Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

November 7, 2024

Consolidated Financial Results for the Six Months Ended September 30, 2024 (Under Japanese GAAP)

Company name: Japan Communications Inc.
Listing: Tokyo Stock Exchange: Prime Market
Securities code: 9424
URL: https://www.j-com.co.jp/
Representative: Naohisa Fukuda, Representative Director-President
Inquiries: Mitsuru Kodaira, Executive Officer and CFO
Telephone: +81-3-5776-1700
Scheduled date to file semi-annual securities report: November 8, 2024
Scheduled date to commence dividend payments: –
Preparation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results briefing: Yes (for institutional investors, analysts and the press)

(Yen amounts are rounded down to millions, unless otherwise noted.)

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)

(Percentages indicate year-on-year changes.)

	Net revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2024	4,257	21.5	329	△38.2	325	△43.1	246	△69.9
September 30, 2023	3,503	26.8	532	81.3	571	70.4	819	172.2

Note: Comprehensive income For the six months ended September 30, 2024: ¥235 million [△70.1%]
For the six months ended September 30, 2023: ¥789 million [213.4%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	1.49	―
September 30, 2023	4.96	4.96

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	
As of	Millions of yen	Millions of yen	%	
September 30, 2024	4,572	3,305	68.1	
March 31, 2024	4,409	2,979	62.8	

Reference: Equity
As of September 30, 2024: ¥3,115 million
As of March 31, 2024: ¥2,768 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	–	0.00	–	0.00	0.00
Fiscal year ending March 31, 2025	–	0.00			
Fiscal year ending March 31, 2025 (Forecast)			–	0.00	0.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Overview and management policy for the fiscal year ending March 31, 2025

To achieve the mission of carrying bit in safety and security, the Company provides mobile telecommunications service and mobile solution service, and operates the business that provides telecommunications and authentication infrastructure whose identification and authenticity are secured by FPoS, the Company's patented technology (hereinafter referred to as the "FPoS business"). FPoS is a technology which was recognized by the Financial Services Agency as conducive to ensuring security and improving convenience of financial transactions. In the mobile telecommunications service, the Company agreed with NTT DOCOMO, INC. (hereinafter referred to "DOCOMO") about the interconnection with DOCOMO's voice and SMS network in February 2024 and the Company plans to provide new service based on the interconnection in May 2026. Herewith, the Company will be able to develop new business as Neo-Carrier and the Company assumes to provide 10 million mobile telecommunications lines in 2034. In the FPoS business, its technical secureness and institutional reliability owing to accreditation under the Electronic Signatures Act have been so evaluated that it is expected to grow in geometric progression and the Company assumes to provide 100 million electronic certificates in 2034. The Company assumes that these service and business will bring us domestic net revenue of 240 billion yen and profit after tax of 36 billion yen in 2034.

First, the Company will proceed to prepare for the interconnection with DOCOMO's voice and SMS network for the launch of new service in May 2026 and will make efforts to expand customer base through actions to increase awareness at the same time, and the Company will continue to make efforts to establish evaluation of FPoS and to expand cases using FPoS.

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of September 30, 2024	165,923,739 shares
As of March 31, 2024	165,009,239 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2024	15,004 shares
As of March 31, 2024	15,004 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2024	165,374,027 shares
Six months ended September 30, 2023	164,994,235 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

A financial results meeting will be held on Friday, November 8, 2024 for institutional investors, analysts and the press. The Company plans to post a video of this financial results meeting on its website promptly after the meeting is held.