

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended May 31, 2023 (Based on Japanese GAAP)

July 14, 2023

Company name: JNS HOLDINGS INC.  
 Stock exchange listing: Tokyo  
 Stock code: 3627 URL <https://www.jns.inc/>  
 Representative: President & Representative Director Masashi Ikeda  
 Inquiries: Corporate Planning Department Director Satoru Fujishiro TEL (03)6838-8800  
 Scheduled date to file Quarterly Securities Report: July 14, 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 three months ended May 31, 2023 (from March 1, 2023 to May 31, 2023)

(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, 2023	1,816	(3.7)	(140)	–	(94)	–	(71)	–
Three months ended May 31, 2022	1,887	32.9	(41)	–	2	–	(14)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended May 31, 2023	(6.08)		–	
Three months ended May 31, 2022	(1.21)		–	

(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, 2023	7,637	5,558	72.1	471.01
As of February 28, 2023	8,021	5,593	69.1	474.68

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, 2023	–	0.00	–	5.00	5.00
Year ending February 29, 2024	–	–	–	–	–
Year ending February 29, 2024 (Forecast)	–	0.00	–	6.00	6.00

3. Forecast of consolidated financial results for the year ending February 29, 2024 (from March 1, 2023 to February 29, 2024)

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
Six months ending August 31, 2023	4,230	11.5	–	–	20	(62.4)	15	(5.0)	1.28
Full year	10,200	17.8	–	–	500	29.4	360	36.9	30.82

4. Notes

- (1) Changes in significant subsidiaries during the three months ended May 31, 2023  
(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: No
- 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, 2023	12,346,000 shares	As of February 28, 2023	12,339,500 shares
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Number of treasury shares at the end of the period

As of May 31, 2023	660,105 shares	As of February 28, 2023	660,105 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, 2023	11,684,906 shares	Three months ended May 31, 2022	11,930,881 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of February 28, 2023	As of May 31, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	2,983,960	3,062,021
Notes and accounts receivable - trade, and contract assets	1,705,890	1,062,448
Merchandise and finished goods	317,461	244,055
Work in process	246,024	299,361
Raw materials	354,499	267,061
Short-term loans receivable from subsidiaries and associates	100,000	–
Advance payments to suppliers	98,507	167,741
Other	354,646	419,499
<b>Total current assets</b>	<b>6,160,990</b>	<b>5,522,189</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings, net	128,712	152,115
Vehicles, net	1,732	2,152
furniture and fixtures, net	78,393	77,598
Construction in progress	1,433	1,433
<b>Total property, plant and equipment</b>	<b>210,272</b>	<b>233,299</b>
<b>Intangible assets</b>		
Software	211,522	345,992
Software in progress	329,524	373,936
Goodwill	2,891	–
Other	7,573	8,195
<b>Total intangible assets</b>	<b>551,511</b>	<b>728,124</b>
<b>Investments and other assets</b>		
Investment securities	717,300	792,003
Investments in capital of subsidiaries and associates	–	118
Deferred tax assets	182,156	181,221
Guarantee deposits	207,909	189,289
Other	28,882	28,575
Allowance for doubtful accounts	(37,131)	(37,131)
<b>Total investments and other assets</b>	<b>1,099,116</b>	<b>1,154,077</b>
<b>Total non-current assets</b>	<b>1,860,900</b>	<b>2,115,502</b>
<b>Total assets</b>	<b>8,021,890</b>	<b>7,637,692</b>

(Thousands of yen)

	As of February 28, 2023	As of May 31, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	357,787	228,061
Current portion of long-term borrowings	399,016	389,964
Income taxes payable	5,866	2,334
Contract liabilities	128,840	179,346
Provision for bonuses	215,515	61,835
Provision for product warranties	40,637	20,994
Other	435,505	451,114
Total current liabilities	1,583,169	1,333,651
Non-current liabilities		
Long-term borrowings	792,196	703,080
Deferred tax liabilities	10,955	1,658
Asset retirement obligations	35,368	35,458
Other	6,236	5,443
Total non-current liabilities	844,755	745,640
Total liabilities	2,427,924	2,079,291
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,403,000	2,403,345
Capital surplus	1,511,991	1,512,335
Retained earnings	1,794,478	1,664,727
Treasury shares	(297,166)	(297,166)
Total shareholders' equity	5,412,304	5,283,241
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,250	75,852
Deferred gains or losses on hedges	(22,173)	3,119
Foreign currency translation adjustment	143,538	142,003
Total accumulated other comprehensive income	131,615	220,975
Share acquisition rights	50,045	53,763
Non-controlling interests	–	419
Total net assets	5,593,965	5,558,400
Total liabilities and net assets	8,021,890	7,637,692

**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, 2022	Three months ended May 31, 2023
Net sales	1,887,092	1,816,785
Cost of sales	1,210,847	1,231,627
Gross profit	676,245	585,157
Selling, general and administrative expenses	718,210	725,268
Operating loss	(41,965)	(140,111)
Non-operating income		
Foreign exchange gains	45,223	44,831
Other	2,427	4,075
Total non-operating income	47,651	48,906
Non-operating expenses		
Interest expenses	2,589	1,855
Share of loss of entities accounted for using equity method	505	–
Other	255	1,225
Total non-operating expenses	3,350	3,080
Ordinary profit (loss)	2,335	(94,284)
Profit (loss) before income taxes	2,335	(94,284)
Income taxes	16,811	(21,669)
Loss	(14,476)	(72,615)
Loss attributable to non-controlling interests	–	(1,516)
Loss attributable to owners of parent	(14,476)	(71,099)

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Three months ended May 31, 2022	Three months ended May 31, 2023
Loss	(14,476)	(72,615)
Other comprehensive income		
Valuation difference on available-for-sale securities	26,490	65,602
Deferred gains or losses on hedges	15,562	25,292
Foreign currency translation adjustment	88,501	(1,534)
Total other comprehensive income	130,553	89,359
Comprehensive income	116,077	16,744
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	116,077	18,260
Comprehensive income attributable to non-controlling interests	–	(1,516)