JTOWER

JTOWER Medium-to Long-Term Business Outlook
（Business Plan and Growth Potential）

May 9, 2024

JTOWER Inc.

Infra-Sharing Services from Japan Lead the World

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Outline

1. Progress of Medium-to Long-Term Financial Targets for the Year Ending March 31, 2027
2. Tower Business Medium-to Long-Term Business Outlook
3. IBS Business Medium-to Long-Term Business Outlook
4. Stable Business Model and Financial Strategy to Support Growth
5. Growth Cases of Major Global Tower Companies

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❶ Progress of Revenue and EBITDA

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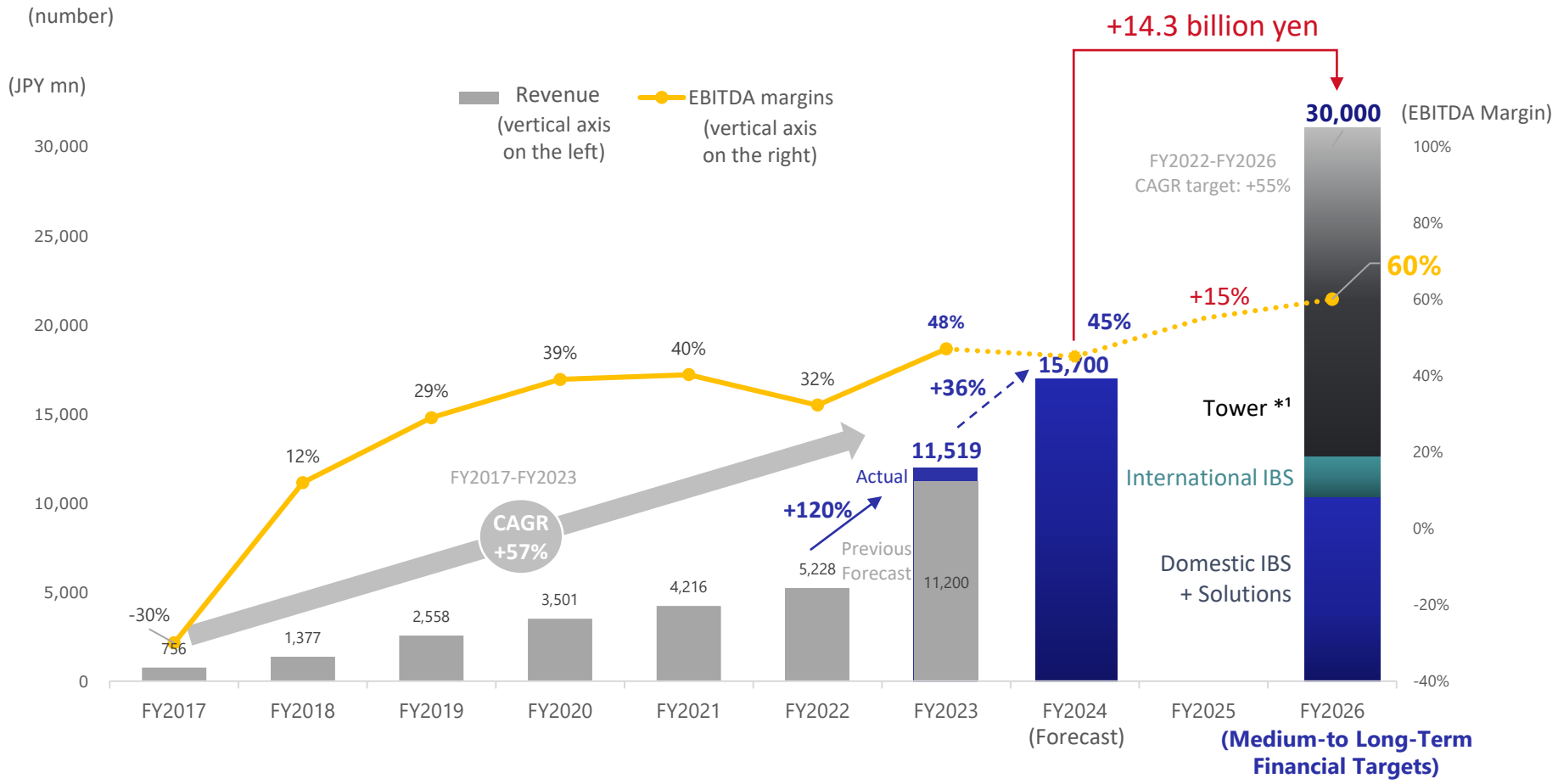
- **Steady growth compared to medium-to long-term financial targets of revenue 30 billion yen and EBITDA margins of 60%.**

From FY2024 forecasts to the medium-to long-term financial targets for FY2026, we are promoting the revenue growth of +14.3 billion yen and EBITDA margins improvement +15%.



❶ Progress of KPIs

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- **Tower business: Approx. 80% is expected to be achieved with the number of towers agreed on the master transaction agreement. We will focus on acquisition of the remaining 20% of towers and improvement of the tenancy ratio.**
- **Domestic IBS business: Although 5G IBS is slower than initially expected, in terms of 4G IBS, replacement demand for existing properties other than those acquired, is becoming apparent, and the pipeline is expanding toward achieving the number of projects. The tenancy ratio is on track to achieve the initial target.**

	Tower business		Domestic IBS business			
	Total (towers)	Tenancy ratio	Total 4G IBS (projects) *2	4G IBS Tenancy ratio *3	Total 5G IBS (projects)	5G IBS Tenancy ratio
End of FY2023 Actual	5,868	1.0 x	450	2.9 x	124	1.5 x
End of FY2024 Forecast(A)	7,437 (Approx. 7,900) *1	1.07 x	557	3.0 x	154	1.7 x
Medium-to long-term Financial target(B)	10,000	1.8 x	1,000	3.0 x	450	2.0 x
Numerical values required to achieve (B-A)	+ 2,563	+ 0.73 x	+ 443	FY2024 To be achieved	+ 296	+ 0.3 x

*1: The number is the total number agreed upon in the master transaction agreement with NTT docomo, NTT East, and NTT West, in addition the total number of rural towers planned to be built

*2: Total of new 4G and existing replacements

*3: Existing 4G replacement is not included.

❶ To Achieve Medium-to Long-Term Financial Targets

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- **No changes** to the medium-to long-term financial targets for the fiscal year ending March 2027.
  Aiming for achievement over the three years including FY2024.

- For the achievement of the targets over the three years including FY2024, the medium-to long-term business outlook for our Tower and IBS businesses **will be detailed in the following pages.**

- Additionally, organizing **the long-term TAM**[*1] for both businesses and **the positioning** for which our company aims in the long term, we will clarify the direction we aim for and the long-term upside potential.

*1: Abbreviation for Total Addressable Market.

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❷ Tower Sharing Market Trends (Global)

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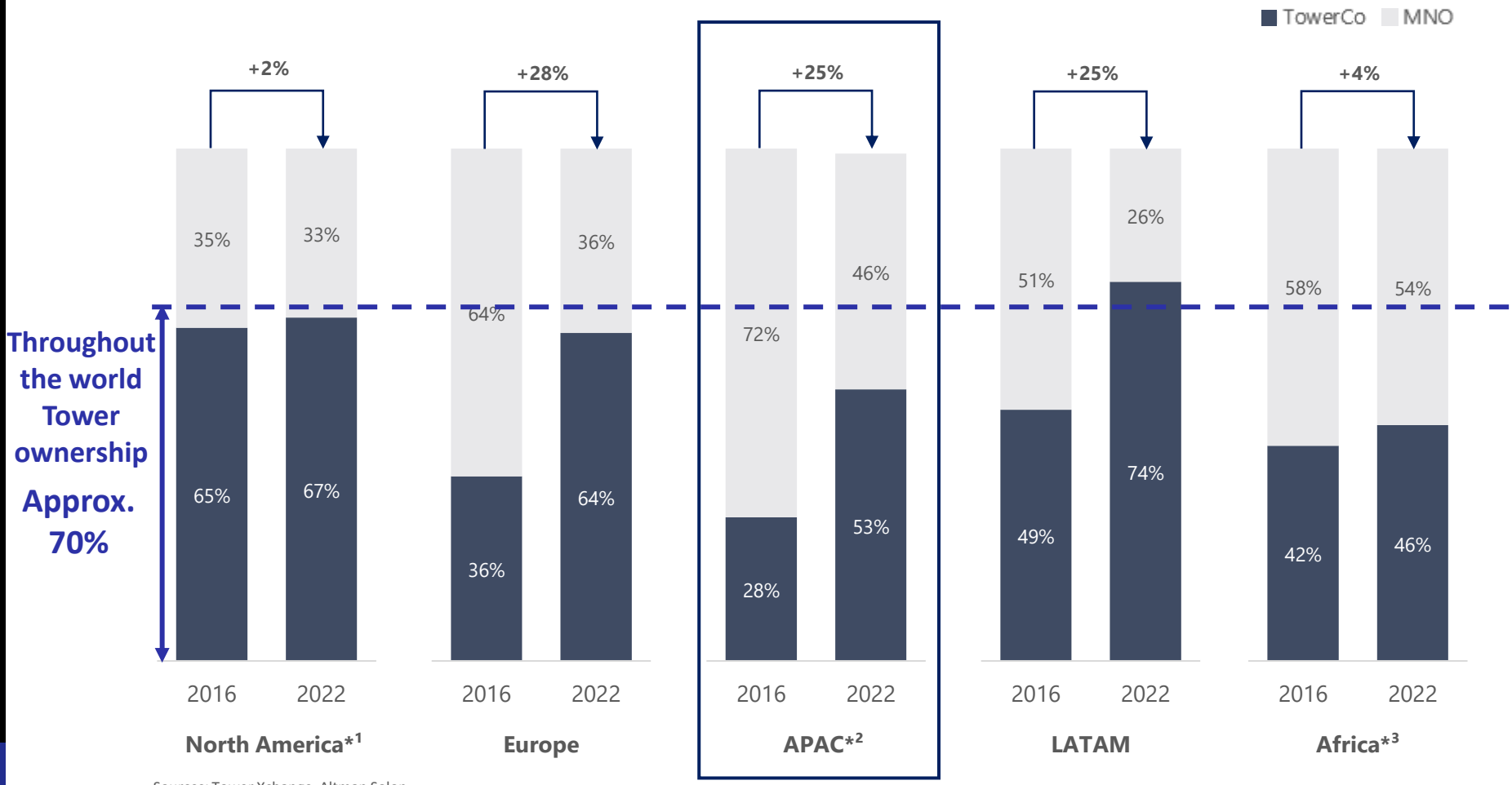
- Status of possession of towers in the global market. (MNO and Tower Company)
- Tower companies have approx. 70% of outdoor towers worldwide.



Sources: Tower Xchange, Altman Solon
*1: Data shown for North America is USA, Canada and Mexico
*2: Data shown for APEC is a subset and excludes China; largest driver of mix shift is Brookfield's acquisition of Jio's towers
*3: Data shown for Africa is Sub-Saharan Africa

❷ Tower Business - Domestic Market

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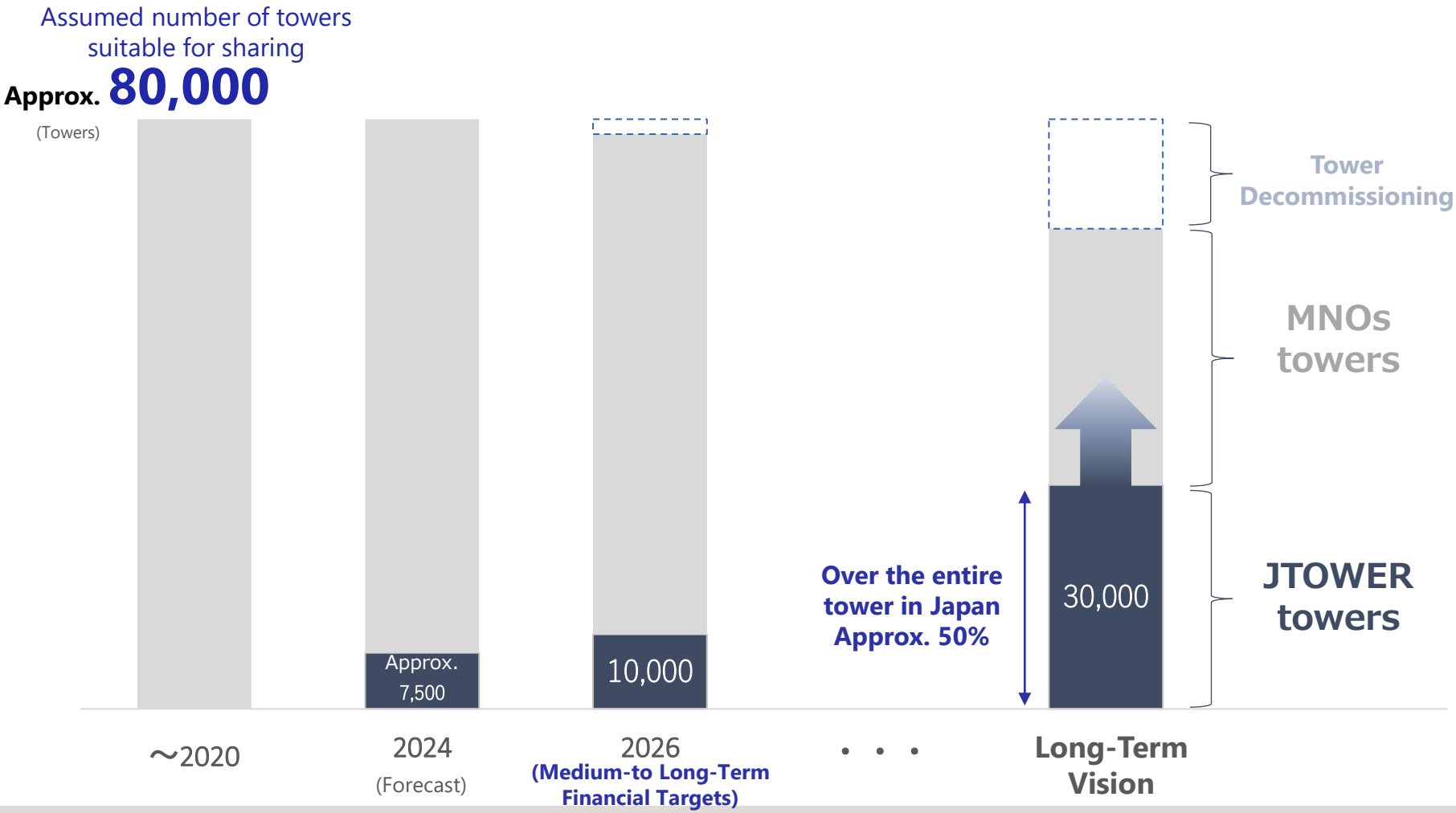
- **As a result of our market research, it is estimated that appox. 80,000 towers are currently in use in Japan.**
- **In the future, we will aim to operate about 50% of our domestic towers through our infrastructure sharing.**



❷ Tower Business - Demand for Use of Towers

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- Based on our research, we assume the demand for new use, OPEX high-cost sites, and tower upgrades.
- Demand for decommissioning is expected to rise around 2030 as the remaining value of the towers of mobile carriers decreases.

Purpose of Tower Usage		Expected demand	Expected demand Time of expanding
① New Usage Demand	Building new coverage	High	From 2024
	Expansion of coverage (quality improvement)	High	From 2026
	Use of towers other than mobile carriers (e.g. drone-related)	Medium	From 2024
② Relocation of High OPEX Sites	Reducing transmission line costs in rural areas and metropolitan areas	Medium	From 2024
	Reducing the cost of upgrading facilities in the disaster recovery area	Low	From 2024
	Reducing inspection costs in remote islands	Low	From 2024
	Reducing the costs of maintenance of towers in areas such as salinity damage areas (painting costs, etc.)	High	From 2026
	Reducing the costs of maintenance by decommissioning small towers	High	From 2026
③ Replacement of Towers	Decommissioning of Aging Tower in Rural Area (low book value remaining)	High	Around 2030

❷ Tower Business - Demand for Tower Usage (Assumptions for Estimation)

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- **Based on the following assumptions, an estimate of the demand for tower usage is conducted.**

Purpose of Tower Usage		Content	Assumptions for Demand Estimation
① New Usage Demand	New Area Construction	• Assuming demand for base station construction to cover areas difficult to cover by own company alone (improving area coverage rate through company's own construction)	• Assumed based on customer hearings, etc.
	Area Expansion (Quality Improvement)	• Assuming demand for base station construction for communication quality improvement after area construction	• Assumed based on customer hearings, etc.
	Tower Usage Beyond Mobile Carriers (e.g., Drones)	• Assuming demand for new applications beyond mobile carrier base station purposes (e.g., drones, line infrastructure construction)	• Assumed based on customer hearings, etc.
② Relocation of High OPEX Sites	Transmission cost reduction in rural and urban areas	• Cases where the line procurement cost at the time of station placement is high compared to other towers • Areas where line activation is difficult	• Assuming municipalities in the bottom 5% and the top 5% of daytime population
	Cost reduction for facility enhancement in disaster response areas	• Cases where disaster control measures against earthquakes and floods need to be strengthened (facility enhancement at low cost possible through sharing of response equipment) • Areas prone to earthquakes and floods	• Municipalities in disaster-prone areas • Setting 1% of the area as a disaster area ※The proportion of disaster areas nationwide is assumed to be 0.16%
	Cost reduction for inspections in remote islands, etc.	• Cases where the cost related to regular inspections for tower deterioration, etc., is high • Areas such as mountainous regions and disadvantaged areas	• Municipalities with inhabited remote islands • It is assumed that 28.3% of the area of the municipalities in question is made up of remote islands.
	Reduction of maintenance costs for towers in salt-air damage areas, etc. (including painting costs)	• Cases where painting is required to address deterioration due to salt-air damage (coastal areas) and air pollution (industrial zones), etc. • Coastal and industrial zone areas	• Targeting municipalities adjacent to coastal areas • It is assumed that areas within 2km from the coastline are affected by salt-air damage • It is assumed that 24.5% of the total area is considered a salt-air damage area
	Reduction of maintenance costs through consolidation of small towers	• Cases using small towers such as concrete or steel pipe columns (consolidation and rationalization into large towers is possible)	• Assumed based on customer hearings, etc.
③ Replacement of Towers	Consolidation of aging towers in rural areas (low book value remaining)	• Demand for replacing the tower itself due to aging, etc., after more than 30 years since installation • Areas where mobile carriers have built towers	• Assumed based on the number of years since mobile carriers started constructing base stations, remaining book value information, and the painting cycle of towers

❷ Tower Business – Image of Expand No. of Tenants

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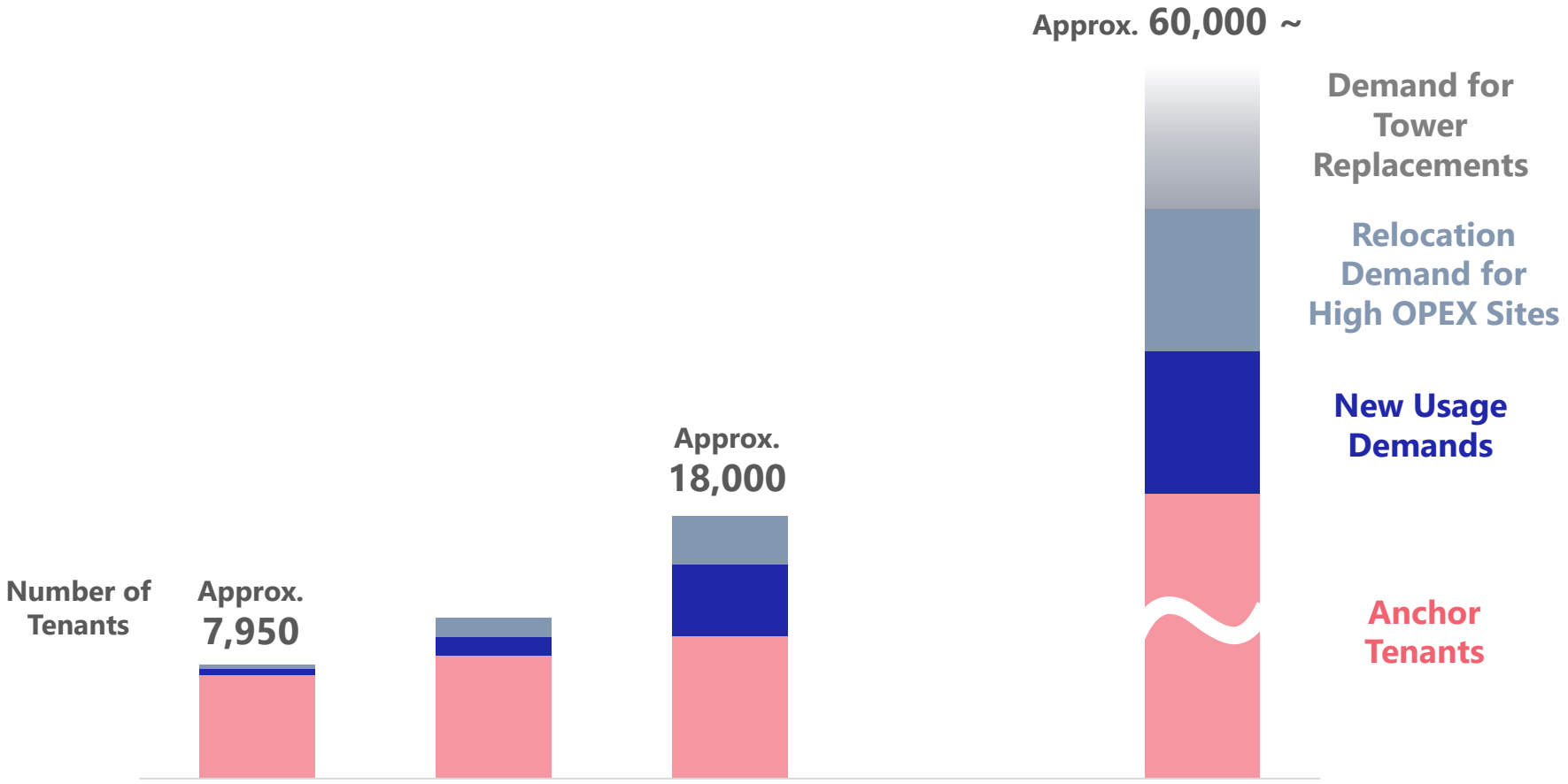
- In addition to increasing the number of towers in the curve-out, we aim to achieve the tenancy ratio of over 2.0x in the long term.



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❸ Target Market of IBS Business

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- **For newly built properties, it is assumed that there will be stable demand for 70 to 90 properties every fiscal year.**
- **With regard to replacement demand for existing properties, which has become apparent in recent years, it is assumed that the demand for 2,000-3,000 properties over the next 10 years, and that the same size of demand for replacement can be expected on a permanent basis due to the passage of time thereafter.**

Assumptions of markets targeted for new installation

Number of new buildings

Approx. **300** /year *1

Properties for which mobile carriers take indoor measures

Approx. **100** to **200** /year *7

Properties in which multiple operators participate

Approx. 70 to 90 /year *7

Assumptions on replacement target market

Number of existing buildings

Approx. **30,000**

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

Latent demand that will arise over time

Modification demand equivalent to the emerging demand is constantly generated.

Actual demand *7 for the next 10 years

Approx. 2,000-3,000

* 1 : Company estimate based on large-scale projects with floor area of >10,000㎡. *2 Large-scale projects with >330㎡ per floor (as of Sept. end 2018, office building criterion based on Sanko Estate). *3: Large-scale projects with >1,500㎡ 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)
*7: Our estimate is based on sales information, etc.

❸ 5G Market for IBS Business - 5G Measures Status

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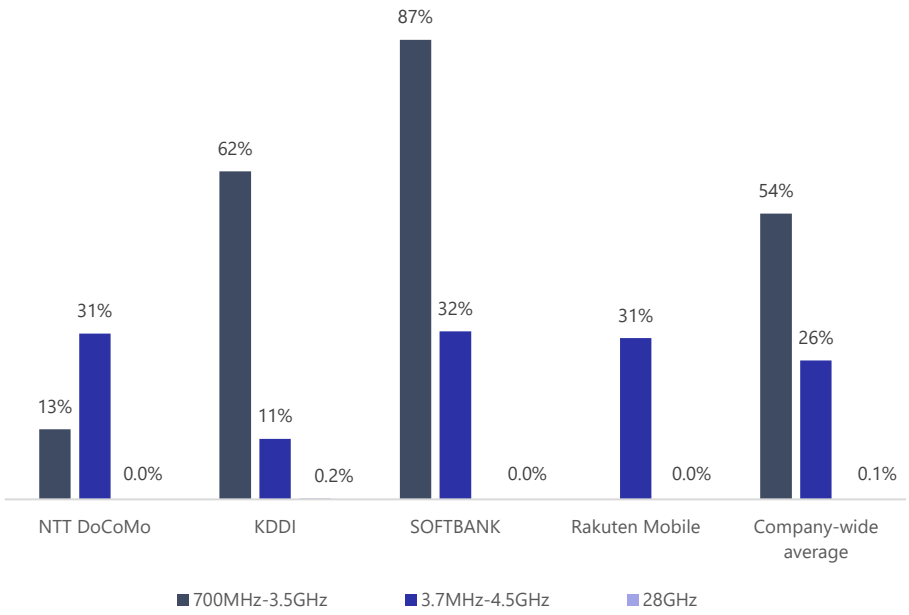
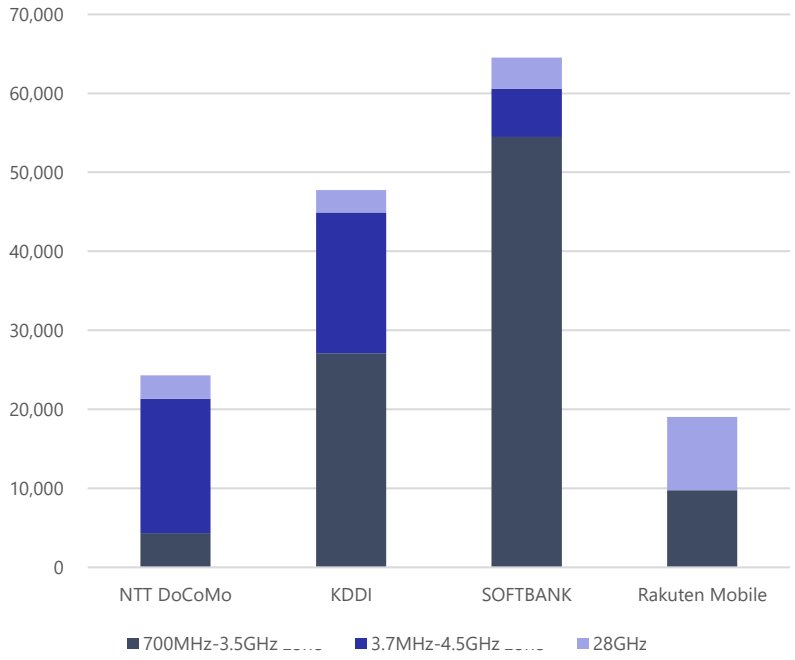
- **Improvement of 5G until now is mainly carried out by converting from 4G to 5G in the 700-3.5 GHz low-band and mid-band, and Sub6 band (3.7-4.5GHz band) and the millimeter-wave (28GHz band) countermeasures are not full-fledged.**

Area-coverage by 5G base stations
(As of March 2023)



Breakdown of 5G base stations
(As of March 2023)



Source: Compiled by MIC, Survey on the Use of Radio in Mobile Phones and Nationwide BWA in 2023

❸ Target Market for IBS Business - Trend of Mobile Data Traffic

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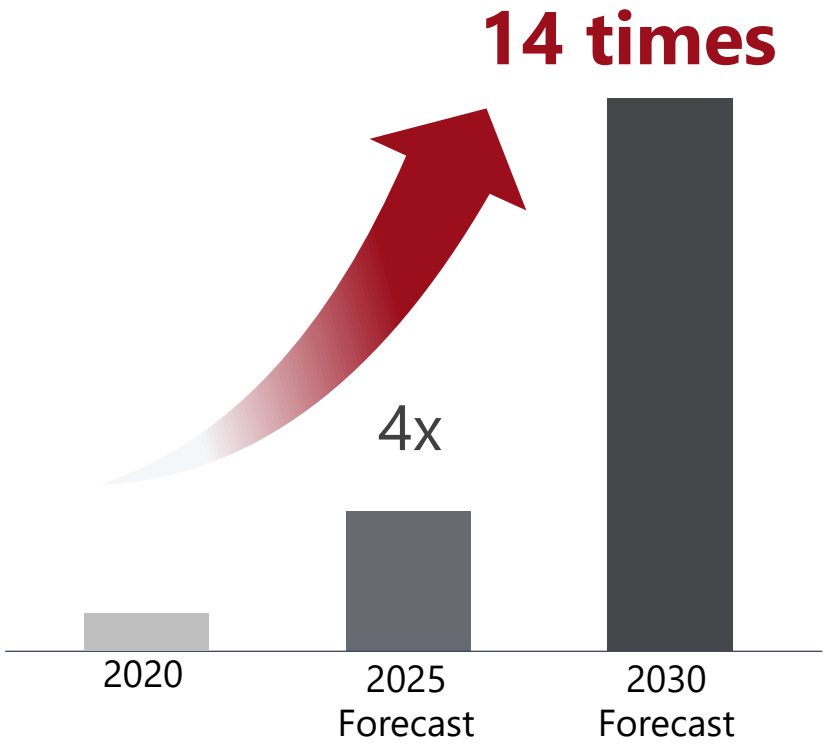
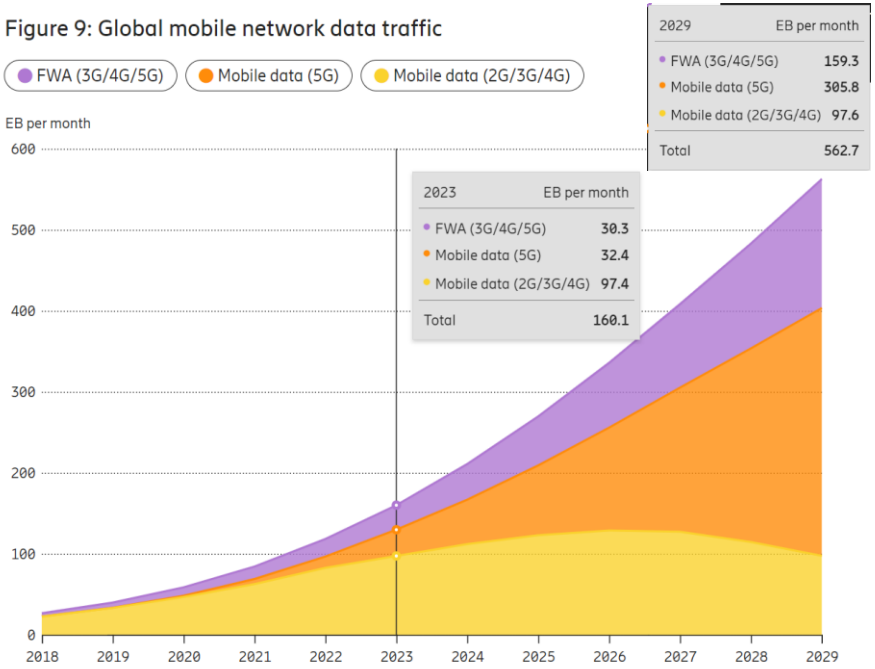
- **Mobile data traffic is expected to expand significantly, and 5G demand is expected to drive data traffic growth.**

Trend of Mobile Data Traffic



Source: Created by us from Beyond5G White Paper, Beyond5G Promotion Consortium White Paper Subcommittee

Trend of Global Mobile Data Traffic by Mobile Network Services



Source: Excerpts from Ericsson"Mobility Report2023

❸ 5G Market for IBS Business
Starting from diversion of-4G to full-scale measures in 5G spectrum

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- **In the past, 5G has been mainly developed through the use of 4G, but it will be shifted to 5G diffusion period, and it is assumed that measures in 5G Sub6 band by SA will become full-scale in the future.**

From the development of 4G diversion spectrum to phase of utilizing large-capacity measures by 5G frequency band in earnest (Excerpt from KDDI publicly available information)

Example of 5G Deployment Policy for KDDI

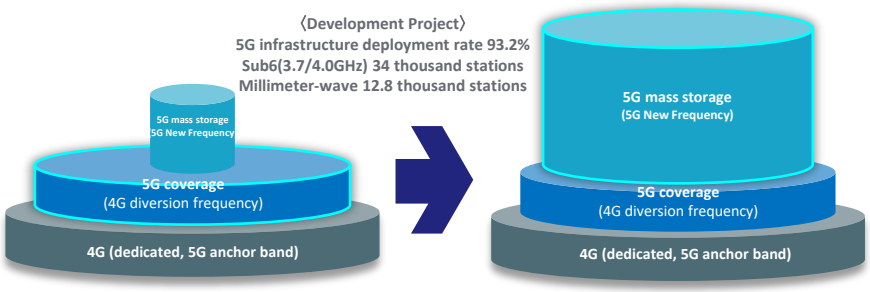
Initial Deployment Concept of 5G Introduction Period

New frequency of 5G is high-frequency, so deployment of 4G diversion frequency advances for both area development and indoor penetration of 5G

Concept of Deployment during 5G Popularization Period

Expand 5G new frequency area for providing high-speed and stable communication rates after the area development of 5G

〈Development Project〉
5G infrastructure deployment rate 93.2%
Sub6(3.7/4.0GHz) 34 thousand stations
Millimeter-wave 12.8 thousand stations



Source: Prepared by us from KDDI "Materials from the Hearing on WG to Promote Infrastructure Development for Dissemination of the Second 5G (April 11, 2024)"

Shifting to 5G age, it is assumed that measures in 5G Sub6 band by SA(Stand Alone) method will become full-scale in the future.

In April 2024, the conditions for coordination with satellites in the metropolitan area in 3.7GHz band were relaxed.
→Capable of increasing the power output of mobile carriers

❸ Revision of Policy for Developing 5G mmWave Shared Radio Unit

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- **We decided to stop developing 5G mmWave Shared Radio Unit in light of the situation where delay of the development plan has not been resolved and the demand for millimeter-wave radio.**
- **In the medium term, we will focus on developing 5G Sub6 frequency band technologies that are expected to be in demand at an early stage. In the medium-to long-term, one of the Company's key strategies will be to upgrade sharing (vertical development). Based on market trends and demand from mobile carriers, the Company will consider development that will contribute to its growth.**

Summary of the Procedures for Developing 5G mmWave Shared Radio Unit

- As a pioneering effort, we concluded a contract with Foxconn to develop a common-use radio for the millimeter-wave (28GHz band) of 5G with the aim of commercialization in the latter half of FY2022, and has been developing this new radio with the company for about two years.
- Based on the fact that the status of the delay in the development plan has not been resolved and that it has been taking longer than initially expected to start up the millimeter-wave demand, it was decided to discontinue the development of 5G mmWave Shared Radio Unit and revise the development policy (May 9, 2024).

Future Development Strategy

Medium term	Focus on technology development in the **5G Sub6 band**, where demand is expected to grow faster.
Medium-to long-term	Regardless of the millimeter-wave, one of the key areas will be advances in sharing (vertical development), such as RU and fronthaul sharing, based on the needs for 5G including Sub6 frequency band which is expected to be in demand at an early stage, Beyond 5G and 6G. Based on market trends and the demand for mobile carriers, we will consider developing products that will contribute to our business growth.

❸ Our Sharing Domain and Long-Term Vision

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- **Regardless of the millimeter-wave, it aims to build more efficient networking by upgrading (vertical development) the sharing area to radio equipment and fronthaul based on the need for 5G including Sub6 frequency band which is expected to be in demand at an early stage, Beyond 5G and 6G.**

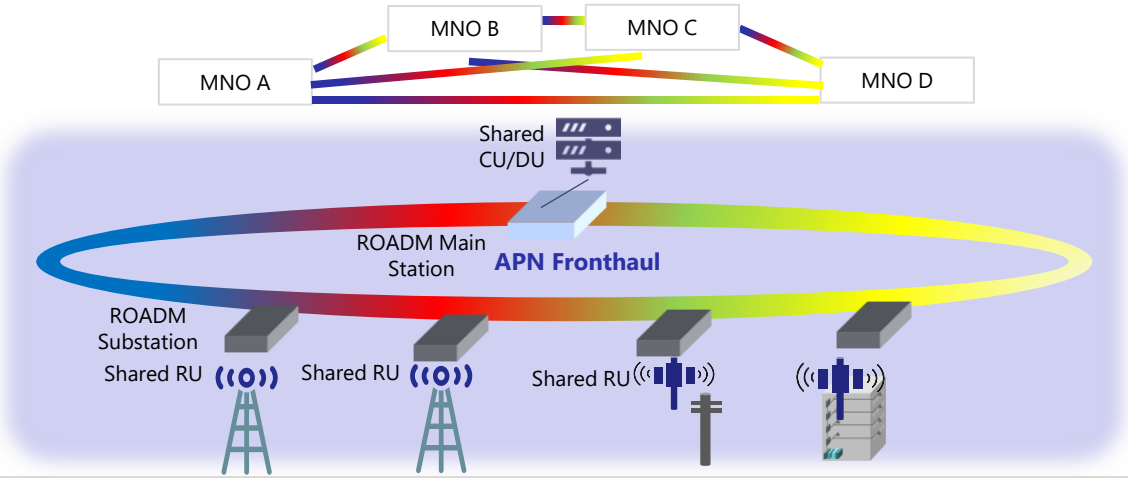
Expansion of the Sharing Area

Mobile Network Hierarchical Structure	Tower business (Curve Out)	Tower business (New)	IBS business	Vision
Core network	MNO	MNO	MNO	MNO
Transceiver(CU・DU)	MNO	MNO	MNO	Sharing
Fronthaul	MNO	MNO	MNO	
Radio Unit (RU)	MNO	MNO	MNO	
Distribution Unit	–	–	Sharing	
Antenna	MNO	Sharing		
Site	Sharing			

Cost Reduction Effect

Vision for Sharing Radio Units and Fronthaul

Sharing Domain



❸ (Reference) Ministry of Internal Affairs and Communications Document on Common Platform Technology

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共通基盤技術に係る技術開発の方向性（たたき台イメージ）

資料3-5

1 現在のネットワーク環境

インターネット：
利点：柔軟性（マルチドメイン接続含む）、低コスト
欠点：ルータ/スイッチ、OE変換を多数経由することによる遅延・電力増、品質はベストエフォート

専用線・ダークファイバ：
利点：低遅延、低消費電力、品質保証
欠点：柔軟性がない、高額、マルチドメインでの接続技術が現時点で確立していない

2 インターネットと専用線の利点を併せ持つ技術の確立（2030年頃）

・現在のインターネットで実現できない、低遅延・低消費電力で、品質保証を実現し、かつ、
・柔軟性、低コストでの利用が可能なマルチドメインでの接続技術を確立し、
・社会実装し、利用を開始する。

AI利用による我が国の競争力強化・課題解決の実現

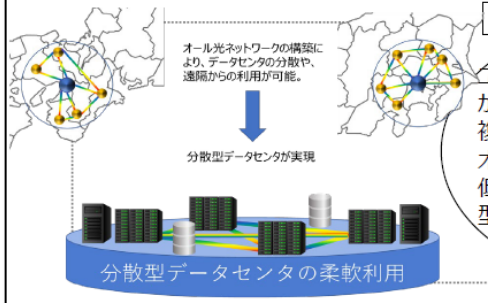
3 オール光ネットワーク社会の未来像

・あらゆるコンピューティングリソースをオール光で結合し、サイバー・フィジカルの融合
（スーパースマートシティ、スマートホーム、超分散型コンピューティング基盤、デジタルツインなど）

高速大容量(100Gbps超)、低遅延(1/200)、低消費電力(1/100以下)を確保

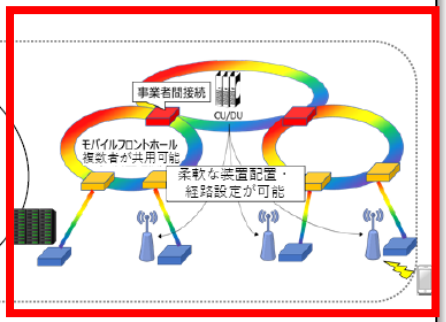
早期の実用、エコシステムの育成・拡大を見据えた当面のユースケース

2-1



ユーザ拠点（リサーチパーク等）から、地理的条件に依存せず、複数のDC拠点（計算資源）に、オンデマンドで柔軟に接続可能な、低遅延・低消費電力・品質保証型通信サービスを安価に実現
【我が国全体の競争力強化に貢献】

基地局ネットワーク設計の柔軟性を向上させることにより、低コスト・低消費電力を実現
【通信ネットワークの高度化・効率化を通じた社会課題の解決に貢献】



2-2 実現への課題と対応

● 異なる事業者間が光(波長)により相互接続できる仕組み・方式が必要
→ 柔軟かつ安定的な事業者間通信の開通・運用保守を確保する方式を検討

● ユーザ増に対応し、利用形態に応じたサービス提供（帯域・遅延・信頼性など）を柔軟・効率的に行うシステムが必要（現行のOTNは帯域が固定的。利用形態に応じた柔軟なサービス提供は困難）
→多様な利用形態に応じた柔軟なサービス提供システムを検討

● 多様な事業者が利用形態に応じて光信号を柔軟に扱える装置が必要
→ ROADM(基幹網向け装置)の機能分離による小型化、及び多数ノードの収容方式を検討

2-3 本技術開発で実施すべきこと

着手中の技術開発（競争領域）
・1T超級光トランスポート用DSP回路実装技術
・光波長・信号フォーマットの変換技術帯域拡張光ノード技術　など

共通基盤技術として必要な機能の技術開発（オープン化を前提とした協調領域）
①光ネットワークフェデレーション　②ＶＣＸ　③分散型ROADM
⇒ユースケースを実現するための、機能要件を具体化。

一体的取組

2-4 エコシステムの拡大に向けた取組

【検証環境の整備等】
・接続検証・機器検証のための環境整備（テストベッド）

【標準化を含めた普及活動】
・通信関係団体への標準化の入力
・デジュール標準のインプット
・多様な産業分野への普及活動

上記取組については、WGにおいてその進捗を確認するとともに、関係事業者から幅広く意見を伺う等が必要。

Source: Ministry of Internal Affairs and Communications 'Direction of Technology Development for Common Platform Technology'

- **Expand earnings base:**
  In addition to the continued and stable installation of new 4G, we will expand the revenue base by focusing on capturing demand for 4G replacements whose demand has been becoming evident and market scale is huge.

- **Enhancement of sharing area (vertical development):**
  Through the sharing of radio unit (RU) and fronthaul based on the needs of 5G including Sub6 frequency band which is expected to be in demand at an early stage, Beyond 5G, and 6G, we will enhance the competitive advantages. Further cost savings from sophistication will increase the number of installation opportunities and expand additional revenue.

- **Target positioning in IBS business:**
  Among the indoor measures by mobile carriers for new and existing properties, we will install our solution for **70**% of the properties and acquire an overwhelming share as a pioneer in infrastructure sharing.
  Capturing the state-of-the-art demand, we will introduce high-frequency-band solutions for **50**% of our properties to realize the industry's most advanced infrastructure sharing.

❸ Mid-to Long-Term Roadmap for IBS Business

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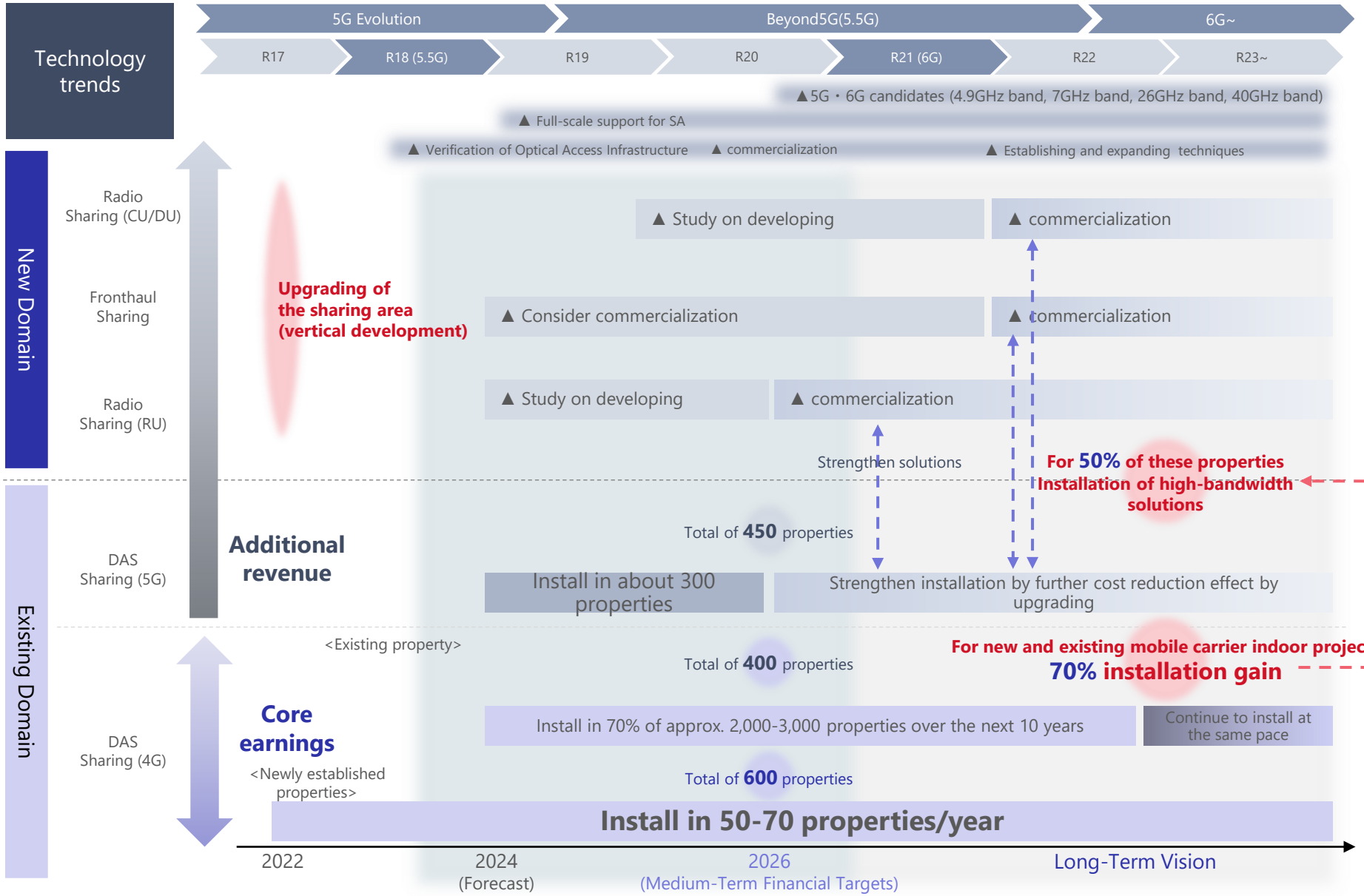

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❹ Unit Economics (Sample Image) - Tower Business

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- **A stock-type model in which profitability improves with each increase in the number of tenants with stable running income. (There is almost no additional cost when the number of tenants increases.)**

Unit economics
(Sample Image of Curve Out Tower)

(JPY mn)

	1 MNO Use	2 MNOs Use
CAPEX	16	
Depreciation period	25 years	
Revenue/year (running)	1.3	1.8
GM*1 (running)	0 to a few %	24%
EBITDA Margin *2 (Running)	47%	62%
ROI*3	4%	7%
<When OPEX is streamlined by 20%>		
GM*1 (running)	20%	39%
EBITDA Margin *2 (Running)	68%	77%
ROI*3	6%	9%

Profitability further improve when 3 MNOs are using

In addition to **improving the tenancy ratio**, we will work to **improve profitability** through **promoting the measures of cost reduction** even when 1 MNO is using

*1: Abbreviation for Gross Margin. The main costs deducted from revenues are depreciation, operation and maintenance, land rent, and property taxes directly incurred on towers.

*2: Calculated by adding back depreciation cost to GM as EBITDA.

*3: Abbreviation for Return on Investment. Calculated by EBITDA÷CAPEX.

❹ Unit Economics (Sample Image) - IBS Business

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- **Composed of "Hybrid model" that combines initial and running revenues, and "Running model" with only running revenues. (There is almost no additional cost when the number of tenants increases.)**
- **In the future, the composition ratio of the Running model is expected to be increasing.**

Hybrid model

(JPY mn) (Adopted in about 70% of installed properties)

	2 MNOs Use	3 MNOs Use	4 MNOs Use
Contract period	From 5 years		
CAPEX*1	30		
Depreciation period	9-10 years		
Revenue (Initial) *2	38	57	76
Revenue/Year (Running) *3	0.9	1.35	1.8
GM*4-1 (Initial)	21%	47%	61%

Running model

(JPY mn) (Adopted in about 30% of installed properties)

	2 MNOs Use *7	3 MNOs Use	4 MNOs Use
Contract period	From 10 years		
CAPEX*1	30		
Depreciation period	10 years		
Revenue/Year (Running) *3	4.6	5.5	6.3
GM*4-2 (running)	21%	33%	42%
EBITDA margin*5 (running)	86%	88%	90%
ROI*6	13%	16%	19%

From the viewpoint of the need to reduce capital investment by mobile carriers and long-term and stable profitability, **the composition ratio of the Running model is expected to be increasing**

*1: Numerical value of the sample image assumed to be a whole building countermeasure. For 5G partial measures, the size is assumed to be about 1/3.

*2: In PL, sales are booked on a pro rata basis over a five to ten-year period.

*3: If the user continues to use the service after the contract period, running fees continue to be generated.

*4-1: Abbreviation for Gross Margin. The cost deducted from the hybrid-model revenues is calculated using CAPEX only. The main costs deducted from the income of the running model are depreciation, operation and maintenance, property taxes, etc. directly incurred on the property.

*5: Calculated by adding back depreciation cost to GM as EBITDA.

*6: Abbreviation for Return on Investment. Calculated using GM÷CAPEX prior to depreciation.

*7: As for the running model, we also provide charges for using 1 MNO. However, because economics is at a level close to that of using 2MNOs, the description of economics when using 1MNO is omitted.

❹ Long-Term, Stable Earnings Model Based on Stock-Type

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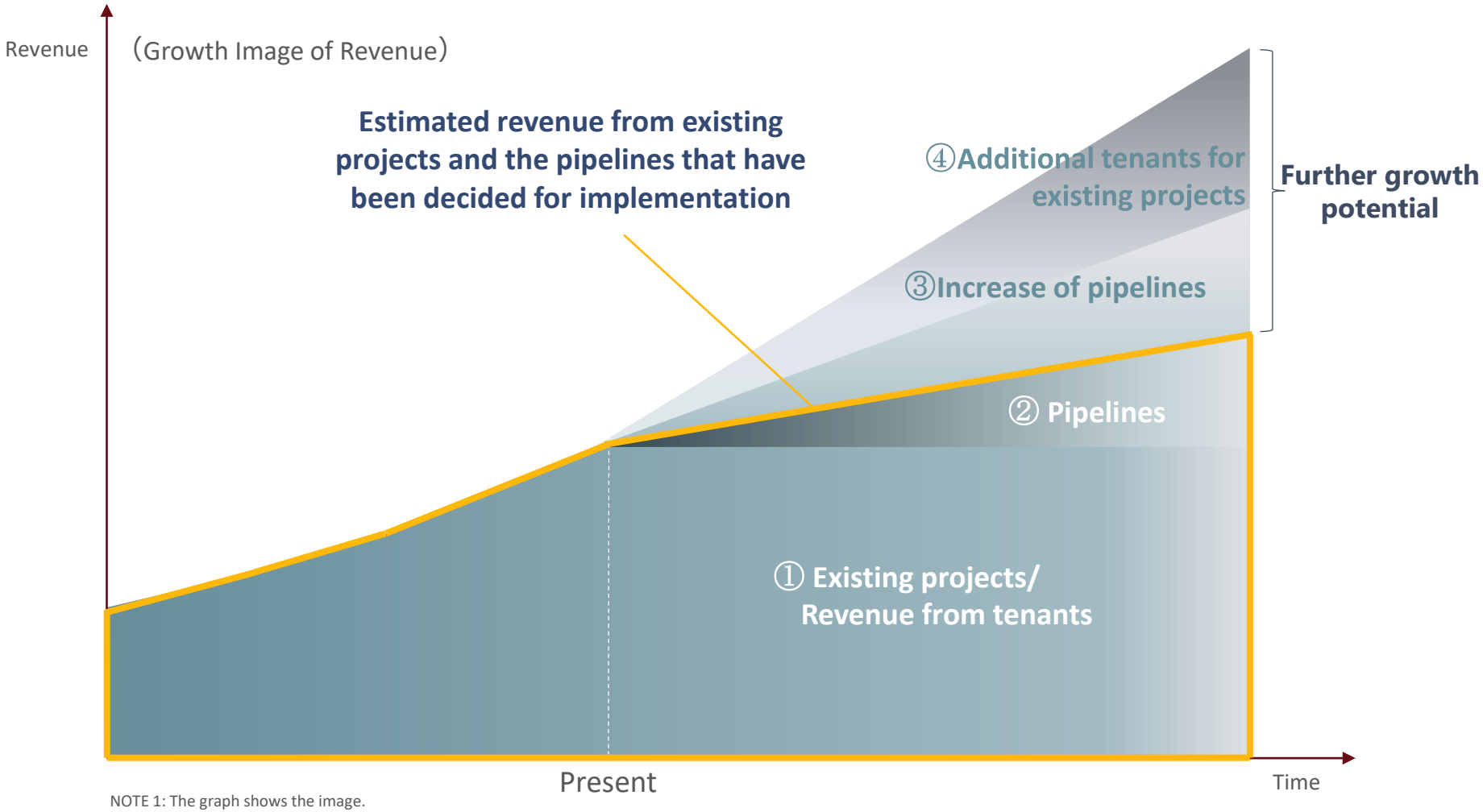
- **This is a stock-type business model with stability based on medium-to long-term contracts and easy prospects for future projects in 1-2 years. By increasing the composition ratio of the running model, we aim to achieve a more stable business model.**



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.

❹ Financial Strategy for Achieving Medium-to Long-Term Growth

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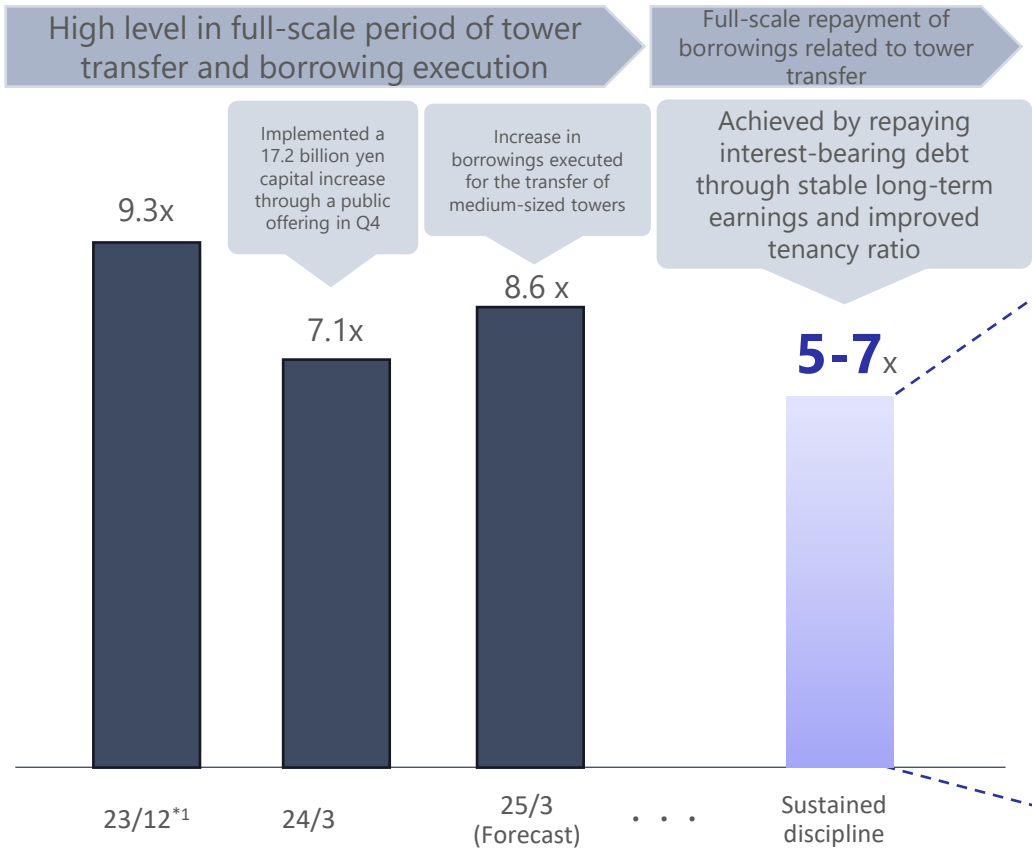
- **The net leverage ratio will be 7.1x as a result of the capital increase through the foreign public offering on March 24. Including stable long-term earnings and an improvement in the tenancy ratio, we will control the net leverage ratio from 5 to 7x as a sustainable discipline for further growth over the medium-to long-term.**

Net debt/EBITDA (net leverage ratio)



*1: EBITDA are calculated using the results for the most recent 12 months (LTM).

Financing Initiatives to Support Growth

Achieve optimal capital-efficiency by combining long-term fixed interest rates through corporate finance and project finance using SPC.
(Approx. 80% of borrowings using SPC are fixed.)

Our Financial Strategy and Procurement Options in the Event of Business Fund Demand over the Medium-to Long-Term

- We assume that we will repay interest-bearing debt and reduce the net leverage ratio based on stable business income based on long-term contracts with mobile carriers.
- In addition, the following methods of procurement will be considered by expanding debt capacity and utilizing cash on hand by improving tenancy ratios and reducing costs.
  - Procurement utilizing structures such as private funds and subsidiaries
  - Private placement bonds, etc.

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Outline

1. Progress of Medium-to Long-Term Financial Targets for the Year Ending March 31, 2027
2. Tower Business Medium-to Long-Term Business Outlook
3. IBS Business Medium-to Long-Term Business Outlook
4. Stable Business Model and Financial Strategy to Support Growth
5. Growth Cases of Major Global Tower Companies

Infra-Sharing Services from Japan Lead the World

❺ Examples of Growth of Global Tower Companies - Market Capitalization Trends

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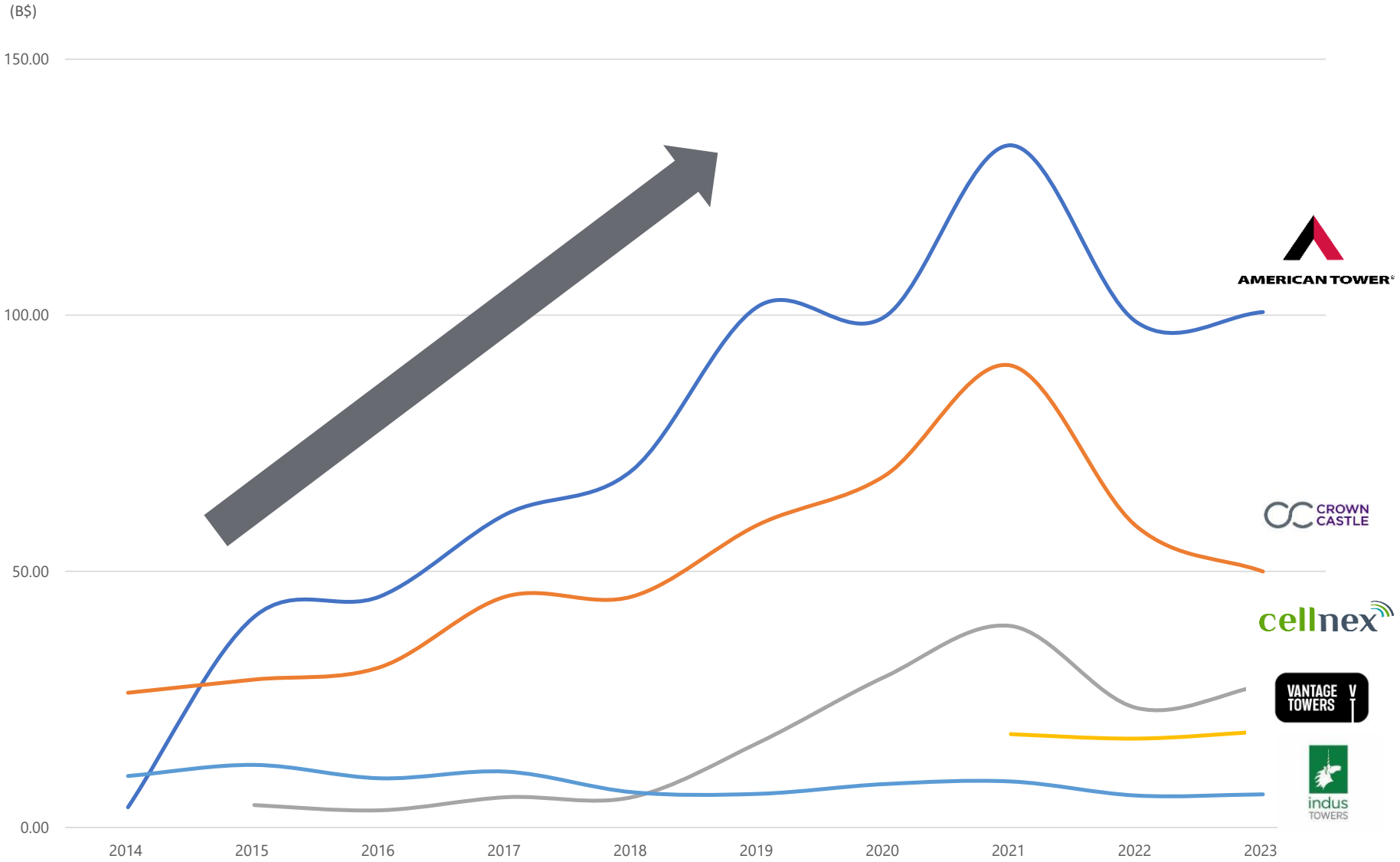

(Source: Based on published data, etc.)

❺ Growth Case of Global Tower Company - Number of Towers Trends

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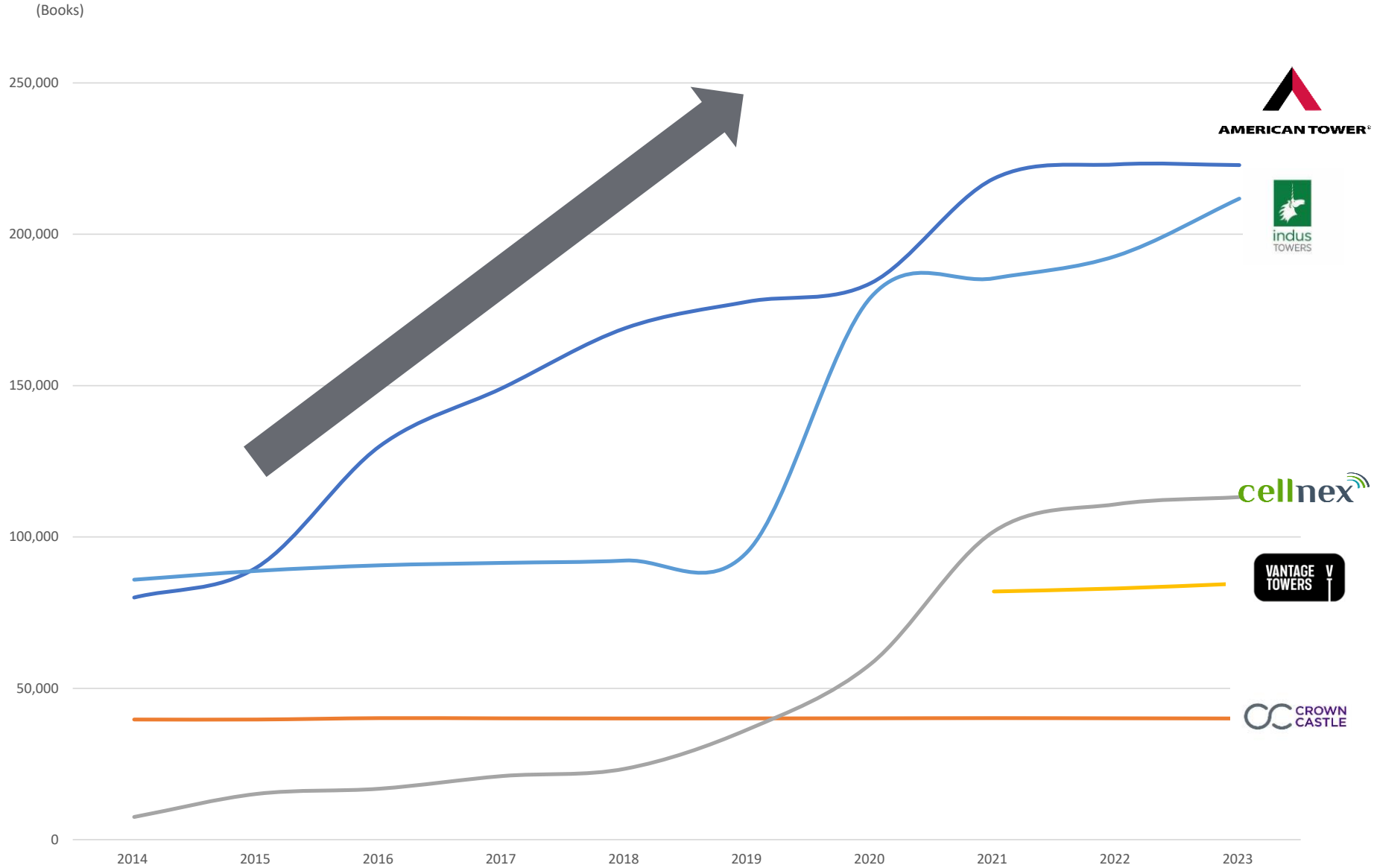

(Source: Based on published data, etc.)

❺ Growth Case of Global Tower Company - Tenancy Ratio *1 Trends

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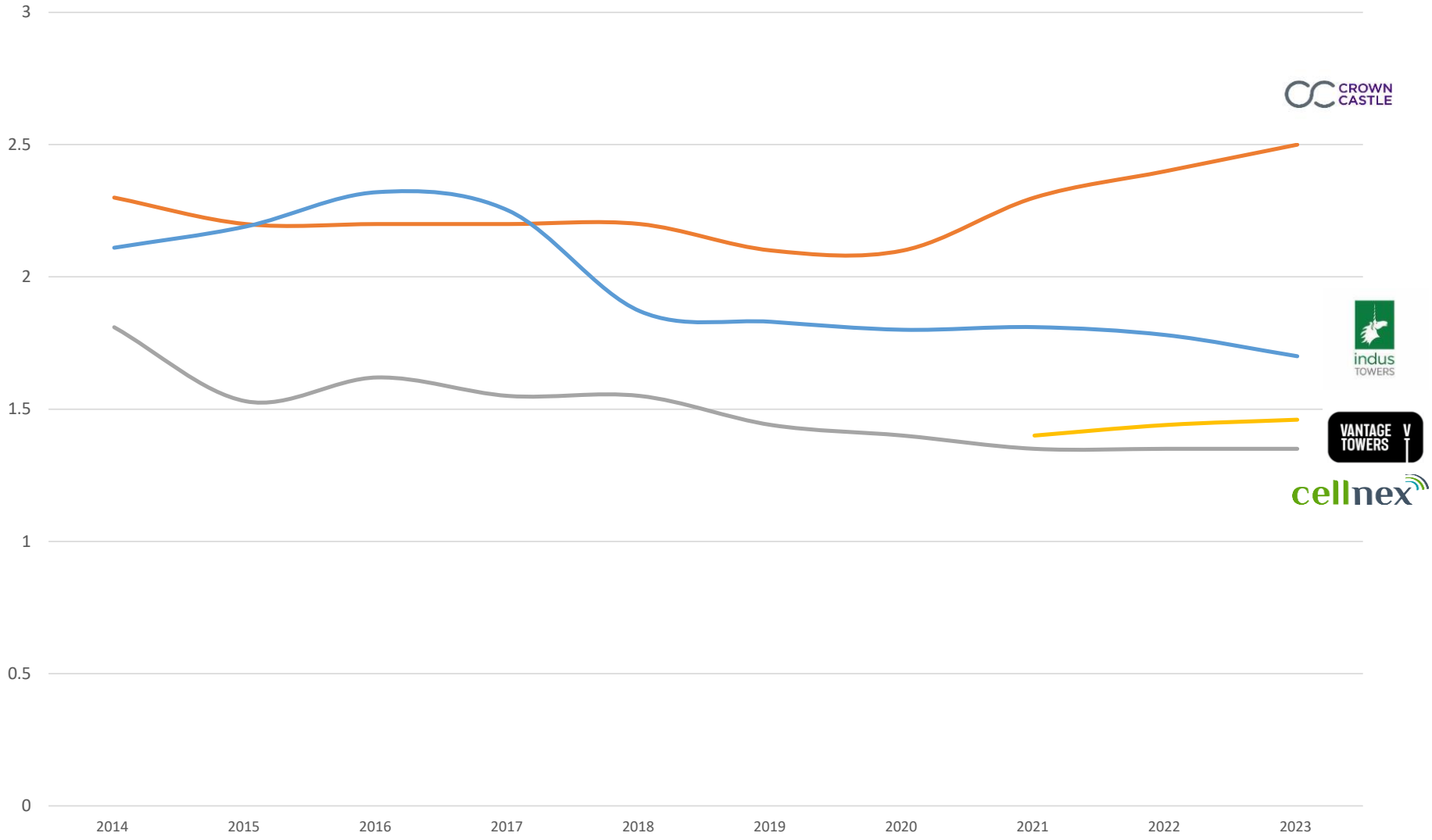

*1:Tenancy ratio: Average number of tenants participating per tower
*2:The tenancy ratio applies only to the tower business.

(Source: Based on published data, etc.)

❺ Comparison of Key Indicators of Global Tower Companies

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	Unit	American Tower	Crown Castle	Cellnex	Vantage Towers	Indus towers
Target Year	-	**2023**	**2023**	**2022**	**2022**	**2022**
Total Towers	Towers	**222,830**	**40,034**	**113,175**	**84,600**	**211,775**
Tenancy Ratio *1	-	**-**	**2.50**	**1.35**	**1.46**	**1.70**
Gross Revenue	JPY mn	**1,686,006**	**1,056,155**	**660,144**	**178,567**	**513,711**
Gross EBITDA Margins	%	***63.6%***	***63.2%***	***74.3%***	***82.9%***	***34.4%***
Gross ROIC (adjusted EBITDA based) *2	%	***10.6%***	***10.9%***	***6.5%***	***7.9%***	***18.2%***
Gross ROIC*3	%	***4.5%***	***5.8%***	***0.8%***	***4.2%***	***7.5%***
Gross Net Leverage Ratio	-	**5.2**	**5.2**	**6.0**	**2.9**	**1.9**

*1: Tower business only
*2: ROIC (adjusted EBITDA basis) = (Adj EBITDA ×(1-effective tax rate)/(Shareholders' equity + Interest-bearing debt)
*3: ROIC formula = (operating income × (1-effective tax rate)) ÷ (total stockholders' equity + interest-bearing debt)
*4: Calculated at 1 dollar = 151.29 yen, 1 yuan = 20.94 yen, 1 euro = 163.0 yen, 1 Indian rupee = 1.81 yen

(Source: Based on published data, etc.)

Disclaimer

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