

FY03/2022 Q1

JTOWER

Financial Results for the 1st Quarter of FY2021 ended June 30, 2021

August 4, 2021

J T O W E R Inc.

JTOWER's Vision

Infra-Sharing Services from Japan Lead the World

Japan is behind in the field of global telecommunications infrastructure sharing.

In 2012, when the term "Infra-Sharing" was not common in Japan, we launched our first business.

Our goal is not the same as other global tower companies; our goal is what they have never done.

Meeting the world's highest standard for network quality as required in the Japanese telecommunications industry, we will overcome challenges and improve services.

We will treat all stakeholders with respect and honesty, including mobile network operators, real-estate developers, and partner companies,

We will continue to innovate and challenge new ideas to expand business globally.

We will pursue the world's state-of-the-art technologies, services, and business models.

As a result of these efforts, we will make the Infra-Sharing services that we provide global standards and create our future through businesses expansion.

This is the vision of our company.

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Domestic IBS

<4G IBS>

New installations in **15 buildings** and the total number of completed installations increased to **242 buildings**.

Tower

Signed the master transaction agreement for **carve-outs of 71 towers** owned by NTT West.

International IBS

Proceed with the contract transfer for the IBS assets of **63 projects** in Vietnam for which the purchase agreement was concluded in the previous fiscal year.

* Earnings contributions expected from Q2 onward.

Consolidated revenue increased by 14% YoY to JPY930 million, continuing growth

- Excluding Nabiq, consolidated revenue grew by 21% YoY.
- The revenue for the Domestic IBS business increased by 29% YoY to JPY789 million, driving overall revenue growth.
- Infra-Sharing revenue^{*1} accounted for 93% of the total revenue, establishing a stable revenue base.

Maintain high profitability despite one-time expenses

- Despite one-time expenses (JPY36 million) related to capital increase through the third-party allotment and the introduction of J-ESOP, high profitability was maintained due to strong Infra-Sharing revenue, achieved 13% OP margin and 41% EBITDA margin.
- R&D and Local 5G related expenses are expected to be incurred from Q2 onward.

Q1 results were in line with forecasts for both revenue and profits

- Q1 results were in line with full-year forecasts^{*2} for both revenue and profits.
- Full-year forecasts remained unchanged, considering the revenue contribution of new businesses and the incurrence of upfront investment expenses from Q2 onward.

*1: Revenue from Infra-Sharing service based on long-term contracts. For details, please refer to "Breakdown of Infra-Sharing and Other Revenues by Business" in Appendix.

*2: Under the revenue recognition standard, which was adopted in April 2021, the balances of Unearned Revenue (presented in Current Liabilities until FY2020) and Long-Term Unearned Revenue (presented in Non-Current Liabilities until FY2020) arising from contracts with customers are included in Contract liability from Q1 of FY2021. The change in the standard had no impact on revenue, profits and beginning balance of retained earnings.

1 FY2021Q1 Consolidated Results – P&L

JTOWER

- Revenue increased to JPY930 million (+14% YoY), excluding the impact of deconsolidation of Nabiq, **grew by 21% YoY**.
- High profitability was maintained and achieved **13% OP margin** and **41% EBITDA margin**.

(JPY mn)	FY2020	FY2021		
	3 Months Results	3 Months Results	Change	
			Amount	%
Revenue	818	930	+111	+13.6%
EBITDA ^{*1}	316	381	+64	+20.4%
<i>EBITDA Margin</i>	38.7%	41.0%	+2.3pt	-
Operating Profit	100	122	+21	+21.2%
<i>Operating Profit Margin</i>	12.3%	13.2%	+0.8pt	-
Ordinary Profit	93	88	- 5	-5.9%
Net Income	55	54	- 1	-2.4%
Capital Expenditure ^{*2} (Investment Cash Flow)	-668	-573	+95	-14.2%

*1: EBITDA=Operating profit + depreciation + goodwill amortization + amortization of long-term prepaid expenses

*2: Unaudited figure.

1 FY2021Q1 Consolidated Results – BS (1/2)

JTOWER

- Building a solid financial base with cash and cash equivalents increased by JPY7.4 billion from the end of FY2020 to **JPY15.8 billion** due to an increase in Infra-Sharing revenues which exceeded capital investments and the implementation of the third-party allotment.

	FY2020	FY2021	
(JPY mn)	March 31, 2021	June 30, 2021	Change
Current Assets	8,955	16,382	+7,427
Cash and Cash Equivalents	8,398	15,820	+7,421
Accounts Receivable	397	402	+5
Non-current Assets	7,790	7,963	+173
Tangible Fixed Assets	6,968	7,124	+155
Goodwill	329	346	+17
Total Assets	16,745	24,346	+7,601
Financial Indicators			
Debt	1,195	1,128	- 67
Net Debt	-7,202	-14,692	- 7,489
Equity Ratio	42.6%	59.8%	+ 17.1pt

1 FY2021Q1 Consolidated Results – BS (2/2)

JTOWER

- Increased number of IBS installations has been reflected in increased contract liability*² (to be reported as revenue in the future).

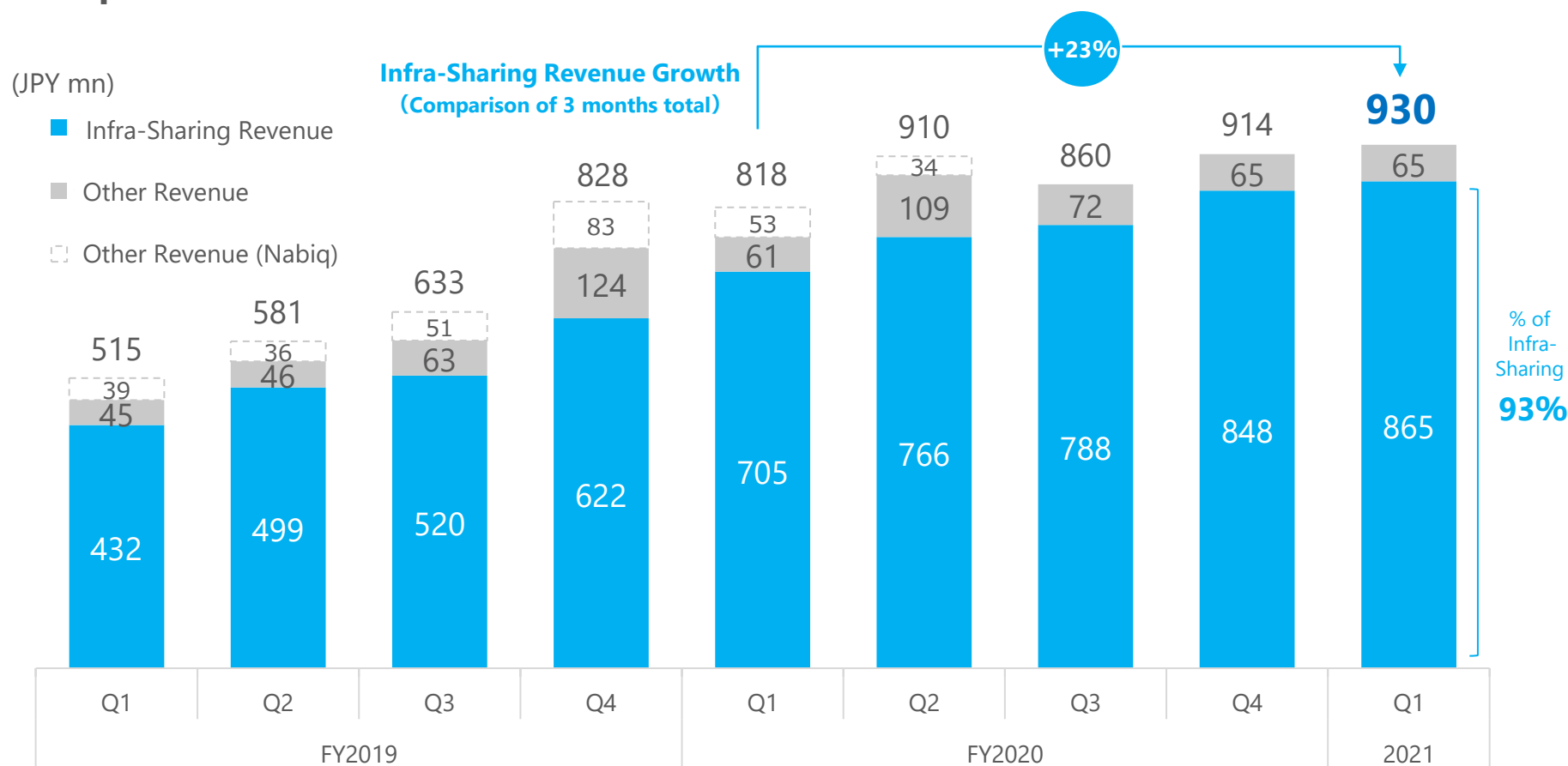
(JPY mn)	FY2020	FY2021	
	March 31, 2021	June 30, 2021	Change
Current Liabilities	8,742	8,996	+253
Accounts payable - trade	129	133	+3
Short-term borrowings* ¹	210	210	+0
Accounts payable - other	851	699	- 152
Contract liability* ²	7,156	7,580	+424
Non-current Liabilities	865	802	- 63
Long-term borrowings	210	195	- 15
Total Liabilities	9,608	9,798	+190
Net Assets	7,137	14,548	+7,410
Share capital	4,300	7,981	+3,680
Capital surplus	2,462	6,142	+3,680
Total Liabilities and Net Assets	16,745	24,346	+7,601

*1: Including long term borrowings due within one year.

*2: Under the revenue recognition standard, which was adopted in April 2021, the balances of Unearned Revenue (presented in Current Liabilities until FY2020) and Long-Term Unearned Revenue (presented in Non-Current Liabilities until FY2020) arising from contracts with customers are included in contract liability. (FY2020 results are also changed)

1 Historical Consolidated Revenue

- Infra-Sharing revenue*¹ has grown **23%** YoY and is serving as a steady revenue base, accounting for **93%** of the total consolidated revenue.
- Other revenue remained almost unchanged excluding the impact of the exclusion of Nabiq from consolidation.



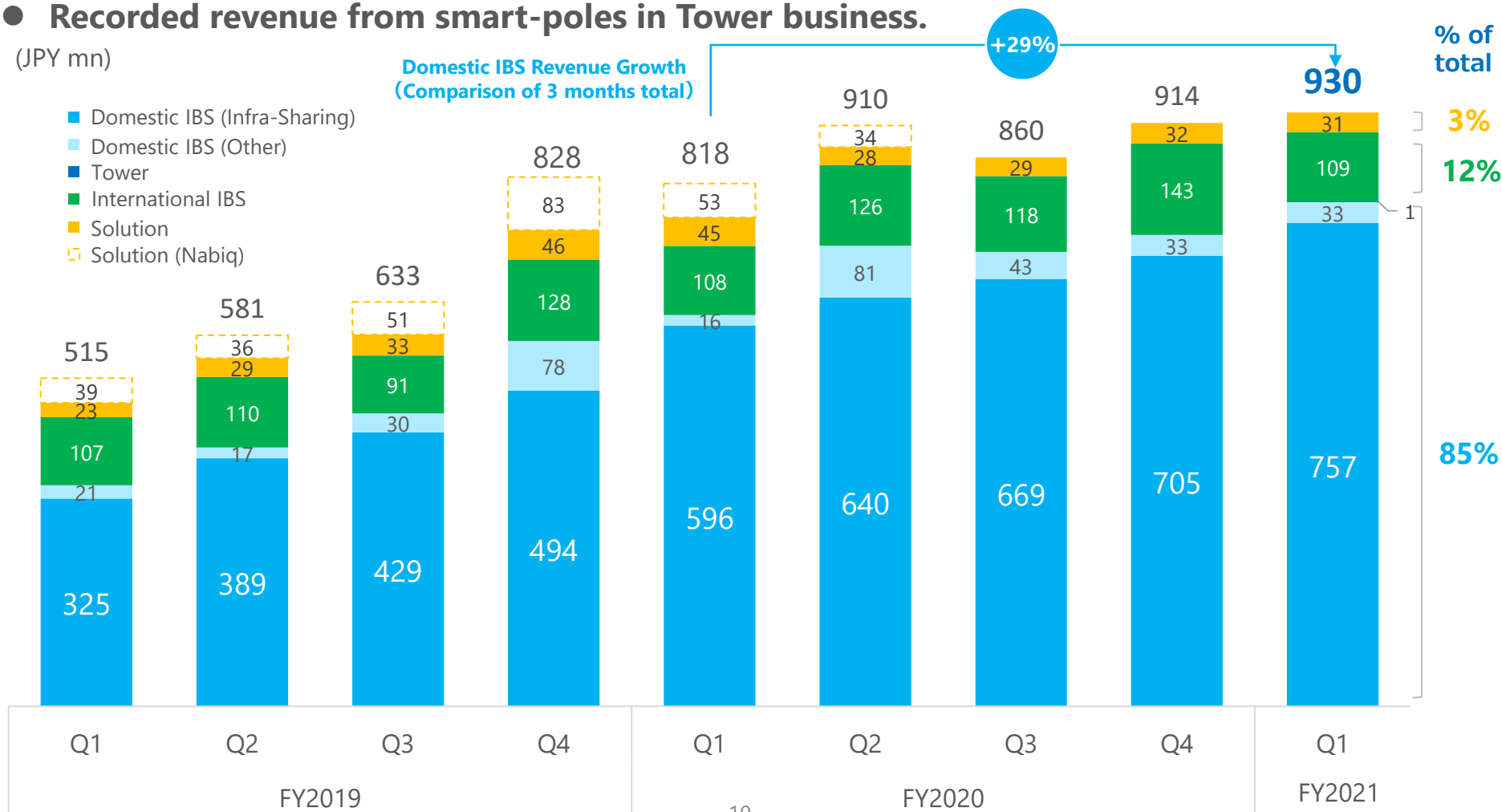
*1: Revenue from Infra-Sharing service based on long-term contracts. For details, please refer to "Breakdown of Infra-Sharing and Other Revenues by Business" in Appendix.

1 Historical Revenue by Business

JTOWER

- Domestic IBS revenue increased by **29%** YoY and has grown to account for **85%** of the total consolidated revenue.
- International IBS revenue decreased compared with the previous quarter due to a reaction to the temporary revenue in the previous Q4.
- Recorded revenue from smart-poles in Tower business.

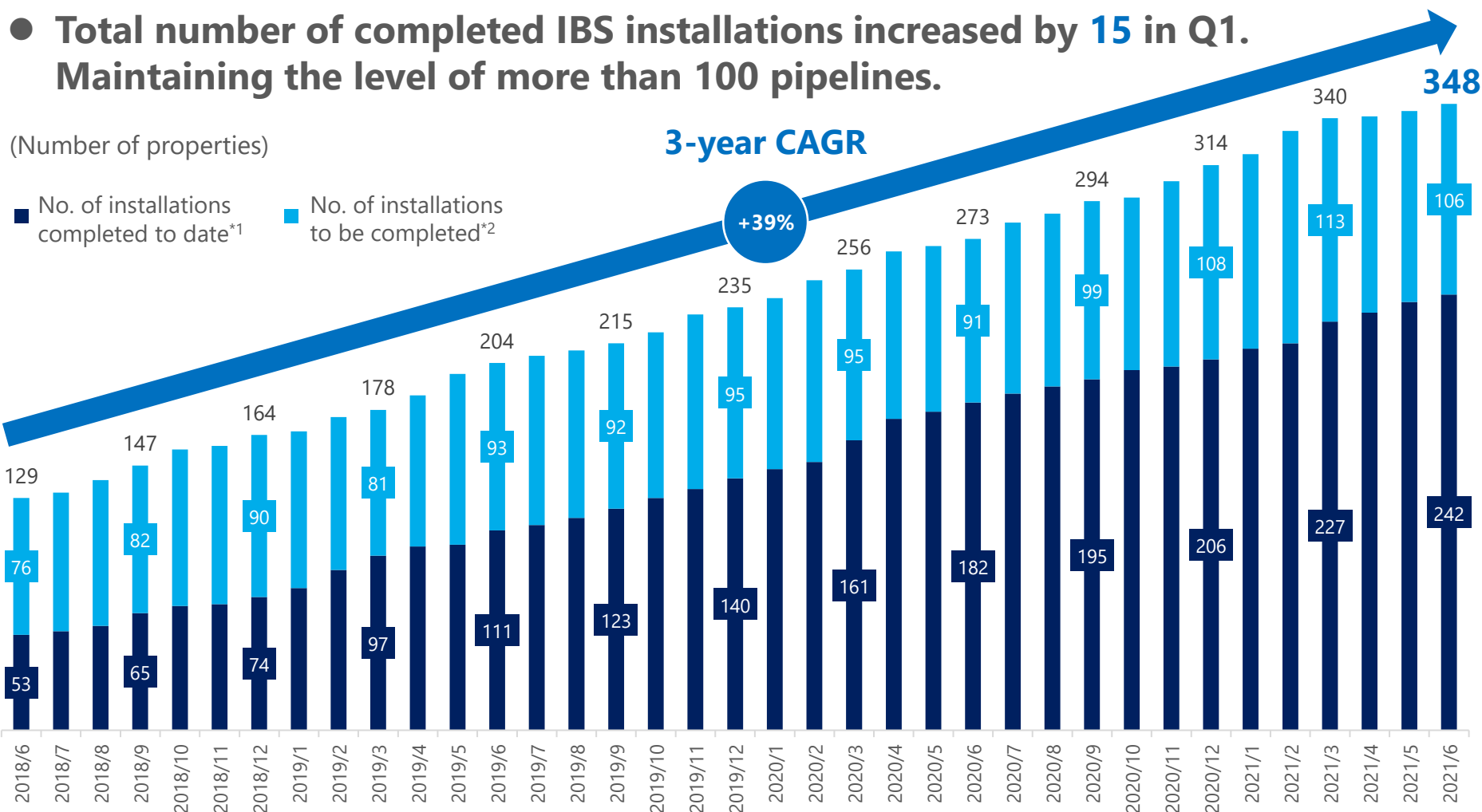
(JPY mn)



Note: Breakdown of quarterly revenue by business is unaudited.

1 Historical Number of Installations (Domestic IBS-4G) JTOWER

- Total number of IBS installations has increased to **348** (installation completed: **242**, to be installed: **106**).
- Total number of completed IBS installations increased by **15** in Q1. Maintaining the level of more than 100 pipelines.



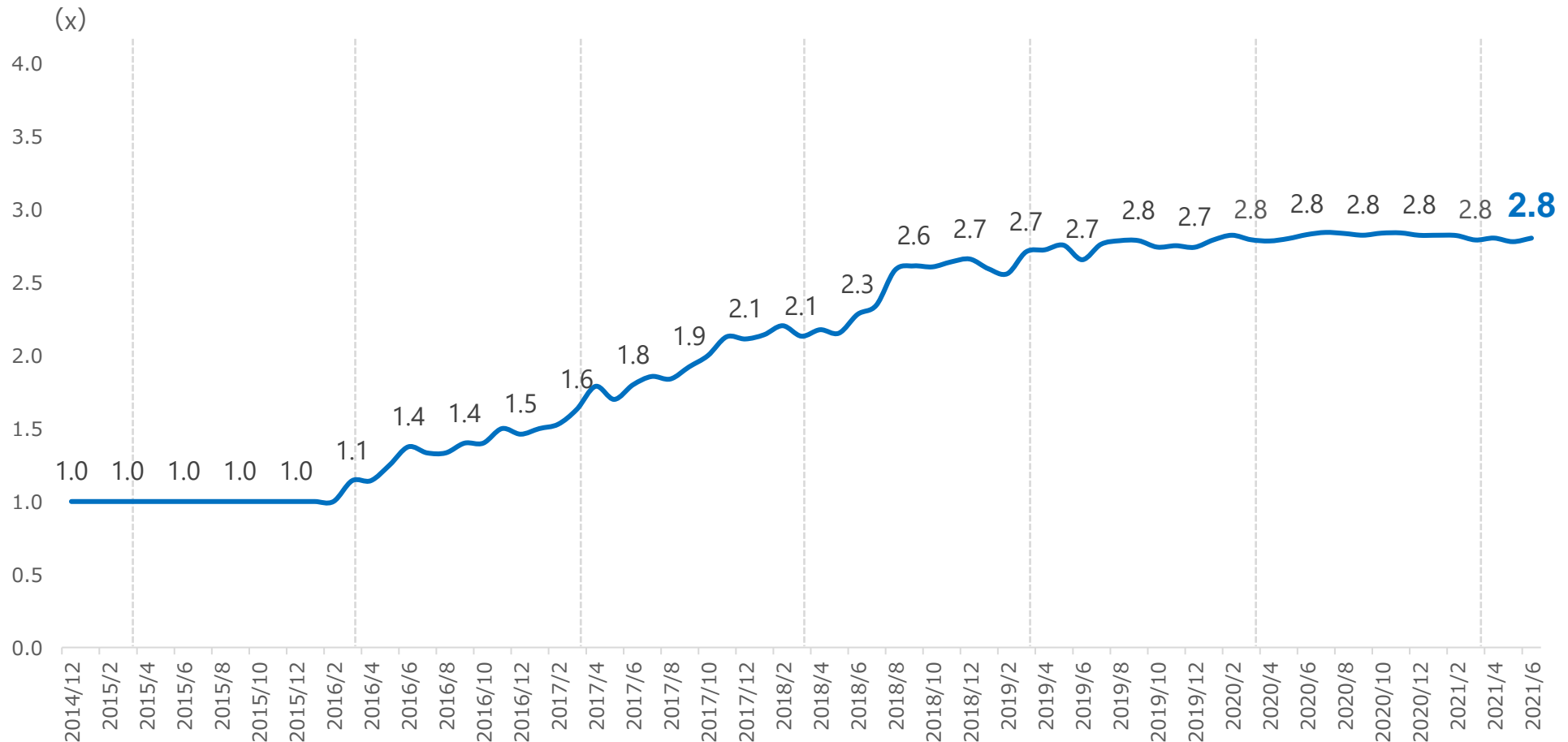
*1: Projects where radio waves have been emitted and revenues are recognized.

*2: Projects where we have reached an agreement with the property owner and mobile carriers, and radio waves emission and revenue recognition are expected in the next few years.

1 Historical Tenancy Ratio*¹ (Domestic IBS-4G)

JTOWER

- Tenancy Ratio (average number of participating mobile network operators per property) has been steady in **the higher 2 point range**.

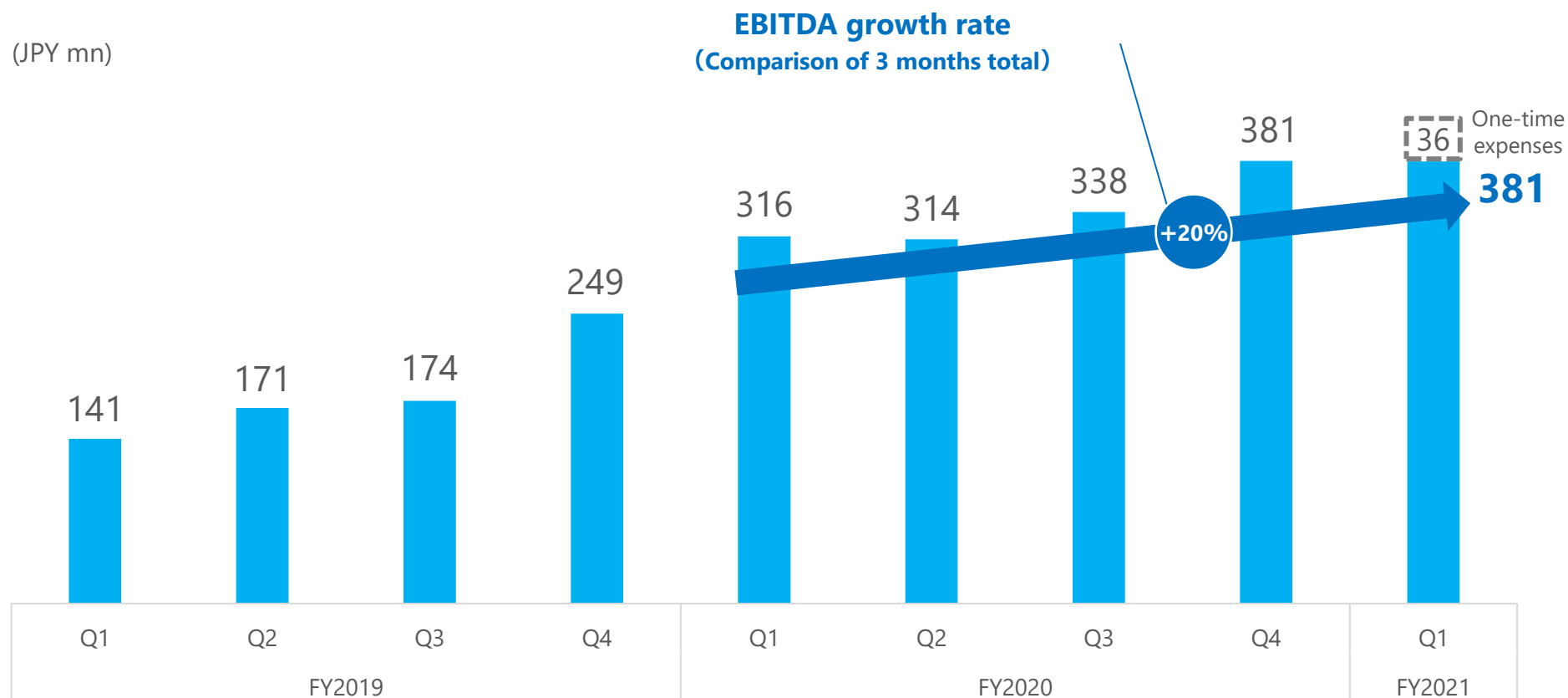


*¹: Average number of participating mobile carriers per property (at properties where IBS has been installed to date).

1 Historical Consolidated EBITDA*1

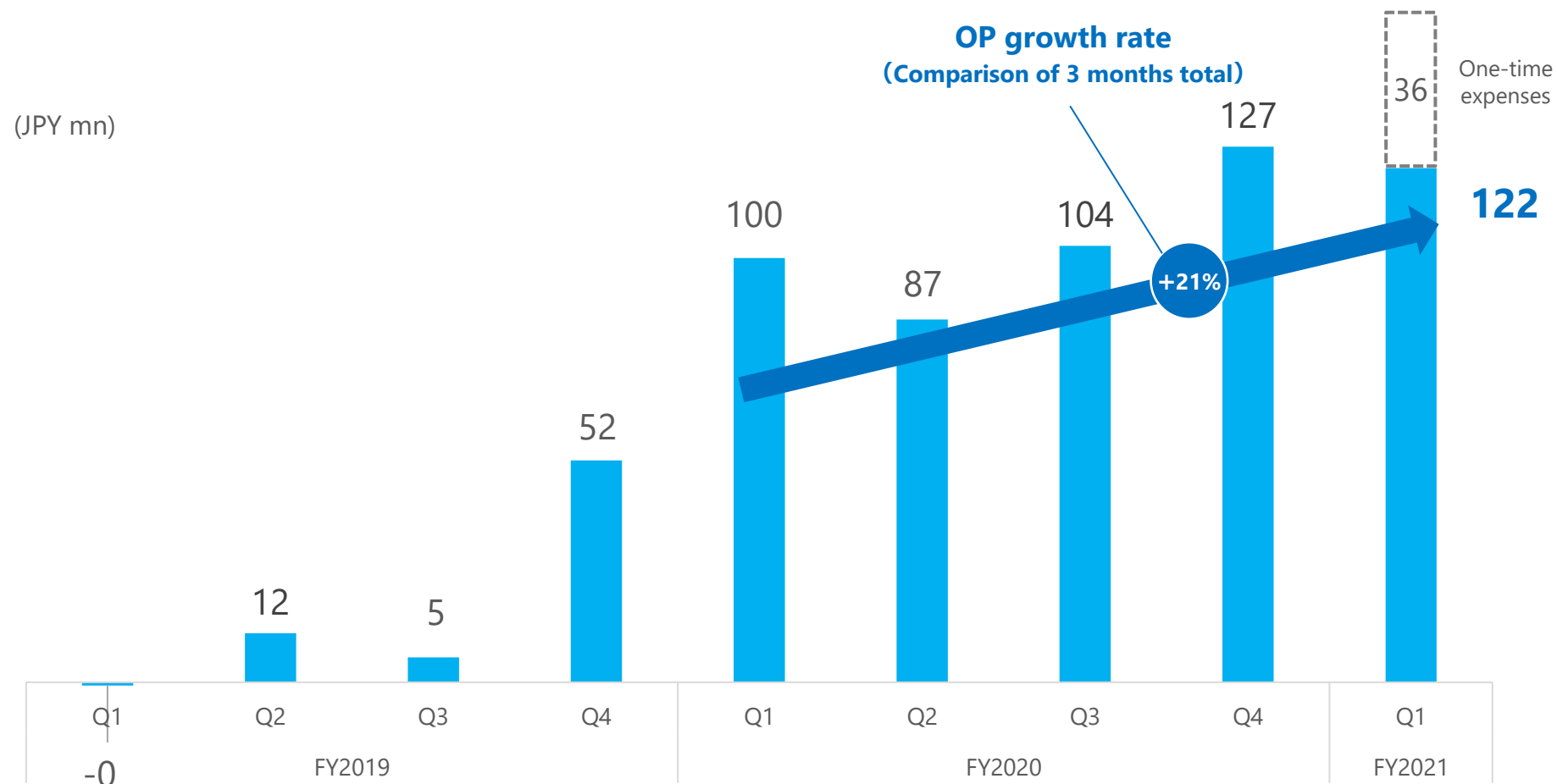
JTOWER

- Consolidated EBITDA remained at approximately the same level with the previous quarter due to one-time expenses (JPY36 million), including expenses related to the third-party allotment and the introduction of J-ESOP, despite steady growth of Infra-Sharing revenue due to an increase in the number of installations in Domestic IBS.



*1: EBITDA=Operating profit + depreciation + goodwill amortization + amortization of long-term prepaid expenses

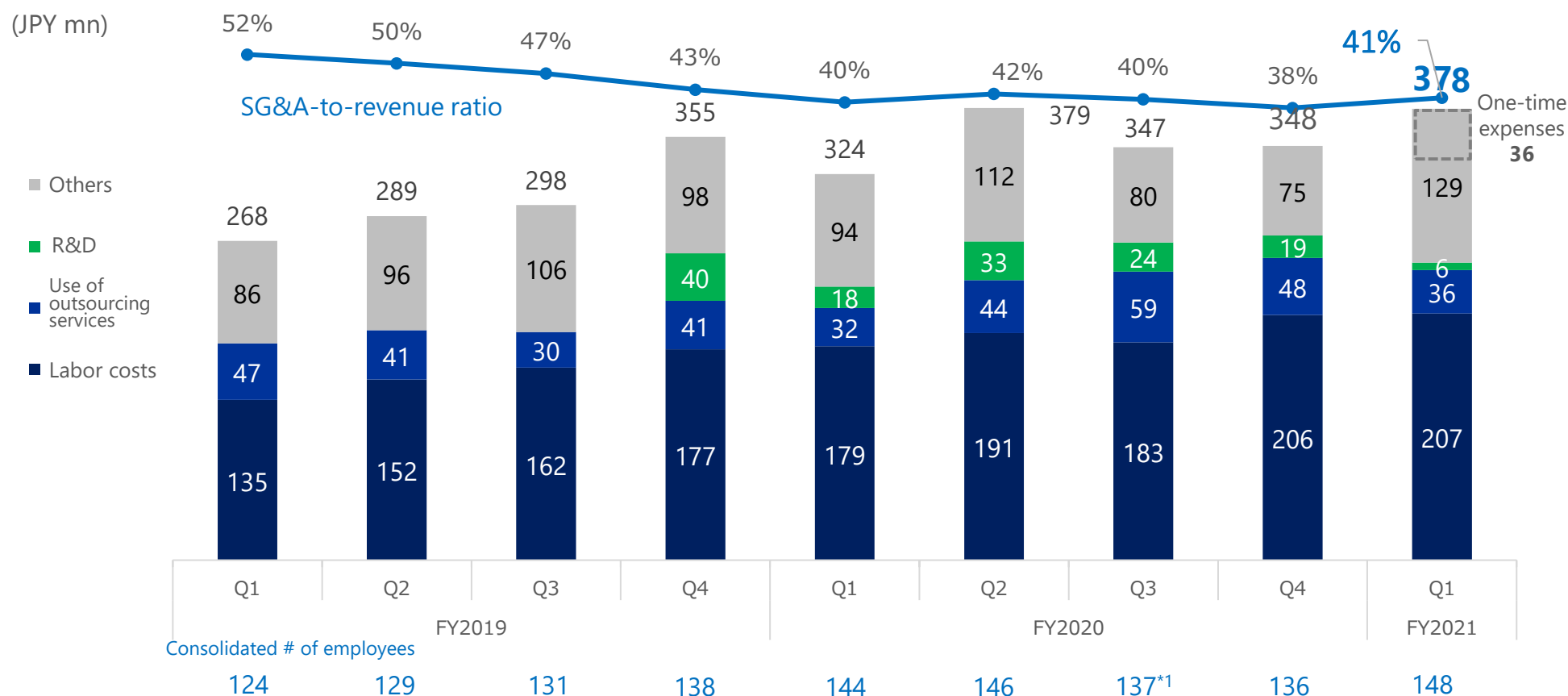
- Consolidated operating profit declined slightly compared with the previous quarter due to one-time expenses (JPY36 million), including expenses related to the third-party allotment and the introduction of J-ESOP, despite steady growth of Infra-Sharing revenue due to an increase in the number of installations in Domestic IBS.



1 Historical Consolidated SG&A Expenses

JTOWER

- Costs related to R&D and Local 5G are expected to be incurred from Q2 onward.
- Promoted recruitment activities to strengthen business structures, but limited increase in labor costs in Q1.
- Others costs increased due to one-time expenses (JPY36 million), such as expenses related the third-party allotment and the introduction of J-ESOP.



*1: The number of employees on a consolidated basis decreased due to the deconsolidation of Nabiq from Q3 FY2020.

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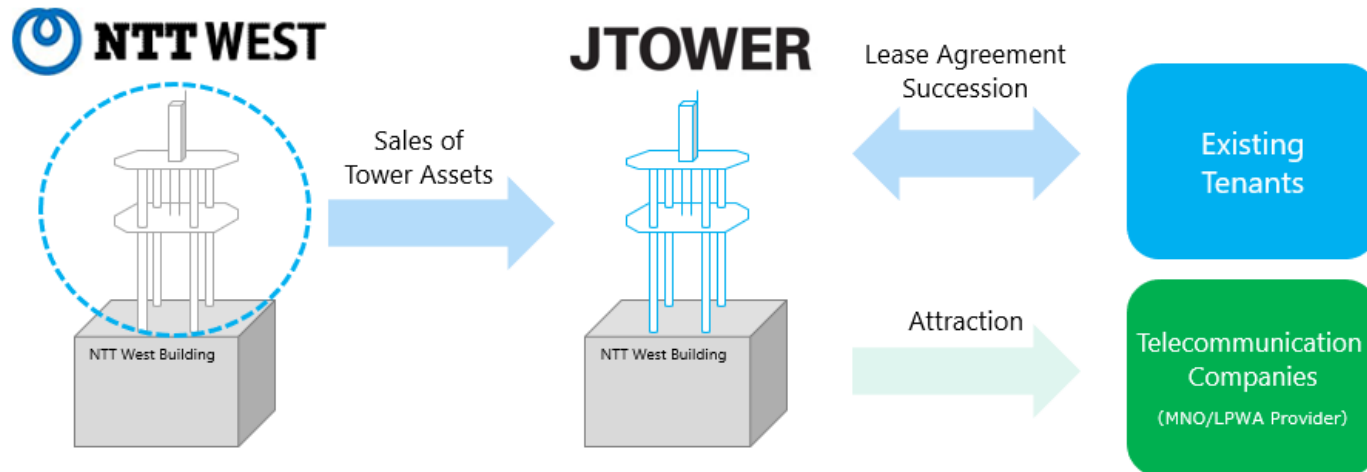
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- In July 2021, we signed the master transaction agreement for carve-outs of 71 towers owned by NTT West.
- Going forward, we will further expand carve out transactions for telecommunications towers.

Image of tower carve-outs transaction



Purchase Price (Total):
Approx. 700 million yen

Number of Towers: 71

Transfer of ownerships:
From September 2021

Revenue contribution:
Approx. 200 million yen

*The contracts of the existing tenants of each tower will be successively transferred

* If this transaction contributes for the full fiscal year

First step to expand tower carve-outs, the core growth strategy

2 Characteristics of curve-outs towers

JTOWER

- Promote the tower sharing by attracting new tenants including mobile network operators, by taking advantage of their good locations.

Image of
telecommunications tower



Assets with good location and easy to attract new tenants

- **Locations centered on urban areas**

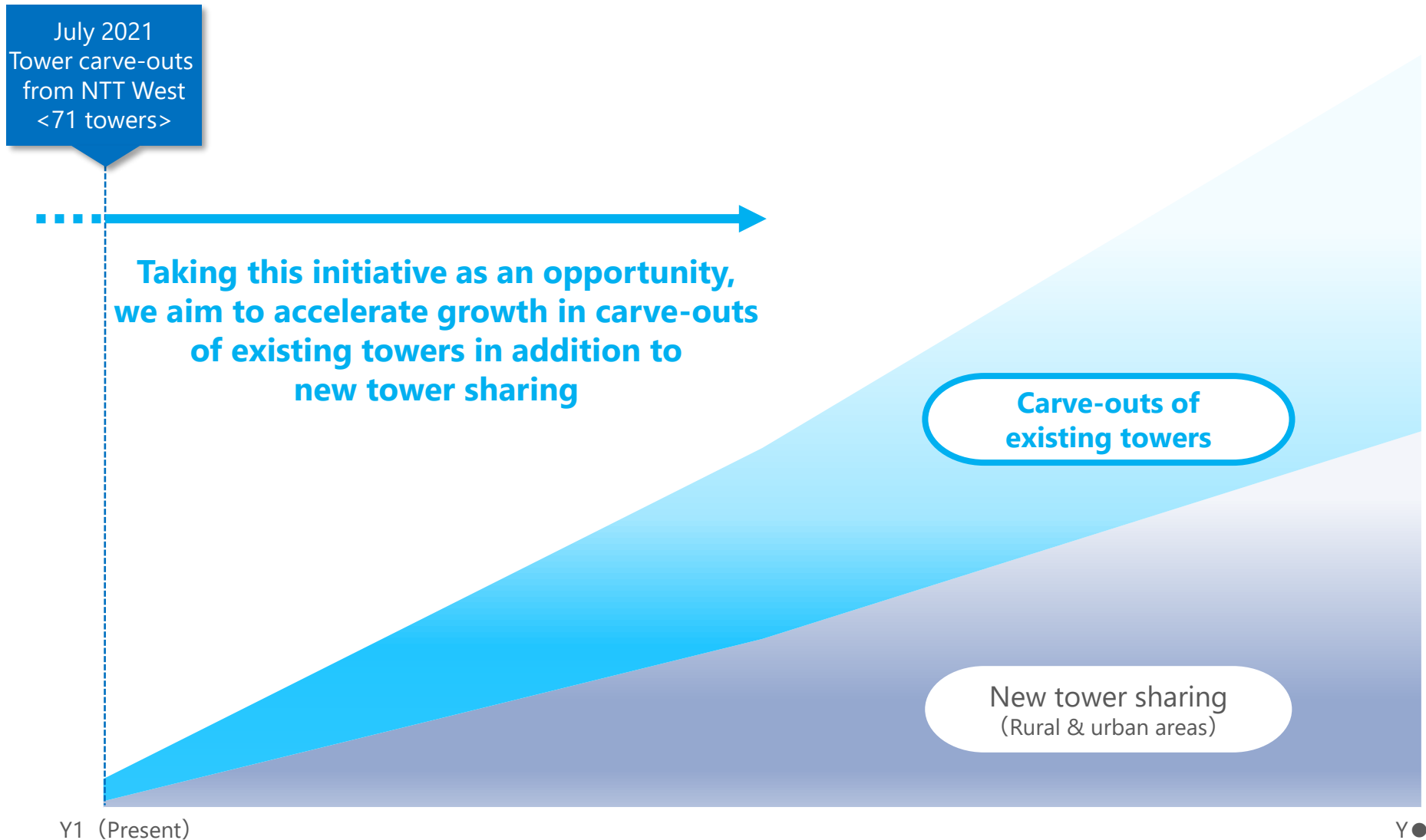
Towers mainly in urban areas where demand is expected for both 4G and 5G.

- **Completely equipped with optical fibers and power supplies**

Easy to install additional base stations thanks to the availability of optical fibers and power supplies in the telephone office building.

- **High disaster resilience**

Most of carve-outs towers are installed on telephone office buildings with high disaster resistance.



Major transactions of tower carve-outs from telecom companies in the global tower market

Date	Telecom companies (Seller)	Tower companies (Buyer)	# of sites	Deal value (\$ billion)
2012/9	T-Mobile (US)	Crown Castle (US)	7,200	2.4
2012/11	KPN (NL)	American Tower (US)	2,000	0.5
2013/10	AT&T (US)	Crown Castle (US)	9,700	4.9
2015/2	Verizon (US)	American Tower (US)	11,324	5.1
2017/2	Bouygues Telecom (FR)	Cellnex (ES)	2,300	0.7
2018/6	Vodafone India Idea Cellular (IN)	American Tower (US)	20,000	1.4
2019/7	Arqiva Group (GB)	Cellnex (ES)	7,400	2.5
2020/11	CK Hutchison (6 European countries)	Cellnex (ES)	24,600	8.5
2021/1	Telefonica (ES, DE, Latin America)	American Tower (US)	30,722	9.4
2021/2	Altice (FR)	Cellnex (ES)	10,500	6.3

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- Q1 results were in line with forecasts for both revenue and profits.
- Full-year earnings forecasts remain unchanged in light of revenue contributions from new businesses and the incurrence of upfront investment expenses from Q2 onward.

(JPY mn)	FY2020	FY2021		
	12 months results	12 months forecasts	Amount	%
Revenue	3,501	4,600	+1,098	+31.4%
EBITDA*1	1,349	1,590	+240	+17.8%
<i>EBITDA Margin</i>	38.5%	34.6%	-3.9pt	—
Operating Profit	418	260	-158	-37.9%
<i>OP Margin</i>	12.0%	5.7%	-6.3pt	—
Ordinary Profit	178	180	+2	+0.6%
Net Income	506	100	-406	-80.3%
Capital Expenditure (Investment Cash Flow)	-2,401	-3,770	-1,369	+57.0%

FY2021	
Q1 (3 months) Results	Progress
930	20%
381	24%
41.0%	-
122	47%
13.2%	-
88	49%
54	54%
-573	15%

*1: EBITDA=Operating profit + depreciation + goodwill amortization + amortization of long-term prepaid expenses

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Category	Q	A
Company-wide	What is the impact of COVID-19 in this fiscal year?	In Domestic IBS, we anticipate delays in the launch of services in some hospitals (about 10% of installations of 4G IBS) . No impact is expected in International IBS, Solution, and Tower business.
Domestic IBS	What progress did the 15 installations (of 4G IBS) in Q1 make against the full-year plan?	Although the number of new installations in Q1 slightly exceeded the plan, the breakdown of the 75 installations in the full-year plan is that the percentage will increase in 2H, particularly in Q4, for that reason there are no changes to the full-year plan at this time.
Tower	When does revenue of 71 carve-outs occur?	From September 2021, we plan to transfer contracts to existing tenants, and expect these transactions will gradually contribute from Q2 onward.
SG&A	When will the development cost of 5G mmWave shared radio unit be accounted for?	Development costs will be recorded on the inspection basis and are expected to be incurred from Q2 onward (within this fiscal year). The impact is expected to be bigger in 2H of this fiscal year.
Finance	What is the impact of the new revenue recognition standard?	In the consolidated B/S, the balances of Unearned Revenue (presented in Current Liabilities until FY2020) and Long-Term Unearned Revenue (presented in Non-Current Liabilities until FY2020) arising from contracts with customers are included in contract liability from Q1 of FY2021. The change in the standard had no impact on revenue, profits and beginning balance of retained earnings.
Current news	What impact will the rollout of the cloud base stations have on Infra-Sharing business?	Currently, the service we provide is Infra-Sharing services in lower-layer telecommunication networks than base stations, so we are not aware of the significant impact on our business.
Current news	What is the impact of the shortage of semiconductors on the business?	As of now, we are not aware of the impact of the shortage of semiconductors on our business.

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5 Future Business Strategies and Major Initiatives JTOWER

Domestic IBS

Sustainable increase in new buildings and **expansion in existing buildings** with a great potential

- ✓ **Strengthen operations** for construction, sales, technology and maintenance
- ✓ **Strengthen sales activities in response to 5G demand**

Tower

Increase the number of towers, including rural tower sharing, smart poles, and carve-outs

- ✓ The development of the shared radio unit compatible with 5G mmWave
- ✓ Establishment of a business management structure

International IBS

Expand business in both organic and inorganic, mainly in Vietnam

- ✓ In addition to asset purchases and M&A from local players in Vietnam, considering M&A in other countries with a basic policy

Local 5G

Realizing **Commercial Services** in Local 5G Business

- ✓ Conduct field trials to establish a business model and commercial products

4G IBS

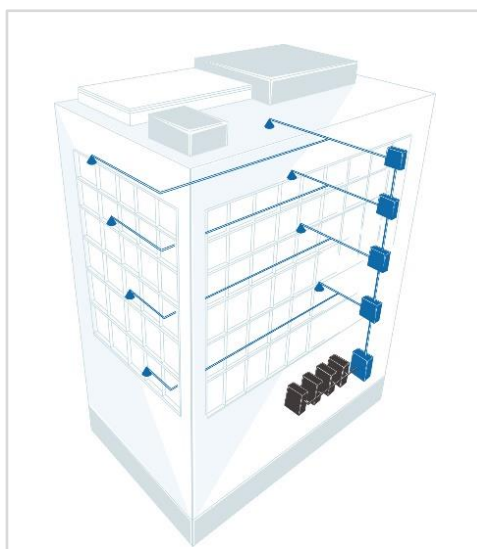
- Sustainable increase in new buildings.
- Respond to 4G replacement demand at existing buildings that have become apparent.
- Increase the tenancy ratio with the entry of the fourth carrier.

5G IBS

- Completed development of the 5G infra-sharing equipment in FY2020.
- New installations to both new and existing buildings.
- Aiming for further expansion in existing buildings, which has significant potential, in the medium-to long-term

Image of 5G Infra-Sharing (main target buildings)

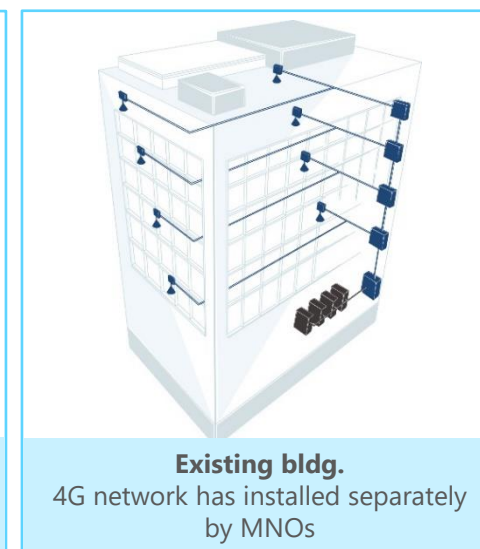
4G Only



4G & 5G



5G Only

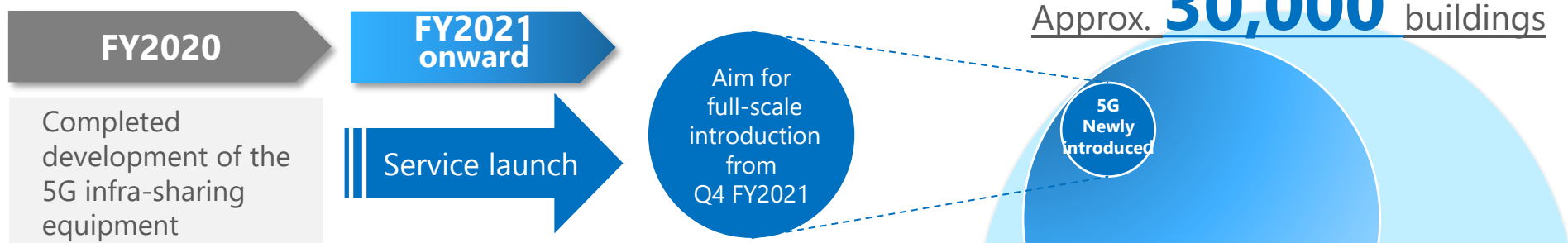


5 Future Business Strategies(1) – Domestic IBS (New Initiatives) JTOWER

- New initiatives, the replacement of existing 4G networks to 4G IBS in existing buildings and the rollout of new 5G IBS, will be introduced from FY2021 onward. Aiming to expand in the existing building market, which has significant potential, over the medium to long term.

<5G IBS>

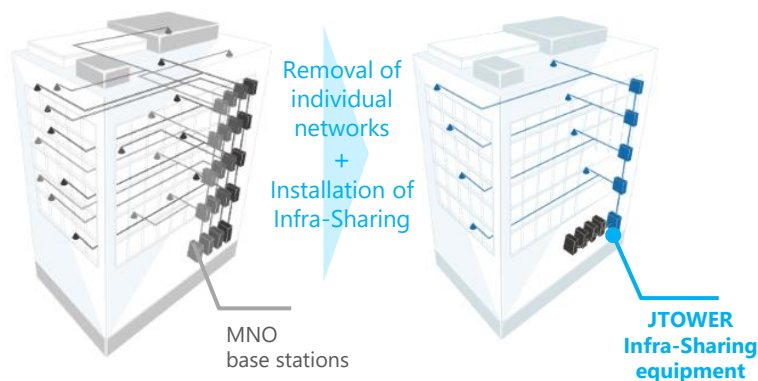
Introductions in new/existing buildings



<4G IBS> Replacements in existing buildings

Individual Installation
by MNO
(Existing building)

After replacing with
Infra-Sharing

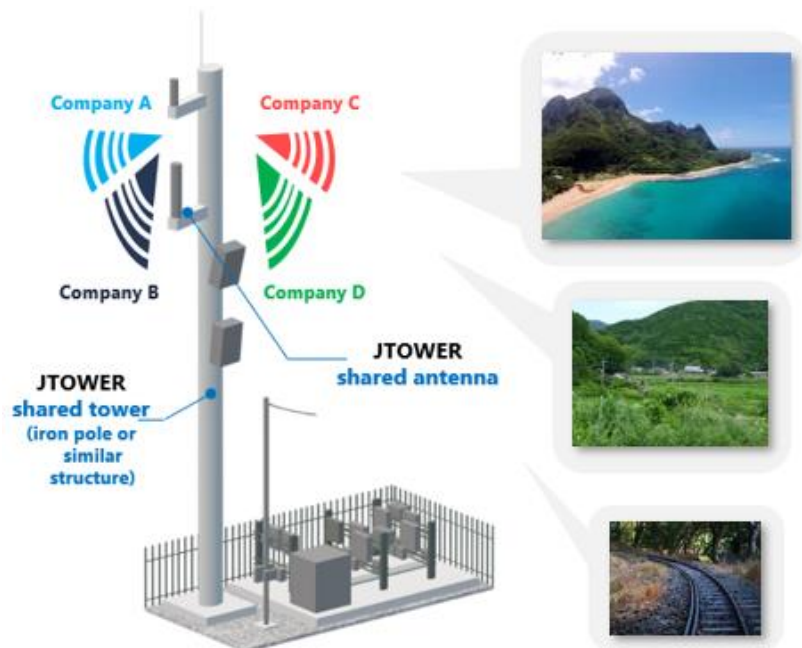


Started discussion on several dozen buildings as specific needs

Potential for further expansion in the existing buildings market over the medium to long term

Tower sharing in rural areas

- Began preparations for the construction of more than 60 towers and will start services in some areas in FY2021.
- In the hundreds of towers proposed, strengthen sales activities to increase the number of order.
- Aiming to expand the deployment of child-stations after installations of parent-stations.



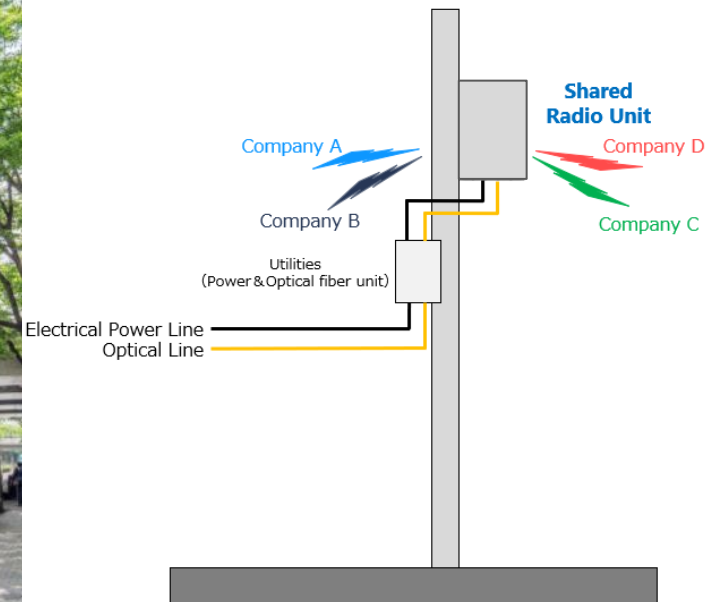
Smart pole

- Selected as the 5G Smart Poles provider of the Tokyo Metropolitan Government.
- Promoting the expansion of the number from two smart poles in the Nishi-Shinjuku area.
- Aim to expand the coverage in the areas with smart solution demands.



Shared radio units compatible with 5G mmWave

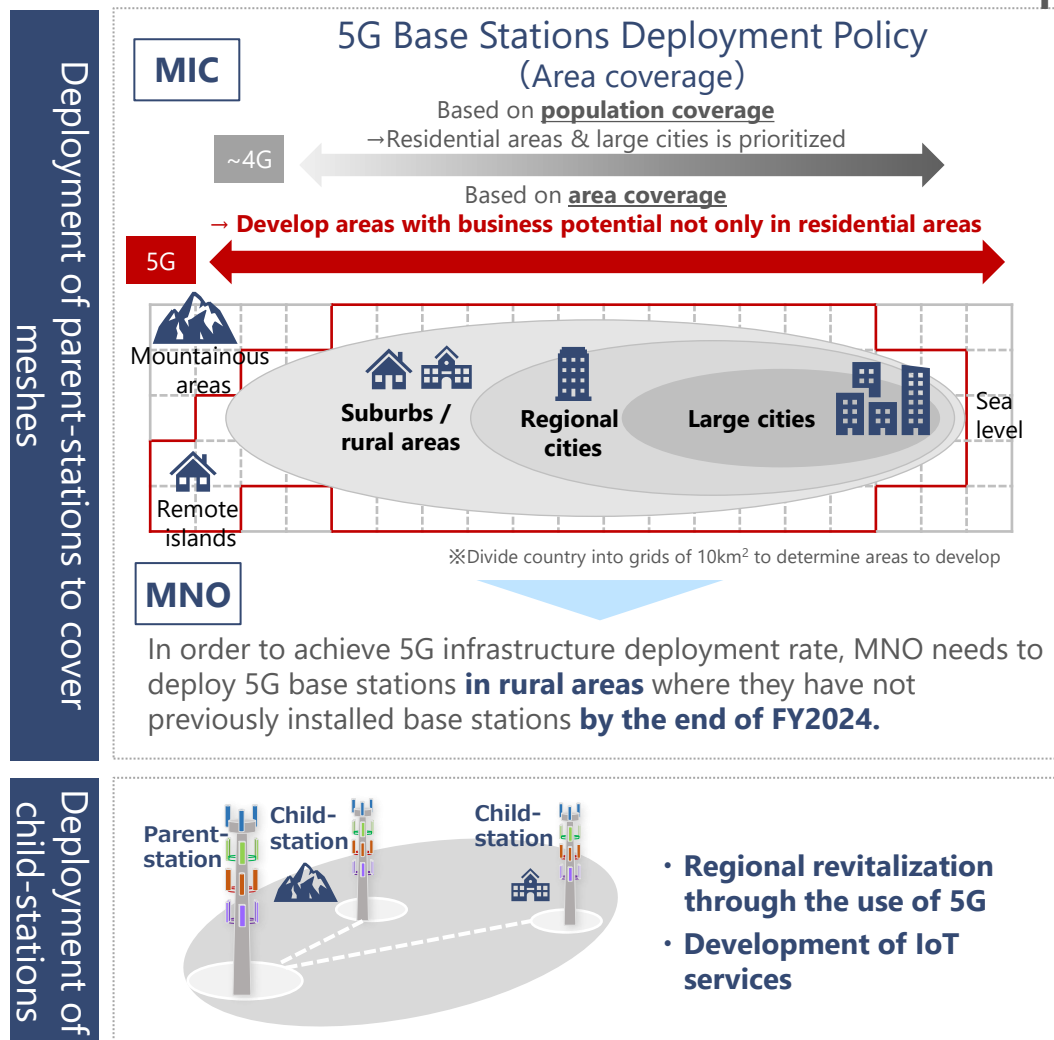
- Started development of 5G mmWave compatible shared radio units to be shared in the high layer in FY2021.
- Anticipate installation in a wide range location both indoor and outdoor, including concrete poles, electric poles, signals, smart poles and inside of buildings.



5 Future Business Strategies(2) – Tower (Rural areas)

JTOWER

- Began preparations for the construction of more than 60 towers in 2H FY2020. In FY2021, we will launch services in completed towers and promote sales activities to expand the number of orders for hundreds of towers under proposal.



Progress of Tower sharing in rural areas

FY 2019

- ✓ Selection of candidate sites
- ✓ Negotiations with landowners

FY 2020

- ✓ Proposal for new tower sharing to 4 MNOs
- ✓ Receive some answers
- ✓ Began preparations for the construction of more than **60 towers**

FY 2021

- ✓ **Launch services** in completed towers
- ✓ Promote sales activities to expand the number of orders **for hundreds of towers** under proposal.

mid to long term

- ✓ Further expansion of **parent-stations**
- ✓ Rollout of **child-stations** within meshes

※ A 5G advanced specified base station (parent base station) which is deployed in each mesh is one that is connected to a high capacity line and can connect to multiple 5G specified base stations (child stations).

- As a 5G Smart Poles provider of TMG, we built two smart poles in the Nishi-Shinjuku area. From FY2021 onwards, we aim to expand the coverage in the areas with smart solution demands.

Tower sharing in urban areas



Street light

5G Sub-6
shared antenna

5G 28GHz
antenna

Wi-Fi6

Digital Signage

Charger
(plug in)

Roadmap for tower sharing in urban areas

July 2020

- Selected as the 5G Smart Poles provider of the Tokyo Metropolitan Government (April 3, 2020)
- Entered into an agreement to install smart poles in the Nishi-Shinjuku area with TMG.
- **The four MNOs** all decided to use these smart poles to be installed in accordance with the Agreement.

October
2020

- Installed **5G base stations** including 5G infra-sharing equipment and began to share telecommunications facilities.
- **5G services by four MNOs** gradually started from October 2020.

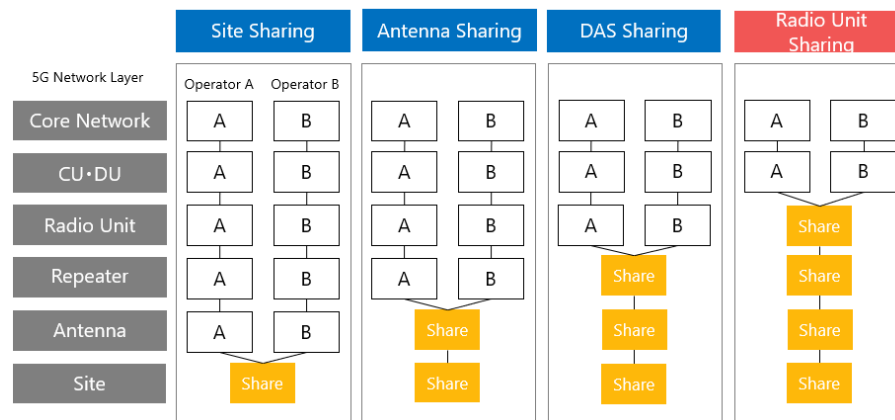
FY2021
Onwards

- Initiatives in Tokyo Data Highway projects.
- Promote acquisition of new orders, such as collaboration with local governments with smart poll demand aiming for expansion.

5 Future Business Strategies(2) – Tower (5G mmWave shared RU) JTOWER

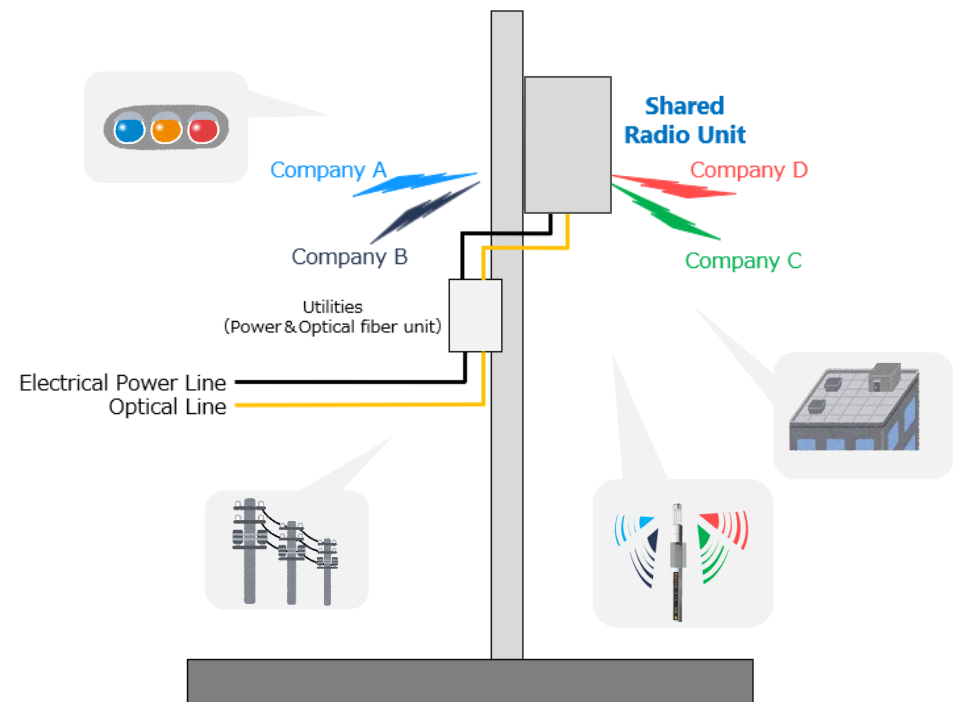
- In 5G mmWave spectrum, we have begun developing shared radio units (base stations), aiming for sharing in the high layer compare to previous sharing. Development is scheduled to be completed in FY2021 and plan to start commercial services in spring 2022.

Realization of RU sharing in the high layer



- **Sharing of Radio Unit (base station) in the high layer** compared with previous sharing of DAS and antenna.
- Compatible with 5G mmWave (28GHz band) allocated to 4 MNOs.
- Complying with **O-RAN** and **compact and lightweight**.

Image of installation



Anticipate installation in a wide range location both indoor and outdoor, including concrete poles, electric poles, signals, smart poles and inside of buildings

5 Future Business Strategies(2) – Tower (Carve-out)

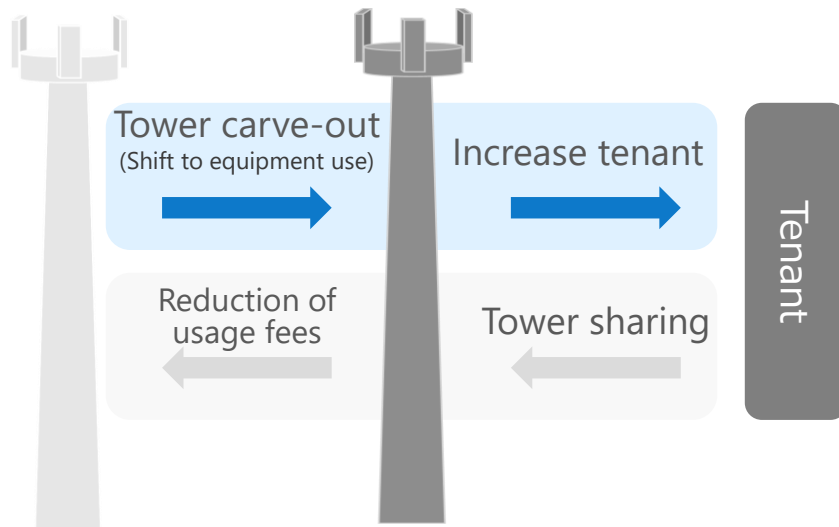
JTOWER

- As a new initiative, we consider the carve-out of existing towers owned by telecommunication company (contracts for purchase and use).
- Aiming to realize part of this initiative from FY2021.

Image of existing tower carve-outs

Tower assets owned
by mobile carrier

JTOWER



Significance of existing tower carve-outs

Economic benefits (telecommunication company)

Reduction of
OPEX by
tower sharing

Improvement of
financial base
through disposal
of assets

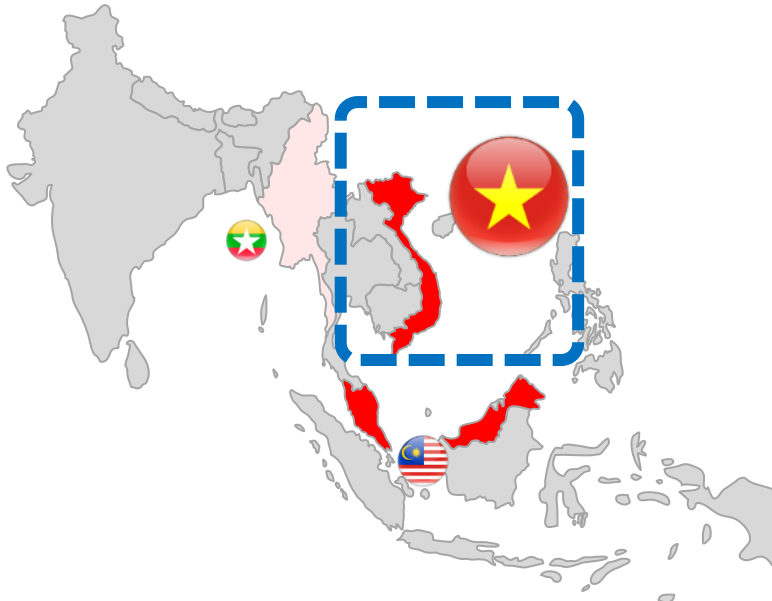
Social significance

Reduction of
environmental
impact

Effective use
of social
infrastructure

International IBS

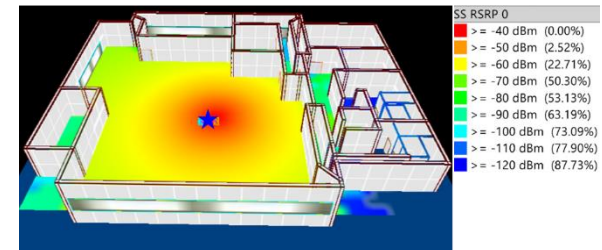
- Continuously expanding the number of installations in Vietnam.
- Contribution to earnings by transferring IBS assets (63 projects) acquired from THIEN VIET COMPANY LIMITED.
- In light of the recent political instability, the direction of exiting from the Myanmar business.
- Based on the basic policy based on the status of expansion in overseas markets, in FY2021, in addition to business expansion in Vietnam, we aim to expand our business through new M&A.



Local 5G

- Started initiatives for commercialization by utilizing management resources cultivated in Domestic IBS.
- Obtained license for testing of Local 5G in December 2020.
- Aim to launch commercial services (revenue booked) in fiscal 2021 while making upfront expenditures for demonstration and development costs.

Image of radio wave propagation simulation indoors



Equipment used for radio wave propagation measurement



RFスキャナ: PCTEL社製RFX100

Image of mobile connectivity confirmation



実証時のスマートフォン画面
*シールドボックス内で撮影

- Clarified strategy for expansion into new countries based on the status of overseas expansion up to now.
- Aiming to expand overseas business through new M&A in FY2021 with strategies based on the above.

Status of overseas expansion to date



- Entered into the market in July 2017 through acquisition of the largest local operator.
- Generate stable revenue and earnings by steadily increasing the number of installations and recurring revenues in Vietnam.
- Growth is expected in both organic and inorganic over the medium to long term



- Entered into the greenfield as a new launch in October 2016.
- Recently, due to political instability in Myanmar and the impact of COVID-19, there are no prospects for future.
- In light of these conditions, we are in the direction of exiting this market. Recorded full valuation loss on investment shares in FY2020.

Future overseas expansion strategy

- Characteristics of market:
New business launches in emerging countries are highly uncertain.
- Basic policy for expansion into new countries:
Identify country risks and set the following basic policies
 - M&A of the existing Infra-Sharing player (consolidation)
 - Capital participation with business partners in markets with high growth prospects
- Policy in Vietnam:
In addition to steadily increasing in an organic manner, aggressively pursuing the purchase of IBS assets from other operators or M&A.

We will further expand growth and improve the speed of development in IBS and Tower businesses, aiming for efficient capital expenditures and early deployment particularly in 5G

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Sharing of Infra-Sharing Deployment Plans
Strengthen collaboration in new development



Sharing of information on installation sites
Provision of useful technical requirements
for new development

IBS Business (Indoor Infra-Sharing)

- Further increase the number of installations and accelerate deployments both in 4G and 5G IBS.
- Increase the tenancy ratio.

Tower Business (outdoor tower sharing)

- Further increase the number of new tower sharing and accelerate deployments both in rural and urban areas.
- Promote the discussion of carve-out for existing towers

Development of shared facilities

- Early realization and promotion of the sharing equipment compatible with new frequency bands to be allocated in the future, as well as the shared radio unit for high-layer telecommunication network.

Through the capital transaction, we will strengthen the relationship with both NTT and KDDI, aiming to further grow and expand by strengthening our position as an Infra-Sharing provider

Our capital structure

2019/7/4

Capital and Business Alliance

2021/5/14

Additional allocation

2021/5/14

Capital and Business Alliance



Ownership ratio
before and after the
Capital Transactions

20.2% → **21.7%**

0% → **2.5%**

Further strengthen
existing partnership

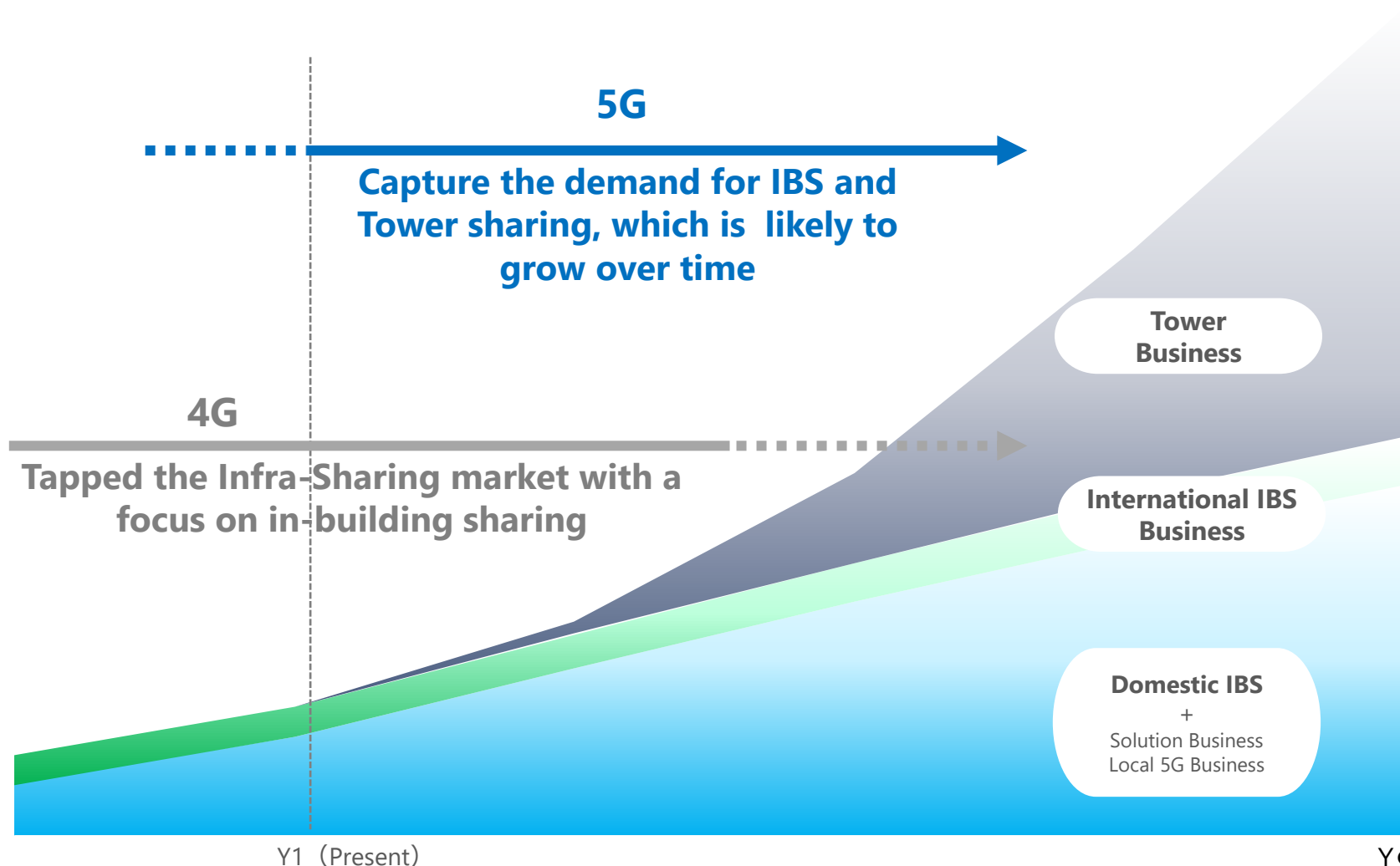
Build a new
alliance

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Significance for us

- Strengthening our position as a leading company of Infra-Sharing
- In Tower Business, where the relationship with mobile carriers is important, we aim to expand the business based on the strengthening of the relationship under this alliance.
- Going forward, we will continue to consider alliances that contribute to enhancing corporate value as an important measure.

Aiming to expand the Domestic IBS business and the Tower business supported by the increasing 5G demands for the efficient capital investments in telecom infrastructure area



1 FY2021 Q1 Financial Results

2 Management Topics

3 FY2021 Full Year Forecasts

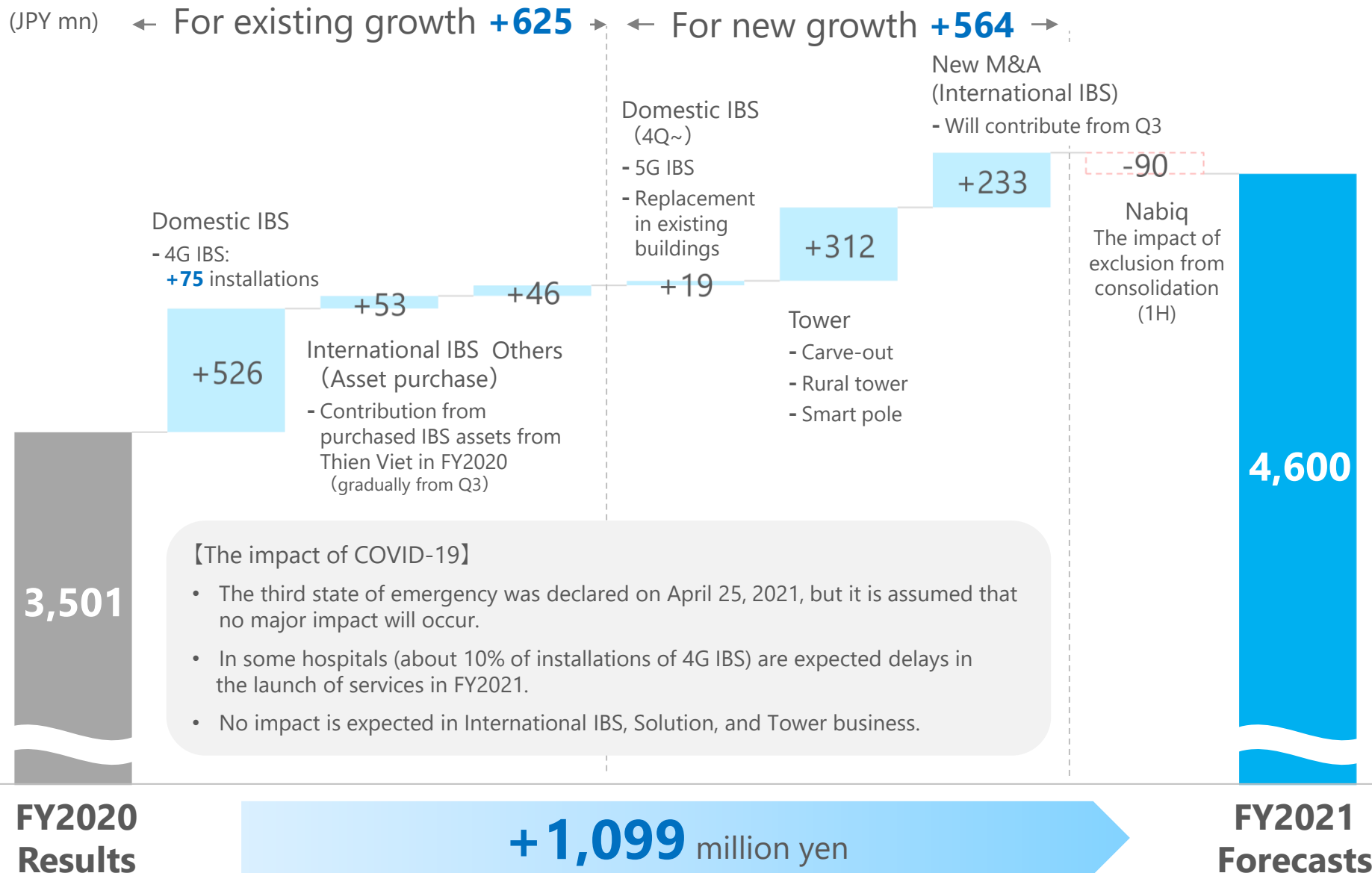
4 FAQ

5 Future Business Strategies

6 Appendix

6 <Reference> FY2021 Forecast: Factors Behind Changes in Consolidated Revenue

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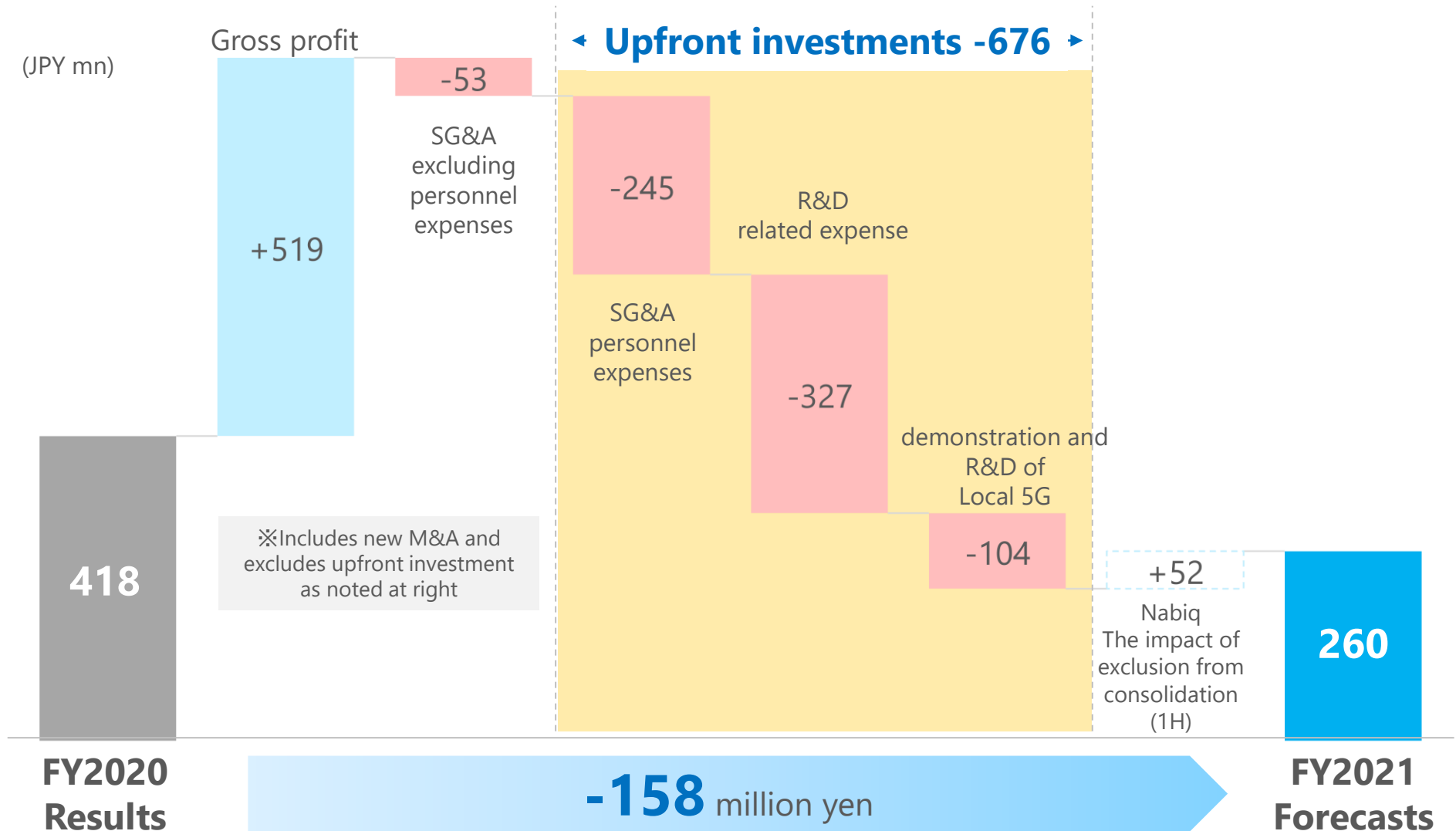
<Reference> FY2021 Forecast:

6

Factors Behind Changes in Consolidated Operating Profit

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- Focus on upfront investments for future growth and expansion, including the structural enhancement centered on Domestic IBS and Tower, R&D expenses including the development of 5G mmWave shared radio units, and demonstration and R&D related expenses for local 5G.



(JPY mn)	FY2017	FY2018	FY2019	FY2020
Revenue	756	1,377	2,558	3,501
Domestic IBS Business	510	863	1,783	2,784
International IBS Business	244	455	435	496
Solution Business	1	59	339	221
<i>Revenue Growth</i>	356%	82.1%	86.6%	36.9%
Cost of Goods Sold	587	730	1,278	1,685
Gross Profit	169	647	1,279	1,816
<i>Gross Profit Margin</i>	22.4%	47.0%	50.0%	51.9%
Selling, General and Administrative Expenses	643	817	1,209	1,397
<i>SG&A Ratio</i>	85.1%	59.3%	47.3%	39.9%
Operating Profit	-474	-169	69	418
<i>Operating Profit Margin</i>	-	-	2.7%	11.9%
EBITDA* ¹	-225	168	737	1,349
<i>EBITDA Margin</i>	-	12.2%	28.8%	38.5%
Ordinary Profit	-479	-166	5	178
Net Income Before Income Taxes	-560	-166	-1	214
Net Income Attributable to Non-Controlling Interests	1	15	2	-
Net Income Attributable to Owners of the Parent	-577	-214	-13	506
Consolidated Number of Employees* ²	72	116	138	136

*1: EBITDA=Operating profit + depreciation + goodwill amortization + amortization of long-term prepaid expenses

*2: Number of employees includes the average number of temporary workers (contract workers and workers from staffing agencies) in the past year.

(JPY mn)

	FY2017	FY2018	FY2019	FY2020
Current Assets				
Cash and Cash Equivalents	2,452	2,329	7,188	8,398
Notes and Accounts Receivable	195	379	482	397
Total Current Assets	2,781	2,983	8,032	8,955
Non-current Assets				
Tangible Fixed Assets	1,500	3,631	5,860	6,968
Goodwill	460	638	579	329
Total Non-current Assets	1,994	4,412	6,614	7,790
Total Assets	4,776	7,396	14,646	16,745

Financial Indicators

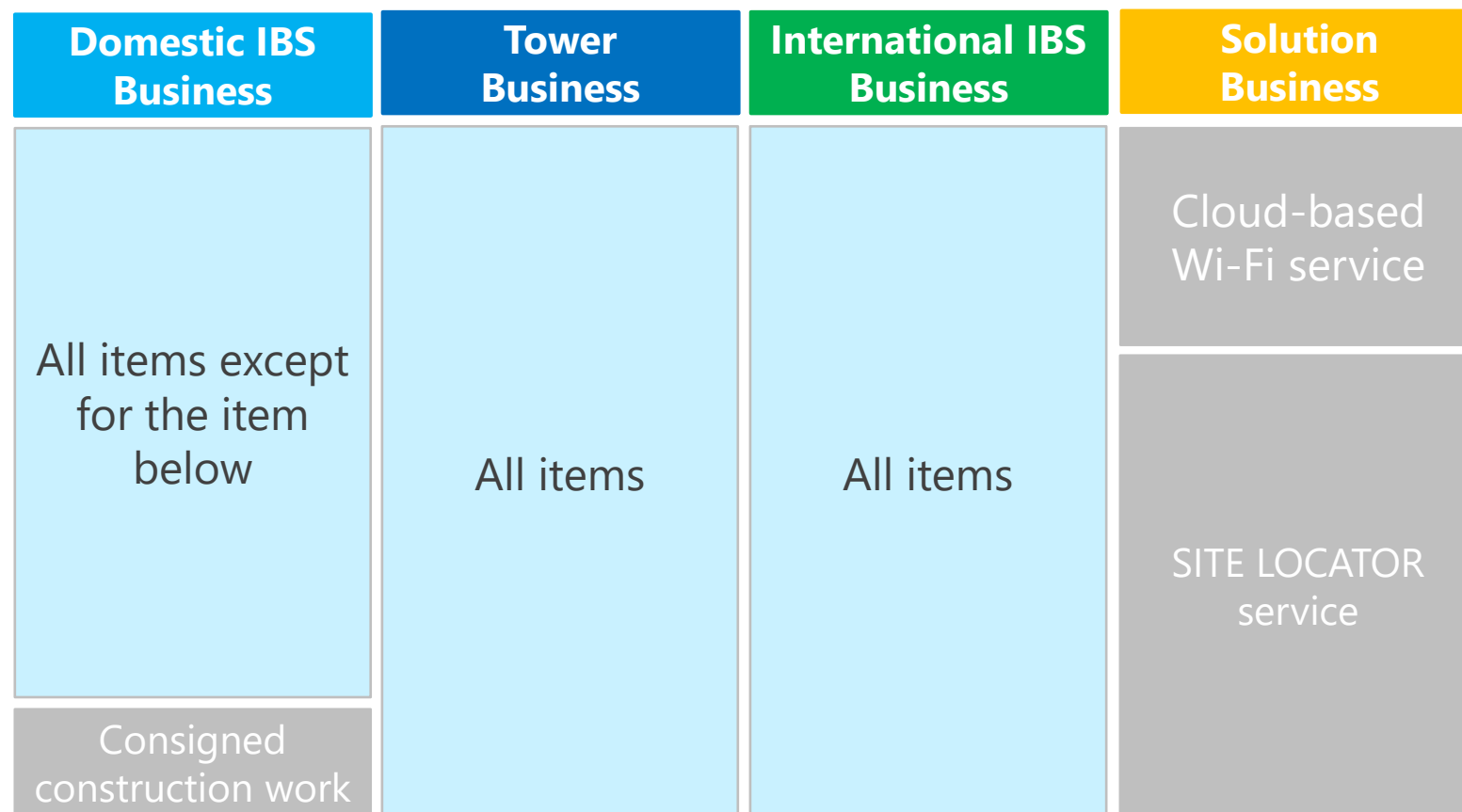
Debt	637	818	1,083	1,195
Net Debt	-1,815	-1,510	-6,104	-7,202
Capital Expenditure	913	2,441	2,787	2,098
<i>Equity Ratio</i>	<i>24.1%</i>	<i>21.0%</i>	<i>45.3%</i>	<i>42.6%</i>

	FY2017	FY2018	FY2019	FY2020
Current Liabilities				
Accounts payable - trade	68	172	193	129
Shor-term borrowings	15	12	45	210
Accounts payable - other	429	1,019	1,204	851
Unearned revenue (Contract liability*1)	318	737	1,525	7,156
Total Current Liabilities	986	2,143	3,288	8,742
Non-current Liabilities				
Long-term borrowings	150	300	300	210
Long-term unearned revenue	1,024	2,042	3,869	-
Total Non-current Liabilities	1,580	2,744	4,723	865
Total Liabilities	2,566	4,887	8,011	9,608
Share capital	1,049	1,399	4,272	4,300
Capital surplus	1,341	1,658	2,433	2,462
Total Net Assets	2,209	2,508	6,635	7,137
Total Liabilities and Net Assets	4,776	7,396	14,646	16,745

*1: Under the revenue recognition standard, which was adopted in April 2021, the balances of Unearned Revenue (presented in Current Liabilities until FY2020) and Long-Term Unearned Revenue (presented in Non-Current Liabilities until FY2020) arising from contracts with customers are included in contract liability.
(Changed from FY2020 results)

(JPY mn)	FY2017	FY2018	FY2019	FY2020
Cash Flows from Operating Activities	888	1,290	3,165	3,311
Change in Unearned revenue	1,002	1,437	2,565	1,881
Depreciation	233	300	612	887
Amortization of Goodwill	15	36	53	41
Cash Flows from Investing Activities	-1,900	-2,110	-2,699	-2,470
Purchase of investment securities	-	-91	-	-
Purchase of property, plant and equipment	-800	-1,775	-2,611	-2,401
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-1,067	-99	-	-
Free Cash Flow	-1,011	-820	466	840
Cash Flows from Financing Activities	2,603	570	4,385	418
Net Increase (Decrease) in Short-term Borrowings	14	-2	32	-45
Proceeds from issuance of shares	1,095	697	5,725	56
Proceeds from Share Issuance to Non-controlling Shareholders	1,060	-	-	99
Proceeds from sale and leaseback transactions	488	145	392	303
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	-158	-1,604	-
Effect of exchange rate change on cash and cash equivalents	-27	-4	-0	-1
Net Increase (Decrease) in Cash and Cash Equivalents	1,563	-254	4,851	1,256
Net Increase (Decrease) in Cash and Cash Equivalents Due to Changes in Scope of Consolidation	-	-	-6	-117
Cash and Cash Equivalents at Beginning of Period	697	2,261	2,006	6,851
Cash and Cash Equivalents at End of Period (Q4)	2,261	2,006	6,851	7,990

■ Infra-Sharing Revenue ■ Other Revenue



*1: Breakdown as of June 30, 2021
(Nabiq has been removed from the above categories due to deconsolidation from Q3 FY2020)

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