

A person is sitting on a grassy hill at sunset, using a laptop. The person is wearing a dark jacket and has long hair. The laptop is open and the person is looking at the screen. The background is a warm sunset with mountains in the distance.

JTOWER

Financial Results for Q1 FY2022 ended June 30, 2022

August 8, 2022
JTOWER Inc.

Infra-Sharing
Services
from Japan
Lead the World

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.



Outline

- 1 . FY2022 Q1 Financial Results
- 2 . Management Topics
- 3 . FY2022 Full Year Forecasts
- 4 . Q&A
- 5 . Initiatives for Future Growth/
Medium-to long-term financial targets
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Consolidated revenue increased by 19% YoY to JPY1,108 million

- The revenue for the Domestic IBS business increased by 15% YoY to JPY906 million, driving overall revenue growth.
- Infra-Sharing revenue*¹ accounted for 97% of the total revenue, establishing a stable revenue base.
- Compared to the previous quarter, revenue decreased mainly due to a reactionary decline in revenue from demonstration projects.

Profits increased in all the profit levels

- Both EBITDA and operating profit remained steady due to an increase in Infra-Sharing revenue, despite the recording of office relocation expenses.
- R&D cost for 5G mmWave shared radio unit scheduled to be posted in Q1 delayed to Q2. (Impact on full-year forecast is under review)
- Ordinary profit increased due to foreign exchange gains resulting from the depreciation of the yen.

Full-year forecasts remained unchanged

- Q1 results were in line with full-year forecasts for both revenue and profits.
- Full-year forecasts remained unchanged, considering the revenue contribution of new businesses and the incurrence of upfront investment expenses from H2.

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

① FY2022 Q1 Consolidated Results – P&L

JTOWER

- Revenue increased to JPY1,108 million (+19% YoY)
- Profits increased due to an increase in Infra-Sharing revenue, despite the recording of office relocation expenses.
- Ordinary profit increased due to foreign exchange gains resulting from the depreciation of the yen.

(JPY mn)	FY2021	FY2022		
	3 Months Results	3 Months Results	Change	
			Amount	%
Revenue	930	1,108	+178	+19.2%
EBITDA *1	381	462	+81	+21.3%
<i>EBITDA Margin</i>	41.0%	41.7%	+0.7pt	—
Operating Profit	122	134	+12	+9.9%
<i>Operating Profit Margin</i>	13.2%	12.1%	- 1.1pt	—
Ordinary Profit	88	196	+108	+122.4%
Net Income	54	134	+79	+146.8%
Capital Expenditure *2 (Investment Cash Flow)	-573	-699	- 125	+21.9%

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

*2: Unaudited figure.

① FY2022 Q1 Consolidated Results – BS (1/2)

JTOWER

- Building a solid financial base with cash and cash equivalents increased by JPY1.1 billion from the end of FY2021 to **JPY16.0 billion** due to an increase in Infra-Sharing revenue which exceeded capital investments.

	FY2021	FY2022	
(JPY mn)	March 31, 2022	June 30, 2022	Change
Current Assets	15,782	16,566	+784
Cash and Cash Equivalents	14,835	16,007	+1,172
Accounts Receivable	592	388	- 203
Non-current Assets	9,222	9,461	+239
Tangible Fixed Assets	8,317	8,543	+226
Goodwill	339	350	+10
Total Assets	25,005	26,028	+1,023
Financial Indicators			
Debt	733	702	- 30
Net Debt	-14,102	-15,305	- 1,202
Equity Ratio	60.9%	59.3%	- 1.6pt

① FY2022 Q1 Consolidated Results – BS (2/2)

JTOWER

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

	FY2021	FY2022	
(JPY mn)	March 31, 2022	June 30, 2022	Change
Current Liabilities	9,215	10,030	+814
Accounts payable - trade	294	157	- 136
Short-term borrowings*1	60	60	+0
Accounts payable - other	975	814	- 160
Contract liability	7,473	8,554	+1,080
Non-current Liabilities	569	557	- 12
Long-term borrowings	150	135	- 15
Total Liabilities	9,785	10,587	+802
Net Assets	15,219	15,440	+220
Share capital	7,989	7,990	+1
Capital surplus	6,150	6,151	+1
Total Liabilities and Net Assets	25,005	26,028	+1,023

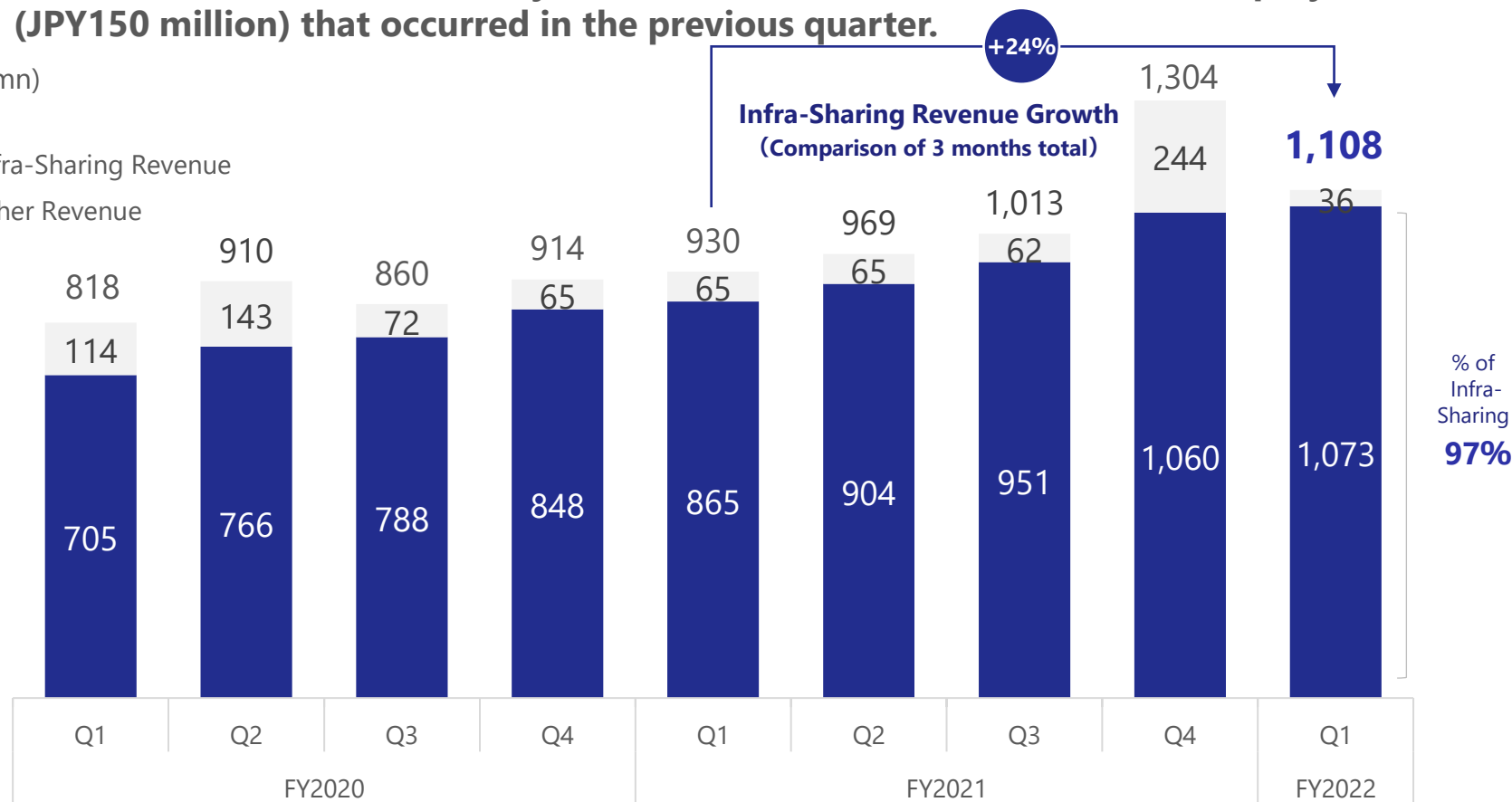
*1: Including long term borrowings due within one year.

① Historical Consolidated Revenue

- Infra-Sharing revenue*¹ has grown **24% YoY** and is serving as a steady revenue base, accounting for **97%** of the total consolidated revenue.
- Other revenue decreased both YoY and QoQ due to a decrease in consigned constructions and a reactionary decline in revenues from demonstration projects (JPY150 million) that occurred in the previous quarter.

(JPY mn)

■ Infra-Sharing Revenue
■ Other Revenue

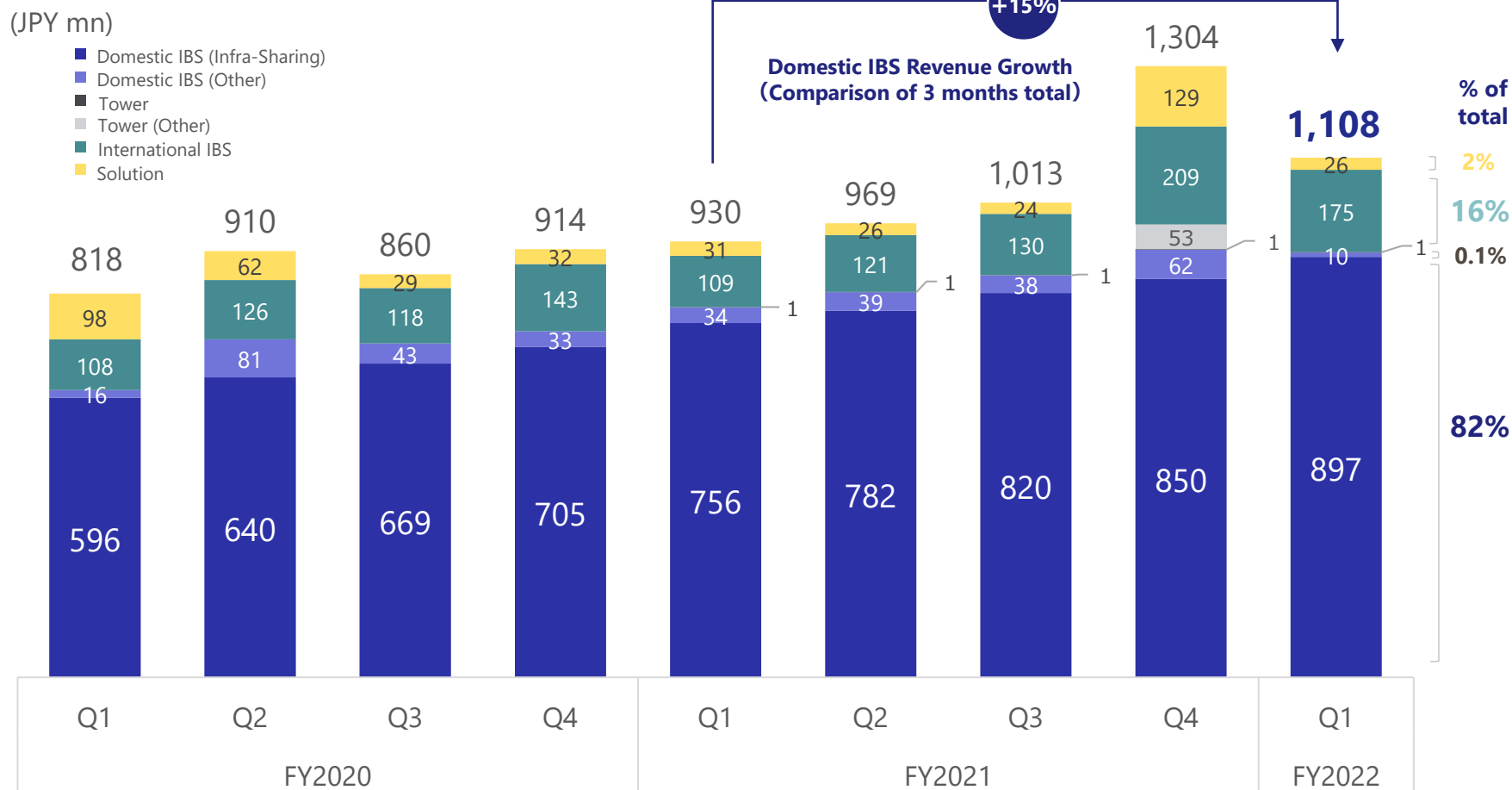


*1: Revenue from Infra-Sharing service based on long-term contracts. For details, please refer to "Breakdown of Infra-Sharing and Other Revenues by Business" in Appendix.

① Historical Revenue by Business

JTOWER

- Domestic IBS revenue increased by **15% YoY** and has grown to account for **82%** of the total consolidated revenue.
- In International IBS, revenue increased due to the contribution of the transfer of IBS assets. In Tower (Others) and Solution, revenue decreased due to a reactionary decline from the demonstration projects recorded in the previous quarter.



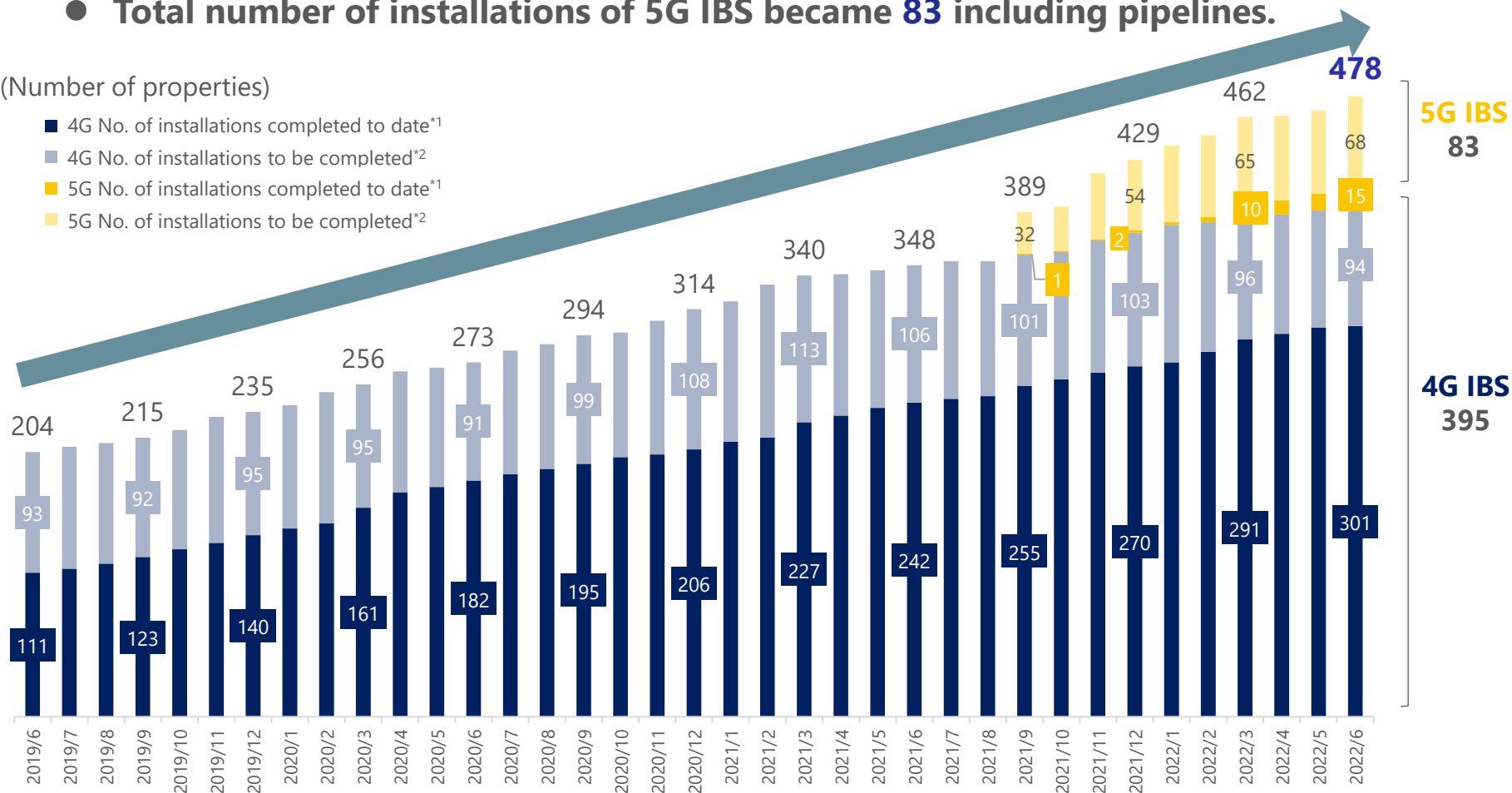
Note: Breakdown of quarterly revenue by business is unaudited.

① Historical Number of Installations (Domestic IBS-4G・5G)

JTOWER

- As of June 2022, the number of 4G IBS installations exceeded 300 and the total number has increased to **395**.
(installation completed: **301**, to be installed: **94**). *Exclude 4G IBS (replacement)
- Total number of installations of 5G IBS became **83** including pipelines.

(Number of properties)



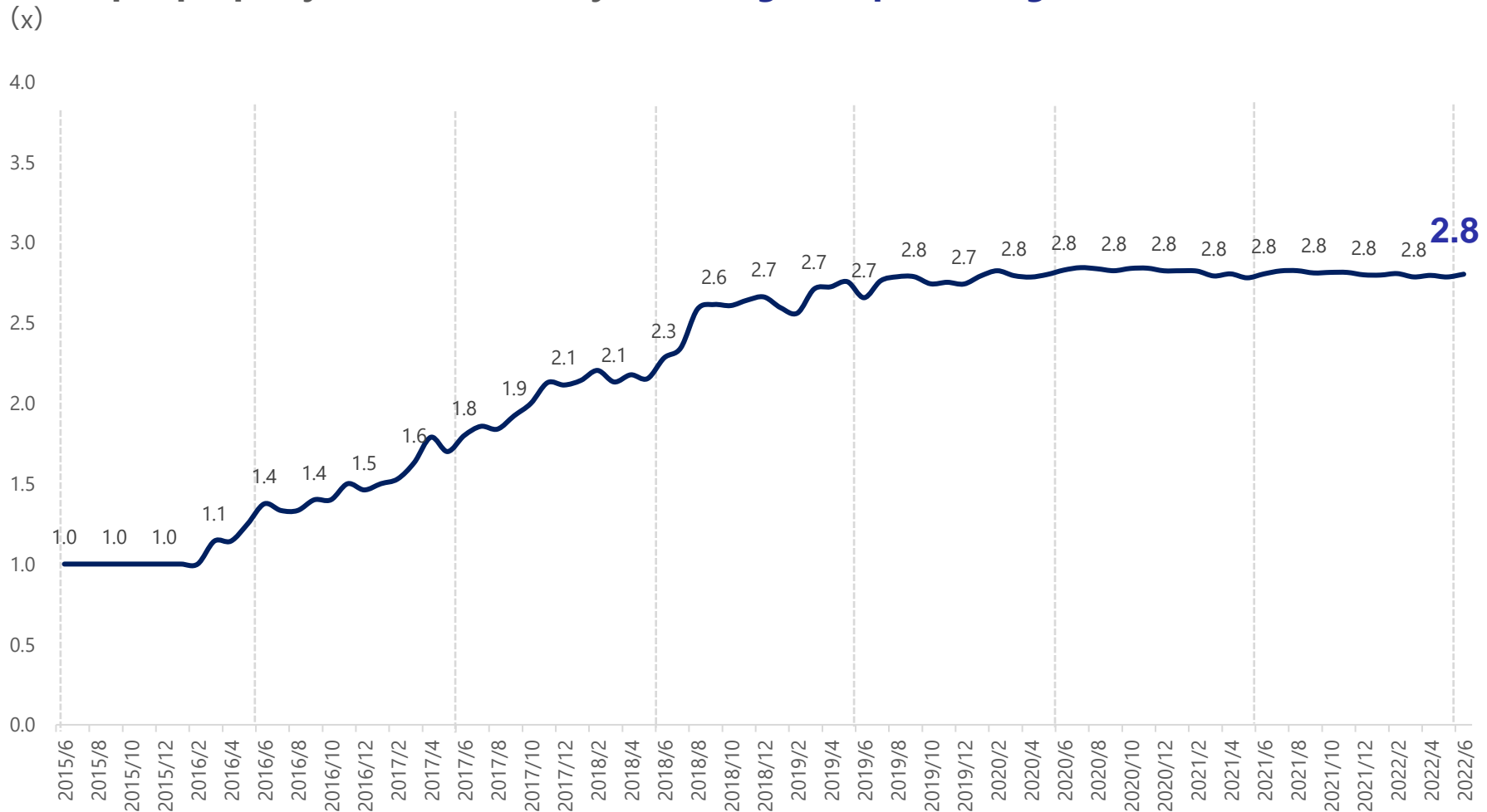
*1: Projects where radio waves have been emitted and revenues are recognized.

*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.

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

JTOWER

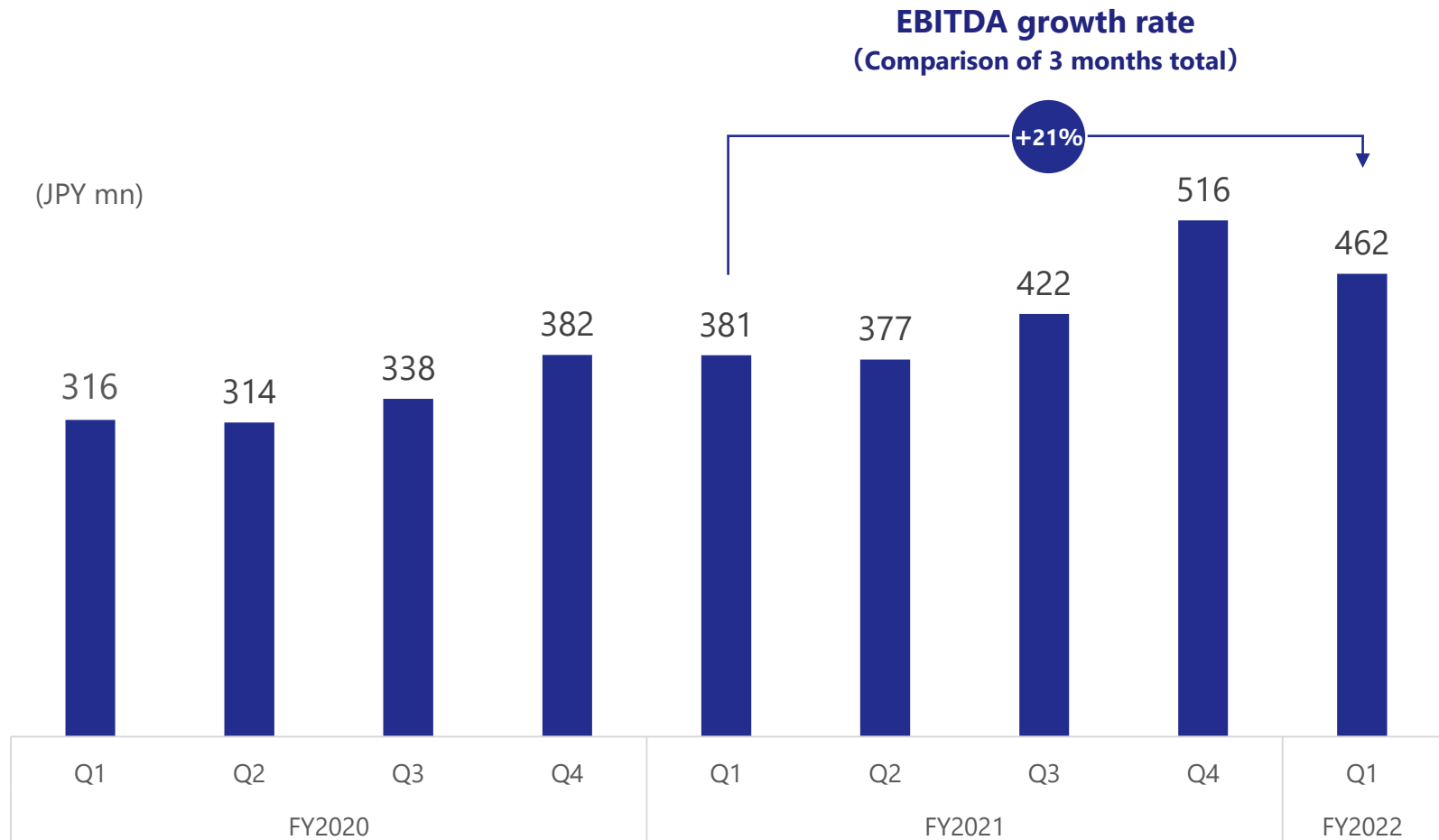
- Tenancy Ratio (average number of participating mobile network operators per property) has been steady in **the higher 2 point range**.



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

① Historical Consolidated EBITDA*1

- Consolidated EBITDA improved by **21%** YoY due to an increase in Infra-Sharing revenue, despite the recording of office relocation expenses.

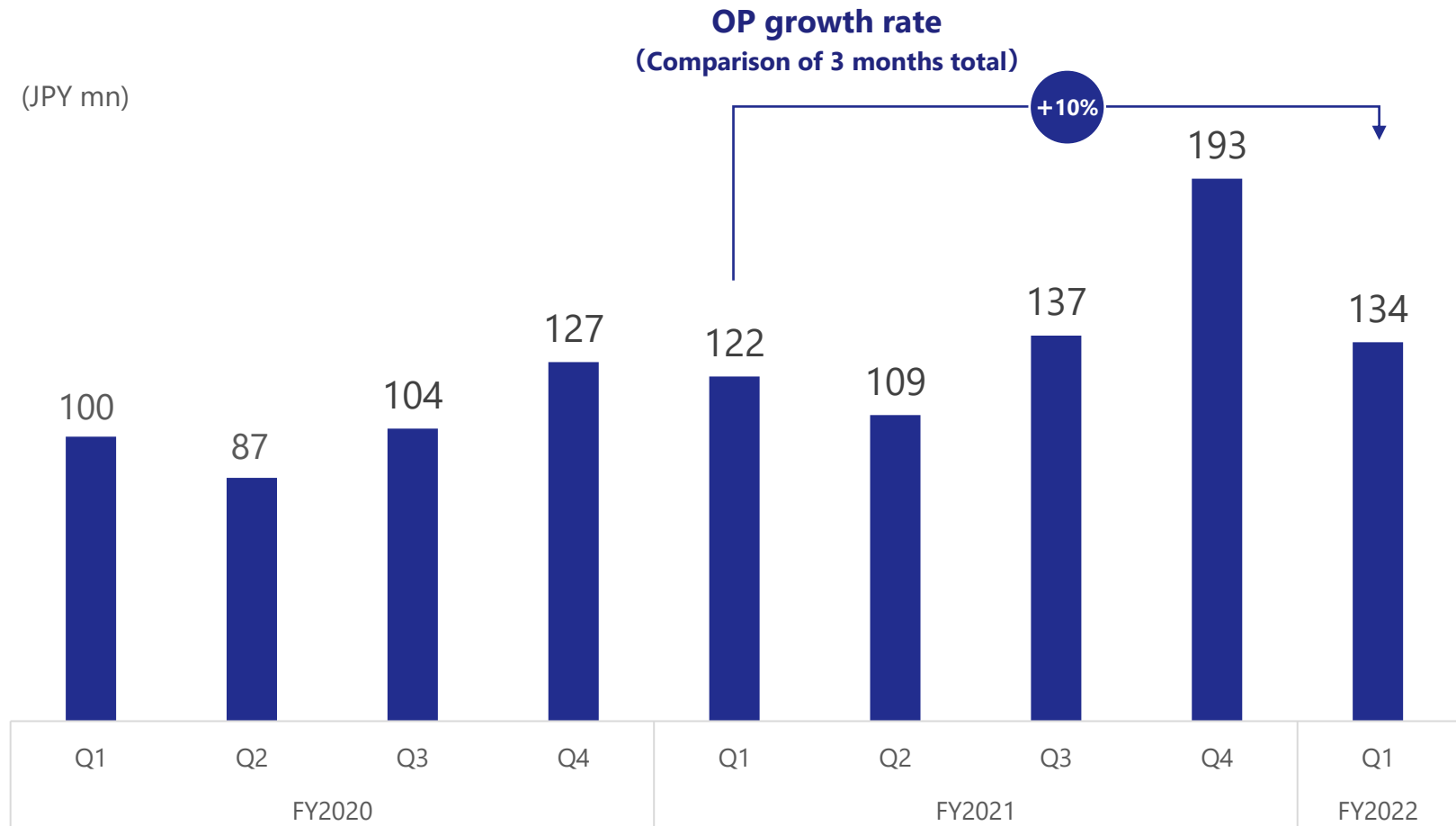


*1: EBITDA=Operating profit + depreciation + goodwill amortization + amortization of long-term prepaid expenses

① Historical Consolidated Operating Profit

JTOWER

- Consolidated operating profit improved by **10% YoY** due to an increase in Infra-Sharing revenue, despite the recording of office relocation expenses.

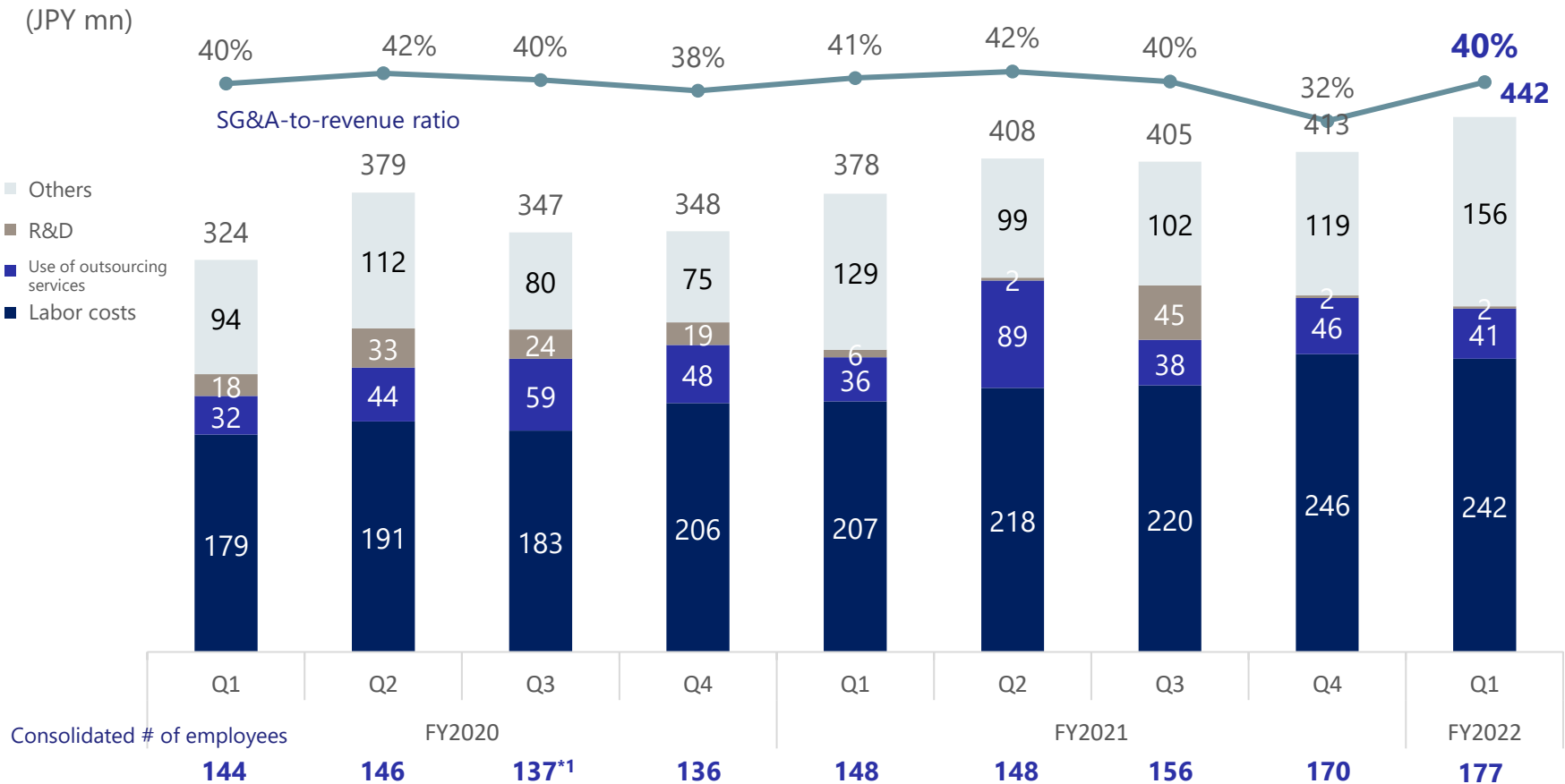


① Historical Consolidated SG&A Expenses

JTOWER

- Other expenses increased due to the office relocation expenses.
- R&D expense for 5G mmWave shared radio unit scheduled to be posted in Q1 delayed to Q2.

3 months



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



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② Tower – Progress of tower carve-outs

JTOWER

- Following the establishment of JTOWER Infrastructure in April 2022, we plan to establish JTOWER Infrastructure2 on August 8 as our second SPC.
- Framework construction and financing are underway as planned for the tower transfer from H2.

<The establishment of SPC>

	JTOWER Infrastructure	JTOWER Infrastructure2
Purpose of establishment	Acquisition of up to 6,002 telecommunications towers owned by DOCOMO	Future acquisition of telecommunications towers Future financing
Date of establishment	April 18, 2022	August 8, 2022 (tentative)
Relationship with JTOWER	100% consolidated subsidiary	

Framework construction and financing are underway as planned for the tower transfer from H2

② Tower – Progress of rural tower sharing

- Within the approximately 150 rural towers to be constructed, about 100 are scheduled to be completed by the end of FY2022. (The majority of MNO use will start from FY2023)
- On June 21, 2022, the tower construction in Itoman City, Okinawa was decided to grant a subsidy (MIC)*¹ and we are planning to use subsidies for other projects.

<Progress of rural tower sharing as of Q1 FY2022>



(Photo) New tower in Shizuoka prefecture

*1: The subsidy system in which 2/3 of 5G base station installation costs are subsidized. When multiple operators, including Infra-Sharing, jointly install base station, the subsidy rate is raised (1/2 → 2/3).

Approximately **150** rural towers
have been decided to be constructed

Approximately **100** towers are scheduled to be
completed by the end of FY2022

June 21, 2022

5G network development
in Itoman City, Okinawa,
**was decided to grant
a subsidy**

Plan to use
subsidies
for other projects

Accelerate expansion of rural tower sharing by
actively utilizing the subsidy system

② Smart City – Conclusion of basic agreement with Mitsubishi Estate

JTOWER

- On July 29, 2022, JTOWER and Mitsubishi Estate have entered into a basic agreement for the promotion of 5G network development and sales collaboration by utilizing Infra-Sharing.
- Under this agreement, we will promote the use of JTOWER's Infra-Sharing solutions at some facilities owned and operated by Mitsubishi Estate.

Mitsubishi Estate

- **Announced to enter into the Infra-Sharing business** in January 2022,
- Launched the service that utilizes the rooftops of buildings to provide facilities that MNO can use.
- Planning to actively promote infrastructure construction in collaboration with local governments and real estate owners nationwide.

JTOWER

- Installed IBS in large-scale buildings owned by Mitsubishi Estate, such as MARK IS fukuoka-momochi, Marunouchi Nijubashi Building and msb Tamachi Tamachi Station Tower N.

Details of initiatives under this agreement

- ✓ Based on the agreement between the two companies, promote the installation of JTOWER's indoor Infra-Sharing solution at some buildings owned and managed by the Mitsubishi Estate.
→ Start with the development of 5G networks in some buildings in Marunouchi and Otemachi areas as well as in Nagoya area.
- ✓ Consider joint businesses utilizing Multi-function poles in areas such as Yokohama Minatomirai and other areas.
- ✓ Sales collaboration in the indoor and outdoor Infra-Sharing.

**With the conclusion of the agreement,
strengthen collaboration for
Infra-Sharing**

② <Reference> Launched the Sustainability Section

JTOWER

- Launched the Sustainability Section within our corporate website to integrate contents that has been disclosed in the Governance Section and other materials.
- Going forward, we will continue to strengthen disclosure of our initiatives for ESG and SDGs.

URL: <https://en.jtower.co.jp/sustainability>

JTOWER HOME NEWS SERVICE USE CASE COMPANY INFORMATION **SUSTAINABILITY** INVESTOR RELATIONS CONTACT INFORMATION JP EN

SUSTAINABILITY

Infra-Sharing is a solution for sharing telecommunications networks, which has been independently developed by each mobile network operator traditionally. Infra-Sharing is an effective solution for realizing a sustainable society that not only reduces costs and enables more efficient network development, but also reduces environmental impact by reducing electricity consumption, materials and construction works. JTOWER believes that Infra-Sharing in itself leads to the realization of Sustainable Society.

— Sustainability News

2022.07.29 [PRESS RELEASE](#) JTOWER and Mitsubishi Estate entered into a basic agreement for ...

2022.04.12 [PRESS RELEASE](#) Notice of Head Office Relocation

2022.03.25 [NEWS](#) JTOWER and DOCOMO agreed to the master transaction agree...

MESSAGE

Infra-Sharing Services from Japan Lead the World, in harmony with natural environment and society

We believe that Infra-Sharing will play an increasingly important role in the early deployment of 5G as a new social infrastructure and the expectations from society will increase.

As a pioneer of Infra-Sharing, JTOWER will continue to aim for stable business growth and through technological development and new business, we will lead business activities that contribute to the advancement and promotion of Infra-Sharing.

At the same time, harmony with the natural environment and society is indispensable for the sustainable provision of value to society for a long time.

We will continue to work with all of our stakeholders, including mobile network operators, real estate developers, as well as local governments, partner companies, shareholders, and employees, to realize a sustainable society.

JTOWER Inc.
Representative Director
Atsushi Tanaka

Our Initiatives

The Realization of a Sustainable Society

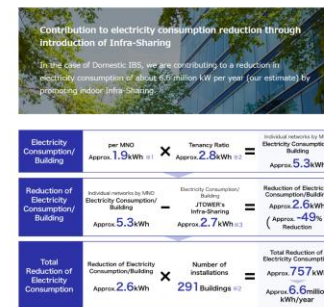
While contributing to the resolution of social issues, such as the reduction of environmental impact and the realization of Connected Society, we aim to achieve sustainable growth and further increase corporate value together with society.

ENVIRONMENT	Contribution to electricity consumption reduction through introduction of Infra-Sharing
SOCIAL	Safety activities in construction
	Sustainable office and work style
	Supply chain management
	Communication with employees
GOVERNANCE	Disclosure of corporate governance, compliance policies, initiatives and management systems

ENVIRONMENT
SOCIAL
GOVERNANCE
SDG's

ENVIRONMENT

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.



*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 1BS installed properties) × (The estimated electricity consumption of our Infra-Sharing equipment based on specification) as of (December 31, 2020).

② <Reference> Operation started at the new office

JTOWER

- On July 4, 2022, our Tokyo Head Office was relocated and operation started at the new office.



Promoting a comfortable working environment and wellness

Support employees' physical and mental health
setting communication and refreshment areas

Sustainable office

Use of recycled materials for interiors
Reducing waste through furniture subscription

New address



**2-2-3 Minami-Aoyama,
Minato-ku, Tokyo**

* No change in the phone number and
fax number.

Lead technological evolution as a pioneer of Infra-Sharing

Opened JTOWER TECH LAB. Tokyo



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③ FY2022 Full Year Forecasts

- Q1 results were in line with full-year forecasts for both revenue and profits.
- Full-year forecasts remained unchanged, considering the revenue contribution of new businesses and the incurrence of upfront investment expenses from H2.

(JPY mn)	FY2021	FY2022		
	12 months results	12 months forecasts	Amount	%
Revenue	4,216	5,840	+1,624	+38.5%
EBITDA*1	1,696	1,590	- 106	-6.3%
EBITDA Margin	40.2%	27.2%	- 13.0pt	—
Operating Profit	560	-240	- 800	-142.8%
OP Margin	13.3%	-4.1%	- 17.4pt	—
Ordinary Profit	555	-1,800	- 2,355	-424.0%
Net Income	644	-1,840	- 2,484	-385.5%
Capital Expenditure (Investment Cash Flow)	-2,585	-43,870	- 41,284	+1596.9%

FY2022	
Q1 (3 months) Results	Progress
1,108	19%
462	29%
41.7%	-
134	-
12.1%	-
196	-
134	-
-699	1.6%

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

③ <Reference> Progress by business up to Q1 FY2022 JTOWER

Domestic IBS

4G

✓ **New installation**

Installations completed at 10 buildings in Q1, in line with the full-year forecast of 61 installations.

✓ **Replacement**

- Started coordination with more than 100 buildings where replacements have been decided.
- Strengthen sales activities to MNO for future expansion

5G

✓ Installations completed at 5 buildings in Q1, in line with the full-year forecast of 44 installations.

✓ Pipeline expanded from Q2 by strengthening business activities to MNO and real estate developers.

Tower

Rural

Approximately 100 towers are scheduled to be completed by the end of FY2022/
Plan to use subsidies.

Carve-out

Framework construction and financing are underway as planned for the tower transfer from H2.

5G mmWave

In the development of 5G mmWave shared radio unit, the acceptance inspection scheduled for Q1 was delayed to Q2, and R&D expense (planned for Q1) is scheduled to be recorded in Q2/
Full year development schedule is under review.



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Category	Q	A
Q1 Results	Revenue growth in Domestic IBS business seems to be slowing down, what is the reason?	The revenue decline was due to a decrease of consigned constructions, and Infra-Sharing revenue grew stably/ The number of consigned construction is expected to increase in H2 of the fiscal year.
Q1 Results	What was the reason why R&D expense for 5G mmWave shared radio unit was not recorded in Q1 and what is the outlook for the future?	The acceptance inspection scheduled for Q1 was delayed to Q2, and R&D expense (planned for Q1) is scheduled to be recorded in Q2/ Impact on full-year forecast is under review.
Full Year Forecasts	What is the forecast for the number of installations of Domestic IBS for H1 and H2?	% based on the number of installations forecasts; 4G IBS (including replacement): H1 30% H2 70% 5G IBS: H1 20% H2 80%
Rural Tower	In approximately 100 rural towers which are scheduled to be completed in FY2022, how many towers will use the subsidy?	Plans to use subsidies in most of towers which are scheduled to be completed in FY2022.
SPC	What is the purpose of establishing the second SPC?	Future acquisition of telecommunications towers and in anticipation of future financing.
SPC	Are SG&A and other costs expected to increase with the establishment of the second SPC?	The expense is assumed to be within the scope of the full-year forecast.
Carve-out	How was the progress made as of Q1 in preparing for the transfer of towers?	Framework construction and financing are underway as planned for the tower transfer from H2.



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⑤ Initiatives for Future Growth

Domestic IBS

The number of
installations as of
Q1 FY2022*1

478

4G

- Stable expansion of installations to new buildings.
- Agreed with certain MNO for the replacement in more than 100 buildings.

5G

- Plan installations in 44 buildings in FY2022 and accelerate expansion.

Tower

The number of
towers as of
Q1 FY2022*2

6,381

Rural

- Approx. 90 towers have been newly decided to be constructed (approx. 150 towers total) and full-scale construction preparations will begin.

Urban

- In addition to initiatives with Tokyo, concluded the agreement with Aichi Prefecture.

Carve
out

- Planning to complete the transfer of 2,180 towers in FY2022.
- Aim to further expand carve-outs

Other

- Concluded the agreement with Foxconn Technology Group (Taiwan) and started to develop 5G mmWave shared radio unit.

International IBS

SPN and KDDI Vietnam entered into MoU to promote DX solutions at Commercial Facilities in Vietnam

Local 5G

Conduct connection tests with major Local 5G radio systems aiming to start commercial services in FY2022

*1: The total of installations (installation completed + pipelines) of 4G and 5G IBS


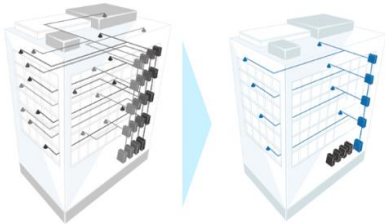


*2: The total of (construction completed + preparation for construction + planned to transfer) of rural towers, digital poles*3 and carve-outs (NTT WEST, NTT EAST and NTT DOCOMO)

*3: Digital pole is the name of Smart pole (a generic term for multi-functional poles), a product of JTOWER Inc. and a trademark application is pending in Japan (Commercial Application 2022-34246) for the notation of Katakana.

⑤ Domestic IBS - Progress of existing business and new initiatives

- 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&5G</div>  <div>Only 5G</div> 
Main target	New building	Existing building	New building Existing building
Coverage area*	Basically whole building (more than 2 tenants)	Basically whole building (more than 1 tenant)	Centered on high traffic spots (more than 1 tenant)
Progress	Planning to install in 61 buildings In FY2022.	Agreed with certain MNO for the replacement in more than 100 buildings. ※ Planning to install FY2022-2025.	Planning to install in 44 buildings in FY2022. ※ Included in the number of 65 pipelines as of March 31, 2022.

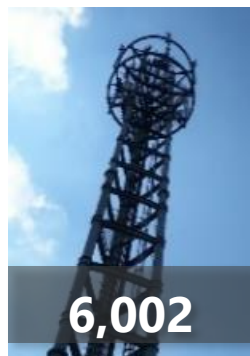
* The number of tenant required for installation decision

⑤ 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



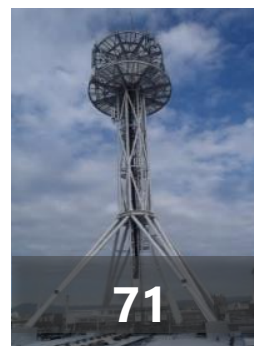
- Established a subsidiary (SPC) for the transfer of towers.
- Prepared the management system and will start the transfer from Q3.

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.

- In March 2022, MIC announced measures to promote infra-Sharing, including subsidy requirements in a Digital Garden City Nation Infrastructure Development Plan.

Promotion of Infra-Sharing in a Digital Garden City Nation Infrastructure Development Plan

- **Promotion of Infra-Sharing by establishing subsidy requirements**
 - 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 the joint development by multiple operators. (Subsidy rate: 1/2 → 2/3)
- **Plan to revise guidelines during FY2022 to establish rules between mobile network operators and Infra-Sharing providers**

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

⑤ 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

(FY)	Progress of Tower sharing in rural areas	Initiatives of MIC and others to promote Infra-Sharing
2018	<ul style="list-style-type: none"> ● Announced to enter into Tower Business in Japan 	<ul style="list-style-type: none"> ➢ Formulation of Infra-Sharing Guideline
2019	<ul style="list-style-type: none"> ● Selection of candidate sites ● Negotiations with landowners 	<ul style="list-style-type: none"> ➢ At the time of 5G spectrum allocation, required Infra-Sharing plan as an item in 5G infrastructure deployment plan
2020	<ul style="list-style-type: none"> ● Propose hundreds of new towers (parent stations) to 4 MNO ● Received responses for more than 60 towers and began preparations for construction ● Approx. 90 towers have been newly decided to be constructed 	<ul style="list-style-type: none"> ➢ Promote Infra-Sharing in Master Plan on the development of 5G base stations
2021~2022	<p>Approx. 150 towers</p> <p>Full-scale construction preparations will begin</p> <ul style="list-style-type: none"> ● Further expansion of parent-stations ● Rollout of child-stations within meshes 	<ul style="list-style-type: none"> ➢ Announced the vision for a Digital Garden City Nation ➢ Addition of Infra-Sharing provider to subsidies for development of 5G networks in rural areas
mid-to-long		

Image of Digital Pole*¹

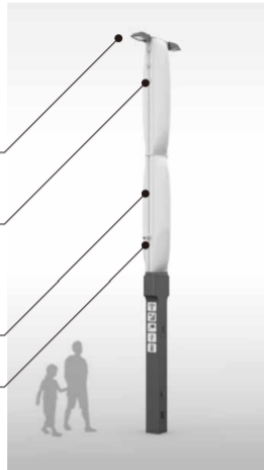
Pole type

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

Tower sharing in urban areas

FY2020

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

FY2021

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

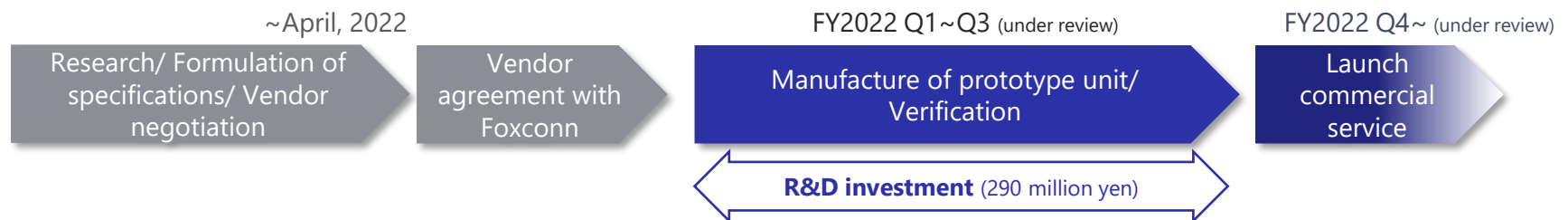
In addition to verify related services, establish the business model with a view to expand digital poles in other regions

*1: Digital pole is the name of Smart pole (a generic term for multi-functional poles), a product of JTOWER Inc. and a trademark application is pending in Japan (Commercial Application 2022-34246) for the notation of Katakana.

⑤ Tower - Development of 5G mmWave Shared Radio Unit

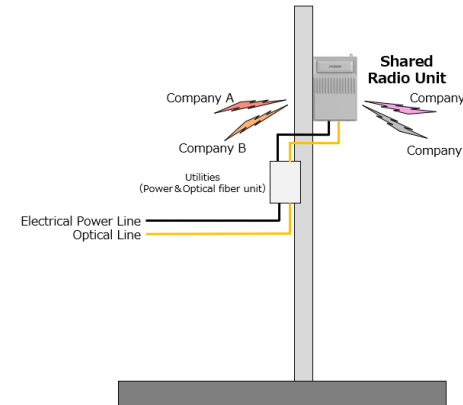
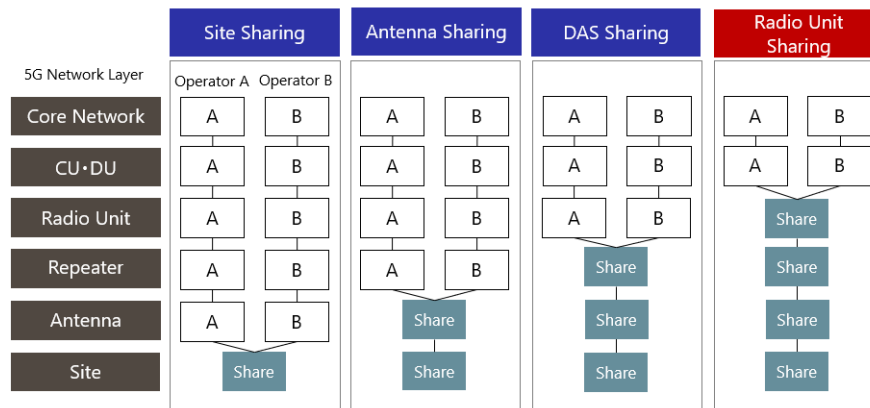
- Concluded the agreement with Foxconn Technology Group (Taiwan) to develop 5G mmWave shared radio unit. The development schedule for the prototype unit in FY2022 is under review.

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

⑤ 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 towers

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)

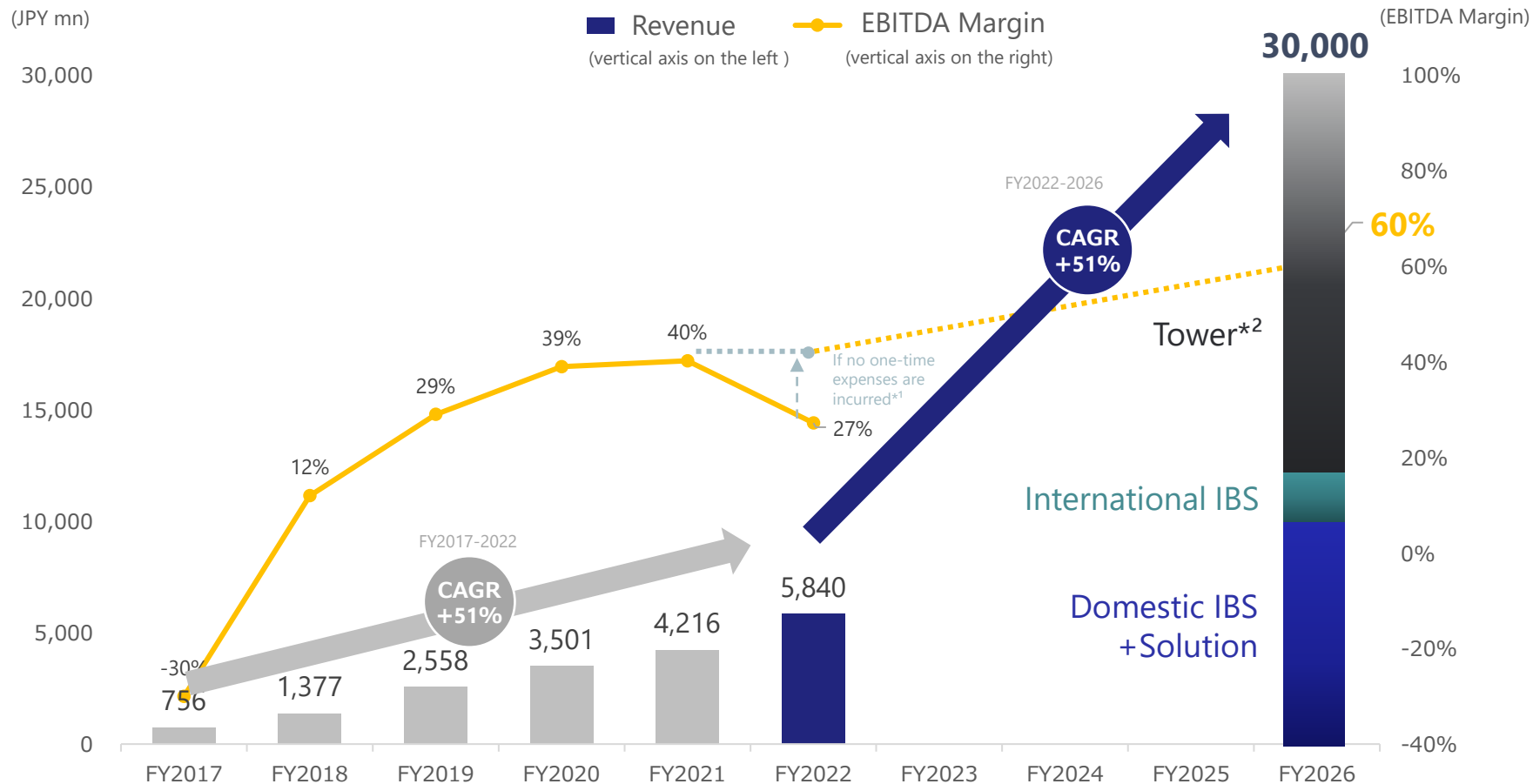
<Tower> The total number of towers 6,381 / This is the total of (construction completed + preparation for construction + planned to transfer) of rural towers, digital poles*² and carve-outs.

*2: Digital pole is the name of Smart pole (a generic term for multi-functional poles), a product of JTOWER Inc. and a trademark application is pending in Japan
(Commercial Application 2022-34246) for the notation of Katakana.

⑤ Medium-to long-term financial targets

JTOWER

- 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.



Outline

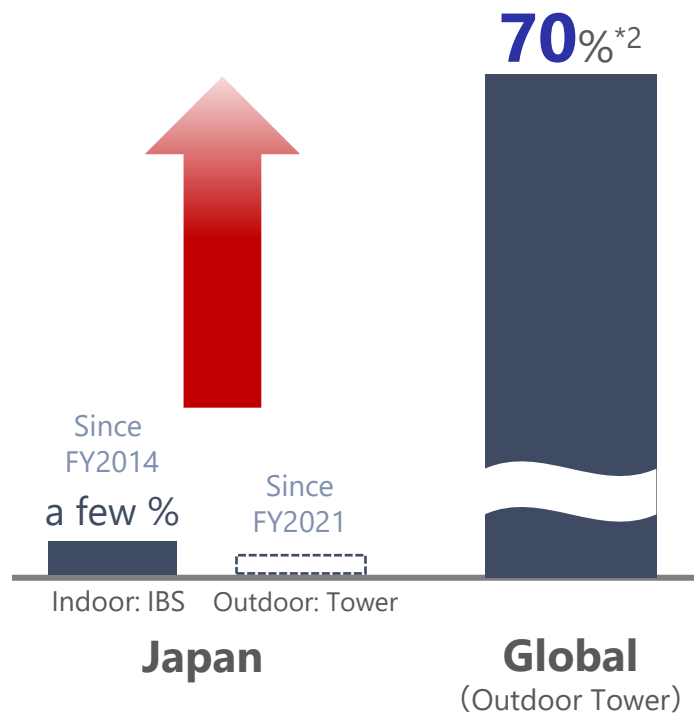
- 1 . FY2022 Q1 Financial Results
- 2 . Management Topics
- 3 . FY2022 Full Year Forecasts
- 4 . Q&A
- 5 . Initiatives for Future Growth/
Medium-to long-term financial targets
- 6 . Appendix

⑥ Market development and room for expansion for Infra- Sharing in Japan

JTOWER

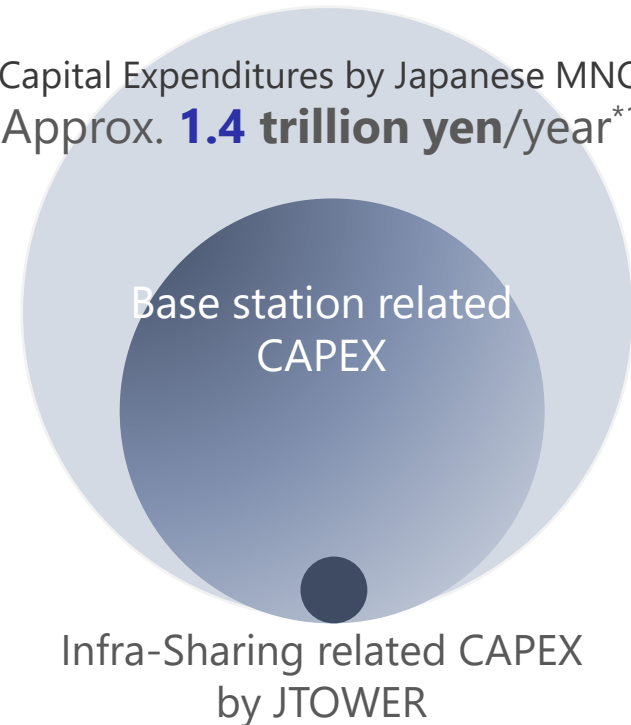
- In Japan, JTOWER has been leading Infra-Sharing market as a pioneer.
- On the other hand, compared to the global market, Japanese Infra-Sharing market seems to be a market with considerable room for future expansion.

Infra-Sharing Penetration



Investment in telecommunications infrastructure in Japan

Capital Expenditures by Japanese MNO
Approx. **1.4 trillion yen/year***1



Source:

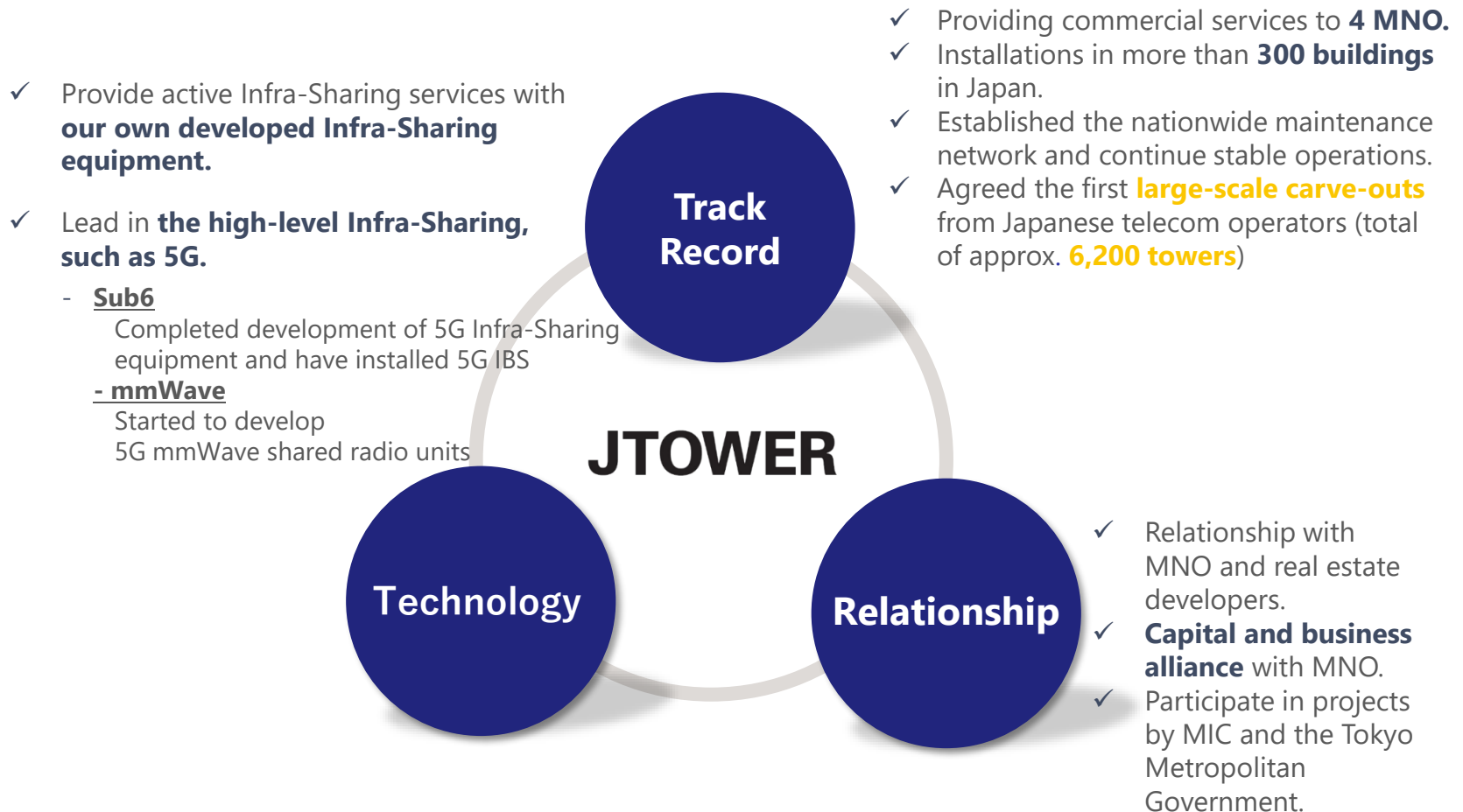
*1: Based on Current Status and Future Forecast of the Mobile Phone Base Station Market and Peripheral Materials Market (2020 Version) by MCA

*2: Based on TowerXchange

⑥ Our strengths in Infra-Sharing market

JTOWER

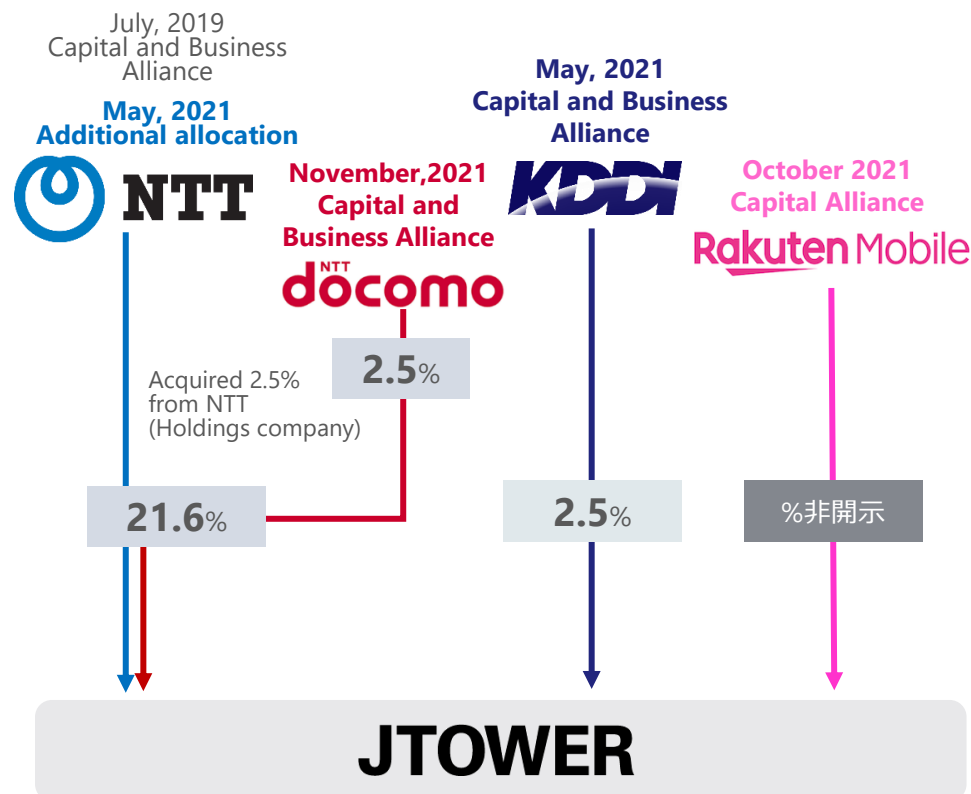
- As a leading company of Infra-Sharing, JTOWER has established a solid position in the market with a high entry barrier.



⑥ Positioning of alliances with mobile network operators

- 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.

⑥ <Reference> Major transactions of tower carve-outs from telecom companies in the global tower market

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

Source: TowerXchange, press search

⑥ Breakdown of Infra-Sharing and Other Revenues by Business*1

■ Infra-Sharing Revenue ■ Other Revenue

Domestic IBS Business	Tower Business	International IBS Business	Solution Business
All items except for the item below	All items except for the item below	All items	Cloud-based Wi-Fi service
			Local 5G
			SITE LOCATOR service
Consigned construction work	The income related to demonstration projects and others		

*1: Breakdown as of June 30, 2022
(Nabiq has been removed from the above categories due to deconsolidation from Q3 FY2020)

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Infra-Sharing Services from Japan Lead the World

JTOWER