21,110)
Purchase of intangible assets	(613)	(397)
Subsidies received	—	183
Other, net	(3)	0
Net cash provided by (used in) investing activities	(47,795)	(21,354)
Cash flows from financing activities		
Proceeds from short-term borrowings	5,333	1,440
Repayments of short-term borrowings	(2,126)	(213)
Proceeds from long-term borrowings	32,890	13,248
Repayments of long-term borrowings	(339)	(4,565)
Commission expenses paid	(212)	(13)
Proceeds from issuance of shares	13	17
Proceeds from sale and leaseback transactions	219	652
Repayments of lease liabilities	(99)	(159)
Proceeds from share issuance to non-controlling shareholders	14,260	2,911
Other, net	0	4
Net cash provided by (used in) financing activities	49,939	13,323
Effect of exchange rate change on cash and cash equivalents	47	21
Net increase (decrease) in cash and cash equivalents	4,004	(5,387)
Cash and cash equivalents at beginning of period	23,603	29,850
Cash and cash equivalents at end of period	27,608	24,463