

JTOWER

Our Business Plan and Growth Potential

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

6

Medium-to long-term financial targets and business model

7

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.

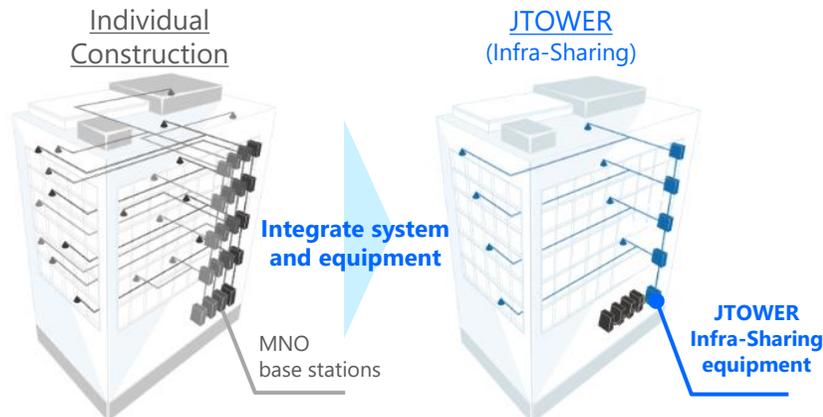
This is the vision of our company.

Company Name	J T O W E R I n c .
Founded	June 2012
Representative Director	Atsushi Tanaka
Head office	8-5-41 Akasaka, Minato-ku, Tokyo, Japan
Employees	170* ¹ (consolidated, as of March 31, 2022)
Capital	JPY7,989 million (as of March 31, 2022)
Business Description	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)

Overseas

- ✓ **Expansion in emerging markets**
- ✓ **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

2012

June
JTOWER
Founded

2014

September
Launched
Domestic IBS

2017

July
Launched
International
IBS in Vietnam

2018

October
Announced
to enter into
Tower Business
in Japan

2019

July
Capital & Business
Alliance with NTT
(Holding Company)

December
Listed on the Tokyo
Stock Exchange
Mothers

2020

October
Began offering
indoor 5G
Infra-Sharing
solutions

2021

May
Capital & Business
Alliance with KDDI
Additional Allocation
to NTT

July
Signed the master
transaction agreement
for tower carve-outs
from NTT West

October
Capital Alliance with
Rakuten Mobile

November
Capital & Business
Alliance with
NTT DOCOMO

2022

March
Signed the master
transaction agreement
for tower carve-outs
from NTT East and
NTT DOCOMO

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

6

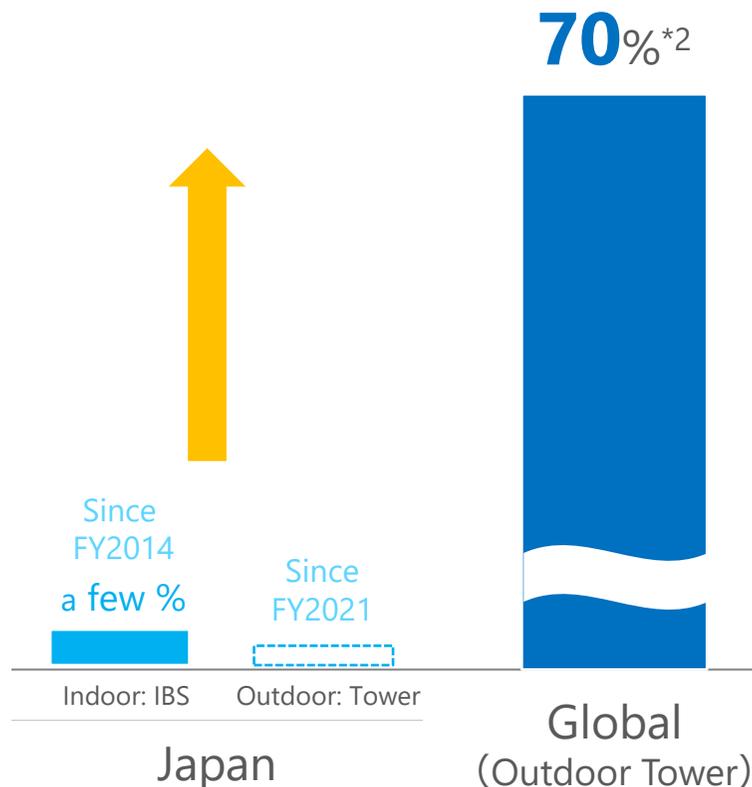
Medium-to long-term financial targets and business model

7

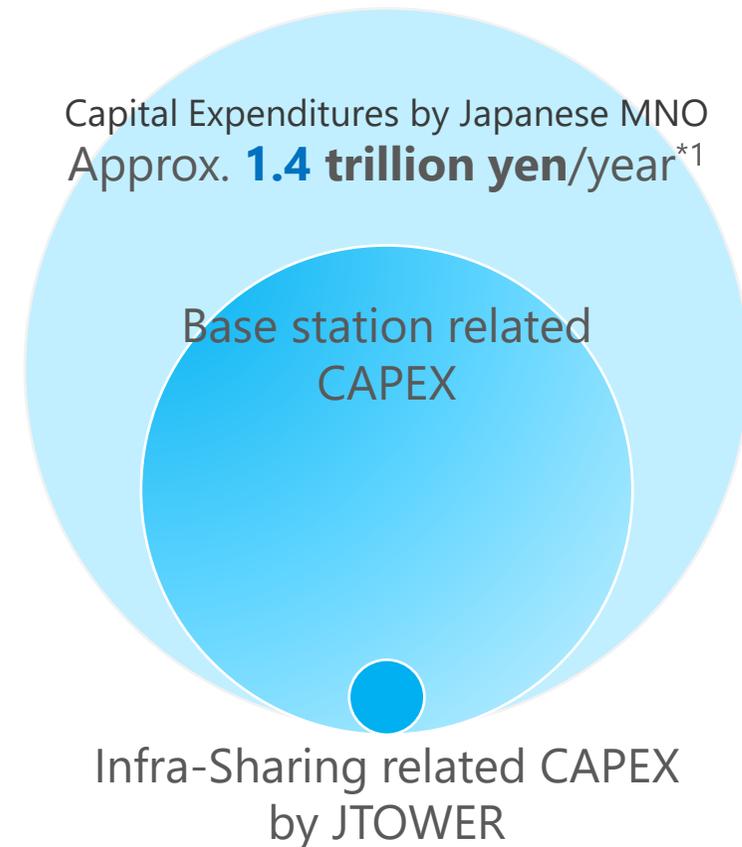
Appendix

- 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



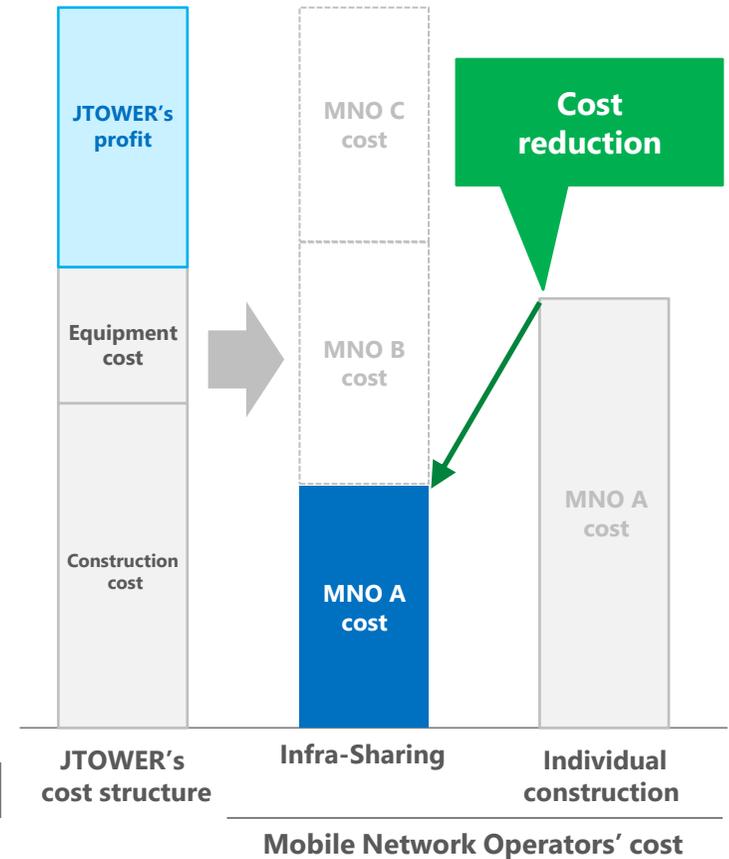
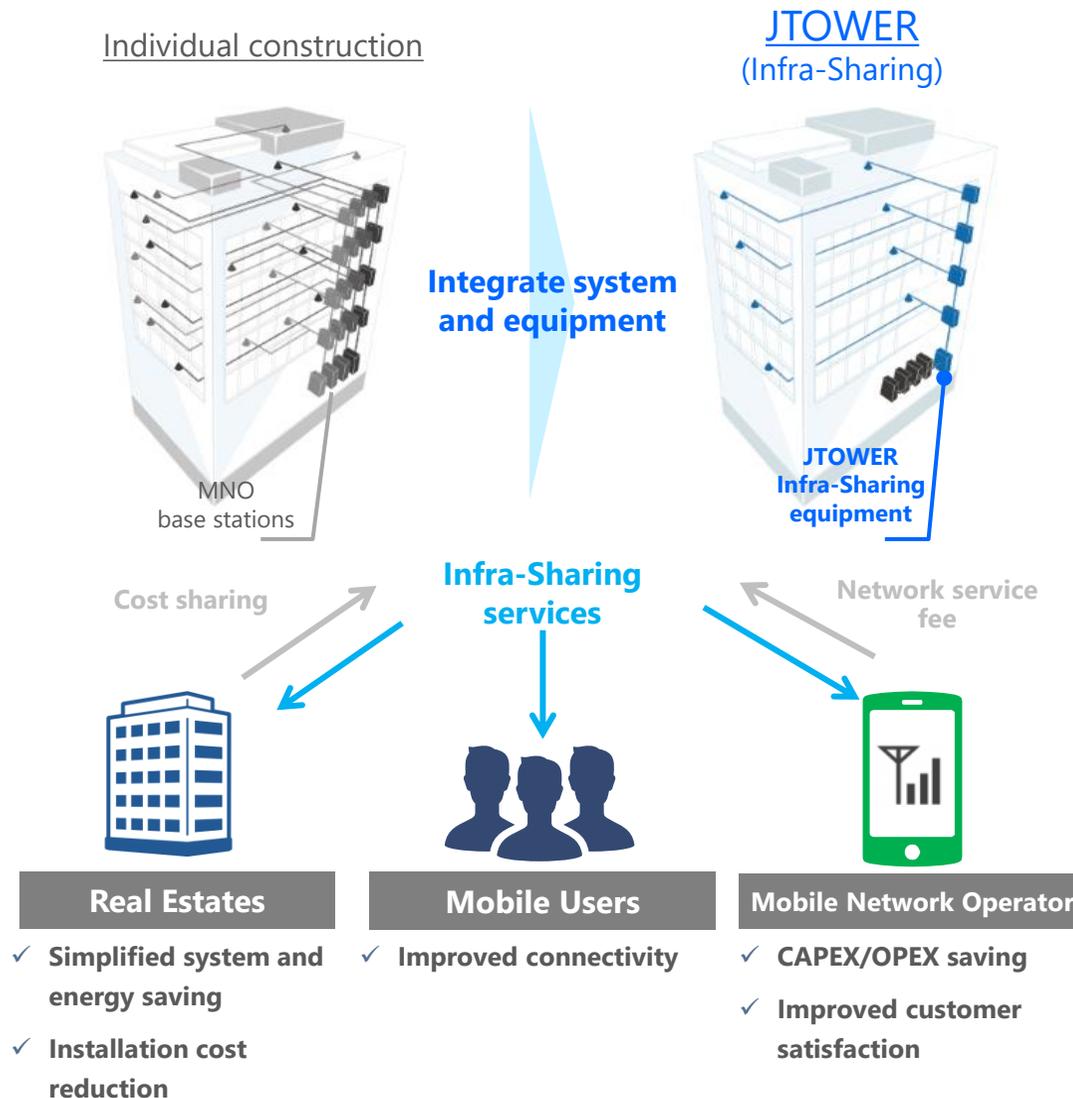
Source:

*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

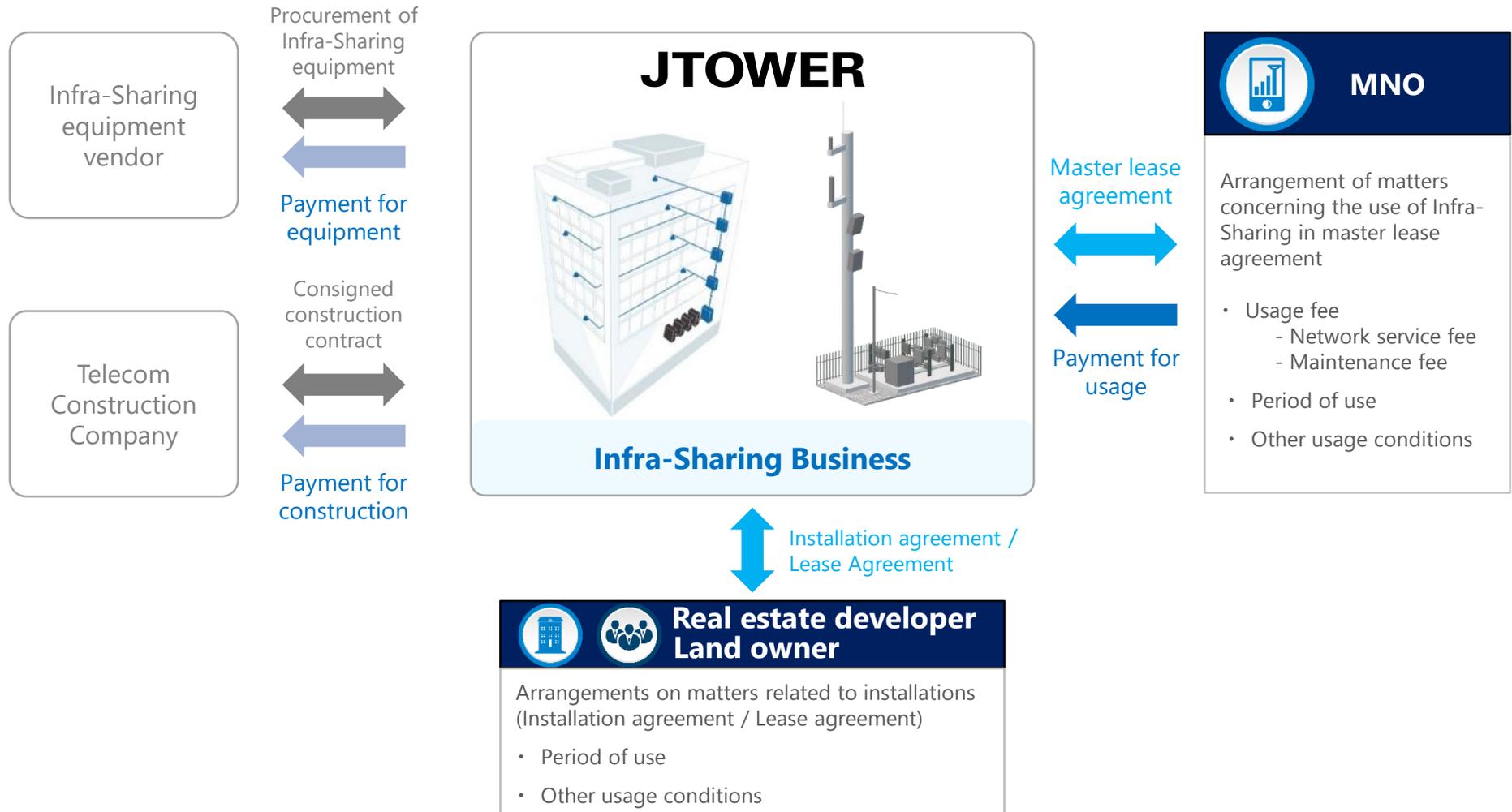


Note1:

For illustrative purposes only

2 Overview of Infra-Sharing contract structure

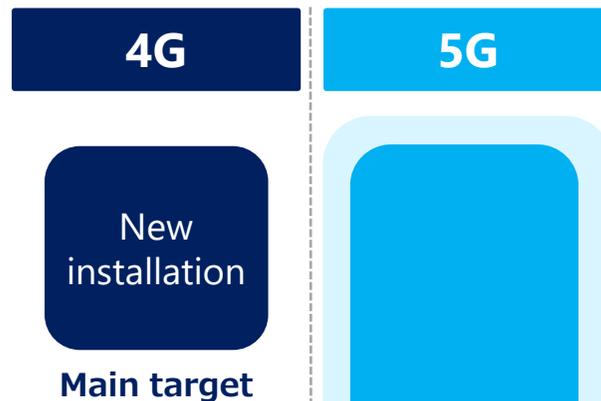
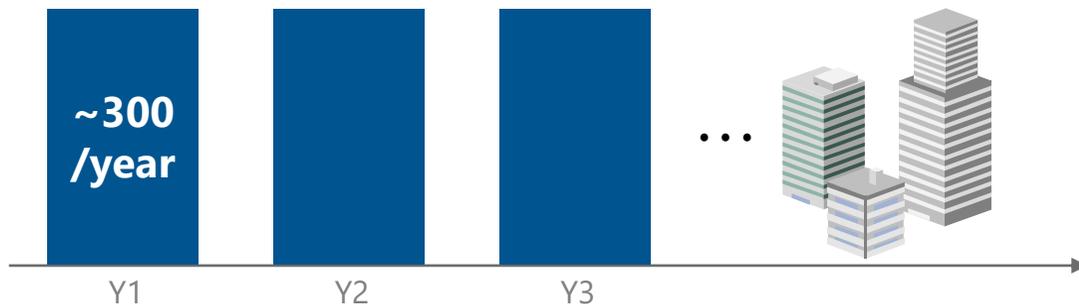
- **Contracts for Infra-Sharing services, such as master lease agreement with MNO, installation agreement with real estate developers, and lease agreement with landowners.**



2 Domestic IBS - Persistent Demand and Upside Potential

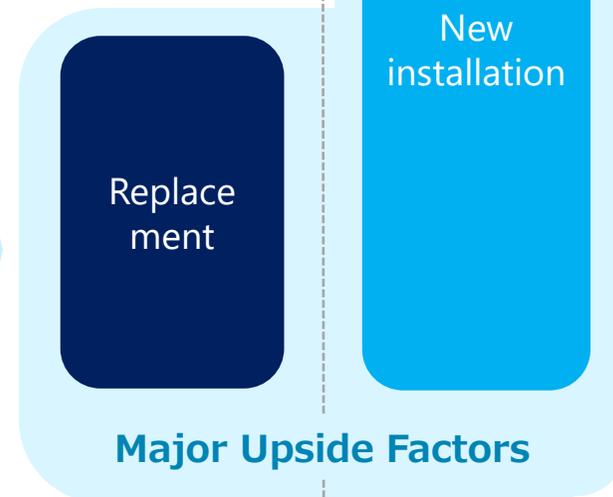
JTOWER

① New buildings*1



② Existing buildings

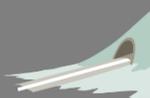
(Offices*2, commercial*3, hotels*4, hospitals*5, high-rise residence*6, etc.)



③ New category (Railway tunnels etc.)*7



~5,000

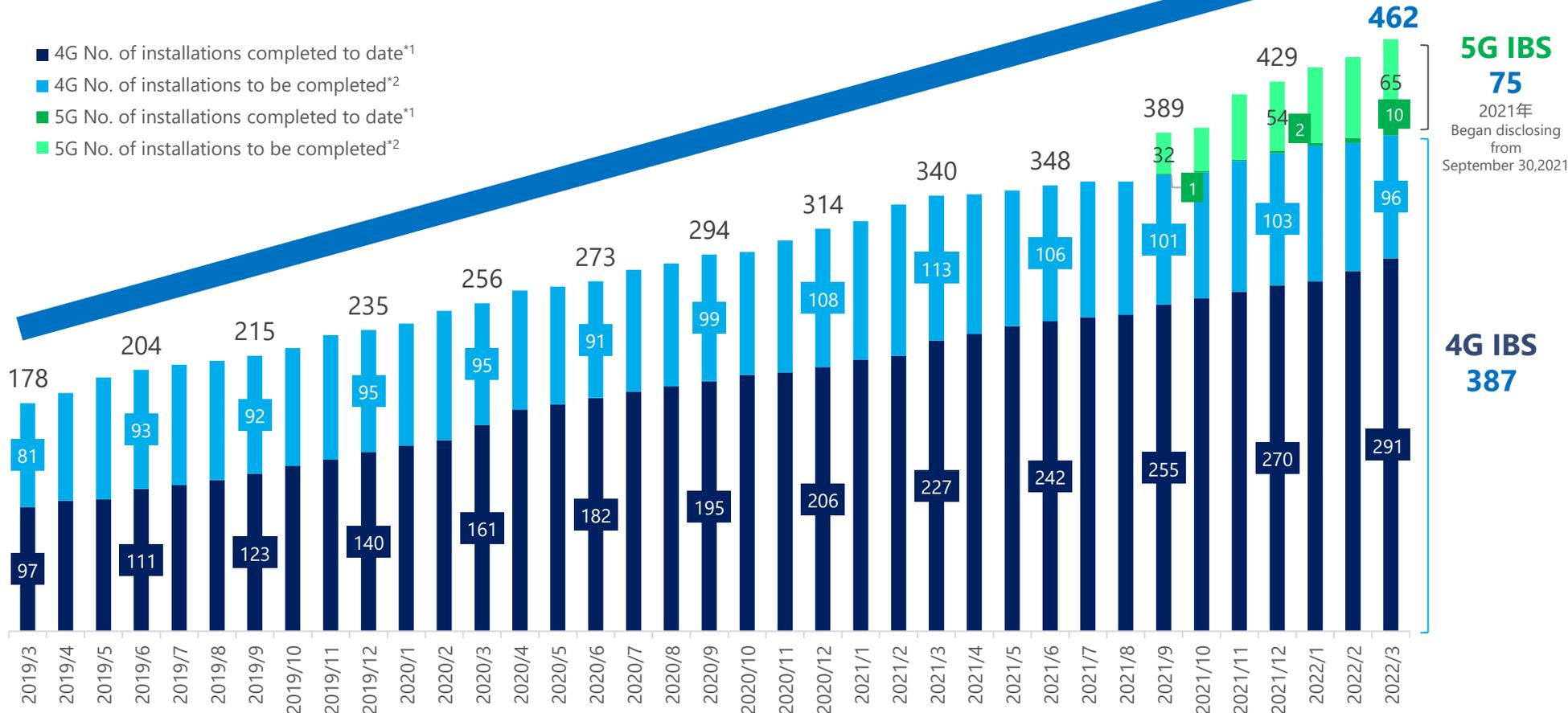


* 1 : Company estimate based on large-scale projects with floor area of >10,000m². *2 Large-scale projects with >330m² per floor (as of Sept. end 2018, office building criterion based on Sanko Estate). *3: Large-scale projects with >1,500m² retail floor space and >10 tenants, developed by a developer. *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)



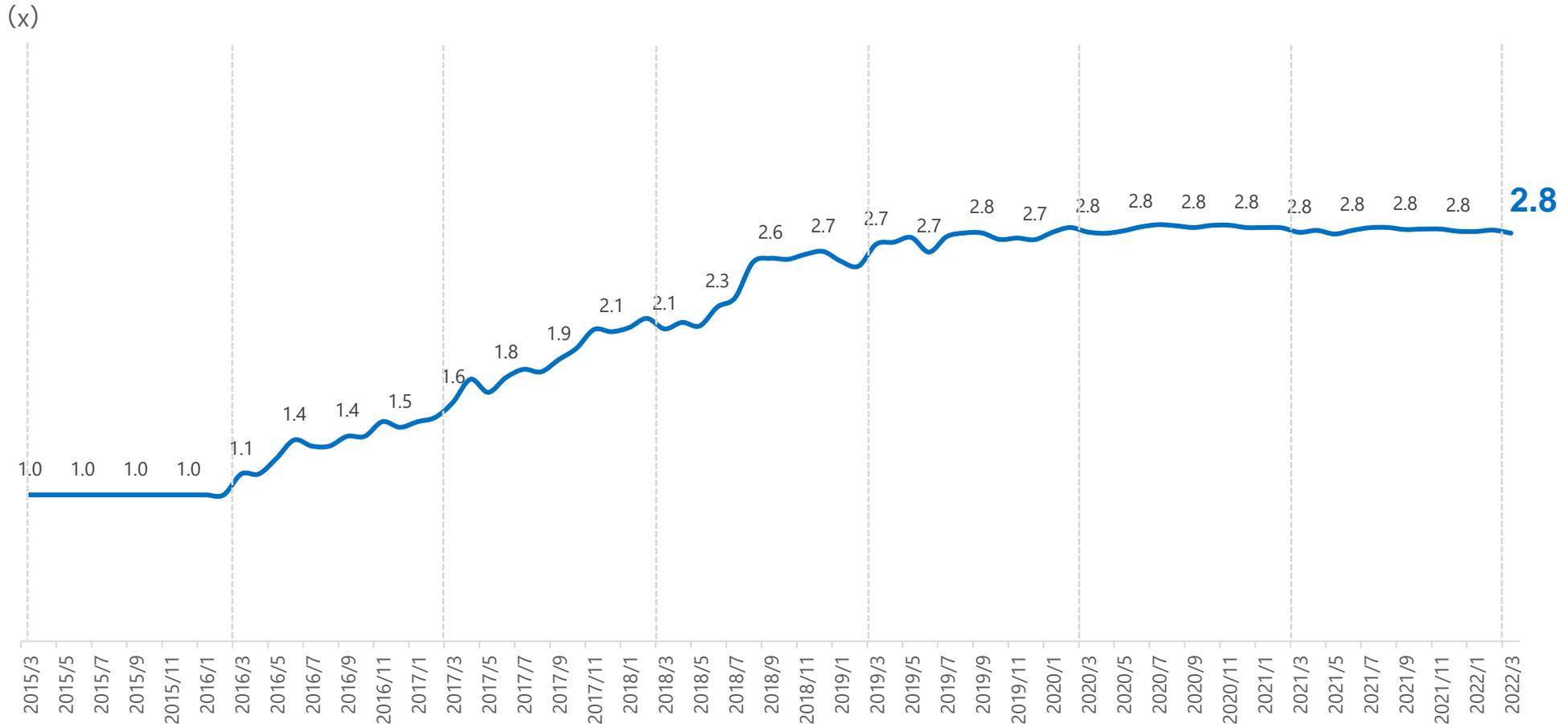
*1: Projects where radio waves have been emitted and revenues are recognized.

*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*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**.

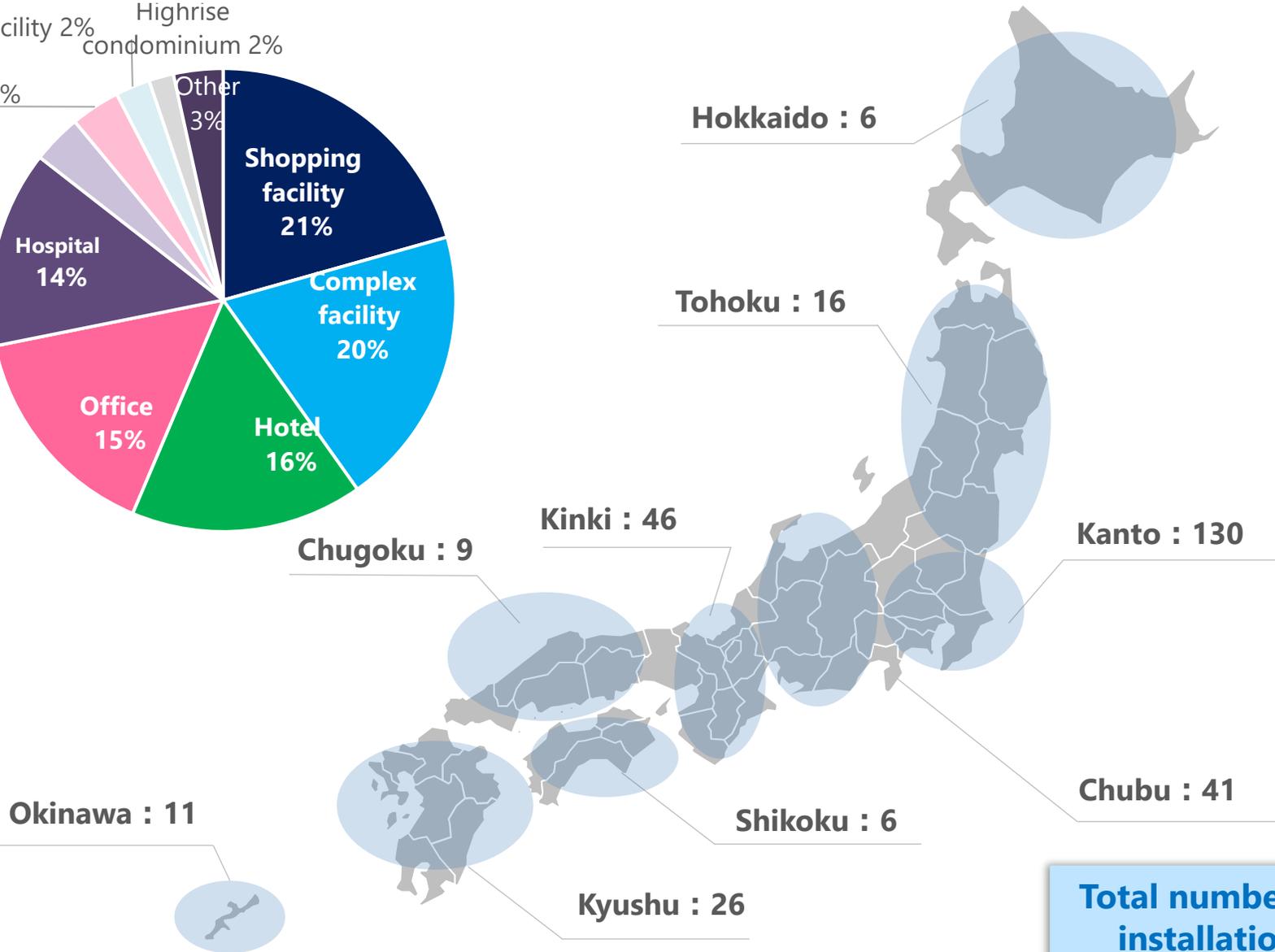
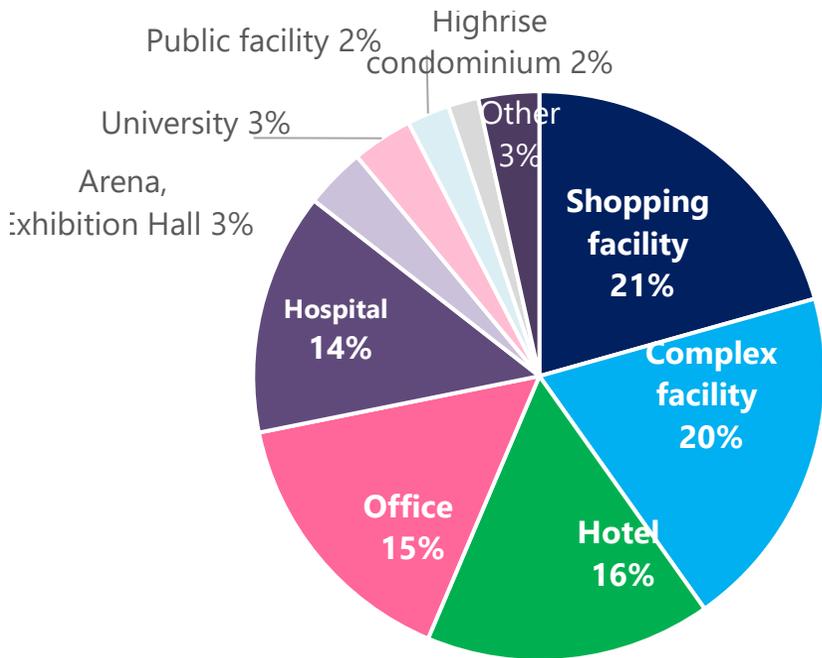


*1: Average number of participating mobile carriers per property (at properties where IBS has been installed to date).

Domestic IBS (4G)

2 -The number of installations around the country and type of buildings ^{*1, 2}

JTOWER



Total number of installation
291^{*1}

*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.

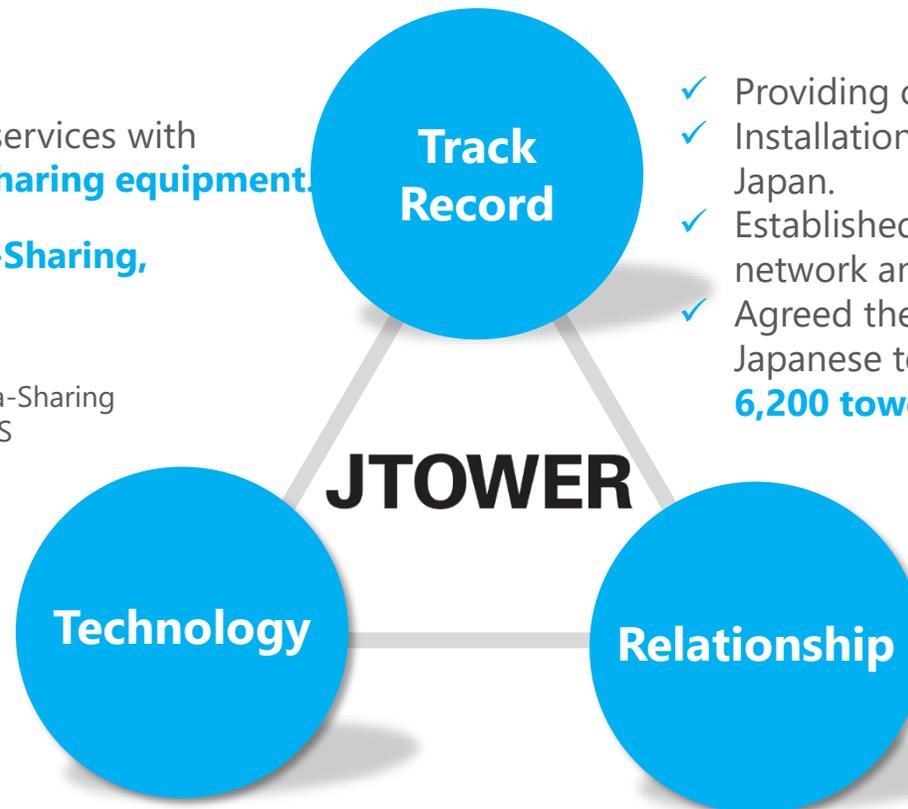
- ✓ Provide active Infra-Sharing services with **our own developed Infra-Sharing equipment**.
- ✓ Lead in **the high-level Infra-Sharing, such as 5G.**

- **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.

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

6

Medium-to long-term financial targets and business model

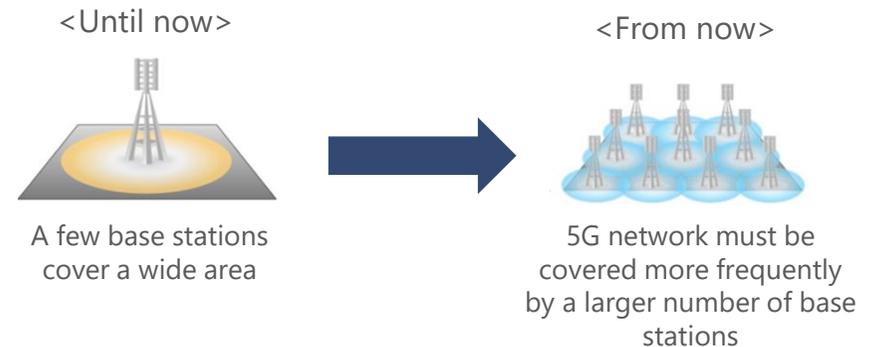
7

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

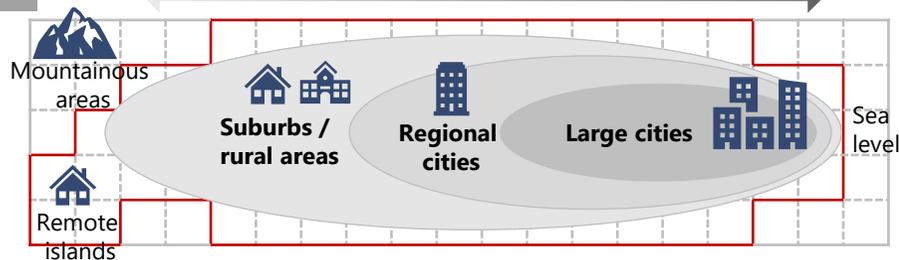
Based on area coverage→ **Development focus will be on business feasibility and not area type (residential, urban, regional, etc.)**

5G

Based on population coverage

→ Coverage of residential areas & large cities is prioritized

~4G

※Divide country into grids of 10km² 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

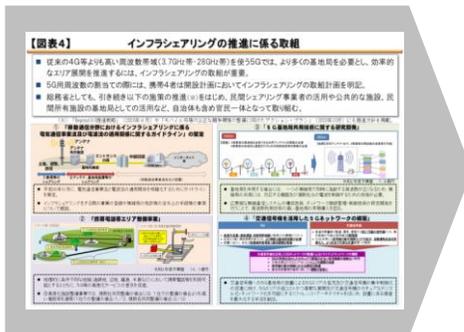
携帯電話等の移動通信サービスの提供においては、広範な地域に相当多数の基地局を設置することが必要となる。

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

<Master Plan on the development of 5G base stations>



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)

6,002

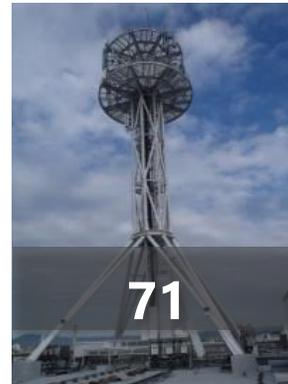
- Established a subsidiary (SPC) for the transfer of towers.
- Prepared the management system and will start the transfer from Q3.

Transfer completion target in FY2022

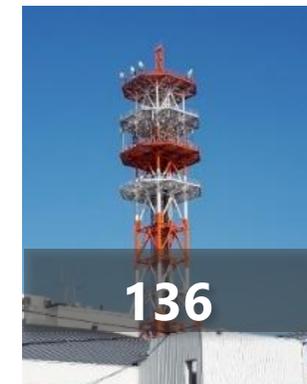
2,000

NTT WEST

NTT EAST



71



136

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

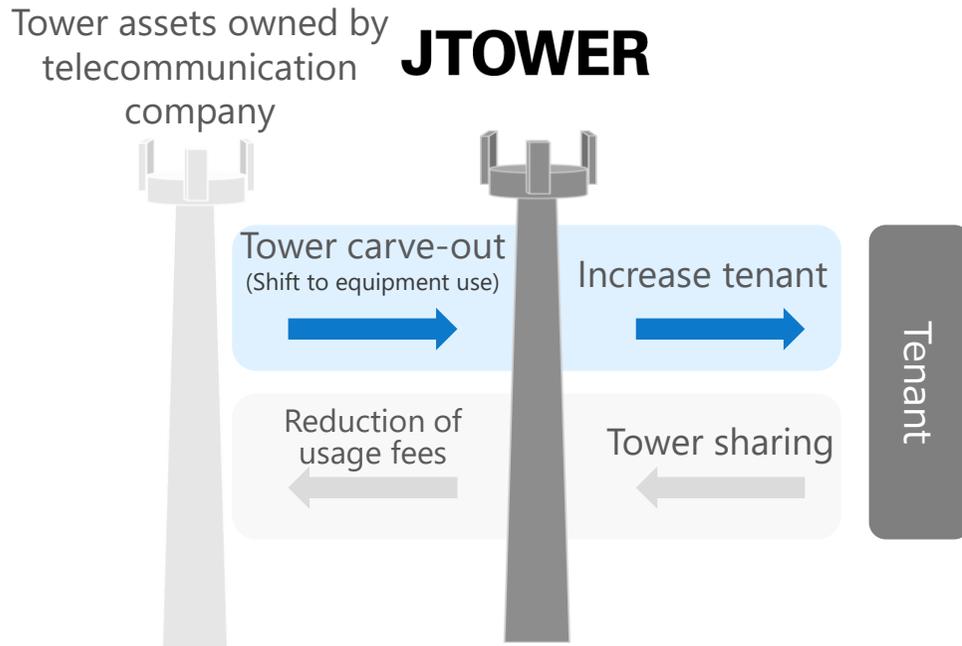
Transfer completion target in FY2022

180

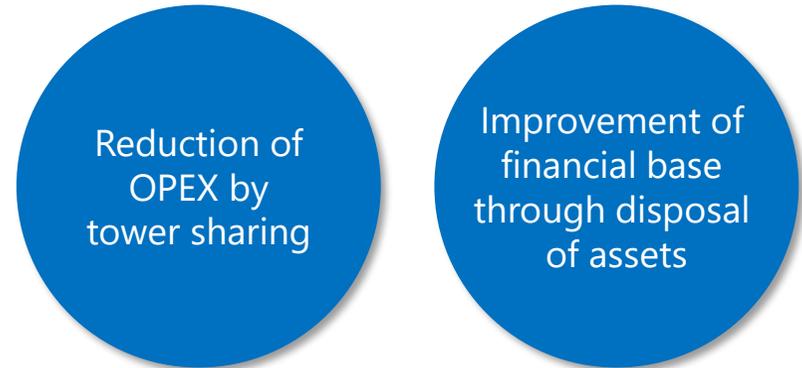
* The number shown on each tower image is the total number agreed upon in the master transaction agreement.

Image of existing tower carve-outs

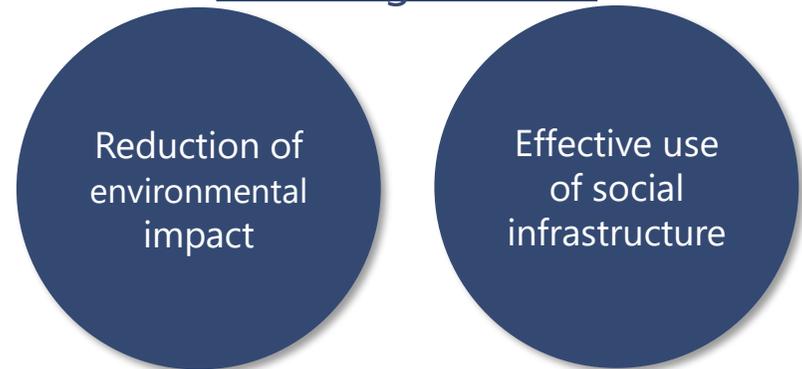
Significance of existing tower carve-outs



Economic benefits
(telecommunication company)

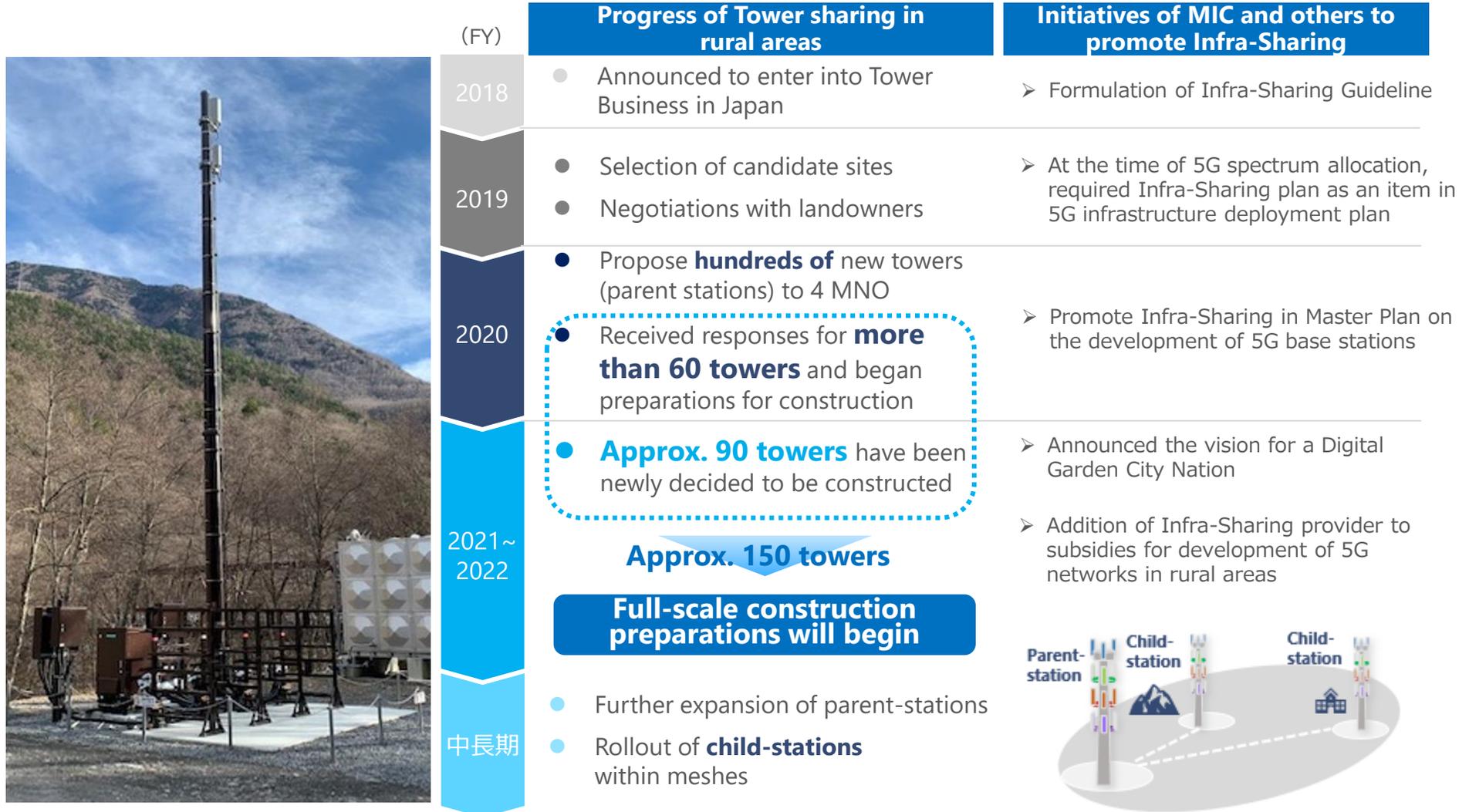


Social significance



3 Tower – Promotion of rural tower sharing

- 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

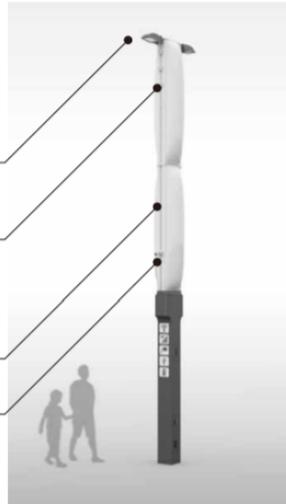
Pole type

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.

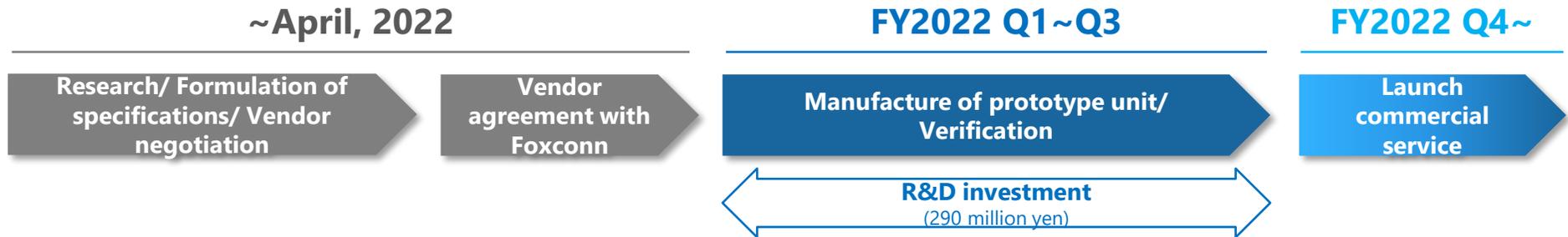
- Concluded an agreement with the Tokyo Metropolitan Government **on the expansion of installation of smart poles in Nishi-Shinjuku area.**
- 3 companies (JTOWER, TEPCO Power Grid, NTT EAST) will collaborate to build **20 new types of smart poles.**
- Concluded an agreement with **Aichi Prefecture** 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

- 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>



Realization of RU sharing in the high layer

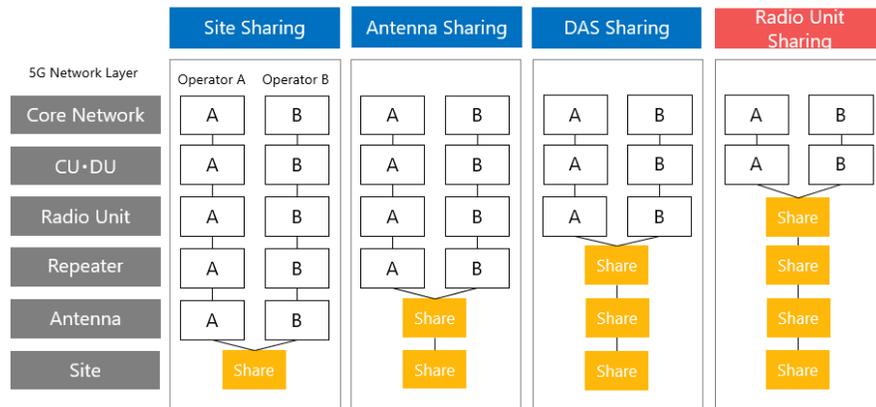
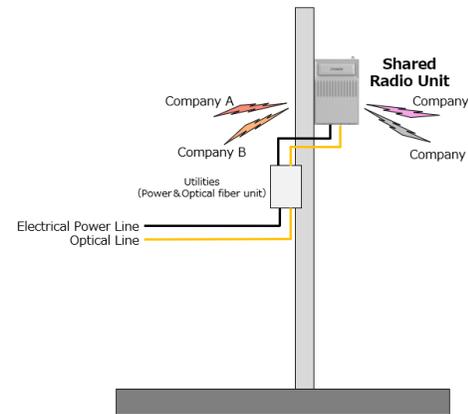


Image of installation and device

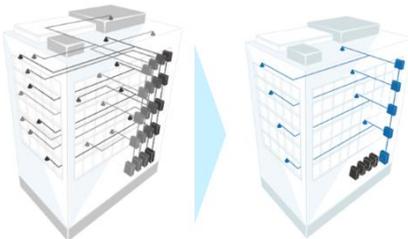


* This image will be the current appearance and may be changed

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>

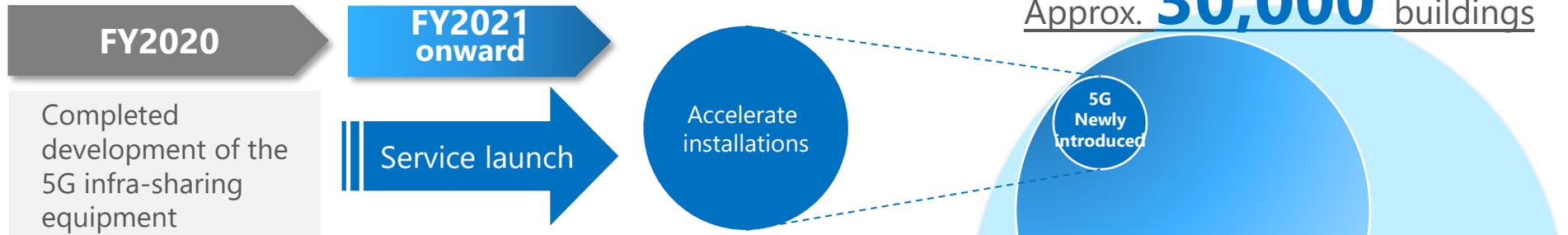
	4G IBS (New installation)	4G IBS (Replacement)	5G IBS
Installation Image			 
Main target	New building	Existing building	New building Existing building
Coverage area (The number of tenant required for installation decision)	Basically whole building (more than 2 tenants)	Basically whole building (more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

3 Domestic IBS – New Initiatives

- 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>

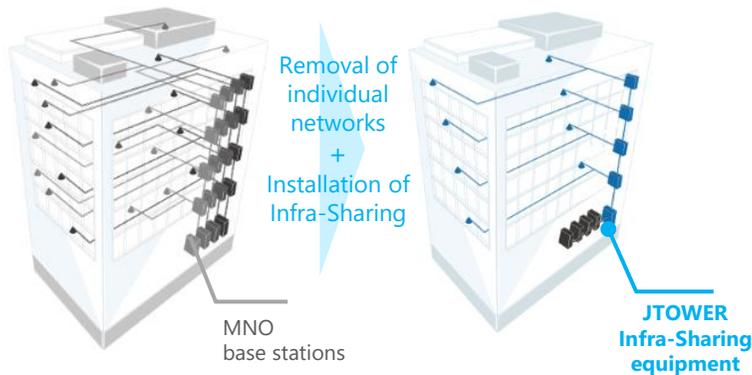
Introductions in new/existing buildings



<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

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

6

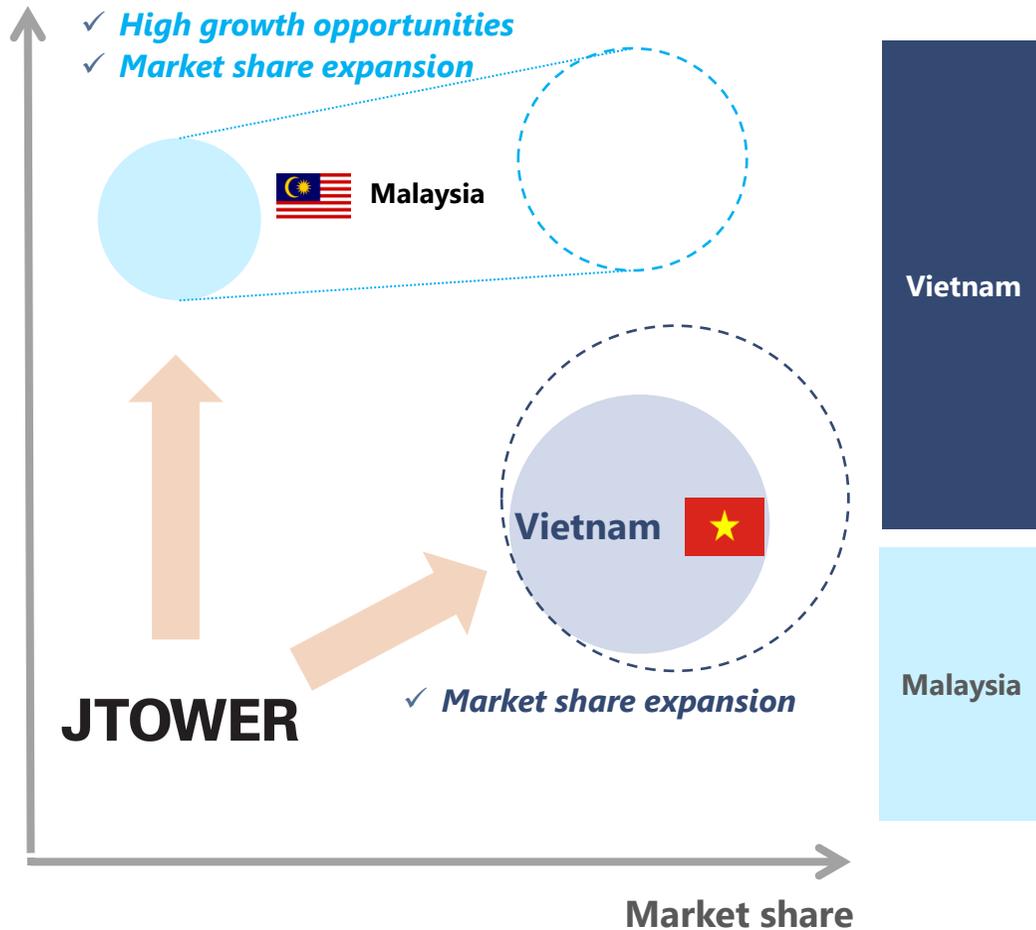
Medium-to long-term financial targets and business model

7

Appendix

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

Market growth



- Entry : July 2017
- Local entity name : SOUTHERN STAR TELECOMMUNICATION EQUIPMENT JSC (SPN)
- Market leader in Vietnam
- **230 installations^{*1}**
- Wholly-owned subsidiary

- Entry : January 2019
- Local entity name : JTOWER MALAYSIA SDN. BHD. (Non-consolidated subsidiary)
- Preparing the business foundation

*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.



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 m²)

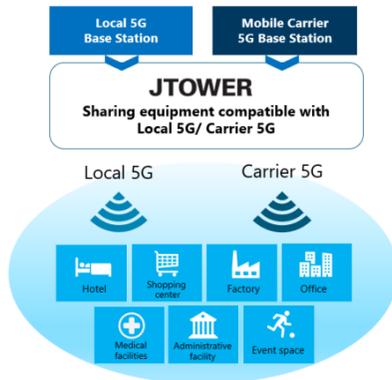
Transfer of ownership expected to be completed
FY2022 Q1 (plan)

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



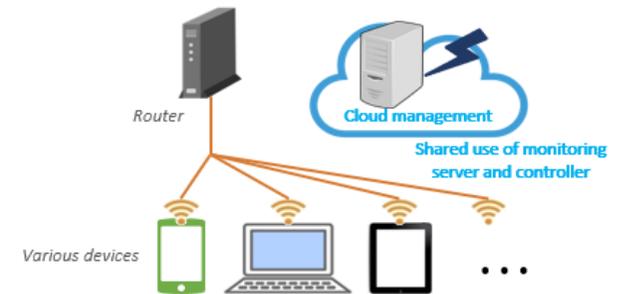
Completed development of Local 5G sharing equipment in FY2021/
Promoting initiatives to launch commercial services

Site Locator



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

Cloud-managed Wi-Fi Solution

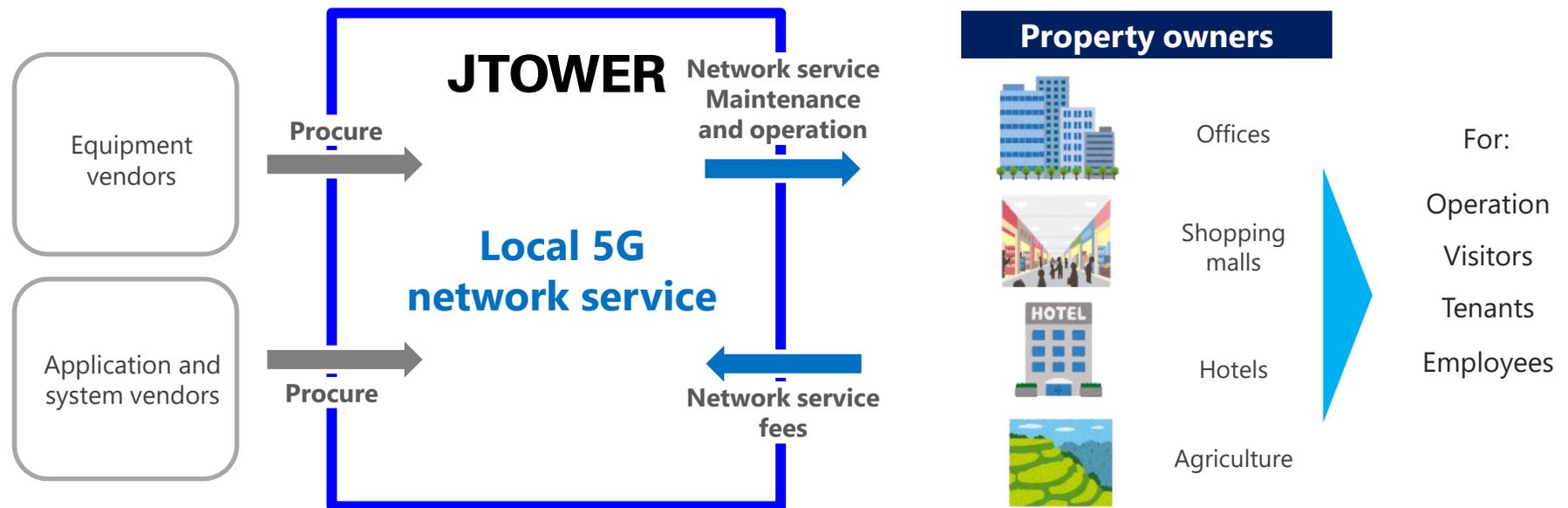


Provide Cloud-managed Wi-Fi Solution as an up sell for Infra-Sharing

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

The Image of JTOWER's Local 5G Services

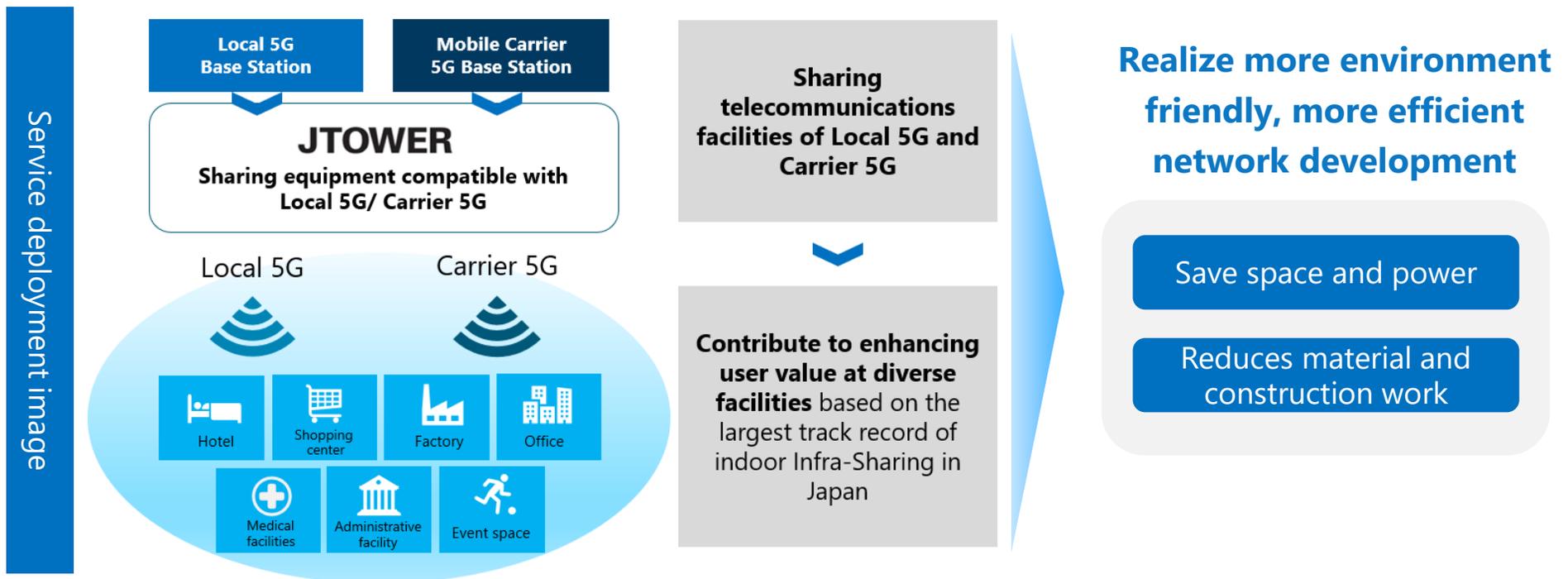
Expect to provide B2B2C and B2B2B services to property owners



4 Solution – Completed the development of Local 5G sharing equipment

JTOWER

- 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.**

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

6

Medium-to long-term financial targets and business model

7

Appendix

5 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 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

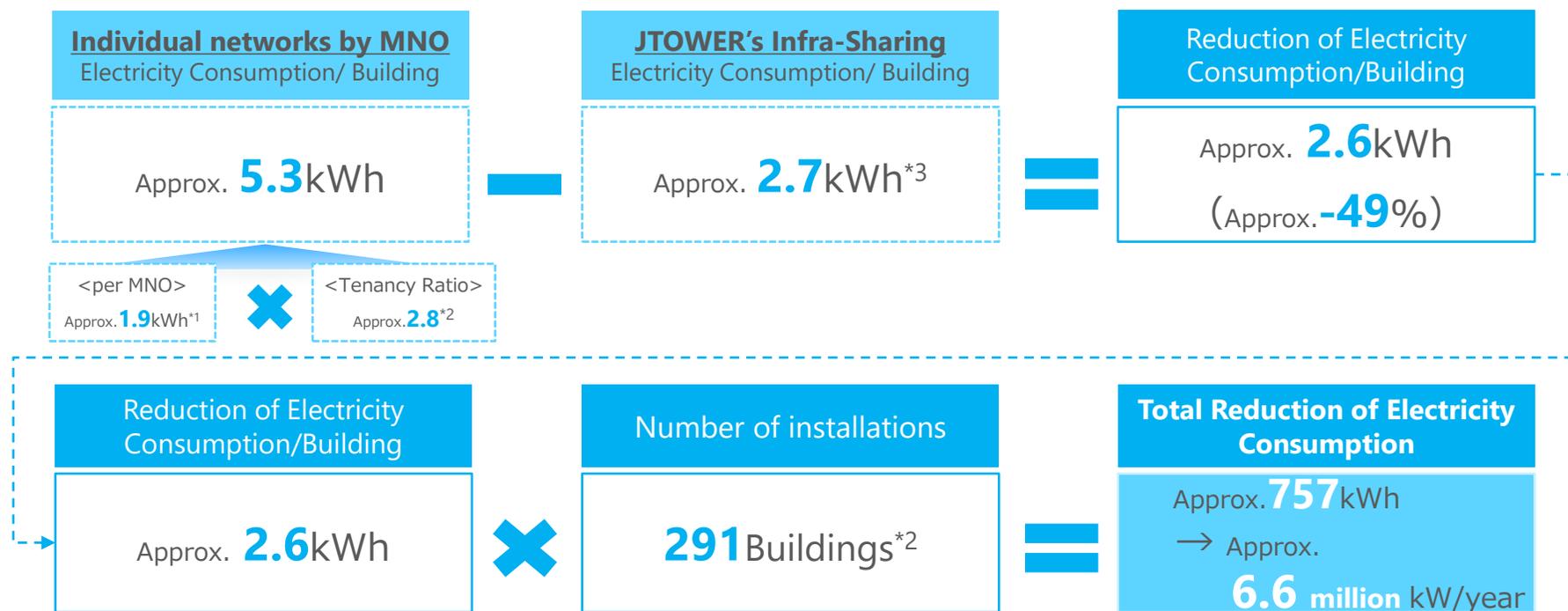
5 The Realization of a Sustainable Society -Environment JTOWER

- 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 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.

- 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

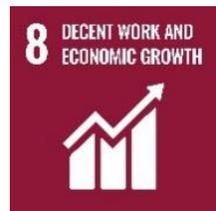
The award system for the employee who embodies Code of Conduct.

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



- Reduction of electricity consumption by indoor Infra-Sharing
- Manpower-saving and reduce accident risks by reducing redundant constructions
- Reducing the environmental impact of manufacturing, transportation, and disposal by reducing the use of equipment and materials
- Minimizing the impact on the natural environment and landscape by Tower Sharing

- The Improvement of the usability of mobile phones by improving the indoor and outdoor communication environment
- Promotion of Smart City
- Regional revitalization
Elimination of the digital divide



With our employees



Together with our customers and business partners

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

6

Medium-to long-term financial targets and business model

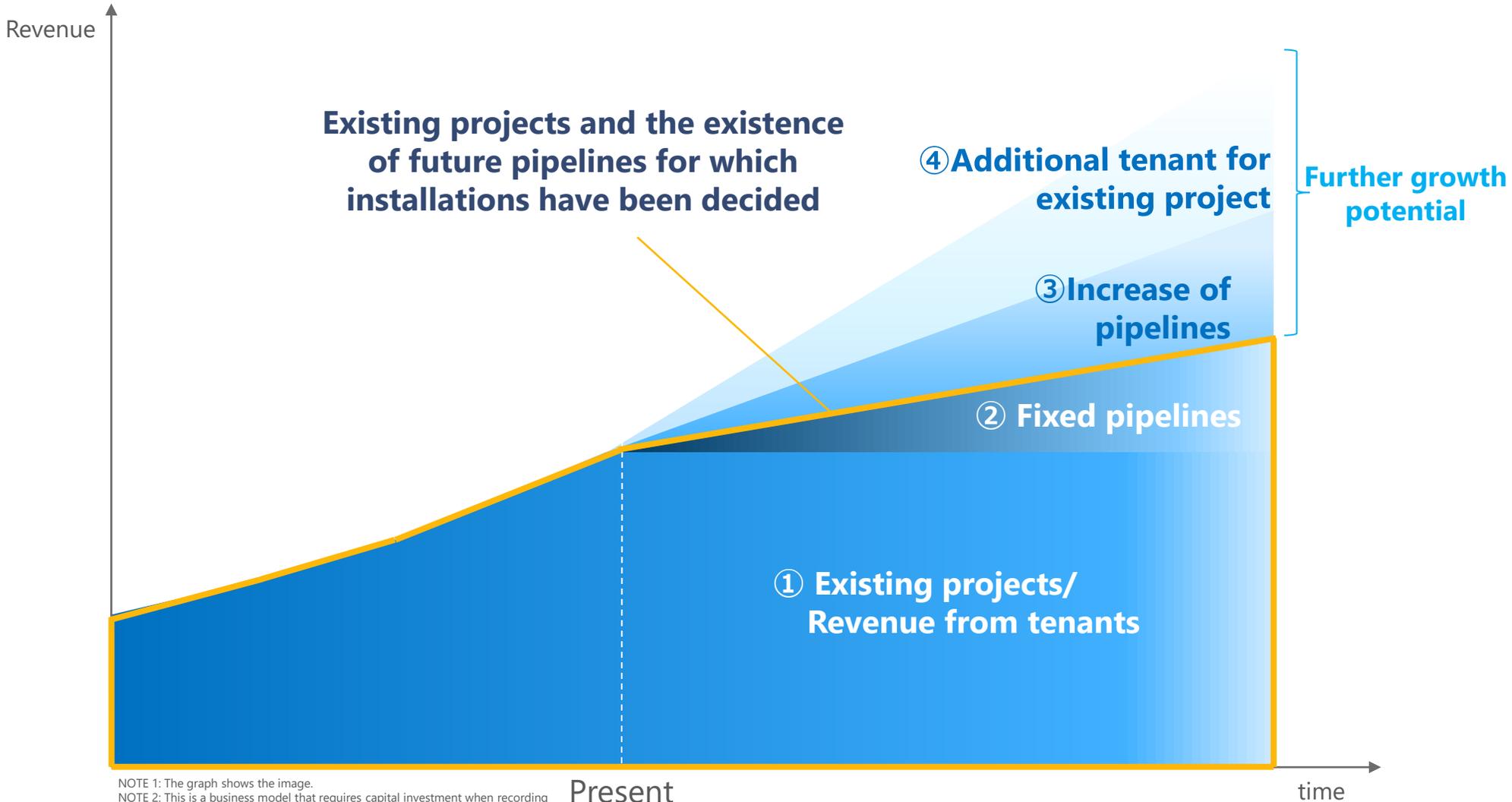
7

Appendix

6 Characteristics of Infra-Sharing revenue growth JTOWER

High revenue growth due to stability based on long-term contracts and the existence of future pipelines

(Growth image)



NOTE 1: The graph shows the image.

NOTE 2: This is a business model that requires capital investment when recording Infra-Sharing revenue (at the time of service launch). Such capital expenditures are distributed and expensed over the depreciation period.

6 Medium-to long-term financial targets and KPI*¹ (FY2026) JTOWER

■ FY2026 (FY03/2027) financial targets

Revenue
30 billion yen

Revenue CAGR
(FY2022-2026)
+51 %

EBITDA margin
60 %
EBITDA
18 billion yen

■ FY2026 (FY03/2027) KPI

Domestic IBS

The total number of 4G installations

1,000

New building : **600**
Replacement : **400**

Tenancy ratio of 4G
(excluding replacement)

3.0 x

The total number of 5G installations

450

Tenancy ratio of 5G

2.0 x

Tower

The total number of towers

10,000

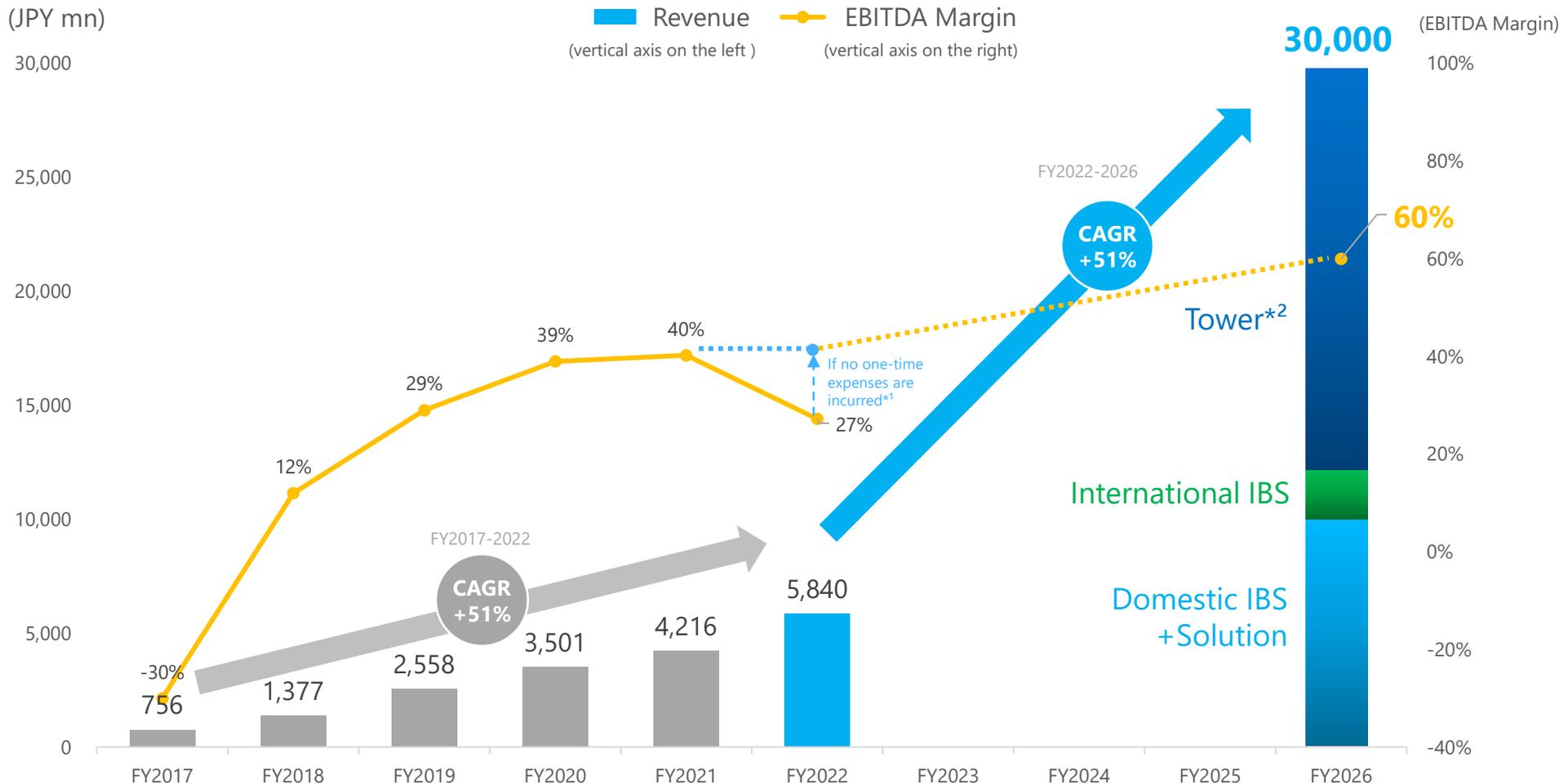
Tenancy ratio

1.8 x

*1: As of March 31, 2022 ; <Domestic IBS> The total number of installations 462/ 4G : 387 (Installation completed 291, Pipelines 96) 、5G : 75 (Installation completed 10, Pipelines 65)
<Tower> The total number of towers 6,381 / This is the total of (construction completed + preparation for construction + planned to transfer) of rural towers, smart poles and carve-outs.

6 Medium-to long-term financial targets

- Aiming to achieve the financial target with the revenue growth rate equal to the current growth, centered on business expansion in Domestic IBS and Tower.



*1: One-time expenses related to carve-outs, such as financing structuring cost and others.

*2: In the tower carve-out, the number of towers transferred from FY2023 onward is not disclosed because discussions are underway.

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

6

Medium-to long-term financial targets and business model

7

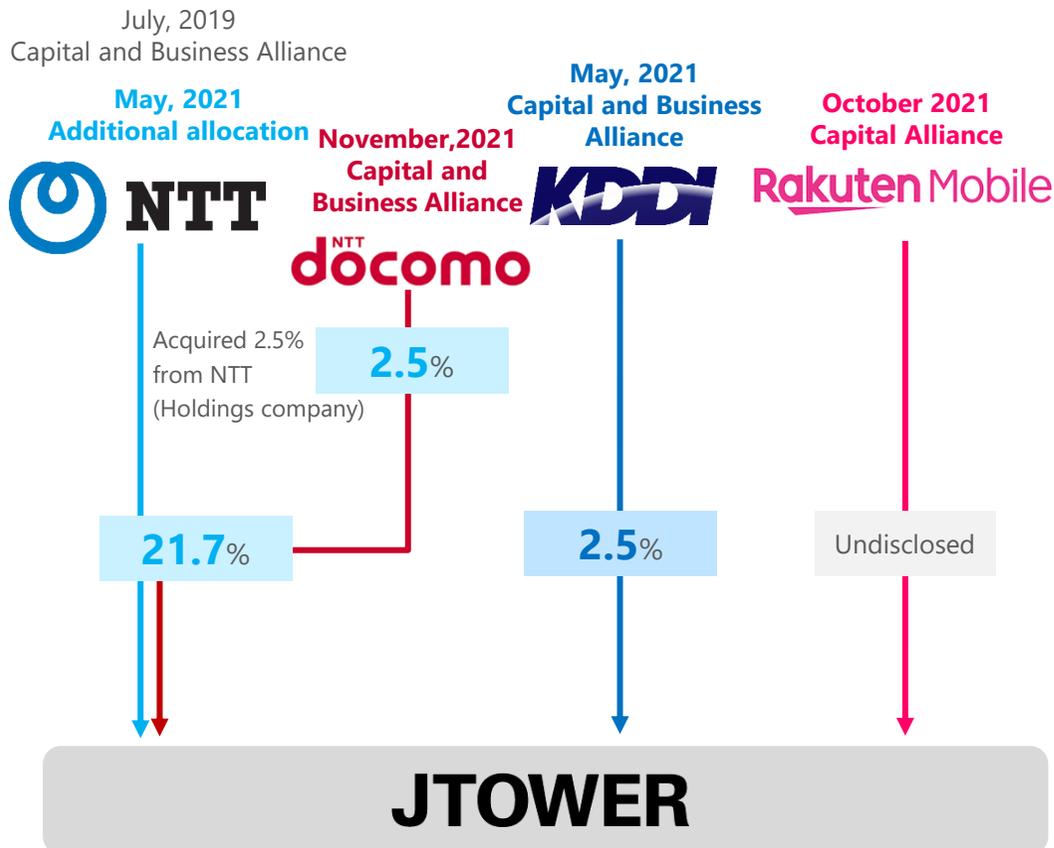
Appendix

7 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 Director

Atsushi Tanaka



Senior Managing Director

Yusuke Kiriya



Managing Director CFO

Ryosuke Nakamura



Outside Director

Naoki Ota



Outside Director

Yoshitaka Hiramoto



Outside Director

Yoshiaki Uchida



Outside Director

Mutsuko Oba

Years 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)

47

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

Years of
Telecom
Industry
Experience

54

Previous
Experience

KDDI

(Managing executive officer /
Full time auditor / Advisor)



Advisor
Eiji
Hagiwara

48

NTT DOCOMO

(Director)

**Panasonic Mobile
Communications**

(Senior Managing Director)

**SAMJI
ELECTRONICS**

(Advisor : current position)

		Developer	Business model	Organization /Company
Type1	Network by each MNO	<ul style="list-style-type: none"> MNO or a division of MNO 	<ul style="list-style-type: none"> Internal use 	MNO
Type2	Network by public interest incorporated association	<ul style="list-style-type: none"> Public interest incorporated association with the MIC and MLIT as the competent government agency 	<ul style="list-style-type: none"> Targeting facility sharing in highly public areas such as subways and tunnels 	JMCIA
Type3	Network sharing among MNO (based on Guidelines on the use of poles, pipelines by public utilities)	<ul style="list-style-type: none"> MNO or a division of MNO 	<ul style="list-style-type: none"> Network sharing among some MNO 	MNO
Type4	Infra-Sharing by independent Infra-Sharing service provider	<ul style="list-style-type: none"> Independent Infra-Sharing service provider 	<ul style="list-style-type: none"> Multiple MNO are the target of tenants Highly efficient in use 	JTOWER

- In order to rationally and efficiently promote network development in Japanese telecommunications industry as a whole, demand for Infra-Sharing has been increasing.
- Currently, competition for Infra-Sharing services by independent operators is limited.

	Item	Major Risk	Possibility/ Timing	Impact	Countermeasures against risks
Business Environment	Trend of competitor	Possibility of loss of competitive edge, if competitors with sales capabilities, price competitiveness, quality and brand value that exceed our group enter the market.	Medium/ Medium-to long-term	High	In addition to improve technology and services, strengthen our position as a Infra-Sharing provider by strengthening relationships with MNO and real estate developers.
	Technological Innovation	The potential loss of demand from the market if new technological innovations or market trends occur and our group's current businesses do not fit the demand and we are unable to deploy technologies and services that are in line with circumstances.	Low/ Medium-to Long-Term	High	In addition to strengthen the in-house technology team, expand information sharing through capital and business alliances with MNO, including information for technical requirements and base station development plan.
	New Businesses	Possibility that results will not be achieved as originally planned, due to changes in the business environment and other factors in the development of new businesses.	Medium/ Medium-to long-term	Medium	Realize new business plans by strengthening proposal and relationships with MNO, real estate developers, and local governments.
	Dependence on certain suppliers	Significant changes in the business activities or bankruptcies of large suppliers may affect the provision of our group's services.	Low/ Medium-to Long-Term	Medium	Promote multi-vendor and decentralized procurement.
	Overseas Business	Possibility that country risks, such as the inability to conduct business may materialize due to the impact of political, economic and social conditions in countries with overseas operations.	Medium/ Unknown	Medium	Promote M&A of existing Infra-Sharing companies and equity participation with business partners in markets with a high growth potential.
	COVID-19	The launch of services may be delayed in the event of disruptions in sales activities and construction works due to the spread of infections such as COVID-19.	Low/ Unknown	Medium	Establish flexible response flow, such as online meetings and remote work.
Business Structure	Recruit and develop excellent human resources	If we are unable to recruit and develop enough human resources, or if the loss of human resources progresses, our business development and operating results may be affected.	Low/ Medium-to Long-Term	High	Strengthen proactive recruitment activities and initiatives to improve employee satisfaction.
	Reliance on an individual person	If our representative director, founder and major shareholder Atsushi Tanaka becomes difficult to continue the operations in our group, our business performance may be affected.	Low/ Unknown	Medium	Information sharing among Board of Directors and strengthen management organization.

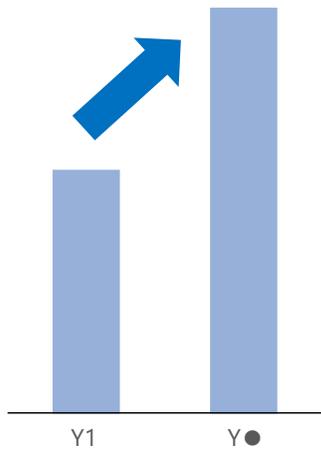
※ Within the contents of Business and Other Risks section of the Annual Securities Report, major risks that affect the realization of growth and the execution of business plans are extracted. For other risks, please refer to Business and Other Risks in the Annual Securities Report.

Important Indicators to Improve Enterprise Value

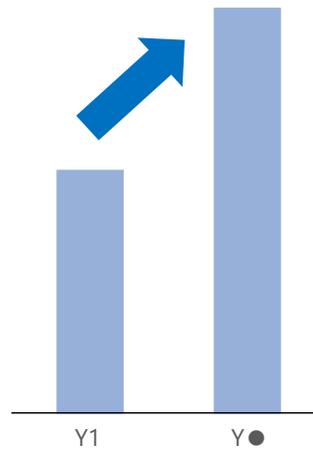
7 and Upside Potentials

JTOWER

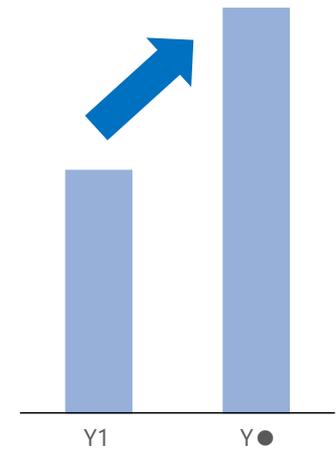
Number of Installations



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

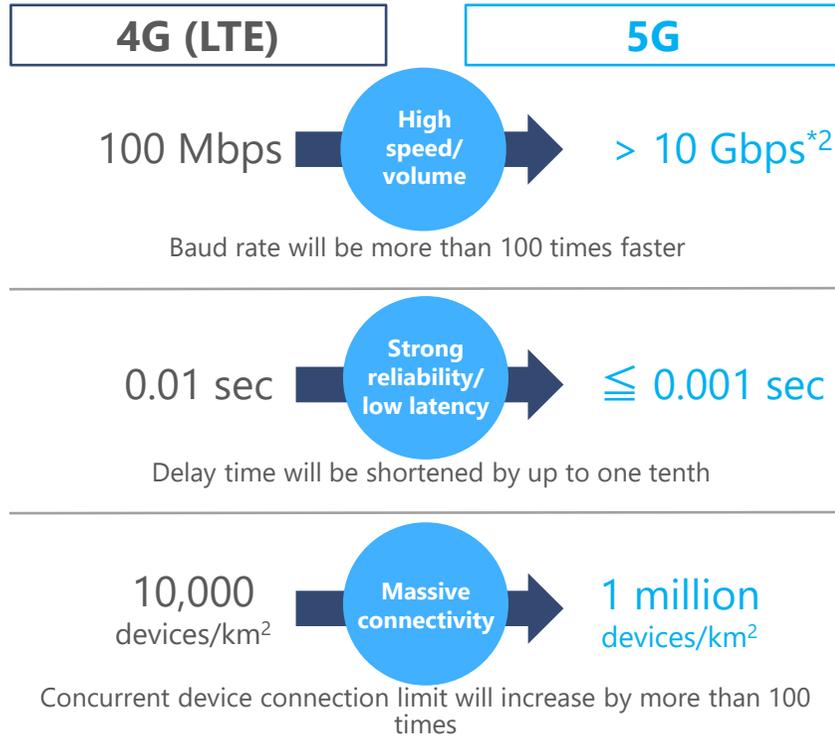
- ✓ Rollout of child-stations in rural areas
- ✓ Promotion of carve-outs

- ✓ Attraction of new tenant for carve-out towers

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

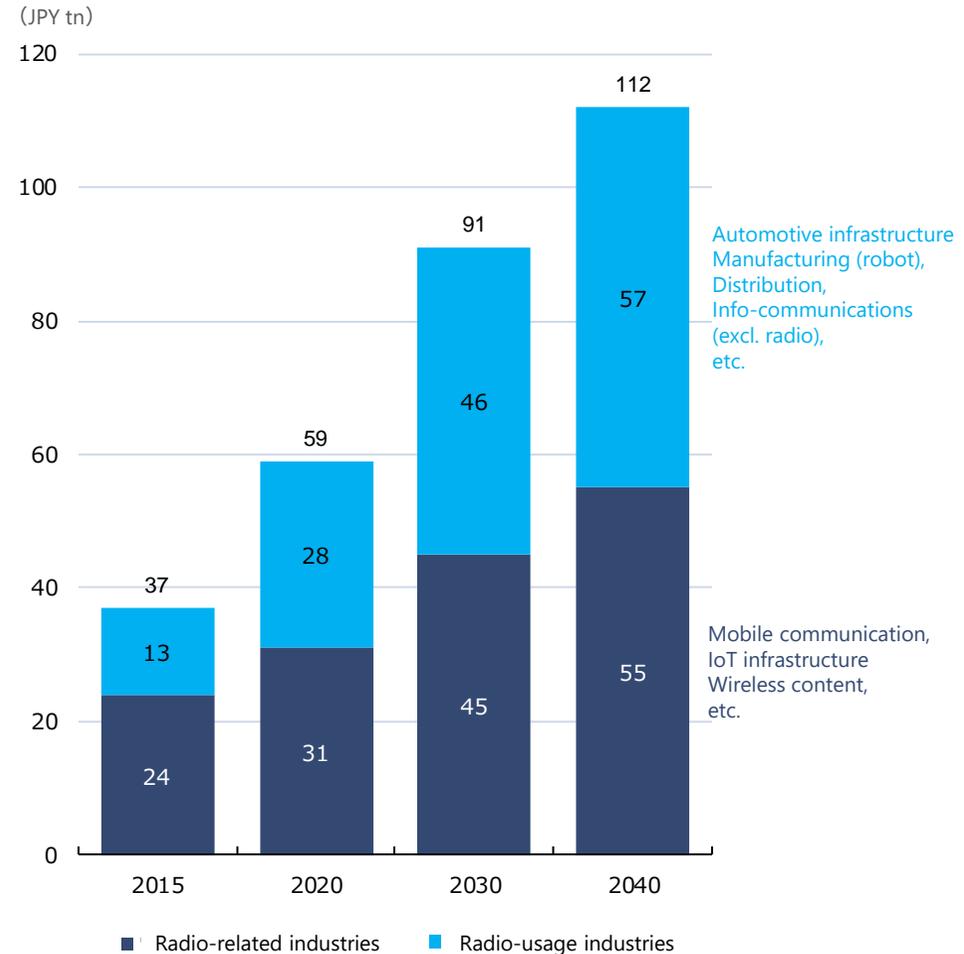
Note: Graphs are for illustrative purposes only

Advancement to be Enabled by 5G



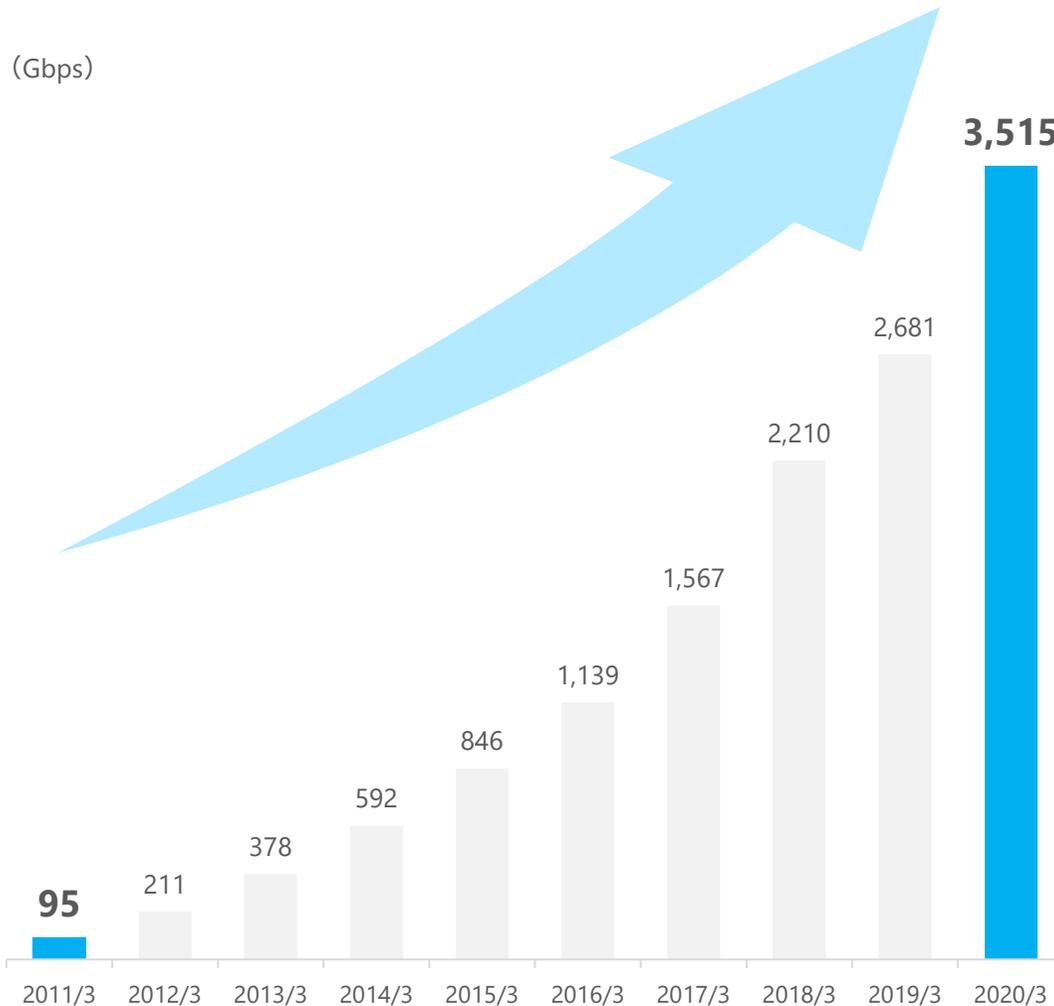
Demand for infrastructure will increase due to the significant impact of 5G related services

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



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)

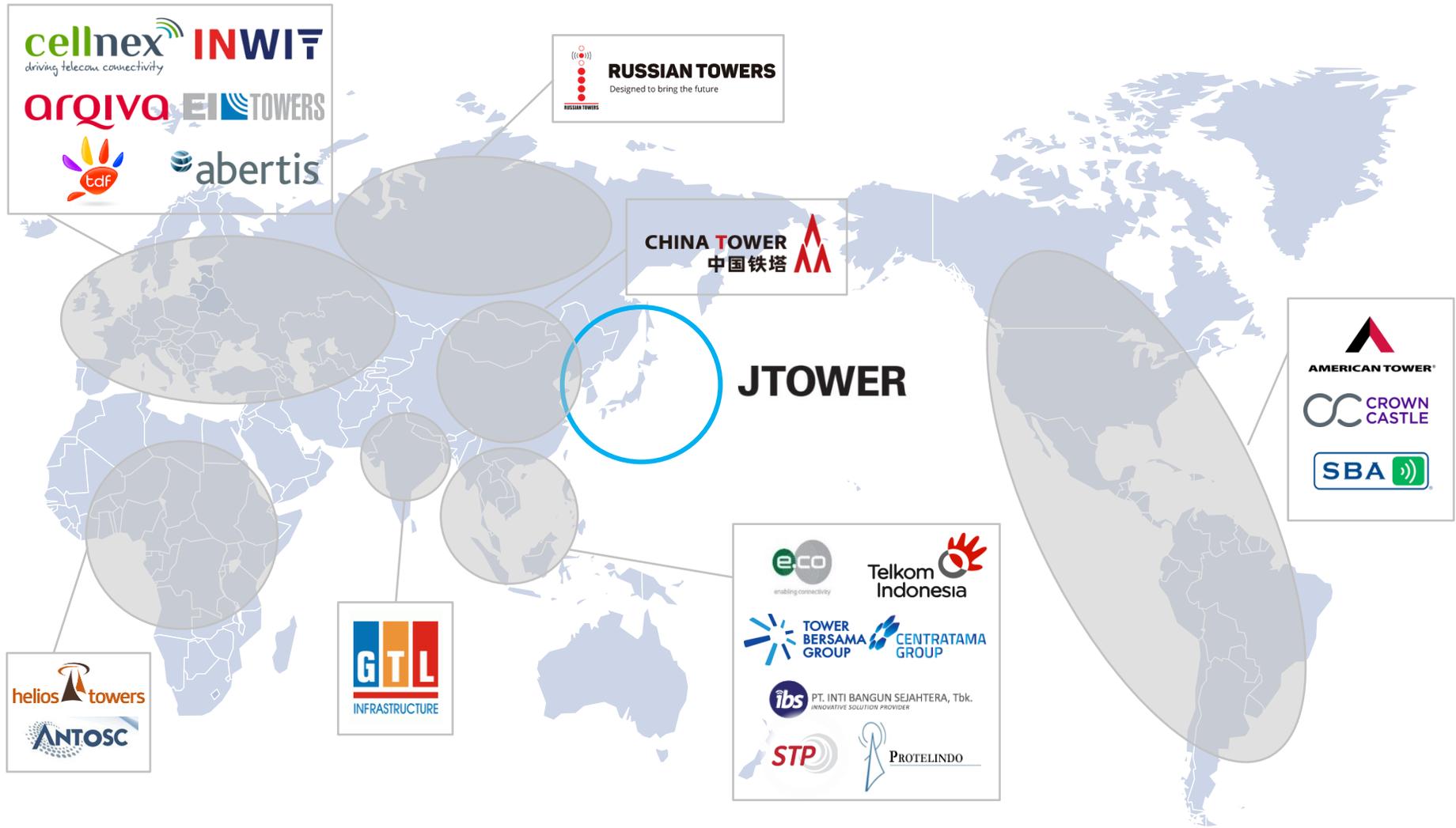
Future Potential

- ✓ 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)

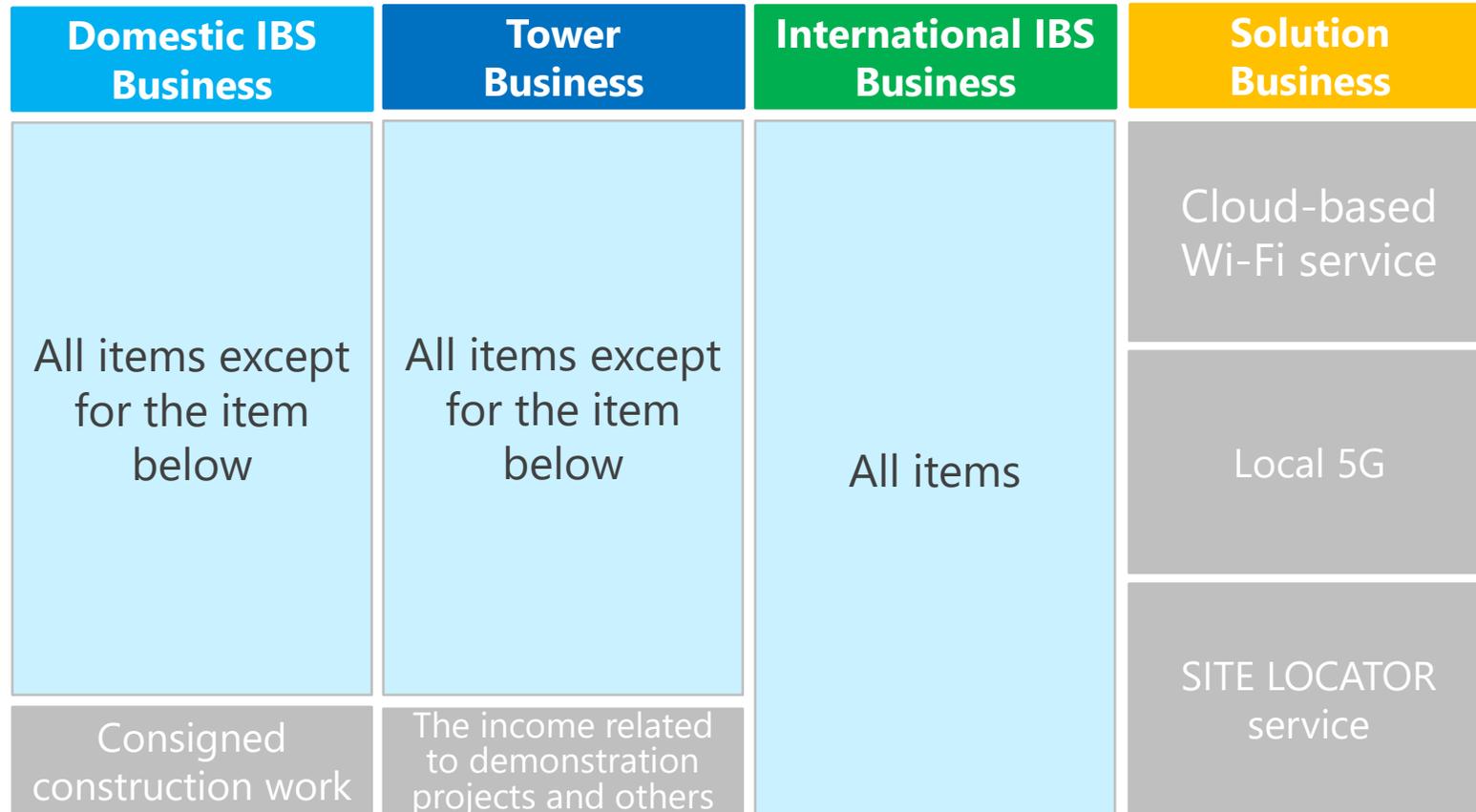
7 Operating Areas of Global Tower Companies



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

7 Breakdown of Infra-Sharing and Other Revenues by Business*1

■ Infra-Sharing Revenue ■ Other Revenue



*1: Breakdown as of March 31, 2022
 (Nabiq has been removed from the above categories due to deconsolidation from Q3 FY2020)

This document has been prepared solely for the purpose of presenting relevant information regarding JTOWER Inc. ("JTOWER"), and this document is not intended for a solicitation of any investment.

The information on industry, market trends or economic and other conditions contained in this document is prepared based on the information currently available, and JTOWER is not liable for the truthfulness, accuracy or completeness of such information.

Any forward-looking statements, including targets, plans, estimations, forecasts and expectations, contained in this document are based on the current judgments and opinions of JTOWER as of the date of this document, and involve certain risks, uncertainties and other factors. Due to factors, the actual results of JTOWER may be materially different from statements contained or implied in this document.

The update of this material is scheduled to be disclosed around in May 2023, after the full year results announcement.

Infra-Sharing Services from Japan Lead the World

JTOWER