

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended November 30, 2022 (Based on Japanese GAAP)

January 13, 2023

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: January 13, 2023
 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 nine months ended November 30, 2022 (from March 1, 2022 to November 30, 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	%
Nine months ended November 30, 2022	5,786	(14.1)	(86)	–	109	(42.2)	43	(93.0)
Nine months ended November 30, 2021	6,736	10.9	292	84.3	189	37.3	625	320.8

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended November 30, 2022	3.73		3.61	
Nine months ended November 30, 2021	52.20		49.83	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of November 30, 2022	7,726	5,439	69.8	467.00
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				
Year ended February 28, 2022	–	0.00	–	10.00	10.00
Year ending February 28, 2023	–	0.00	–		
Year ending February 28, 2023 (Forecast)				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	10	(98.1)	300	(30.6)	200	(43.4)	17.06

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended November 30, 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 November 30, 2022	12,208,200 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 November 30, 2022	660,105 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)

Nine months ended November 30, 2022	11,722,561 shares	Nine months ended November 30, 2021	11,979,358 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of February 28, 2022	As of November 30, 2022
Assets		
Current assets		
Cash and deposits	4,982,263	3,354,033
Notes and accounts receivable - trade	1,134,617	–
Notes and accounts receivable - trade, and contract assets	–	907,699
Merchandise	104,507	262,717
Work in process	132,460	201,423
Raw materials	240,012	345,151
Advance payments to suppliers	291,341	469,687
Other	305,941	425,199
Allowance for doubtful accounts	(5,146)	(4,357)
Total current assets	7,185,998	5,961,556
Non-current assets		
Property, plant and equipment		
Buildings, net	149,931	134,946
Vehicles, net	3,592	2,393
furniture and fixtures, net	90,068	87,884
Construction in progress	1,433	1,433
Total property, plant and equipment	245,025	226,657
Intangible assets		
Software	153,736	230,565
Software in progress	69,950	184,380
Goodwill	37,590	11,566
Other	6,441	7,866
Total intangible assets	267,718	434,377
Investments and other assets		
Investment securities	741,078	755,057
Investments in capital of subsidiaries and associates	1,295	6
Deferred tax assets	152,951	155,958
Guarantee deposits	198,166	201,020
Other	31,010	29,391
Allowance for doubtful accounts	(37,131)	(37,131)
Total investments and other assets	1,087,371	1,104,302
Total non-current assets	1,600,115	1,765,338
Total assets	8,786,113	7,726,894

(Thousands of yen)

	As of February 28, 2022	As of November 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	370,447	223,133
Short-term borrowings	89,539	–
Current portion of long-term borrowings	413,526	396,940
Income taxes payable	245,230	102,361
Advances received	100,228	–
Contract liabilities	–	127,529
Provision for bonuses	259,854	186,074
Provision for product warranties	427	427
Other	473,068	311,995
Total current liabilities	1,952,322	1,348,461
Non-current liabilities		
Long-term borrowings	1,191,212	892,440
Deferred tax liabilities	7,952	4,396
Asset retirement obligations	35,014	35,279
Other	6,602	7,063
Total non-current liabilities	1,240,781	939,179
Total liabilities	3,193,103	2,287,640
Net assets		
Shareholders' equity		
Share capital	2,391,423	2,396,041
Capital surplus	1,500,413	1,505,032
Retained earnings	1,650,907	1,575,278
Treasury shares	(115,366)	(297,166)
Total shareholders' equity	5,427,378	5,179,186
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	49,348	54,978
Deferred gains or losses on hedges	5,899	(43,936)
Foreign currency translation adjustment	72,630	202,697
Total accumulated other comprehensive income	127,877	213,738
Share acquisition rights	37,754	46,328
Total net assets	5,593,010	5,439,253
Total liabilities and net assets	8,786,113	7,726,894

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended November 30, 2021	Nine months ended November 30, 2022
Net sales	6,736,584	5,786,617
Cost of sales	4,229,992	3,686,739
Gross profit	2,506,592	2,099,877
Selling, general and administrative expenses	2,214,237	2,186,627
Operating profit (loss)	292,354	(86,749)
Non-operating income		
Interest income	664	1,799
Foreign exchange gains	19,182	197,026
Other	4,717	7,820
Total non-operating income	24,564	206,646
Non-operating expenses		
Interest expenses	9,247	7,285
Share of loss of entities accounted for using equity method	107,031	1,288
Other	11,488	2,076
Total non-operating expenses	127,766	10,650
Ordinary profit	189,152	109,246
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	651,005	–
Gain on change in equity	2,796	–
Gain on reversal of share acquisition rights	–	313
Total extraordinary income	653,801	313
Extraordinary losses		
Impairment losses	27,671	–
Office relocation expenses	9,185	–
Total extraordinary losses	36,857	–
Profit before income taxes	806,096	109,560
Income taxes	180,727	65,886
Profit	625,369	43,674
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	625,369	43,674

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended November 30, 2021	Nine months ended November 30, 2022
Profit	625,369	43,674
Other comprehensive income		
Valuation difference on available-for-sale securities	(229,458)	5,629
Deferred gains or losses on hedges	(6,468)	(49,836)
Foreign currency translation adjustment	48,669	130,067
Share of other comprehensive income of entities accounted for using equity method	(158)	–
Total other comprehensive income	(187,415)	85,860
Comprehensive income	437,953	129,535
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	437,953	129,535
Comprehensive income attributable to non-controlling interests	–	–