



# **JTOWER**

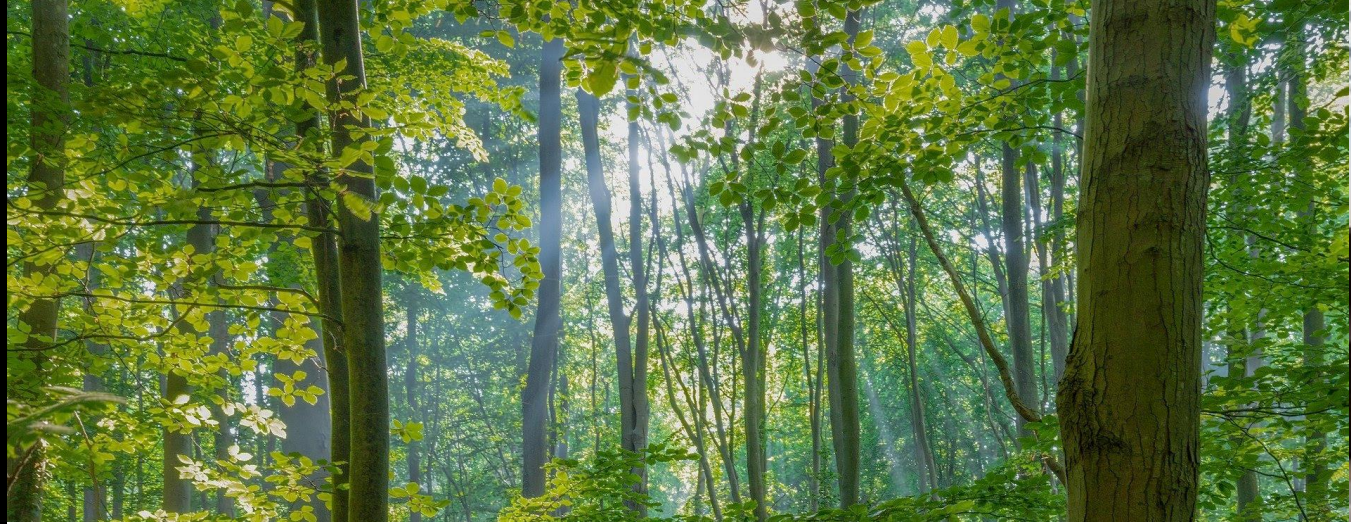
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# **Sustainability**

May 9, 2024  
JTOWER Inc.

**Infra-Sharing  
Services  
from Japan  
Lead the World**





## Outline

1. Promotion of Sustainability Management
2. Environment
3. Social
4. Governance & Compliance
5. Our Approach for the SDGs

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# ① The Realization of a Sustainable Society

- JTOWER believes that Infra-Sharing in itself leads to the realization of Sustainable Society.
- While contributing to the resolution of social issues, such as the reduction of environmental impact and the realization of Connected Society, we aim to achieve sustainable growth and further increase corporate value together with society.

### Environment



Contribution to the environment, including reduction of power consumption through Infra-Sharing

### Governance



Disclosure of corporate governance, compliance policies, initiatives and management systems

### Social



Safety activities in construction



Supply chain management



Communication with employees



Human capital



Sustainable office and work style

# ① Promotion of Sustainability Management

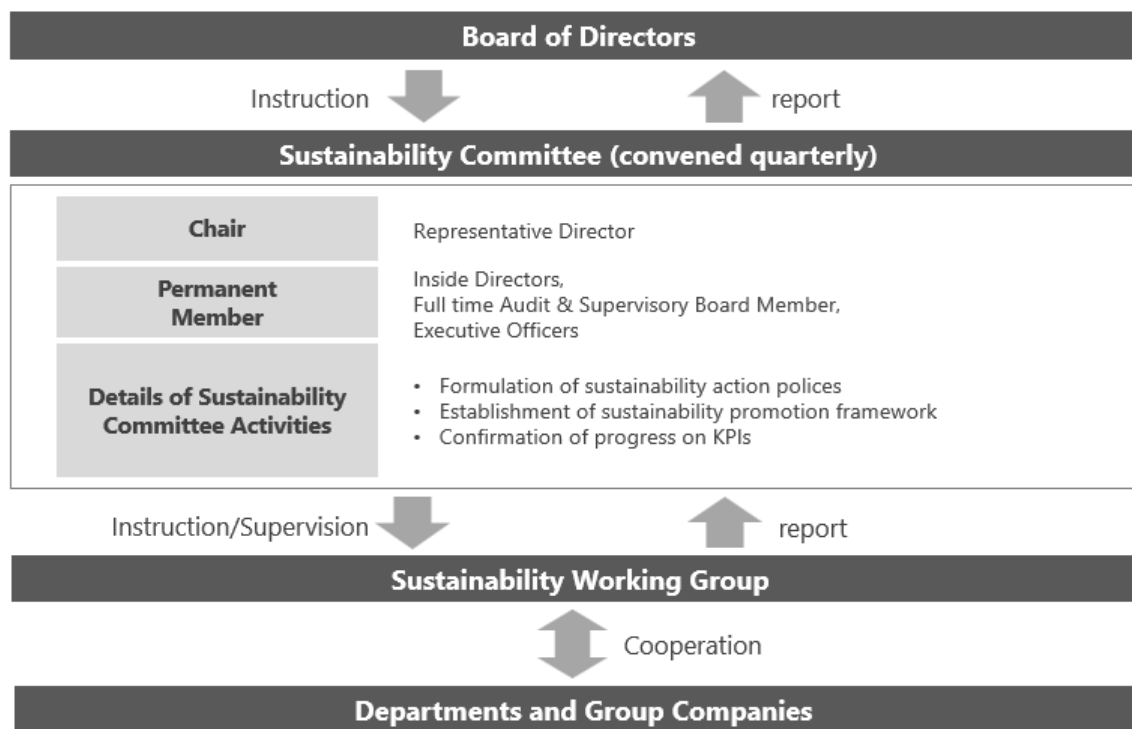
- We will strengthen our efforts for sustainability, recognizing that contribution for the realization of a sustainable society and enhancement of corporate value over the medium to long term are important management issues for promoting growth strategies.

## Reinforcing sustainability management structure



We have established the Sustainability Committee, chaired by representative director and comprises inside directors, full-time Audit & Supervisory Board Member and executive officers. The Sustainability Committee promotes the formulation of basic policies, the establishment of the framework for promoting measures in line with basic policies and KPIs and the disclosure of information related to sustainability.

### Sustainability management structure



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## Environment

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## ② Environment - Contributing to GHG\*<sup>1</sup> emissions reduction by Infra-Sharing JTOWER

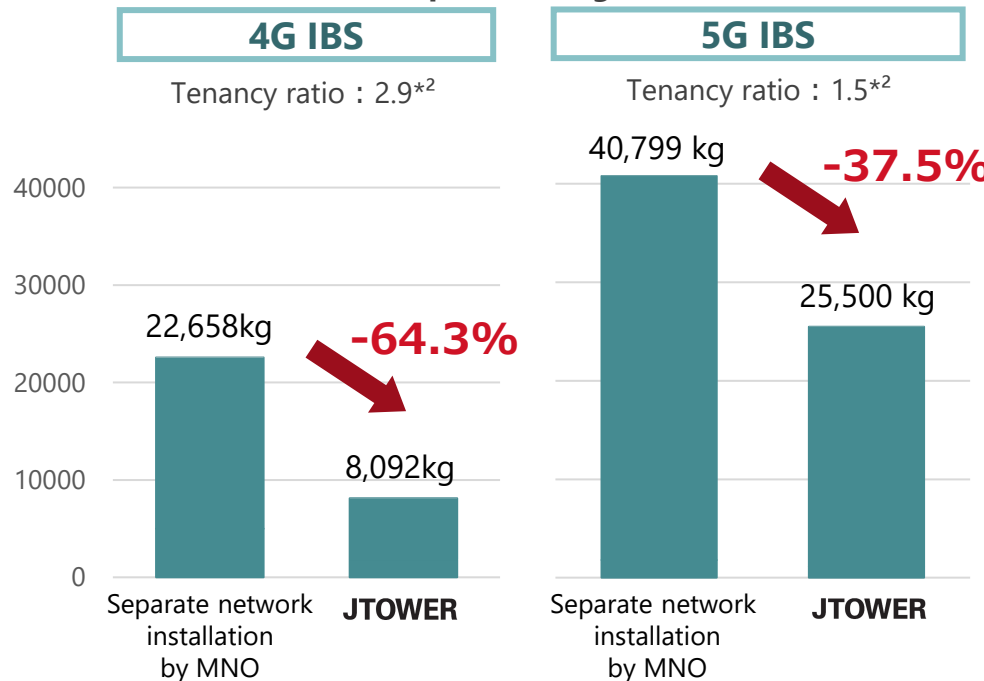
- Infra-Sharing not only reduces costs, but also the material and construction work, as well as electricity consumption, which leads to a lower environmental impact.

### GHG emissions reduction by Infra-Sharing

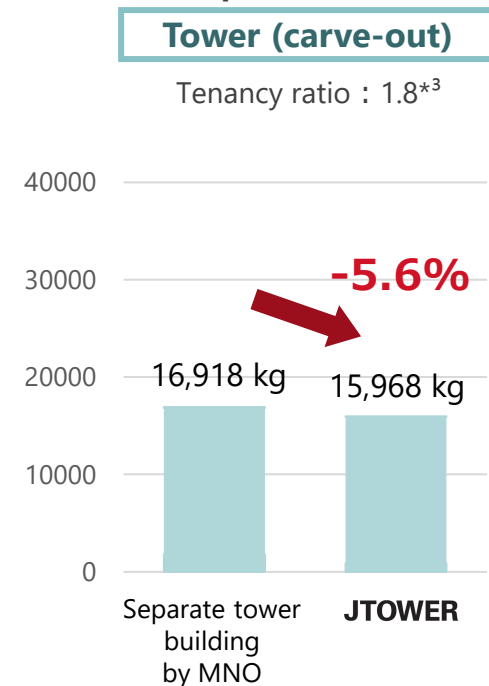


In Domestic IBS, we are contributing to a reduction of approximately 35-65% compared to the case that each MNO installed network separately (our estimate). Further reductions in emissions are expected as Infra-Sharing expands in the future.

#### Annual reduction of GHG emission per building



#### Annual reduction of GHG emission per tower



\*1 Greenhouse Gas

\*2 FY2023 result of Domestic IBS business

\*3 FY2026 mid-term target of Tower business

## ② Environment – Positive impacts of Infra-Sharing

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- In addition to the sustainable expansion of indoor Infra-Sharing, the contribution to GHG emission reduction will be even greater due to the expansion of tower sharing.

### Estimation for annual GHG emissions reduction by Infra-Sharing

Based on FY2023 Domestic IBS results,  
Contributing to reducing GHG absorbed by  
**planted forests in 884.3ha**

4G IBS	5G IBS
-5,884 t	-1,897 t
Number of installations : 404 buildings* <sup>1</sup> Tenancy ratio : 2.8* <sup>1</sup>	Number of installations : 124 buildings* <sup>1</sup> Tenancy ratio : 1.6* <sup>1</sup>



In addition, if mid-term KPI of  
tower business is achieved,  
Contributing to reducing  
GHG absorbed by  
**planted forests in  
269.9ha**

Tower (carve-out)
-2,375 t
Number of towers : 10,000 towers* <sup>2</sup> Tenancy ratio : 1.8* <sup>2</sup>

- \* 1 FY2023 result of Domestic IBS business
- \* 2 FY2026 mid-term target of Tower business

Standard for calculation : Calculation of quantity of parts and materials of Infra-Sharing equipment × CFP of materials in terms of emissions intensity (GHG emissions from manufacturing to recycling)

- 4G IBS
  - GHG emissions per building are approximately 30,000 m<sup>2</sup> which is the average size of JTOWER's 4G IBS installation site. (Calculated based on office-building data for ground 20F and underground 1F).
  - The separate installation by MNO is calculated by multiplying the materials used in calculating JTOWER IBS's GHG emissions by the tenancy ratio of 2.9 in fiscal 2023 to calculate the contribution to GHG reduction.
- 5G IBS
  - GHG emissions per building are approximately 165,000 m<sup>2</sup> which is the average size of JTOWER's 5G IBS installation site. (Calculated based on shopping center data for ground 4F).
  - The separate installation by MNO is calculated by multiplying the materials used in calculating JTOWER IBS's GHG emissions by the tenancy ratio of 1.5 in fiscal 2023 to calculate the contribution to GHG reduction.
- Carve-out tower
  - GHG emissions per tower are calculated based on the data of about 30m steel-towers as the average-size of towers owned by JTOWER.
  - As for The separate tower building by MNO, the contribution to GHG reduction is estimated by multiplying the components used in the calculation in GHG emissions of JTOWER carve-out towers by the tenancy ratio expected to be 1.8 in the medium-term financial target for FY2026.

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## Social

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- We will strive to reduce risks in business by establishing a risk management system that includes not only JTOWER but also partner companies and suppliers in terms of safety in construction and procurement.

#### Safety activities



In order to prevent industrial accidents and other accidents, we will promote the creation of safe and comfortable workplaces through regular safety and health inspections.

##### Safety and Health Patrols

Efforts to identify risks and hazards at an early stage, eliminate them and take measures to reduce them, prevent equipment accidents and information accidents, and ensure thorough safety awareness among workers in construction work.

##### Efforts for Safety and Health Patrols

- ✓ Check whether there is any risk of disaster at a construction site.
- ✓ If confirmed, direct the correction on the spot.
- ✓ If "cannot be implemented immediately," the work will be discontinued and countermeasures will be considered as soon as possible.
- ✓ Check whether the instructed approaches are actually conducted at Safety and Health Meeting and morning meeting.
- ✓ Maintain an appropriate tension and focus in the implementation of on-site work.

##### Safety Conferences

Efforts to review accidents and complaints associated with construction work, prevent the occurrence of similar problems, share the same understanding of construction safety and aim for safe and high-quality construction.

#### Supply chain management



In developing and procuring equipment, we have established a sustainable management system not only for the company, but also for the entire supply chain.

##### RoHS Compliant

The components and products used comply with RoHS (Restriction of Hazardous Substances Directive), the European Union directive on Restrictions on the Use of Certain Hazardous Substances in Electronic and Electric Equipment.

##### ISO9001/ISO14001

We have introduced ISO9001 and ISO14001 acquisitions as terms for suppliers that we believe are relevant to environmental and employment issues, and we continually review their condition, including their subsequent renewals.

##### Factory audits

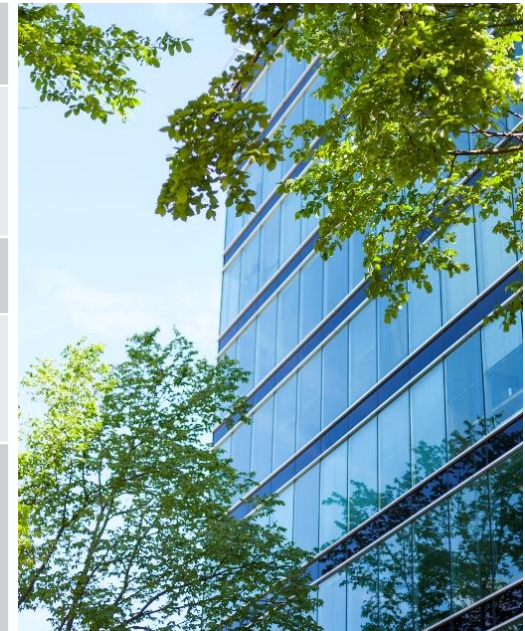
Periodic factory audits of suppliers are conducted to verify safety and health, the qualifications of workers, and the working environment.

### ③ Social – Safety Conferences

- Through safety conference, we are promoting the efforts to review accidents and complaints associated with construction work, prevent the occurrence of similar problems, share the same understanding of construction safety and aim for safe and high-quality construction.

#### Implementation in FY2023

<b>Date</b>	January 17, 2024
<b>Participants</b>	Subcontractors of IBS Construction Dept., Tower Construction Dept., and Construction Dept. of JTOWER
<b>Style</b>	Online (Zoom)
<b>Number of participating companies and connections</b>	Total 36 companies (166 connections)
<b>Contents</b>	<ul style="list-style-type: none"><li>• Review accidents and complaints</li><li>• Introduction of safety initiatives at each construction company</li><li>• Feedback from JTOWER for the completion inspection reports (submitted from construction companies)</li></ul>



#### Plans for future initiatives

We plan to hold these meetings twice a year from FY2024.

- Aiming to create the working environment and organization where diverse human resources can balance job satisfaction and comfort in the workplace, maximizing their skills and individuality.

#### Human resource development



Based on JTOWER Code of Conduct, we aim to create an organization in which diverse human resources can realize their own growth and corporate growth while maximizing their own capabilities and individuality.

Indicator	FY2023 result	Target
Training costs per employee	36,173 yen /person	<b>5 times by FY03/2027</b> (compared to FY2022, 46,490 yen/person)
Number of training programs	Manager : 4 General employee : 3 New graduate : 28	<b>3 times other than new graduates by FY03/2027</b> (compared to FY2022, Manager 9, General employee 3)
Retirement rate	15.5%	<b>Less than10%</b>

#### Establishment of Internal Environment



In line with the changes in employees' life stages, we have established a system that enables employees to control their work-life balance.  
At the same time, we have set the targets with the aim of creating a safe and secure work environment.

Indicator	FY2023 results	Target
Paid vacation usage rate	73.3%	<b>75% by FY03/2027</b>
Return to work after childcare leave	100%	<b>Keep 100%</b>
Number of Industrial accidents	0	<b>Keep 0</b>

#### Empowering Women in the Workplace



Active recruitment and nomination to motivated women can work energetically.  
As of April 1, 2024, female workers accounted for 7.5% of managers.  
\* % of JTOWER Inc.



1	<b>Always be sincere</b>	Face with our customers, business partners, colleagues, and all of our stakeholders in a sincere manner. And always ask ourselves if we are sincere.
2	<b>Take on challenges until we know better</b>	With high aspirations, we will take on challenges without compromising the status quo. Learning both success and failure, we aim to grow day by day .
3	<b>Snap into action</b>	Reduce the time to start moving into zero. No matter how valuable it is, there is no point without working on it.
4	<b>Keep going until we achieve our goals</b>	We take full responsibility for the work ensuring results. We don't let our guard down until the very end.
5	<b>Ask for help</b>	When in trouble or distress, talk to people around you and ask for support. We have no members who are asked for support and do not respond to it. So feel free.

### ③ The Realization of a Sustainable Society - Social

- Together with a sustainable office, we aim to create an environment in which employees can work in good physical and mental health.
- Utilize new facilities to promote communication that combines offline and online.

#### Office and work style



Regarding business expansion, we are planning to relocate our Tokyo head office in July 2022. In the new office, We will make use of sustainable materials and create a comfortable environment for employees.

##### Utilization of Recycled Materials

Utilize recycle materials for interior design.

##### Reduction of office furniture disposal

Use a subscription service for office furniture. Realized a system that does not dispose furniture while flexibly responding to changes in working styles.

##### Promoting Wellness

In addition to comfortable working spaces, we will provide office spaces that enable employees to work in good physical and mental health by making communication and refreshing spaces.



#### Communication



Implementation of various initiatives with the aim of sinking in the corporate vision and revitalizing communication across positions and departments.

##### Company-wide meeting

Regular company-wide meetings are held to promote understanding of the company and share information. At the same time, a social gathering is held aiming for further communication among employees.



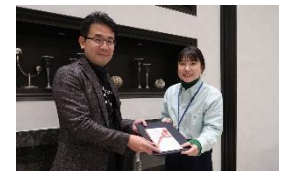
##### President Lunch

President Lunch is held regularly to deepen communication between top management and employees and to share various opinions and thoughts.



##### Corporate Vision Committee

Established a committee to promote understanding of the corporate vision by young employees across departments.



##### Codes of Conduct Award

The award system for the employee who embodies Code of Conduct.

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## Governance

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- JTOWER recognizes the enhancement of corporate governance as one of its key management issues in order to be a company trusted by all stakeholders.

### Strengthen corporate governance



To strengthen corporate governance, the following improvements will be made in order to clarify the management responsibilities of directors, promptly respond to the change of business environment, strengthen supervisory functions, and improve transparency.

#### Changed the term of office of directors to 1 year

The term of office of Directors will be changed from two years to one year with the aim of clarifying the management responsibilities of Directors during the fiscal year and establishing a flexible management structure that can respond quickly to changes in the business environment.

#### With 9 board members and 4 independent outside directors

In order to strengthen the supervisory function of Directors in the execution of business and further improve the transparency of management, the Company has decided to increase the number of independent outside Directors by 2 and requests their appointment.

As a result, the number of directors will be 9, and the number of independent outside directors will be 4 (more than 1/3). This will lead to the strengthening of corporate governance, as well as the strengthening of the skill matrix of directors and the enhancement of diversity.

\* Including Audit & Supervisory Board members, the ratio of female directors is 30% or more.

#### Establish (voluntary) nomination and compensation committee

Under the new management structure, we will establish a voluntary nomination and compensation committee with the aim of enhancing the fairness, transparency, and objectivity of procedures for director nomination and compensation, and strengthening corporate governance.

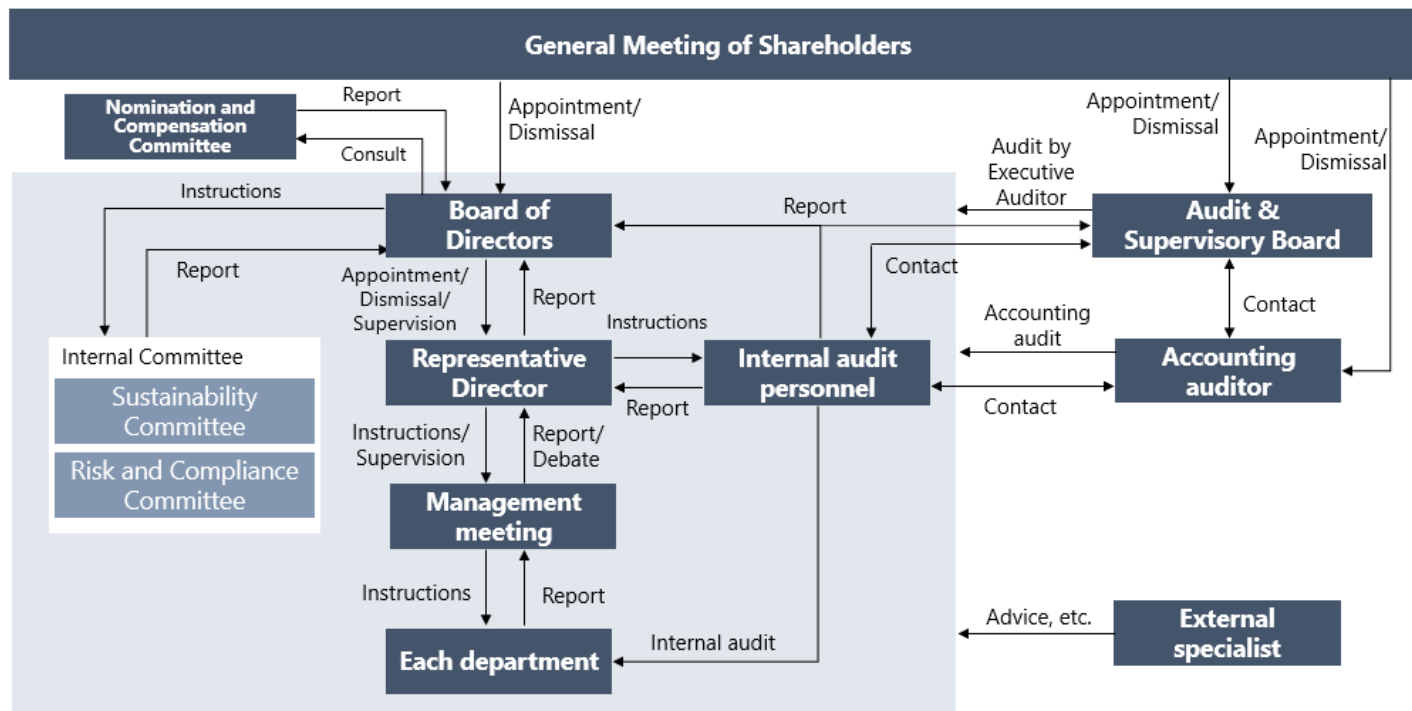


## ④ Governance - Corporate governance










- To be a company trusted by all stakeholders, we will strive to enhance corporate governance as one of our key management issues.

### Corporate Governance System

We have established General Meeting of Shareholders, Board of Directors, Audit & Supervisory Board, and Accounting Auditors as organizations under Companies Act. The Board of Directors, which is composed mainly of directors who are familiar with our business, carries out basic management policies and important business execution decisions and Audit & Supervisory Board, which is composed entirely of outside Audit & Supervisory Board Members, conducts audits from a fair and independent perspective by Audit & Supervisory Board Members with expertise in each field. We believe the current system is effective in ensuring the soundness, transparency and efficiency of management. In addition, we collaborate with outside lawyers when making compliance and important legal judgments.



## ④ Management with Telecom Expertise-Board of Directors

Director	Experience/ Years of Telecom Industry Experience	Director	Experience/ Years of Telecom Industry Experience
 <p>Representative Director</p> <p><b>Atsushi Tanaka</b></p>	<p>Goldman Sachs</p> <p>Equity analyst / Telecom sector</p> <p>eAccess</p> <p>Head of corporate planning div.</p> <p>eMobile</p> <p>CFO / Head of corporate planning div.</p> <p><b>27</b></p>	 <p>Outside Director</p> <p><b>Mutsuko Oba</b></p> <p>Independent</p> <p>Outside</p>	<p>KPMG AZSA</p> <p>Audit / Advisory</p> <p>Stattice CPA Office</p> <p>Founder and Representative : current position</p> <p><b>6</b></p>
 <p>Senior Managing Director</p> <p><b>Yusuke Kiriya</b></p>	<p>M'sWorks</p> <p>Senior engineer</p> <p><b>21</b></p>	 <p>Outside Director</p> <p><b>Takahiro Nikkuni</b></p> <p>Outside</p>	<p>NTT EAST</p> <p>Executive Manager of Corporate Strategy Planning Department</p> <p>NTT</p> <p>Vice President of Technology Planning Department : current position</p> <p><b>25</b></p>
 <p>Managing Director</p> <p><b>Ryosuke Nakamura</b></p>	<p>PwC Arata</p> <p>Audit / Advisory</p> <p>eAccess</p> <p>Group head of business planning div.</p> <p><b>17</b></p>	 <p>Outside Director</p> <p><b>Matthias Vukovich</b></p> <p>Independent</p> <p>New</p> <p>Outside</p>	<p>NTT DOCOMO</p> <p>Morgan Stanley (Executive Director)</p> <p>Princeton Digital Group (CIO)</p> <p><b>22</b></p>
 <p>Outside Director</p> <p><b>Naoki Ota</b></p> <p>Independent</p> <p>Outside</p>	<p>Boston Consulting Group</p> <p>Senior partner / Managing director</p> <p>MIC</p> <p>Advisor to Minister</p> <p>Tokyo Metropolitan Government</p> <p>Chief Digital Service Fellow : current position</p> <p><b>25</b></p>	 <p>Outside Director</p> <p><b>Asuka Sato</b></p> <p>Independent</p> <p>New</p> <p>Outside</p>	<p>INCJ</p> <p>Managing Director : current position</p> <p>EDOTCO Group</p> <p>Outside Director : current position</p> <p><b>14</b></p>
 <p>Outside Director</p> <p><b>Yoshiaki Uchida</b></p> <p>Outside</p>	<p>KDDI</p> <p>Executive Vice President, Representative Director, Executive Director of Technology Sector</p> <p>KDDI Engineering</p> <p>Chairman</p> <p><b>43</b></p>		



- As a company that takes a part of the telecom-infrastructure, we will prioritize safety and compliance in order to achieve sustainable growth and increase corporate value, with the keywords of integrity.

### Strengthening compliance



In order to fulfill our social responsibility to take a part of the telecommunications network, achieve sustainable growth and realize our vision of "Infra-Sharing Services from Japan Lead the World," we set "Integrity" as an important keyword and have expressed the following basic policy for compliance(\*) .

\*Compliance" refers to the efforts of each and every employee under the managements, with high ethical standards, to comply with laws, regulations, and social norms, and to thoroughly conduct themselves with integrity.

#### Basic Policy

- 1 Integrity towards all stakeholders
- 2 Promote compliance to achieve sustainable growth and enhance corporate value
- 3 Safety and compliance take priority over everything

#### Supplemental Principles

##### (1) Act with integrity as a member of society and in compliance with laws and regulations

- We will conduct fair business transactions in compliance with laws and regulations, social norms, and internal rules.
- We will always act with an attitude of sincerity, being aware that we are a member of society.
- We will strive for a smooth exchange of opinions and make fair internal decisions in accordance with internal rules.
- Each of us will faithfully perform our duties and will not commit any wrongful acts.

##### (2) Protect and manage information appropriately

- We will strictly manage information obtained through our business operations in compliance with relevant laws.
- We will adopt an adequate framework to manage information security and provide a safe IT environment.
- We will strictly manage and handle personal information in accordance with our personal information protection policy.

##### (3) Strive to disclose information appropriately

- We will disclose information in an appropriate manner to gain the understanding and trust of society.

##### (4) Maintain sound relationships with business partners

- We will not engage in transactions with anti-social forces such as organized crime groups and corporate racketeer.
- We will maintain fair and free relationships with business partners and will not make unreasonable demands (including bribery and other corrupt acts).
- We will not engage in any illegal or corrupt activities.

##### (5) Realize a safe and healthy work environment with high moral standards

- We will comply with laws, regulations, and other requirements related to health and safety.
- We will strive to prevent harassment of any kind and maintain a working environment with high morals.
- We will respect each other and create an attractive working environment.

### Initiatives to Strengthen Compliance Management

#### Compliance System

We are implementing various initiatives to ensure thorough compliance by establishing a compliance system in which the head of Corporate Department is responsible for company-wide compliance. In addition, the person in charge of internal audits under the direct control of Representative Director and President is appointed to conduct periodic audits of the business execution and compliance status of each department, and the evaluation is reported to Representative Director and President and Audit & Supervisory Board Members.

#### Risk and compliance committee

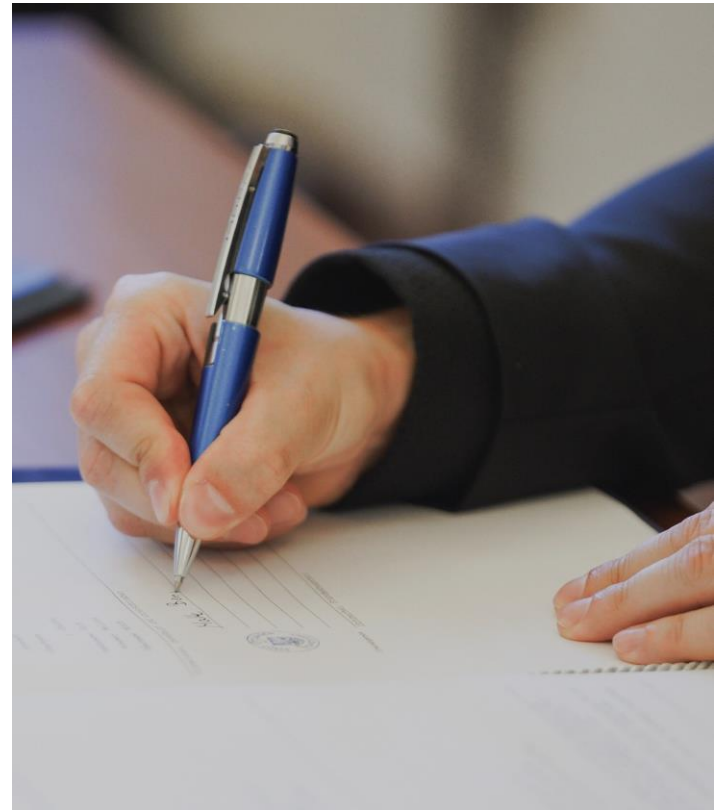
For the purpose of appropriate risk management and compliance, we have established Risk and compliance committee, which is chaired by representative director and comprises internal directors, full-time corporate auditors, executive officers, and persons in charge of internal audits.

Risk and compliance committee shall deliberate on identifying, analyzing, and evaluating risks, gathering information on individual events, discussing countermeasures and promoting compliance, as well as implement PDCA to ensure thorough understanding of compliance and risk management, and strengthen monitoring.

#### Compliance Hotline (Internal reporting system)

We have established an internal reporting system and set up a contact point to properly operate and respond to violations of laws and other legal suspicions. In order to strengthen compliance managements, we have established the system for appropriate handling of requests for advice or reports of organizational or personal violations of laws and regulations from our employees, contract employees, part-timers, temporary workers, dispatched workers, and retirees, ensuring early detection and correction of improprieties.

In addition, the internal reporting system regulation provides for protection of whistleblowers and prohibit disadvantageous treatment of whistleblowers.



### Initiatives to Strengthen Compliance Management

#### Basic Approach and Systems to Exclude Anti-Social Forces

Our basic policy is to not have any relationships with antisocial forces and to reject any unfair demands, and we have clearly stated this in various internal rules and regulations. In addition, when it is found that a business partner is an individual, company, or organization involved with antisocial forces, the business is terminated. Corporate Department acts as the responsible department for antisocial forces, and centrally manages and accumulates related information. In the event of undue claims by antisocial forces, we cooperate with the police, external law firms, and other external specialized organizations to establish a cooperative system in the event of an emergency.

#### Corruption prevention initiatives

We have set Compliance Rules and Anti-Bribery and Corruption Rules which do not allow any bribery or corruption, and our managements and employees shall not be involved in any bribery or corruption. We strive for fair transactions based on the premise of compliance with the anti-corruption laws of each country and will continue to strengthen our anti-corruption efforts.

#### Management system

Entertainment expenses and gifts will be provided only after following the required procedures based on the rules stipulated in regulations and accurate records of all transactions will be kept.

In compliance with laws and regulations, we prohibit the expenditure of entertainment expenses for public officials except in exceptional cases where the expenditure is in accordance with social norms without being extravagant or excessive. We also prohibit facilitation payments (small informal payments made to individual public officials for the purpose of facilitating ordinary administrative measures) and political contributions.

#### Obligation to report

Managements and employees shall report any bribery or corruption in accordance with the internal reporting system regulation.

#### Thorough understanding

- Legal Department, which is responsible for compliance-related operations, is responsible for Anti-Bribery and Corruption Rules.
- Legal Department shall ensure that managements and employees are fully aware of this rule and shall prevent bribery and corruption.
- Legal Department shall disseminate relevant information at least once a year (including the notification in writing).

#### Training programs

Annual plans are established for managements and employees, and regular training is provided on compliance, harassment, prevention of insider trading, information security.

#### Training programs conducted in FY2023

- Information security
- Compliance & insider trading
- Legal (copyright, general legal knowledge, contracts, terminology, etc.)
- Legal affairs communication (disseminated from Legal Department by changing the theme every month)



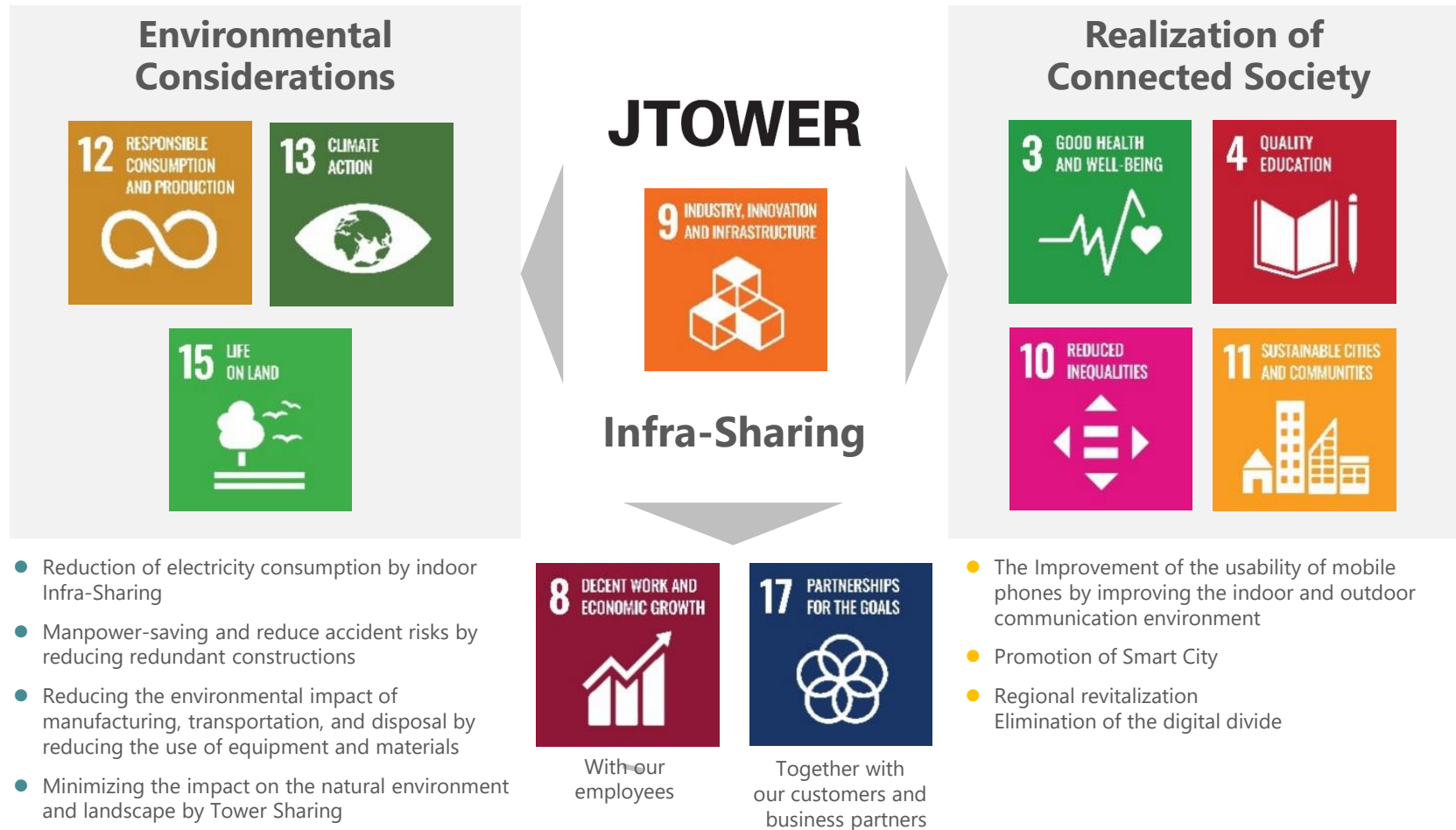
# JTOWER

## Our Approach for the SDGs

**Infra-Sharing  
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## ⑤ Our Approach for the SDGs

- Infra-Sharing in itself leads to the realization of Sustainable Society





# **Infra-Sharing Services from Japan Lead the World**

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