

# **JTOWER**

## **Company & Business Information**

May 12, 2022

J T O W E R Inc.

**1**

## **Company Information**

2

Pioneer of telecom Infra-Sharing

3

Growth drivers backed by 5G

4

Strengthen International business and related businesses

5

The Realization of a Sustainable Society

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Appendix

## 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.

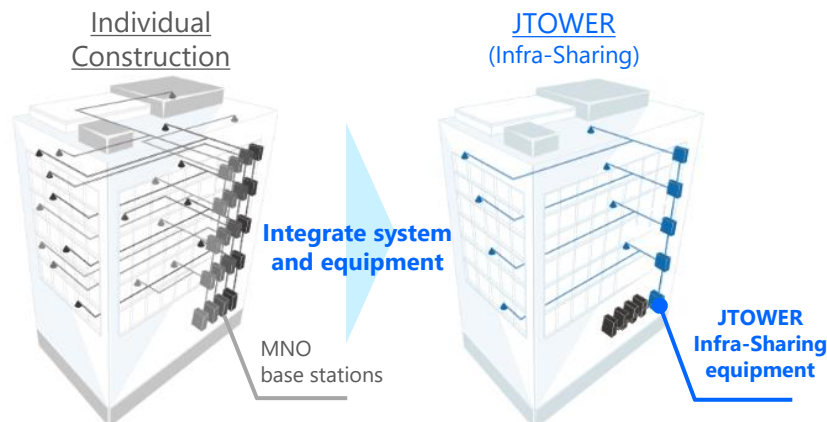
This is the vision of our company.

<b>Company Name</b>	J T O W E R I n c .
<b>Founded</b>	June 2012
<b>Representative Director</b>	Atsushi Tanaka
<b>Head office</b>	8-5-41 Akasaka, Minato-ku, Tokyo, Japan
<b>Employees</b>	170* <sup>1</sup> (consolidated, as of March 31, 2022)
<b>Capital</b>	JPY7,989 million (as of March 31, 2022)
<b>Business Description</b>	Provision of telecom Infra-Sharing service and related services in Japan and overseas

\*1: Number of employees includes the average number of temporary workers (contract workers and workers from staffing agencies) in the past year, which is 27.

## IBS\*1 Business (Indoor Infra-Sharing)

- ✓ Integrate mobile network operators' in-building infrastructure as a shared system
- ✓ Beneficial for real-estate firms, mobile users and mobile network operators
- ✓ In addition to 4G, developed 5G Infra-Sharing equipment and launched the commercial service



Japan

- ✓ **Installation at 462 properties\*2**  
(4G IBS 387, 5G IBS 75 properties)  
(including the number of installations to be completed)

- ✓ **Expansion in emerging markets**

Overseas

- ✓ **Expand business in both organic and inorganic, mainly in Vietnam**
  - Top player in Vietnam (Installation at 230 properties\*2)
  - Expanding in Malaysia

## Tower Business (Outdoor Tower Sharing)

- ✓ Full-scale entry in FY2020
- ✓ Outdoor telecom infrastructure sharing among mobile network operators
- ✓ In addition to carve-outs, promote new tower sharing in rural and urban areas

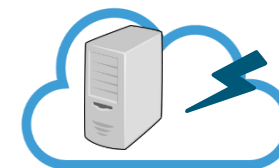
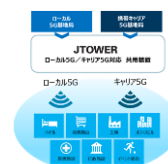
Carve-out

New tower sharing



## Solution Business

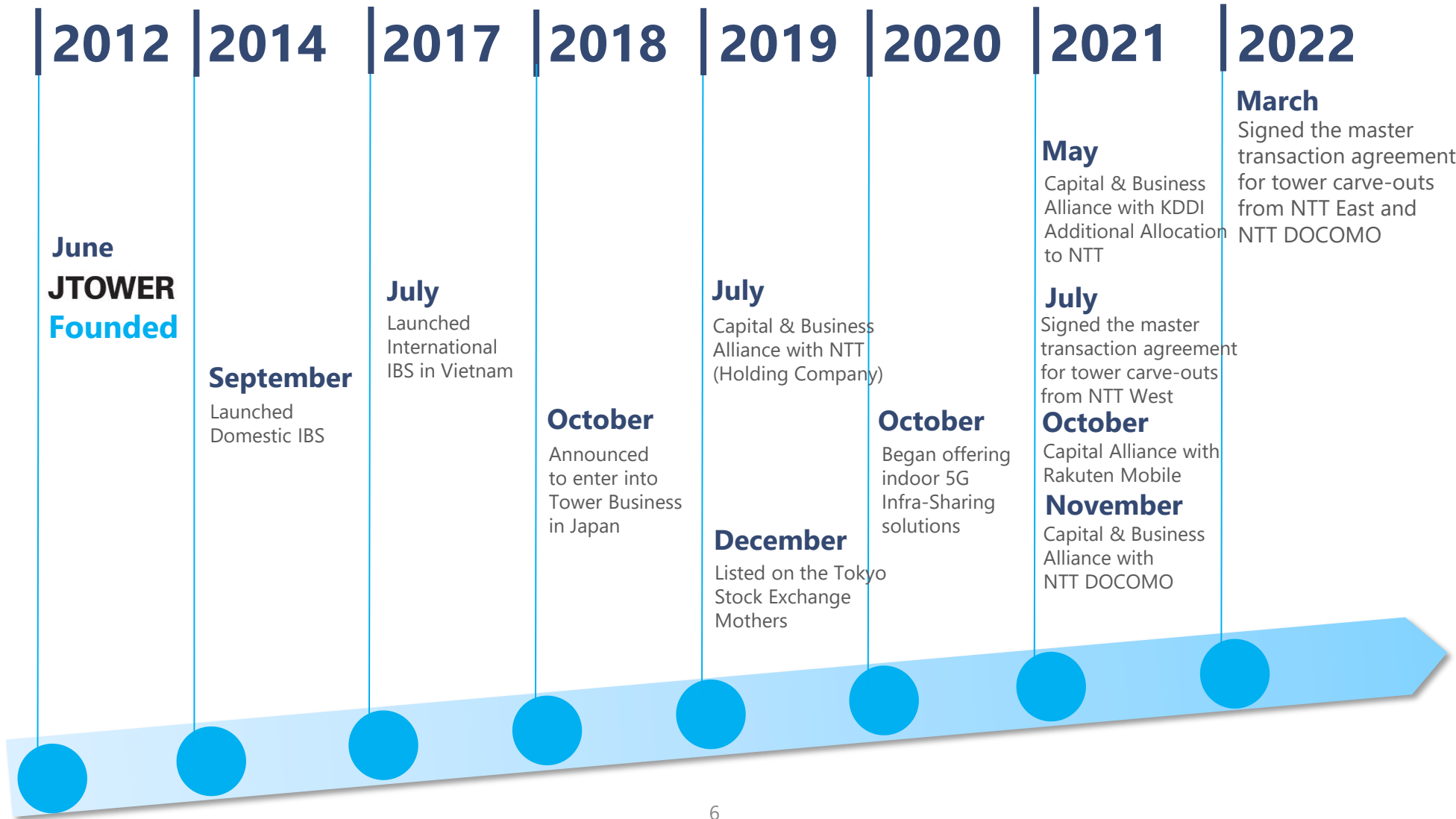
- ✓ Value-added services for Infra-Sharing business
- ✓ Serve demand by mobile carriers and real estate companies for Local 5G, SITE LOCATOR, cloud-managed Wi-Fi solution and others



\*1: IBS: In-Building Solution

\*2: As of March 31, 2022 (International IBS: As of December 31, 2021)

## Footsteps as a Pioneer of Telecom Infra-Sharing



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The Realization of a Sustainable Society

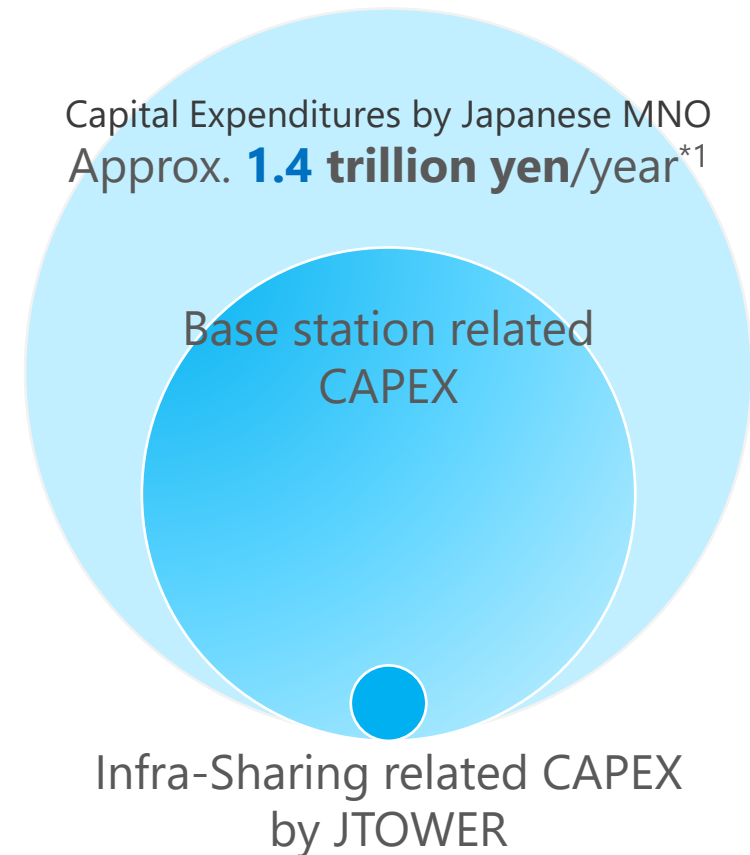
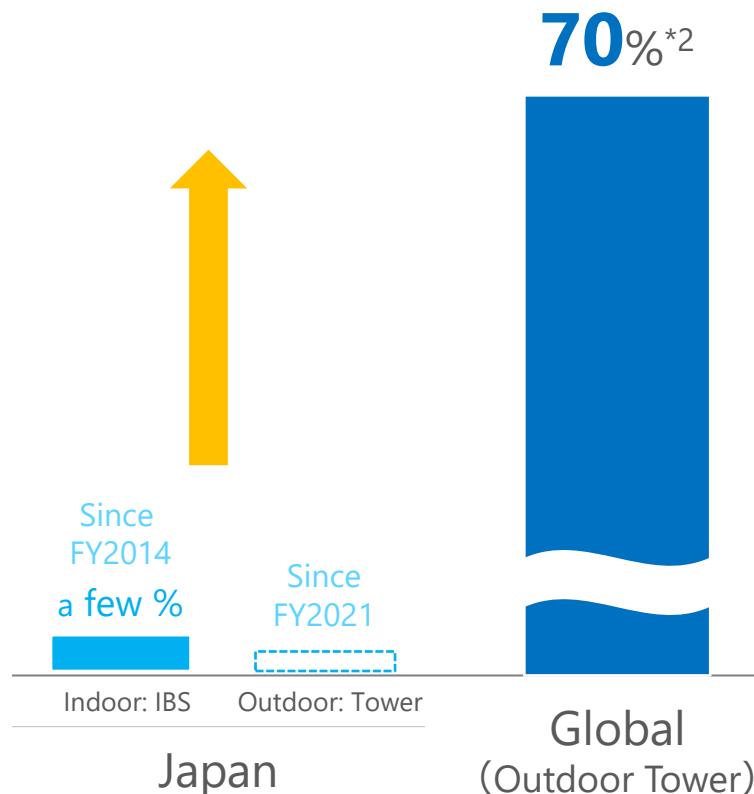
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Appendix

- In Japan, JTOWER has been leading Infra-Sharing market as a pioneer.
- On the other hand, compared to the global market, Japanese Infra-Sharing market seems to be a market with considerable room for future expansion.

Infra-Sharing Penetration

Investment in telecommunications infrastructure in Japan



Source:

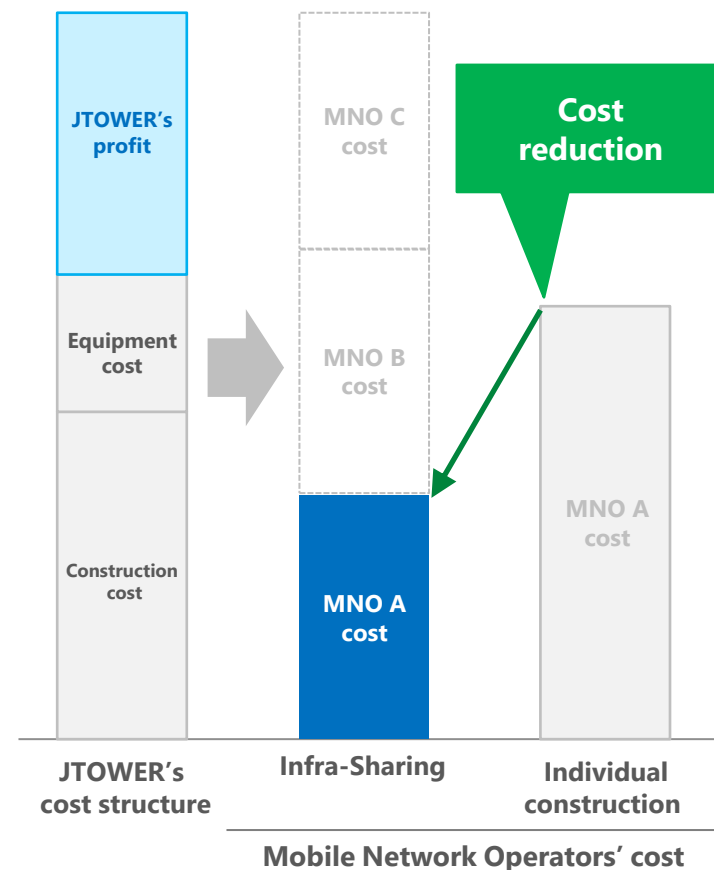
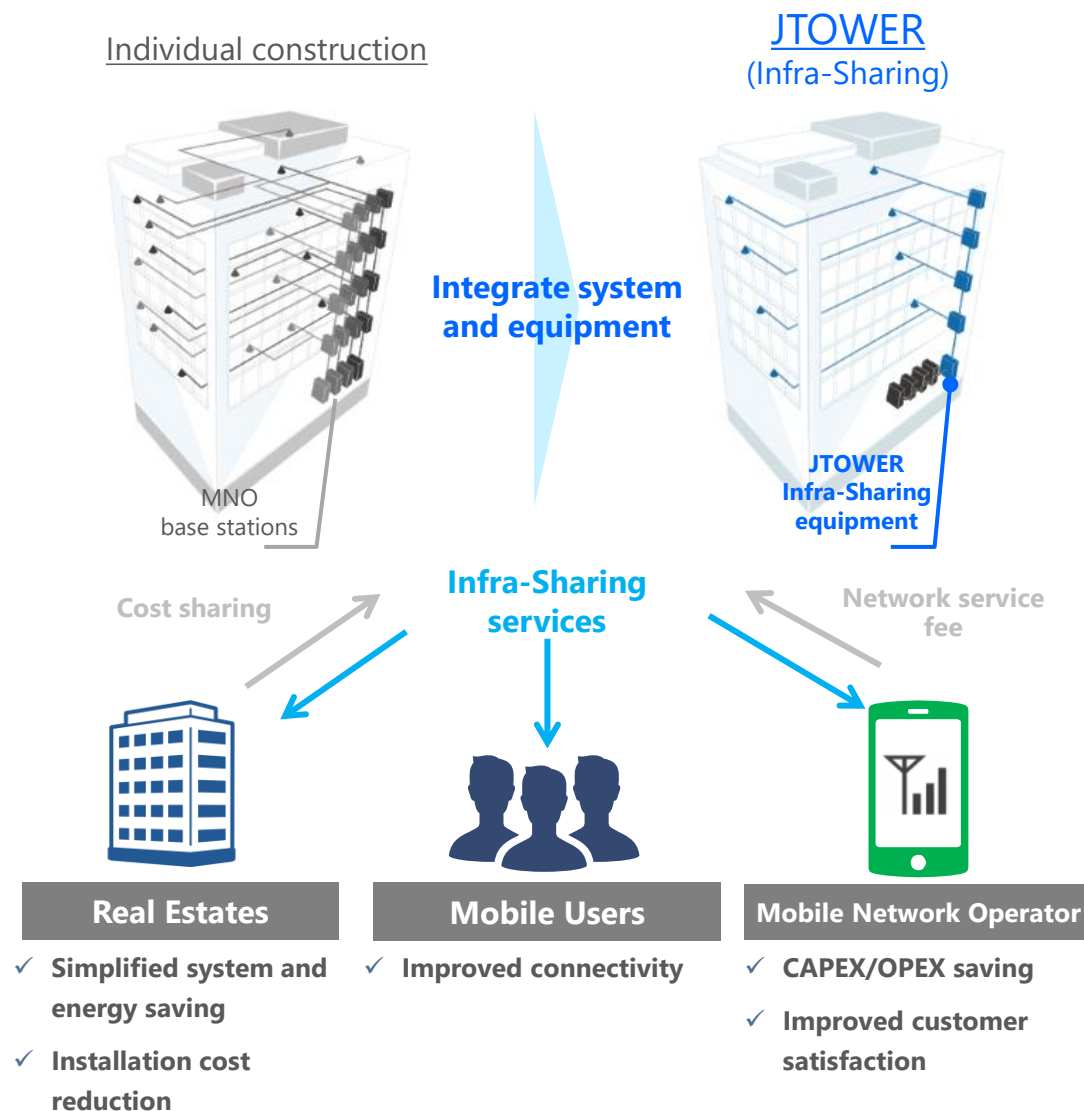
\*1: Based on Current Status and Future Forecast of the Mobile Phone Base Station Market and Peripheral Materials Market (2020 Version) by MCA

\*2: Based on TowerXchange



### Unique Business Model to Build Win-Win Relationships

### Cost-Benefits for Mobile Network Operator\*1

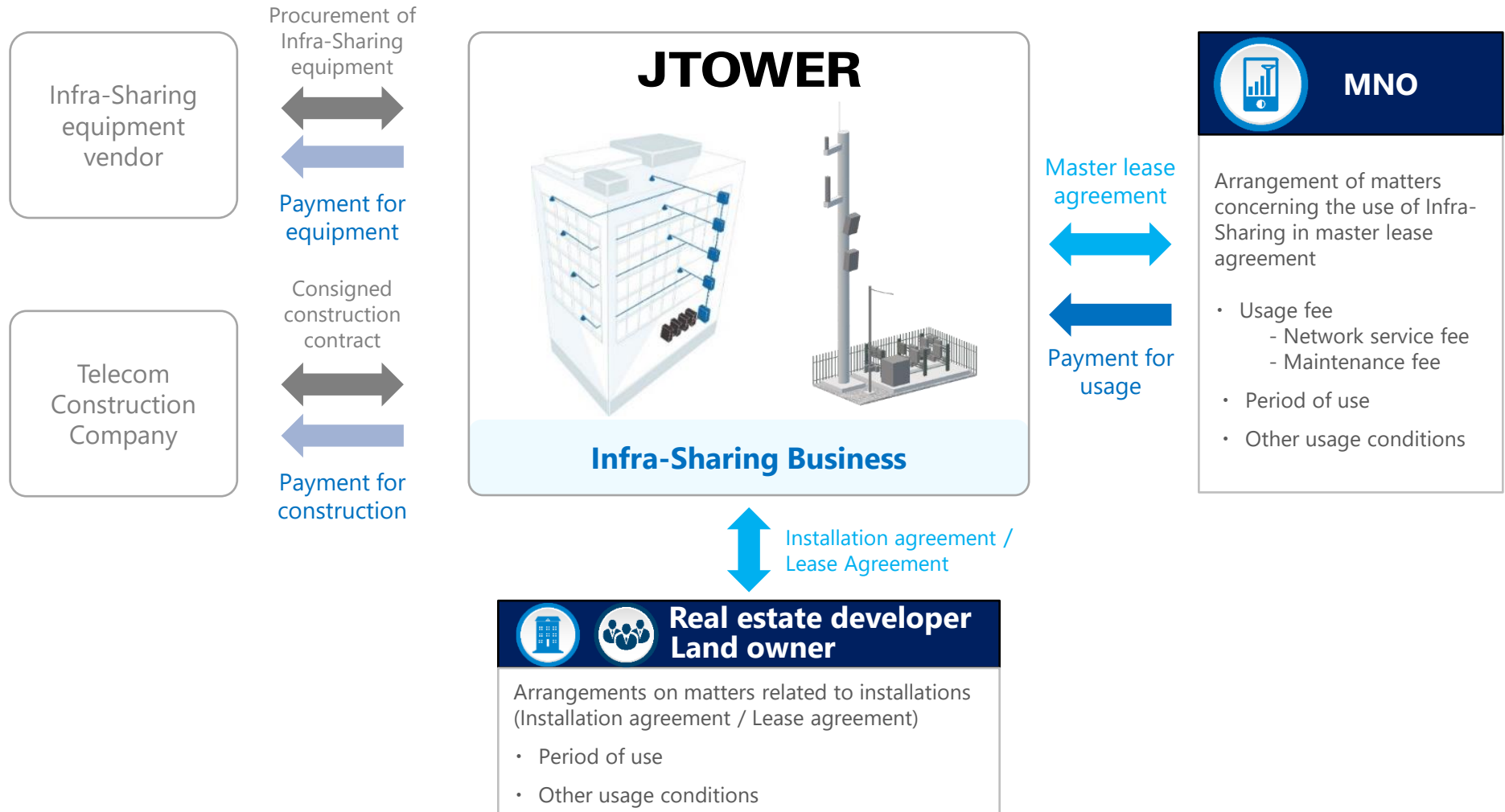


Note1:

For illustrative purposes only

## 2 Overview of Infra-Sharing contract structure

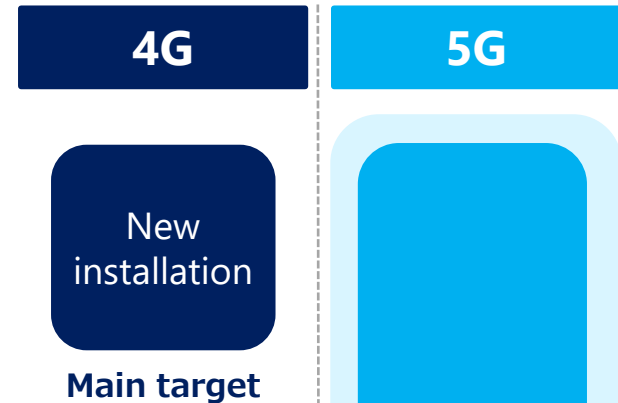
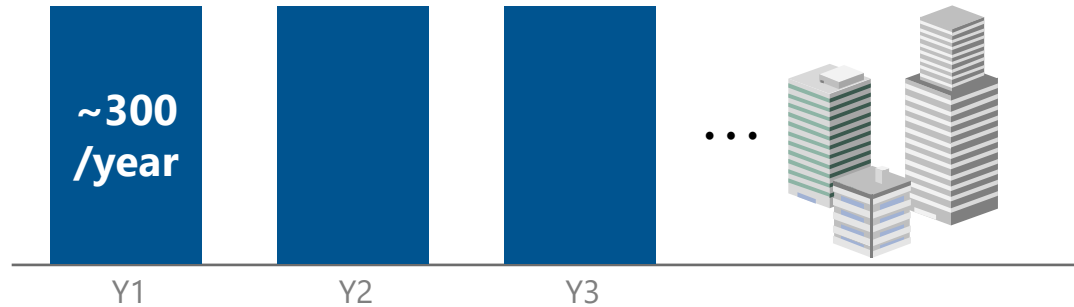
- Contracts for Infra-Sharing services, such as master lease agreement with MNO, installation agreement with real estate developers, and lease agreement with landowners.



## 2 Domestic IBS - Persistent Demand and Upside Potential

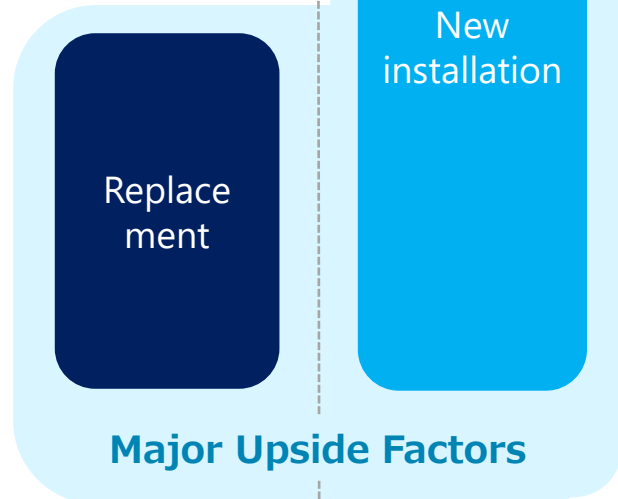
**JTOWER**

### ① New buildings\*<sup>1</sup>



### ② Existing buildings

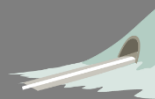
(Offices\*<sup>2</sup>, commercial\*<sup>3</sup>, hotels\*<sup>4</sup>, hospitals\*<sup>5</sup>, high-rise residence\*<sup>6</sup>, etc.)



### ③ New category (Railway tunnels etc.)\*<sup>7</sup>



~5,000

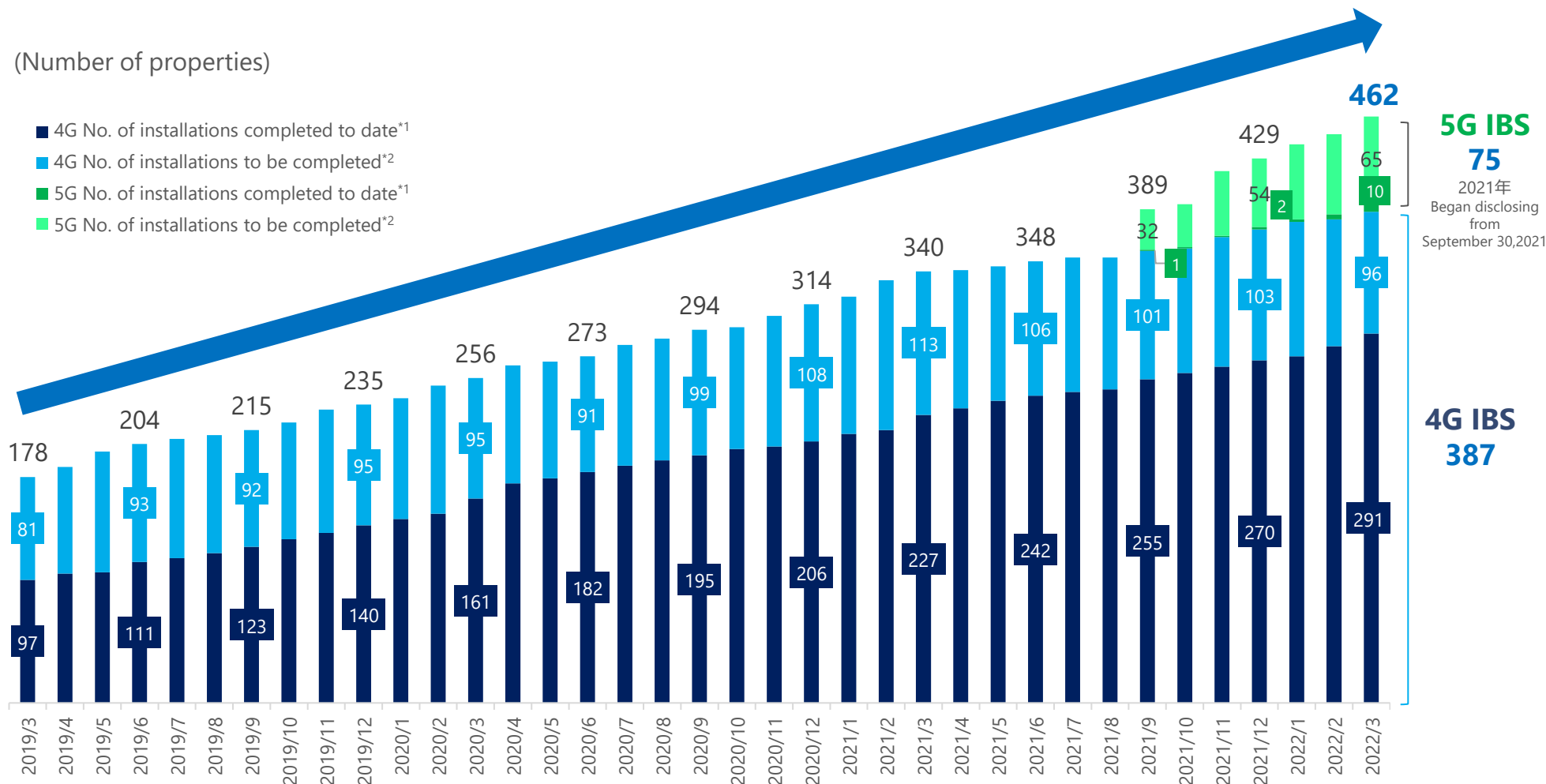


\* 1 : Company estimate based on large-scale projects with floor area of >10,000m<sup>2</sup>. \*2 Large-scale projects with >330m<sup>2</sup> per floor (as of Sept. end 2018, office building criterion based on Sanko Estate). \*3: Large-scale projects with >1,500m<sup>2</sup> retail floor space and >10 tenants, developed by a developer. \*4: Based on the number of resort hotels, city hotels and business hotels in Japan (as of Dec. 31, 2018). \*5: Large hospitals with >300 beds in Japan (excluding general clinics, as of Oct. 1, 2017). \*6: Condominium buildings with >20 floors in Japan (estimate for 2020 as of Oct. 31, 2018). \*7: Total number of tunnels used by private railway companies and Japan Railway Company based on the statistics provided by the Ministry of Land, Infrastructure, Transport and Tourism (as of 2016)  
Source: "OFFICE RENT DATA 2017" by Sanko Estate Co., Ltd., Japan Council of Shopping Centers Website, TOKYO KANTEI Co., Ltd. and the Ministry of Land, Infrastructure, Transport and Tourism (Annual Railway Statistics)

## 2 Historical Number of Installations (Domestic IBS-4G・5G) JTOWER

- In FY2021, the total number of 4G IBS installations has increased to **387** (installation completed: **291**, to be installed: **96**). \*Exclude 4G IBS (replacement)
- Total number of installations of 5G IBS became **75** including pipelines.

(Number of properties)



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

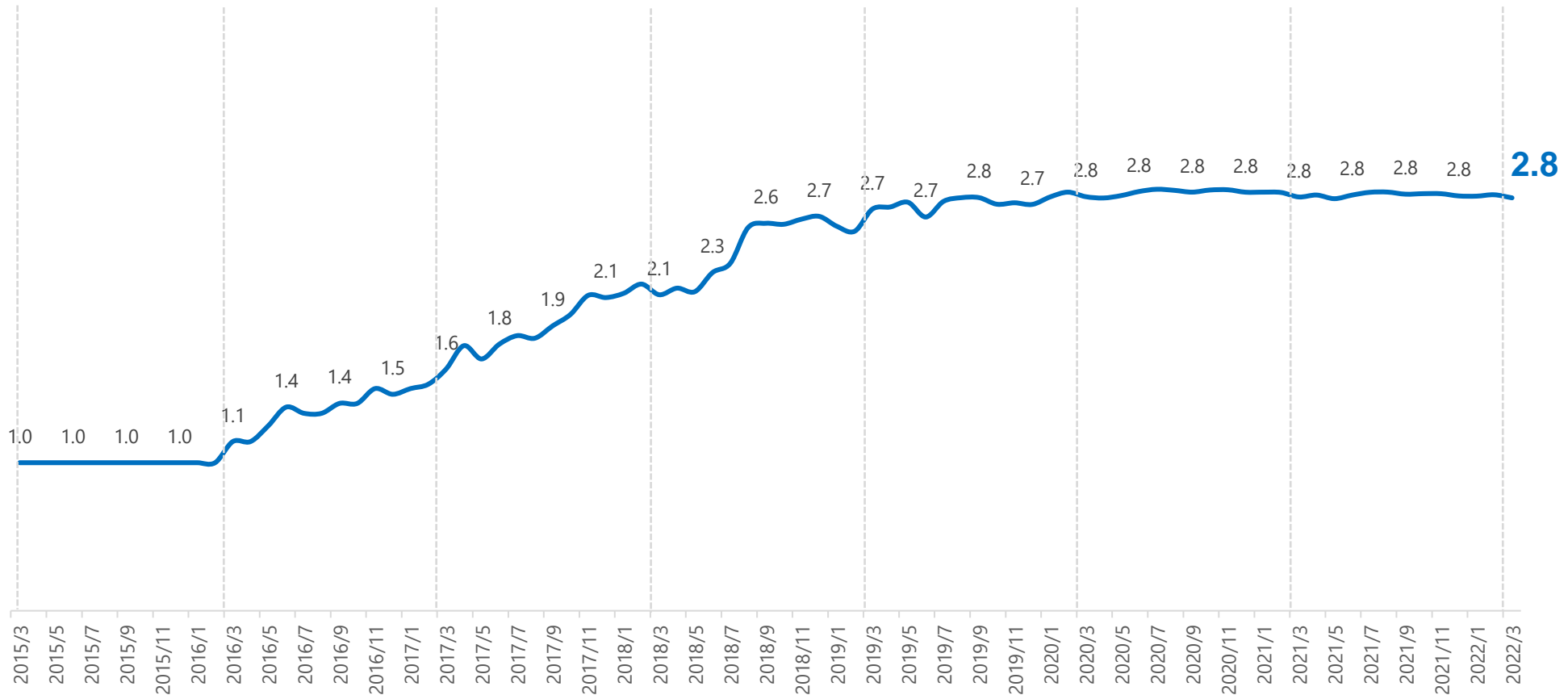
\*2: Projects where we have reached an agreement with the property owner and mobile carriers, and radio waves emission and revenue recognition are expected in the next few years.

## 2 Historical Tenancy Ratio\*<sup>1</sup> (Domestic IBS-4G)

JTOWER

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

(x)



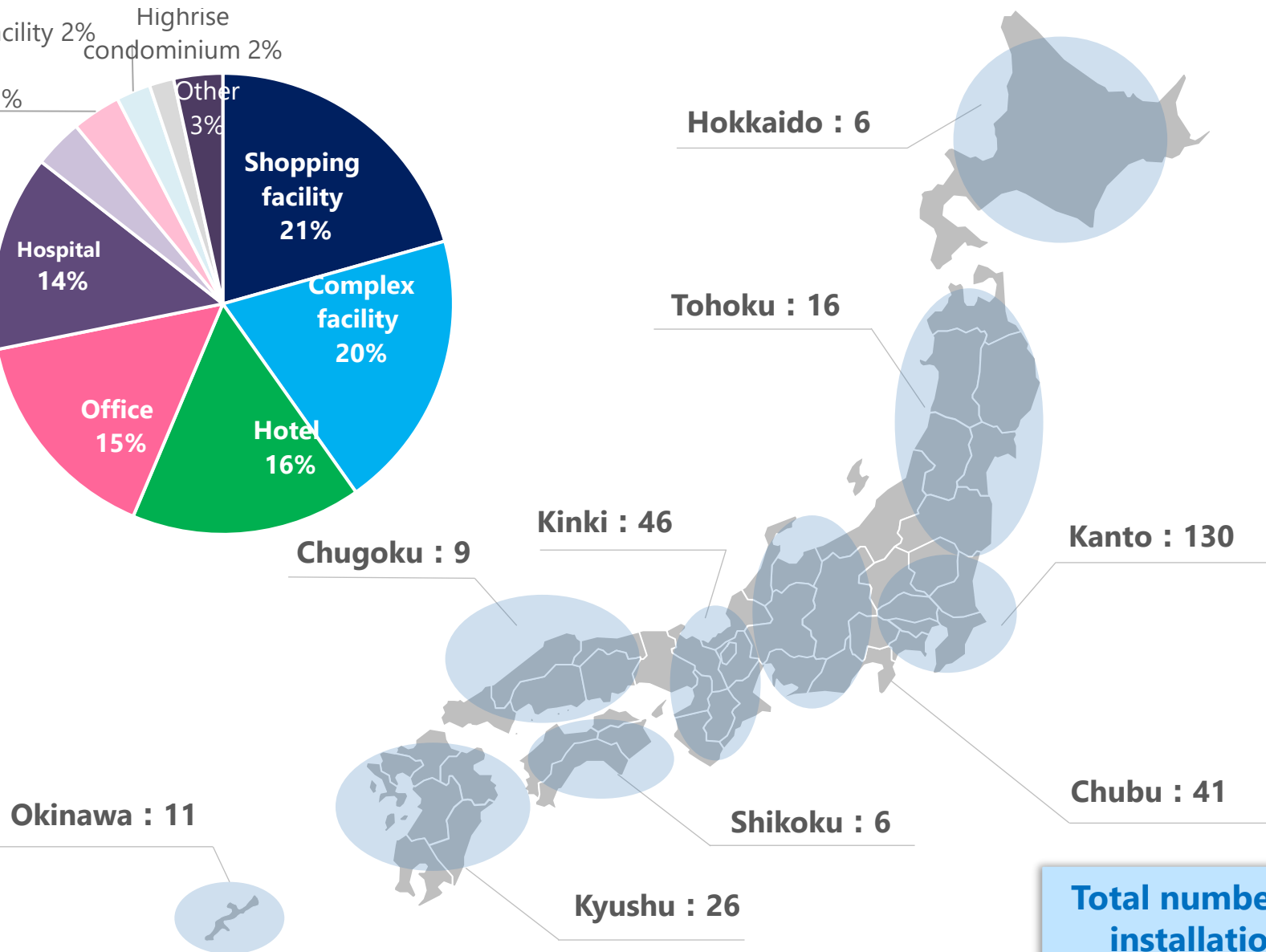
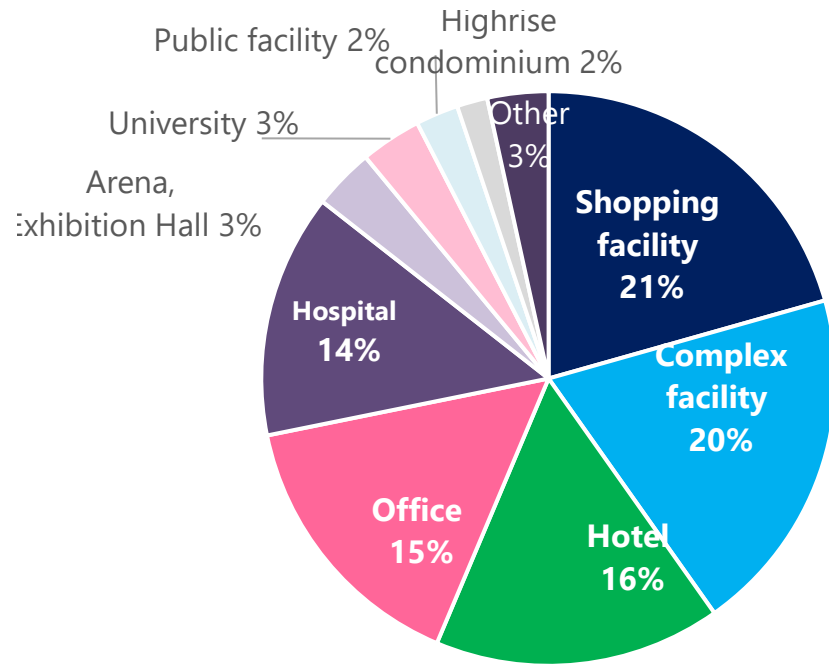
\*<sup>1</sup>: Average number of participating mobile carriers per property (at properties where IBS has been installed to date).

# Domestic IBS (4G)

2

-The number of installations around the country and type of buildings <sup>\*1, 2</sup>

**JTOWER**



**Total number of installation**  
**291<sup>\*1</sup>**

\*1: As of March 31, 2022

\*2: The number of buildings where IBS installation was completed

## 2 Our strengths in Infra-Sharing market

**JTOWER**

- As a leading company of Infra-Sharing, JTOWER has established a solid position in the market with a high entry barrier.

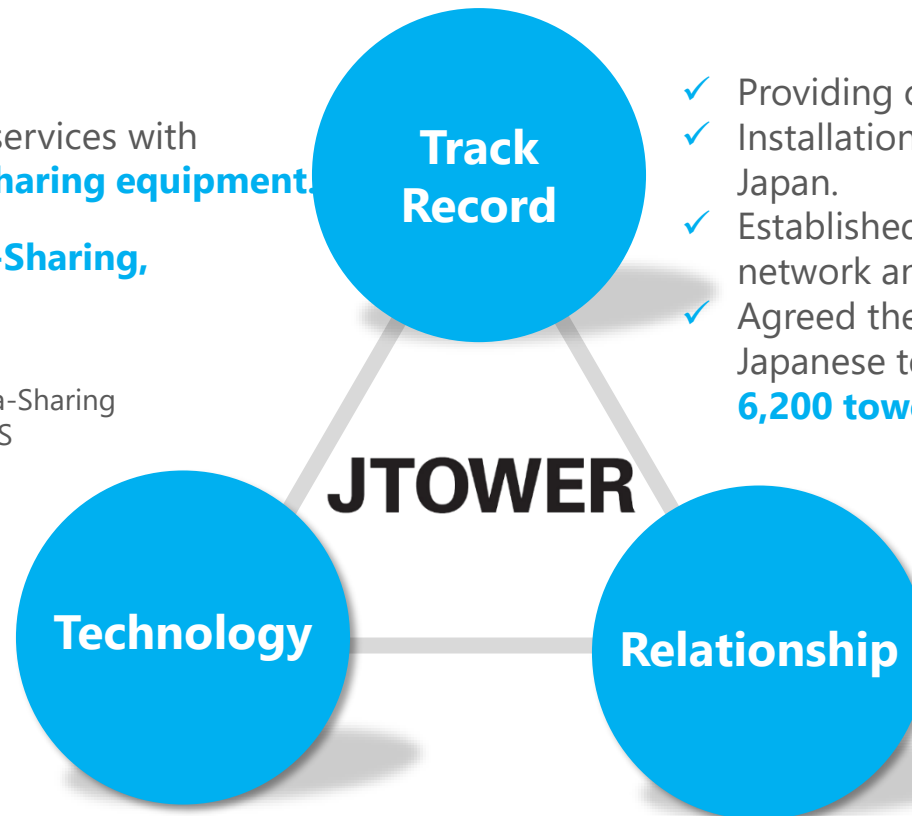
- ✓ Provide active Infra-Sharing services with **our own developed Infra-Sharing equipment**.
- ✓ Lead in **the high-level Infra-Sharing, such as 5G.**

### - **Sub6**

Completed development of 5G Infra-Sharing equipment and have installed 5G IBS

### - **mmWave**

Started to develop 5G mmWave shared radio units



- ✓ Providing commercial services to **4 MNO**.
- ✓ Installations in more than **290 buildings** in Japan.
- ✓ Established the nationwide maintenance network and continue stable operations.
- ✓ Agreed the first **large-scale carve-outs** from Japanese telecom operators (total of approx. **6,200 towers**)

- ✓ Relationship with MNO and real estate developers.
- ✓ **Capital and business alliance** with MNO.
- ✓ Participate in projects by MIC and the Tokyo Metropolitan Government.

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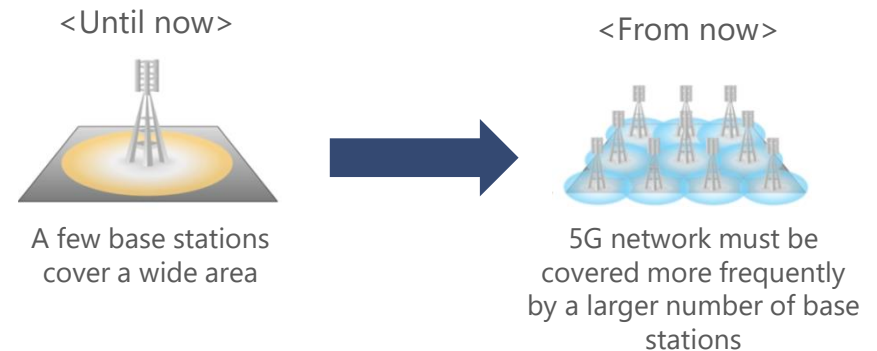
Appendix



- Demand for Infra-Sharing has been increasing due to the launch of 5G.

## Changes by 5G

- ✓ The number of base stations increases through the shift to small cells and multiple cells
- ✓ Expansion of the network coverage in rural areas
- ✓ Intensified competition due to the new entry of the fourth carrier



## Issues in 5G Infrastructure Development

- ✓ **To secure installation sites**  
(Landscape and environmental issues)
- ✓ **Expansion of CAPEX and operation costs**

+

## Changes in the business environment

MIC

Promote **Infra-Sharing**  
(Infra-Sharing Guideline, Master Plan)

MNO

- ✓ The mainstay of competition shifted from infra-networks to **non-teleco areas such as service layers**
- ✓ Promoting financial efficiency

**Demand for Infra-Sharing increases as a solution in 5G/Beyond 5G age**

#### Promoting the Development of 5G Base Stations through Infrastructure Sharing\*1

- ✓ Formulation of **Infra-Sharing Guideline**
- ✓ At the time of 5G spectrum allocation, **required Infra-Sharing plan** as an item in 5G infrastructure deployment plan for MNO
- ✓ If 5G base stations are installed by several companies in rural areas, it is decided that **the subsidy rate will be more favorable than that of a single company**
- ✓ Build 5G network **utilizing traffic signals**
- ✓ Initiatives to utilize **public assets** (Ministry of Finance and local governments)  
Released lists and database of assets owned by the national government and the Tokyo Metropolitan Government to use as installation sites for 5G base stations

#### Digital Garden City Nation Infrastructure Development Plan\*2

- Expansion of subsidy target areas to cover all rural areas
- **Added Infra-Sharing providers to eligible subsidy recipients**
- Raising the national treasury subsidy rate for joint development by multiple operators (Subsidy rate: 1/2 → 2/3)

\*1: Partial excerpt from MIC's "Promoting the Development of 5G Base Stations through Infrastructure Sharing" announced in December, 2020.

\*2: Partial excerpt from MIC's "Digital Garden City Nation Infrastructure Development Plan (Summary)" announced on March 29, 2022.

## 5G Base Stations Deployment Policy

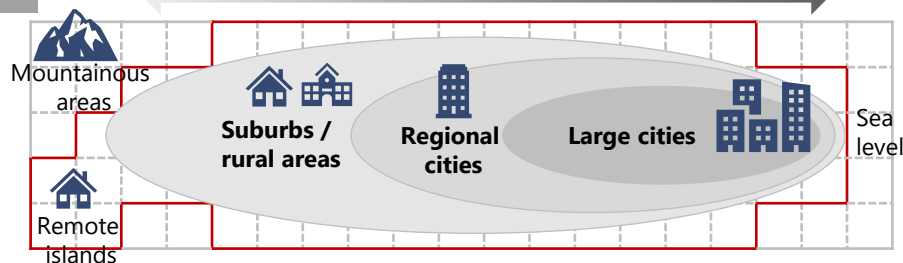
Based on area coverage→ **Development focus will be on business feasibility and not area type (residential, urban, regional, etc.)**

5G

Based on population coverage

→ Coverage of residential areas &amp; large cities is prioritized

~4G

※Divide country into grids of 10km<sup>2</sup> to determine areas to develop

## Infra-Sharing Guideline by MIC

移動通信分野におけるインフラシェアリングに係る電気通信事業法及び電波法の適用関係に関するガイドライン

2018年12月

## 1. ガイドラインの目的

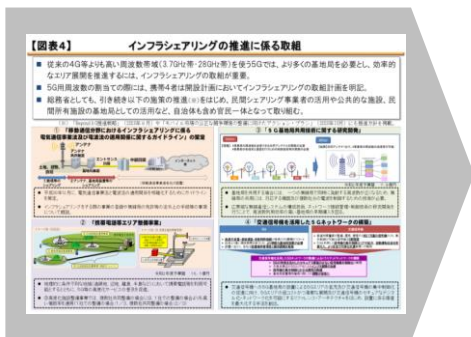
携帯電話等の移動通信サービスの提供においては、広範な地域に相当多数の基地局を設置することが必要となる。

特に、第5世代移動通信システム（以下「5G」という。）の導入に当たっては、移動通信システムの高速度・大容量化や高周波数帯の利用のために基地局の小セル化や多セル化が必要となるが、空中線を設置するための鉄塔の設置場所やビル等の物理スペースは限られており、また、景観上の問題等で新たな鉄塔等の設置が制限される場合もあるため、ビルや地下街等の屋内のみならず、ビル屋上やルーラルエリア等の屋外において鉄塔等の設備を他人に使用させ、又は複数事業者間で共同で使用する「**インフラシェアリング**」がこれまで以上に重要となることが想定される

**Infra-Sharing will play an even more significant role**

Source: Ministry of Internal Affairs and Communications

## &lt;Master Plan on the development of 5G base stations&gt;



In order to promote the development of 5G network nationwide, including in rural areas, **Infra-Sharing in which multiple operators jointly develop network facilities such as base station facilities will be promoted** in accordance with Guidelines for the Application of the Telecommunications Business Act and Radio Act Concerning Infrastructure Sharing in the Mobile Communications Field (formulated in December 2018).

**The public and private sectors, including local governments, will work together** to promote;

- The support for joint development by multiple operators in the development of mobile network
- R&D on shared-use technologies for network facilities of 5G base stations
- The installation of base stations on traffic signals where is physical restrictions on the space
- **Utilization of private Infra-Sharing service providers**
- Utilization of public facilities and privately owned facilities for base station sites

Partial excerpt from MIC's "Master Plan 3.0" announced on December 25, 2020 (English translation by JTOWER)

- Accelerate outdoor Infra-Sharing to expand 5G coverage.
- Expanding 5G coverage in 3 areas contributing to regional digitization.
- Agreed the first large-scale carve-outs from a Japanese telecom operators (total of approx. 6,200 towers)

### Carve-out

Further expand carve out transactions for telecommunications towers



### Rural Tower Sharing

Launch new tower sharing in rural areas



### Smart Pole

Expand the coverage in areas with smart solution demands



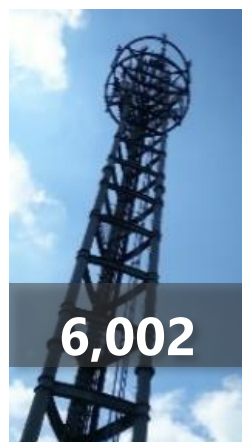
### 3 Tower - Tower carve-outs

## JTOWER

- By the end of FY2021, in addition to NTT WEST, the conclusion of the master transaction agreements for carve-out from NTT EAST and NTT DOCOMO had been completed. Planning to complete the transfer of 2,180 towers in H2 of FY2022, while promoting further expansion of carve-outs.

**NTT docomo**

(# of towers)



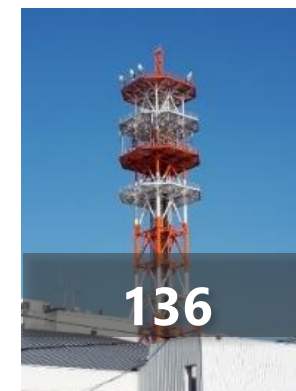
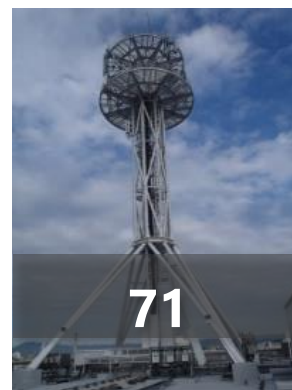
- Established a subsidiary (SPC) for the transfer of towers.
- Prepared the management system and will start the transfer from Q3.

Transfer completion target in FY2022

**2,000**

**NTT WEST**

**NTT EAST**



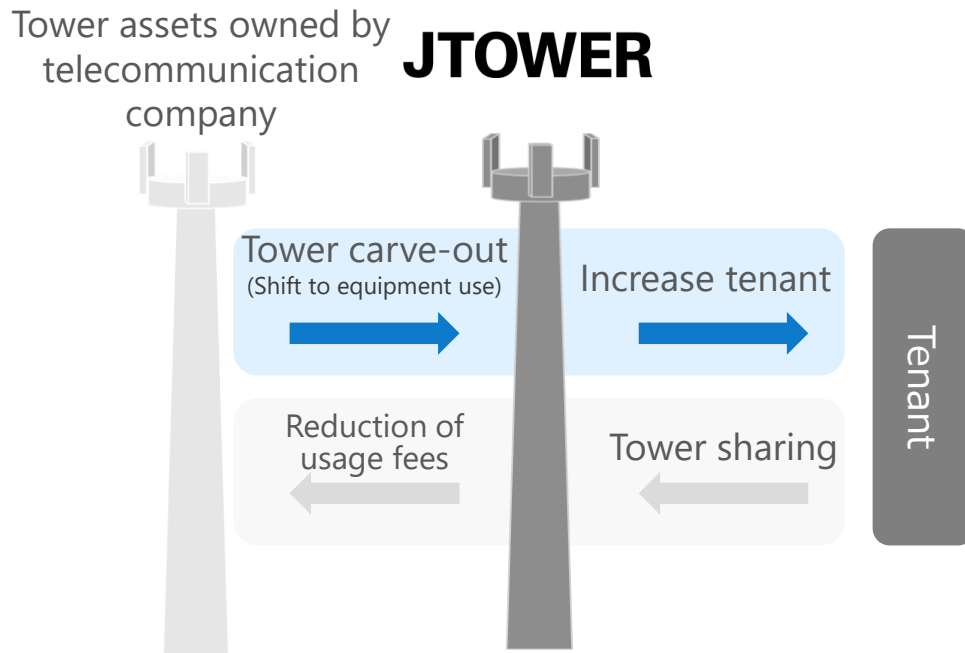
- Plan to start the transfer of existing contracts with NTT EAST and WEST and existing tenants from Q3.

Transfer completion target in FY2022

**180**

\* The number shown on each tower image is the total number agreed upon in the master transaction agreement.

## Image of existing tower carve-outs



## 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

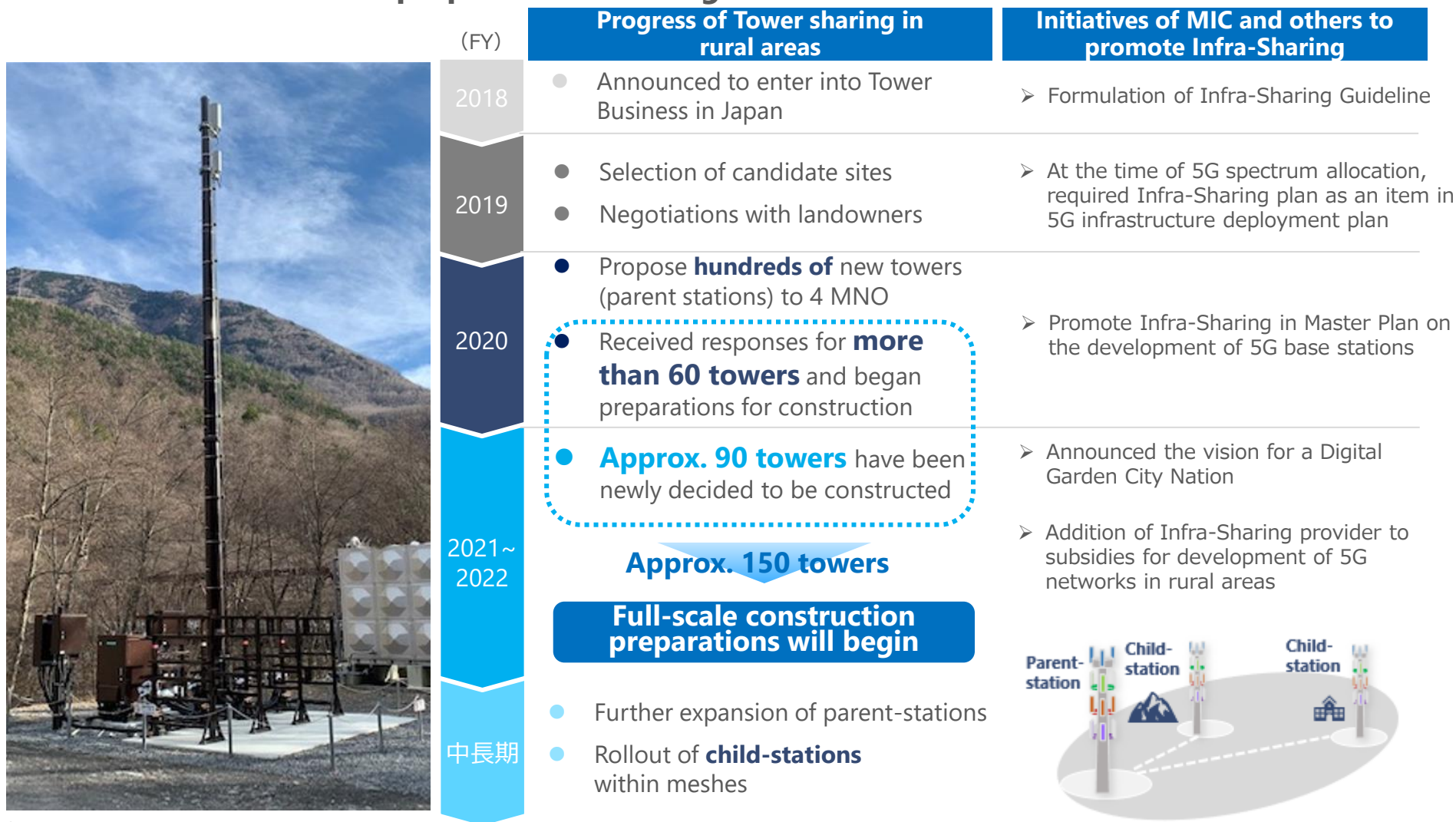
Effective use  
of social  
infrastructure



### 3 Tower – Promotion of rural tower sharing

# JTOWER

- In addition to more than 60 towers that have already begun preparations for construction, construction of approx. 90 towers have been newly decided (approx. 150 towers total), and full-scale construction preparations will begin in FY2022.



(Photo) New tower in Shizuoka prefecture

## Image of Smart Pole

## Tower sharing in urban areas

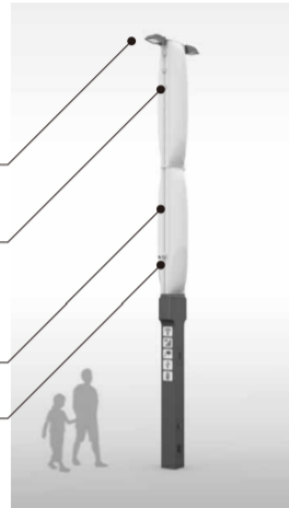
### Pole type

LED street light

5G Base station

High-speed Wi-Fi

Security cameras



### Signage type

Weather sensor

Security cameras

5G Base station

High-speed Wi-Fi

Analytical camera

Signage



Equipment related to data utilization

FY2020

FY2021

- Selected as the 5G Smart Poles provider of the Tokyo Metropolitan Government. (April 3, 2020)
- Completed the construction of **2 smart poles** completed in Nishi-Shinjuku area.
- **5G services by four MNO** gradually started from October 2020.

- Concluded an agreement with the Tokyo Metropolitan Government **on the expansion of installation of smart poles in Nishi-Shinjuku area.**
- 3 companies (JTOWER, TEPCO Power Grid, NTT EAST) will collaborate to build **20 new types of smart poles.**
- Concluded an agreement with **Aichi Prefecture** and **Tokoname City** to collaborate with MNO to expand 5G coverage areas in CHUBU CENTRAIR International Airport Island and surrounding areas.

**In addition to verify related services, establish the business model with a view to expand smart poles in other regions**



### 3 Tower - Development of 5G mmWave Shared Radio Unit

JTOWER

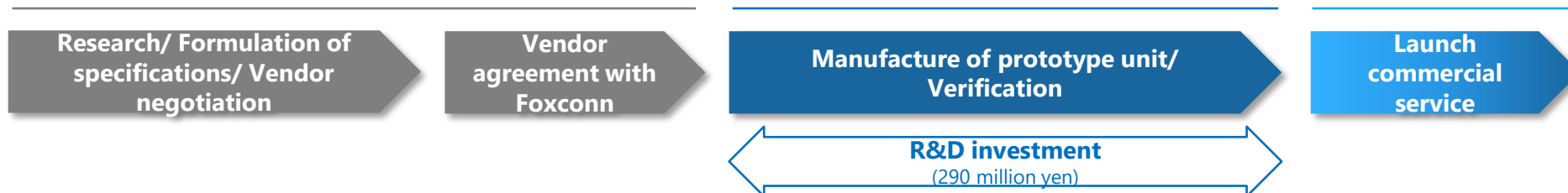
- Concluded the agreement with Foxconn Technology Group (Taiwan) to develop 5G mmWave shared radio unit. Aim to complete manufacturing of the prototype unit by Q3 FY2022.

#### <Development Status and Future Steps of 5G mmWave shared radio unit>

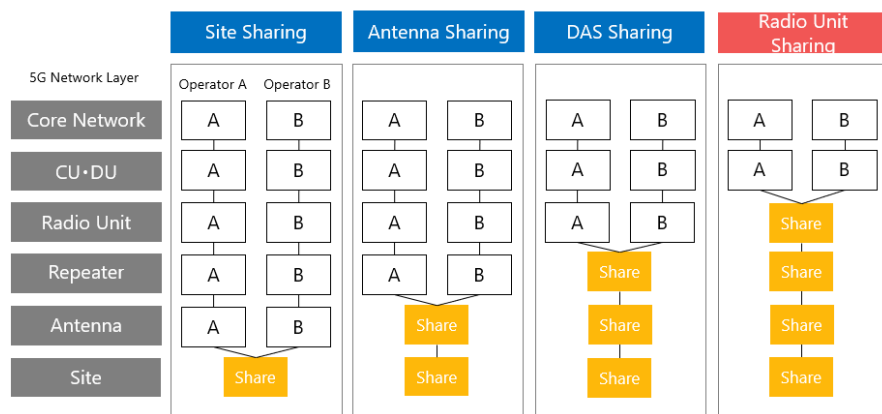
~April, 2022

FY2022 Q1~Q3

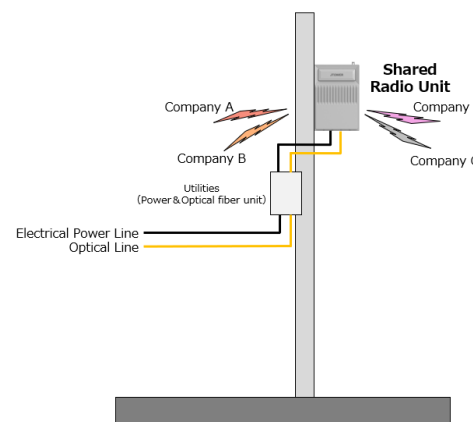
FY2022 Q4~



#### Realization of RU sharing in the high layer



#### Image of installation and device


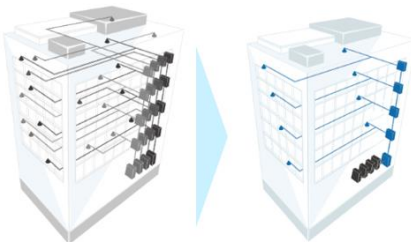




\* This image will be the current appearance and may be changed

### 3 Domestic IBS - Progress of existing business and new initiatives JTOWER

- In addition to existing 4G IBS (new installation), we will strengthen operations of new initiatives, 4G IBS (replacement) and 5G IBS, accelerating the expansion of the number of installations from FY2022.

#### <New initiatives>

	4G IBS (New installation)	4G IBS (Replacement)	5G IBS
Installation Image			<div>4G&amp;5G</div>  <div>Only 5G</div> 
Main target	New building	Existing building	New building Existing building
Coverage area (The number of tenant required for installation decision)	Basically <b>whole building</b> (more than <b>2</b> tenants)	Basically <b>whole building</b> (more than <b>1</b> tenant)	Centered on <b>high traffic spots</b> (more than <b>1</b> tenant)
Progress	<ul style="list-style-type: none"> <li>Planning to install in <b>61 buildings</b> in FY2022.</li> </ul>	<ul style="list-style-type: none"> <li>Agreed with certain MNO for the replacement in more than <b>100 buildings</b>. ※ Planning to install FY2022-2025.</li> </ul>	<ul style="list-style-type: none"> <li>Planning to install in <b>44 buildings</b> in FY2022. ※ Included in the number of 65 pipelines as of March 31, 2022.</li> </ul>

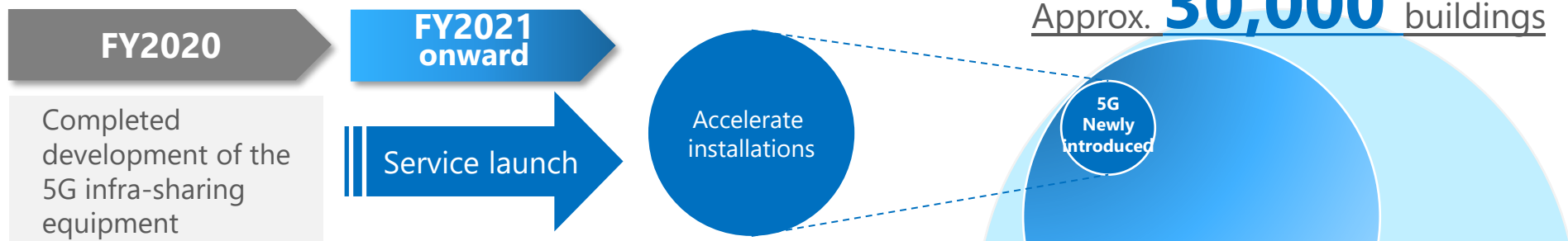
### 3 Domestic IBS – New Initiatives

JTOWER

- We launched new initiatives, the replacement of existing 4G networks to 4G IBS in existing buildings and the rollout of new 5G IBS, aiming to expand in the existing building market, which has significant potential, over the medium to long term.

#### <5G IBS>

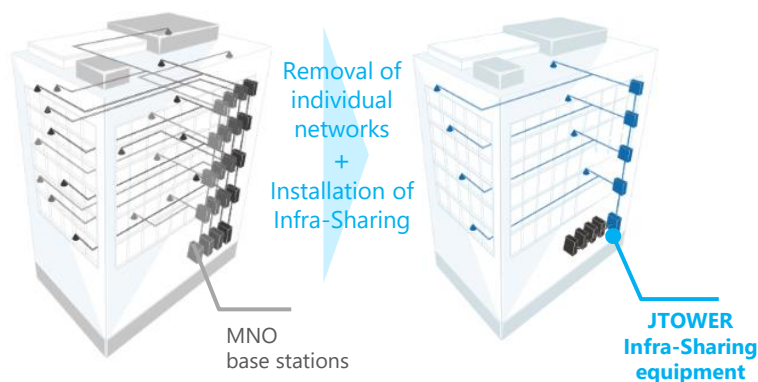
#### Introductions in new/existing buildings



#### <4G IBS> Replacements in existing buildings

Individual Installation  
by MNO  
(Existing building)

After replacing with  
Infra-Sharing



Agreed with certain MNO for the replacement in more than 100 buildings

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

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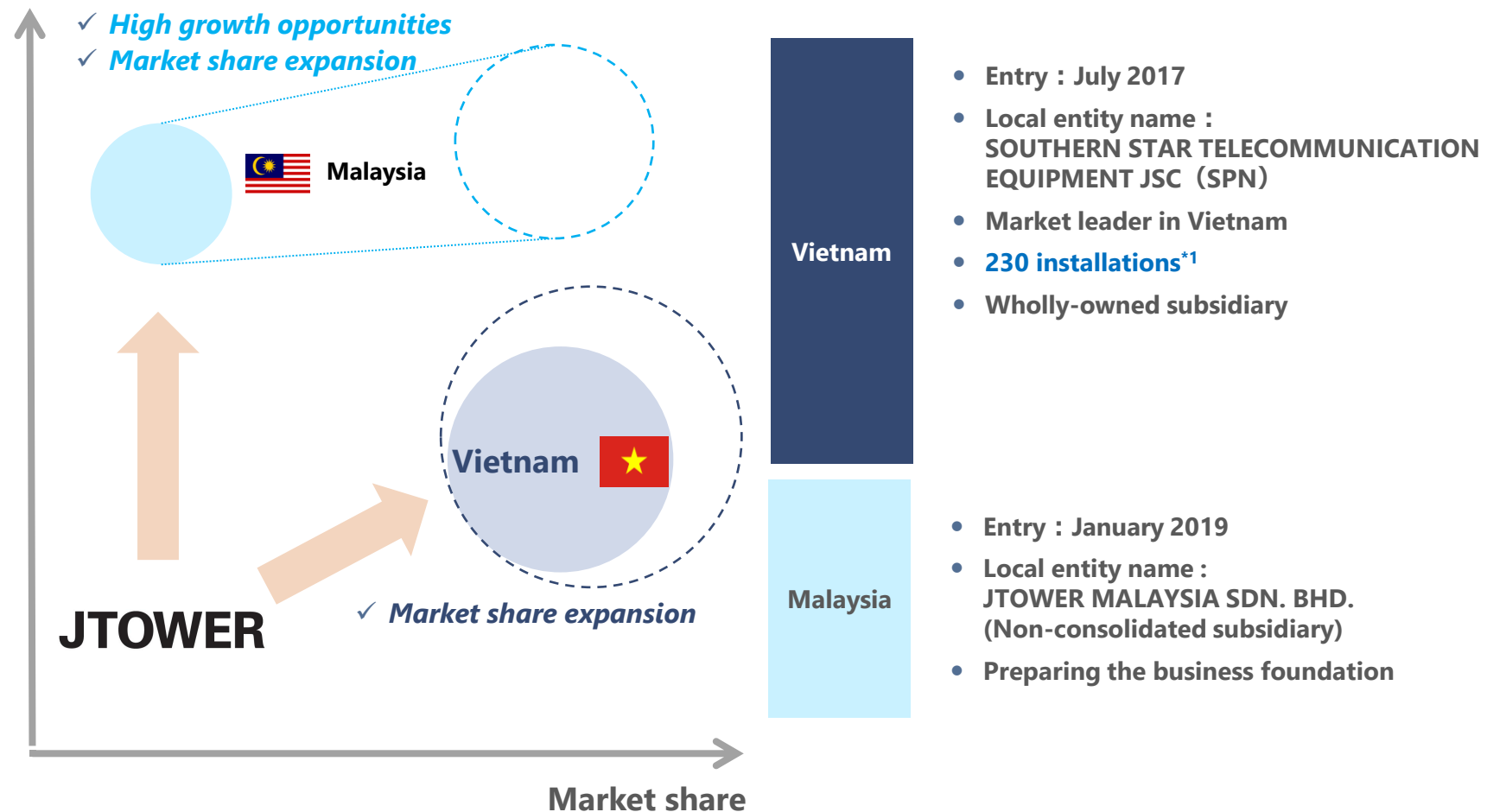
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Appendix

- Expansion mainly in Southeast Asia by partnering with influential local players.

Market growth



\*1: As of December 31, 2021

- On November 17, 2020, the overseas subsidiary SPN engaged in the IBS business in Vietnam, has executed IBS Asset Purchase Agreement with Thien Viet Company Limited one of the IBS operators in Vietnam.



**International  
IBS**

SPN executed IBS Asset Purchase Agreement with Thien Viet Company Limited one of the IBS operators in Vietnam.  
(Announced on November 17, 2020)

**Purchase Price (Total)**  
**Approx. 240 million yen**

**Number of Projects**  
**63 projects**  
(Approx. 1.8 million m<sup>2</sup>)

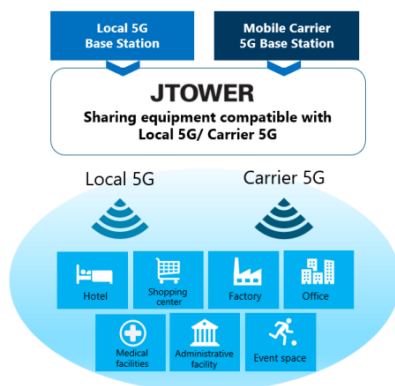
Transfer of ownership expected to be  
completed  
**FY2022 Q1 (plan)**

**Revenue contribution**  
Approximately **150 million yen**  
\* If this transaction contributes for the full fiscal year

**Further promoting growth strategies in Vietnam, including M&A of local competitors and the purchase of existing operating assets**

- Provide related services as an up sell for Infra-Sharing.

### Local 5G



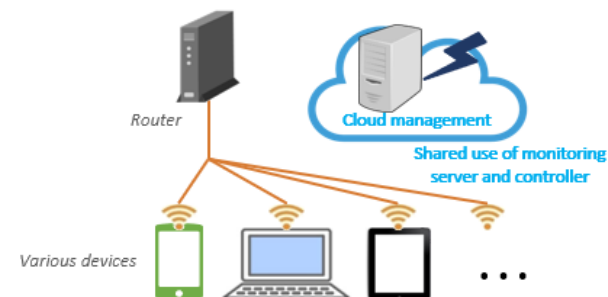
Completed development of Local 5G sharing equipment in FY2021/  
Promoting initiatives to launch commercial services

### Site Locator



Provides a database for matching the rooftop space leasing demands with the BTS installation demands

### Cloud-managed Wi-Fi Solution

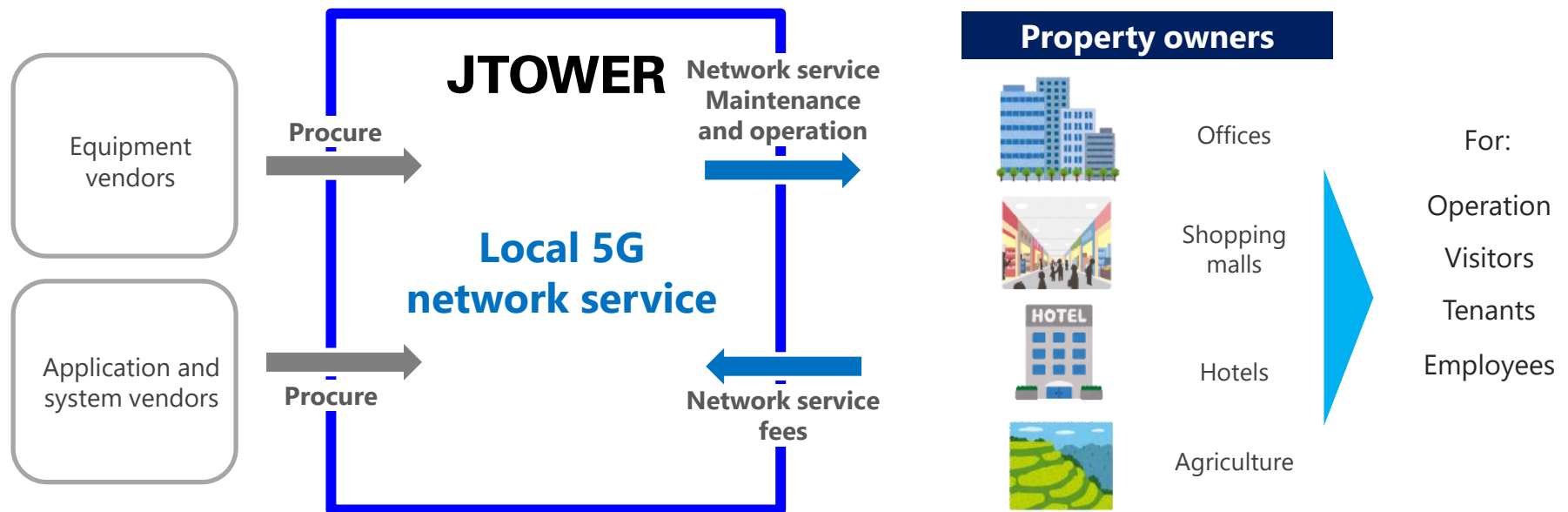


Provide Cloud-managed Wi-Fi Solution as an up sell for Infra-Sharing

- Launched initiatives for commercialization by leveraging management resources cultivated in Domestic IBS.

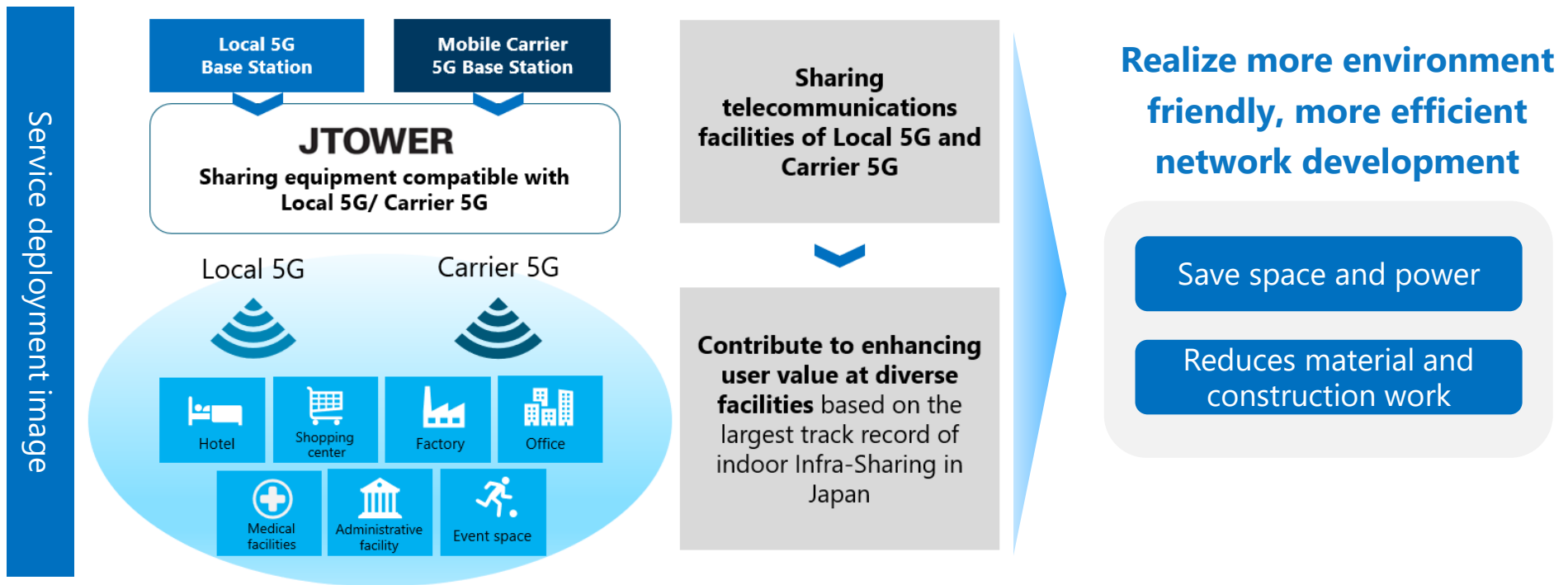
## The Image of JTOWER's Local 5G Services

Expect to provide B2B2C and B2B2B services to property owners





- In February 2022, we completed the development of sharing equipment compatible with Local 5G Sub6 bandwidth. Going forward, in preparation for the introduction of this sharing equipment to the market, we will conduct connection tests with major Local 5G radio systems aiming to start commercial services in FY2022.



Apply for a license  
for an  
experimental  
laboratory

On February 8, 2022, we applied for a license for an experimental laboratory **to test connections between Local 5G compatible devices and Local 5G radio systems.**

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**The Realization of a Sustainable Society**

6

Appendix

- 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 electricity consumption reduction through introduction of Infra-Sharing

## Governance



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

## Social



Safety activities in construction



Sustainable office and work style



Supply chain management



Communication with employees

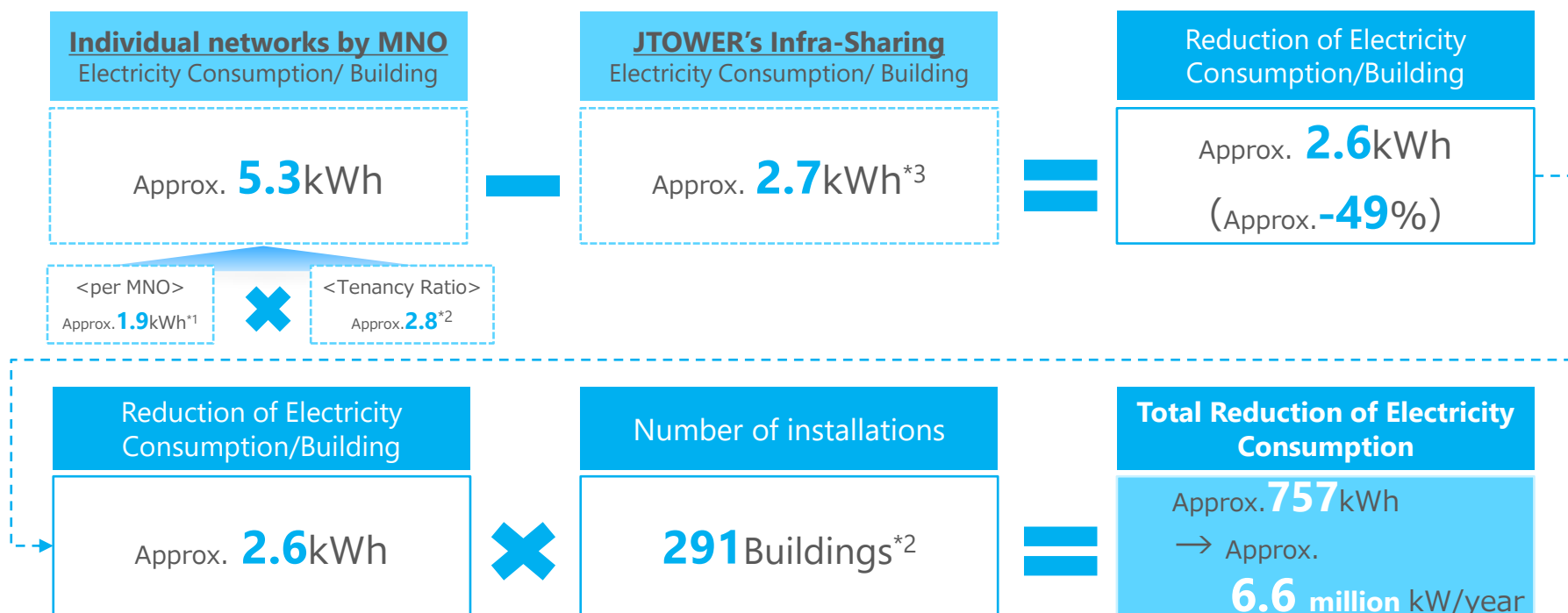
## 5 The Realization of a Sustainable Society -Environment JTOWER

- 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.

### Contribution to electricity consumption reduction through introduction of Infra-Sharing



In the case of Domestic IBS, we are contributing to a reduction in electricity consumption of about 6.6 million kW per year (our estimate) by promoting indoor Infra-Sharing.



\*1: (Estimated electricity consumption/Building)×70% / 70% is our assumed calculation and does not indicate actual electricity consumption.

\*2: As of March 31, 2022

\*3: Estimated based on the calculation:

(The average number of units used at IBS installed properties) × (The estimated electricity consumption of our Infra-Sharing equipment based on specification) as of December 31, 2020.

- 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/ISO1400

We have introduced ISO90001 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.

- 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.

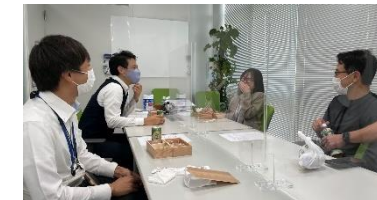
### Company-wide meeting

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.

- In order to be a company trusted by all stakeholders, we will work to enhance corporate governance as one of our important management issues.

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



Corporate governance, compliance policies, initiatives and management systems are disclosed in the Governance section of the corporate website.

<https://en.jtower.co.jp/governance>

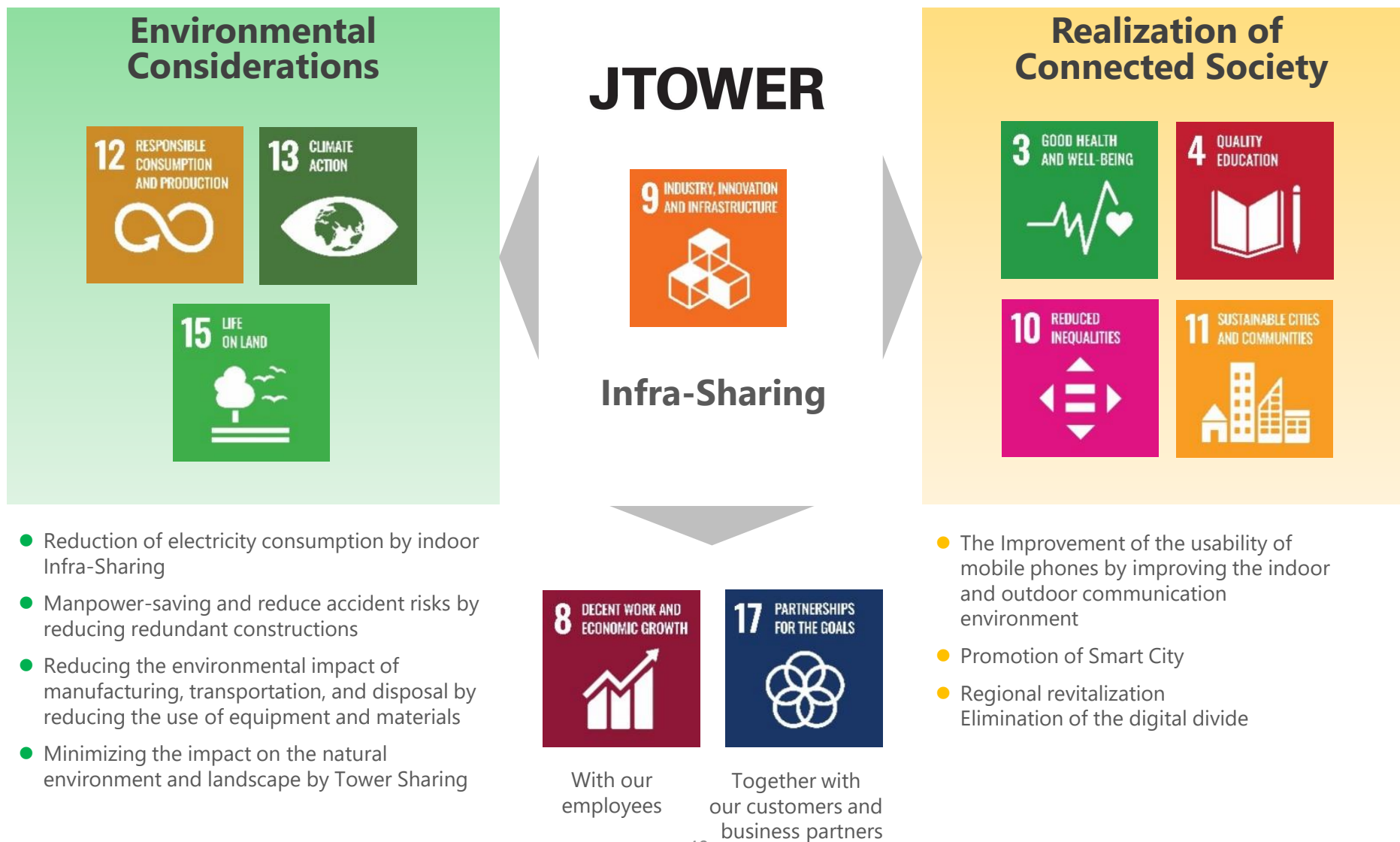
The screenshot shows the 'GOVERNANCE' section of the JTOWER website. It includes a navigation bar with links like HOME, NEWS, SERVICE, USE CASE, COMPANY INFORMATION, GOVERNANCE (highlighted), INVESTOR RELATIONS, and CONTACT INFORMATION. Below the navigation bar, there are tabs for CORPORATE GOVERNANCE, COMPLIANCE, and DISCLOSURE POLICY. The main content area is titled 'CORPORATE GOVERNANCE' and contains sections for 'Our Basic Approach to Corporate Governance' and 'Corporate Governance System'. The 'Corporate Governance System' section includes a diagram showing the hierarchy of the company's governance structure, including the General Meeting of Shareholders, Board of Directors, Representative Director, Internal Audit, and External Audit.

The screenshot shows the 'COMPLIANCE' section of the JTOWER website. It includes a navigation bar with links like HOME, NEWS, SERVICE, USE CASE, COMPANY INFORMATION, GOVERNANCE (highlighted), INVESTOR RELATIONS, and CONTACT INFORMATION. Below the navigation bar, there are tabs for CORPORATE GOVERNANCE, COMPLIANCE (highlighted), and DISCLOSURE POLICY. The main content area is titled 'COMPLIANCE' and contains sections for 'Compliance System', 'Compliance Hotline', 'Corruption prevention Initiatives', 'Basic Approach and Systems to Exclude Anti-Social Forces', and 'Training'. The 'Compliance System' section includes a diagram showing the hierarchy of the company's compliance system, including the Representative Director and President, Internal Audit, and External Audit.

## 5 Our Approach for the SDGs

**JTOWER**

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





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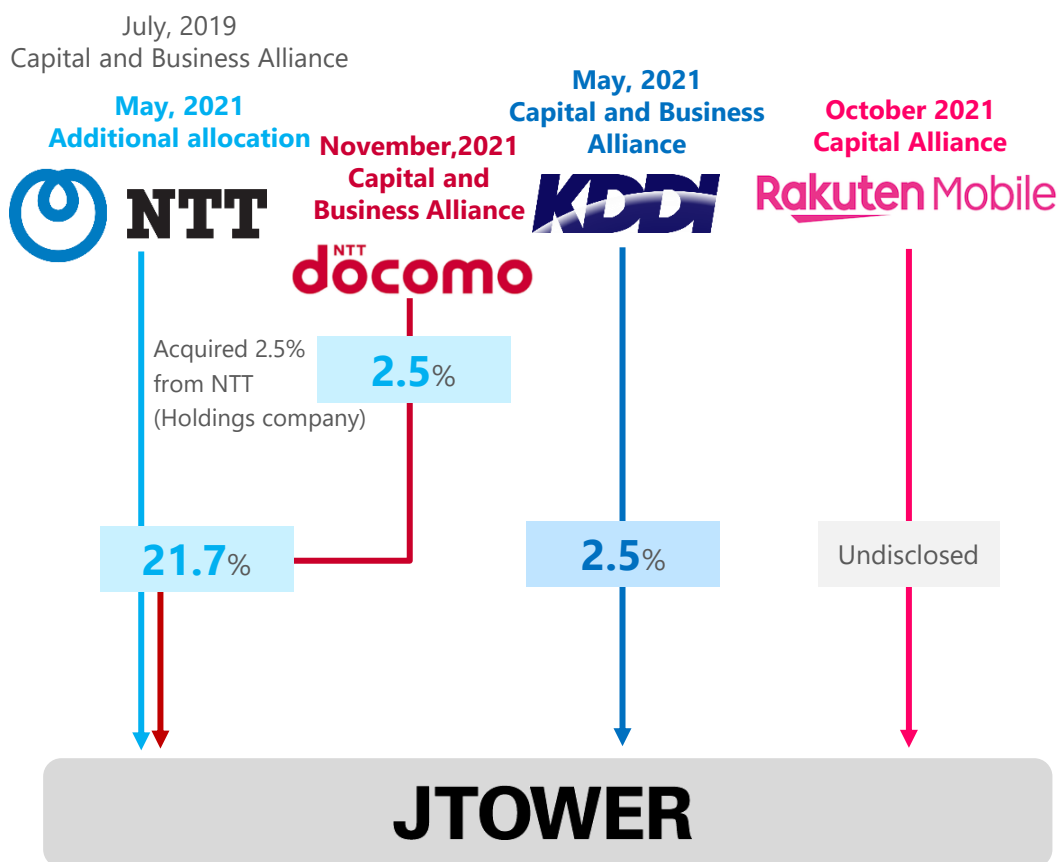
Appendix

## 6 Positioning of alliances with mobile network operators

**JTOWER**

- By strengthening relationships through alliances with mobile network operators, we will strengthen our position as Infra-Sharing provider aiming for further growth and expansion.

### Our capital structure



### 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.

## Board of Directors

Representative  
DirectorAtsushi  
TanakaSenior Managing  
DirectorYusuke  
KiriyaManaging  
Director  
CFORyosuke  
Nakamura

Outside Director

Naoki Ota



Outside Director

Yoshitaka  
Hiramoto

Outside Director

Yoshiaki  
Uchida

Outside Director

Mutsuko  
ObaYears of  
Telecom  
Industry  
Experience

25

19

15

23

28

41

4

Previous  
Experience**Goldman Sachs**  
(Equity analyst /  
Telecom sector)**eAccess**  
(Head of corporate  
planning div.)**eMobile**  
(CFO / Head of  
corporate planning  
div.)**M'sWorks**  
(Senior engineer)**PwC Arata**  
(Audit / Advisory)**eAccess**  
(Group head of  
business planning  
div.)**Boston Consulting  
Group**  
(Senior partner /  
Managing director)**Ministry of Internal  
Affairs and  
Communications**  
(Advisor to Minister)**Tokyo  
Metropolitan  
Government**  
(Chief Digital Service  
Fellow : current  
position)  
43**DOCOMO CS  
Kansai**  
(GM / Network  
Construction  
Promotion dept. )**NTT(Holding  
Company)**  
(GM / Technology  
Planning dept.)**NTT DOCOMO**  
(GM / Radio Access  
Network Engineering  
dept. : current  
position)**KDDI**  
(Executive Vice  
President,  
Representative  
Director, Executive  
Director of  
Technology  
Sector )**KDDI  
Engineering**  
(Chairman : current  
position)**KPMG AZSA**  
(Audit / Advisory)**Stattice CPA Office**  
(Founder and  
Representative :  
current position)**TASUKI**  
(Outside Director :  
current position)**PicoCELA**  
(Outside Director :  
current position)

## Advisors



Advisor  
Nobuo  
Nezu



Advisor  
Eiji  
Hagiwara

Years of  
Telecom  
Industry  
Experience

54

48

Previous  
Experience

**KDDI**

(Managing executive officer /  
Full time auditor / Advisor)

**NTT DOCOMO**

(Director)

**Panasonic Mobile  
Communications**

(Senior Managing Director)

**SAMJI  
ELECTRONICS**

(Advisor : current position)

# Important Indicators to Improve Enterprise Value and Upside Potentials

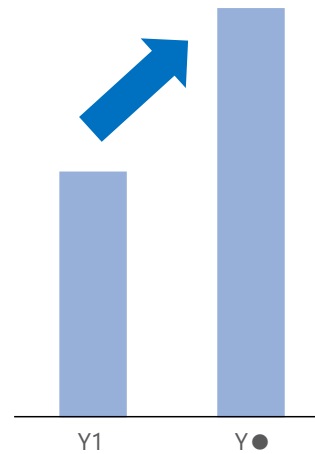
6

**JTOWER**

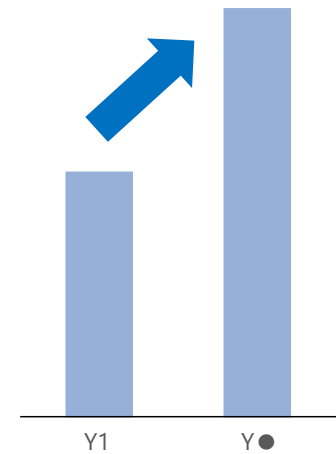
## Number of Installations



## Tenancy Ratio



## Unit Price



### IBS

- ✓ New 4G and 5G installation opportunities in existing buildings

- ✓ Increase in the entry of mobile network operators such as further participation on existing facilities

- ✓ Introduction of 5G Infra-Sharing equipment in the building where 4G IBS has been installed
- ✓ Provision of local 5G services
- ✓ Expansion of sharing areas for facilities

### Tower

- ✓ Rollout of child-stations in rural areas
- ✓ Promotion of carve-outs

- ✓ Attraction of new tenant for carve-out towers

- ✓ Utilization of multi-functions at smart poles
- ✓ Expansion of sharing areas for facilities

Note: Graphs are for illustrative purposes only

### Advancement to be Enabled by 5G

**4G (LTE)**
**5G**

100 Mbps

 High  
speed/  
volume

 $> 10 \text{ Gbps}^{*2}$ 

Baud rate will be more than 100 times faster

0.01 sec

 Strong  
reliability/  
low latency

 $\leq 0.001 \text{ sec}$ 

Delay time will be shortened by up to one tenth

 10,000  
devices/km<sup>2</sup>

 Massive  
connectivity

 1 million  
devices/km<sup>2</sup>

Concurrent device connection limit will increase by more than 100 times

**Demand for infrastructure will increase  
due to the significant impact of 5G  
related services**

### Estimated Market Size of the Radio Industries in the 5G Era

(JPY tn)

120

100

80

60

40

20

0

2015

2020

2030

2040

■ Radio-related industries

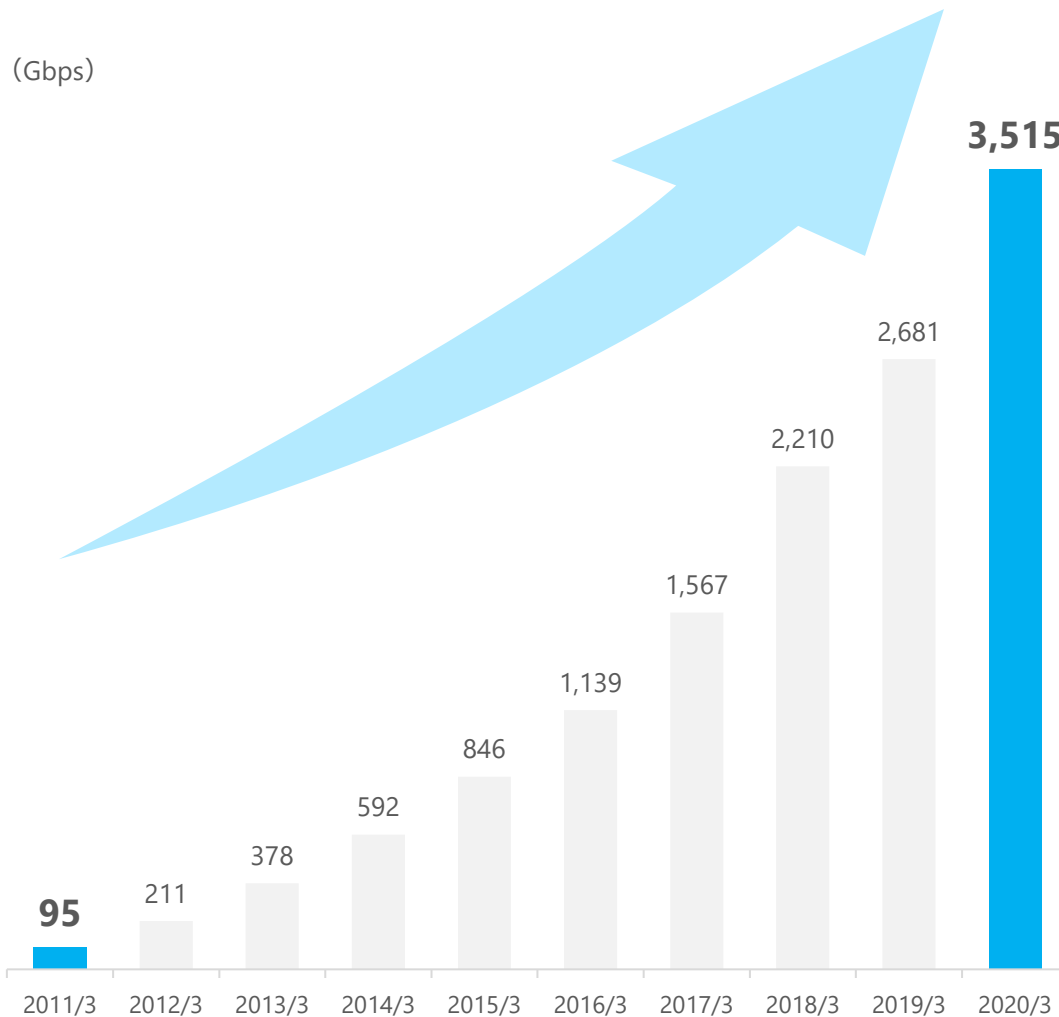
■ Radio-usage industries

 Automotive infrastructure  
Manufacturing (robot),  
Distribution,  
Info-communications  
(excl. radio),  
etc.

 Mobile communication,  
IoT infrastructure  
Wireless content,  
etc.

Note: "Radio-related industries" is defined as industries in which companies use radio in their main business  
"Radio-usage industries" is defined as industries in which companies use radio to enhance or streamline their services (excl. radio-related industries)  
Source: Mitsubishi Research Institute

\*1: As of September 30, 2018  
\*2: "Gbps" is defined as Gigabits per second. 1Gbps is equal to 1,000,000,000 bits per second  
Source: Ministry of Internal Affairs and Communications, Softbank



over the past 10 years

Annual increase

about **50%**

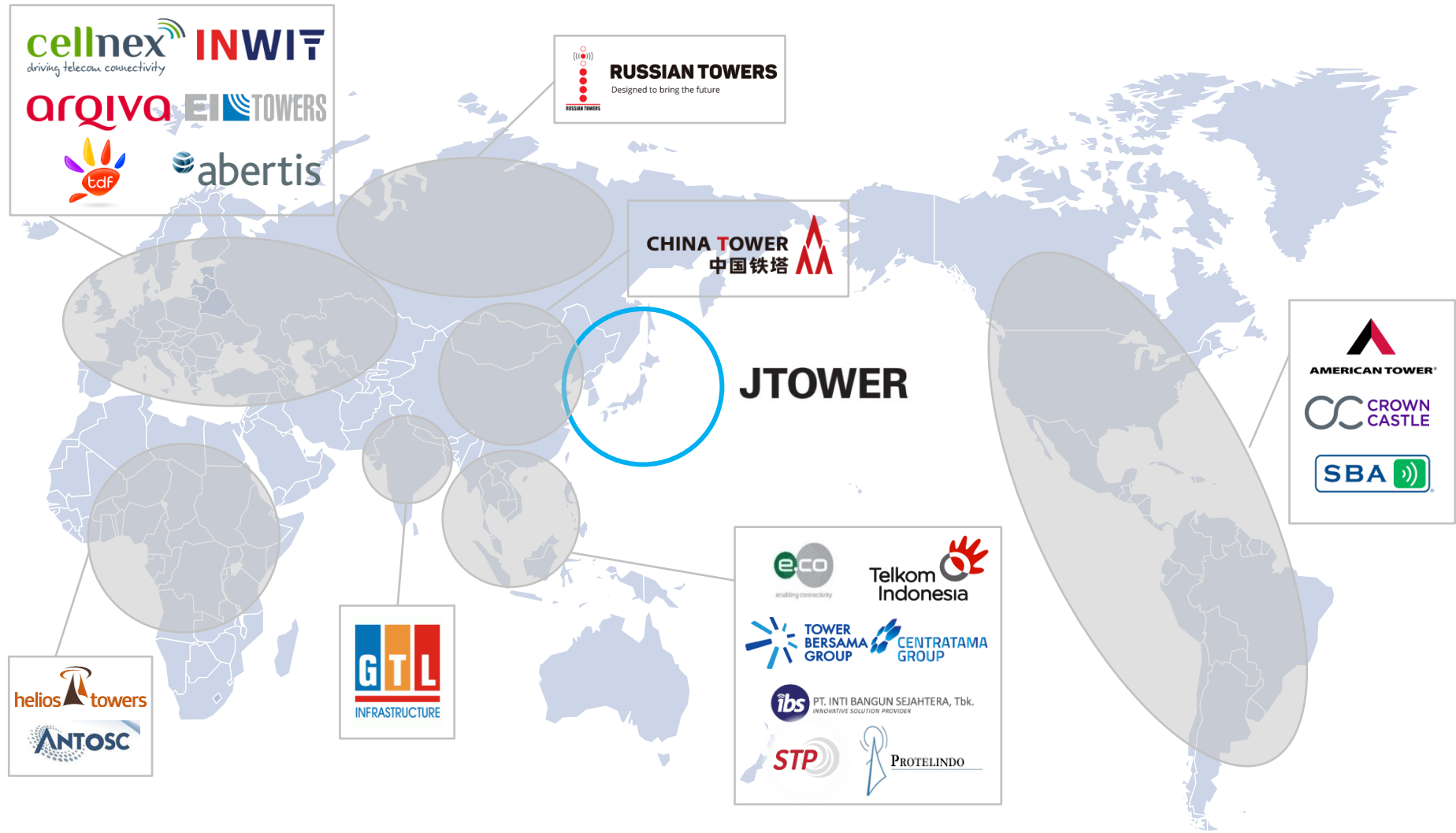
(approx. **37** times)

### Future Potential

- ✓ Accelerate further growth in traffic through 5G
- ✓ Further use of 5G frequency band

Source: Information and Communications Statistics Database of Ministry of Internal Affairs and Communications

\*1: The average of monthly traffic (download)



Notes: Based on the announcement regarding main business operating area by each global tower company

Source: Company Materials



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Infra-Sharing Services from Japan Lead the World

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