

November 22, 2021

Company name: J T O W E R Inc.
Representative: Representative Director
Atsushi Tanaka
(TSE Mothers Code No. 4485)
Contact: Ryosuke Nakamura
Managing Director, CFO

Notice of Decision on a Capital and Business Alliance with NTT DOCOMO, INC.

At a meeting of the Board of Directors held on November 22, 2021, we resolved to enter into a capital and business alliance ("the Capital and Business Alliance") with NTT DOCOMO, INC. ("DOCOMO") with the aim of strengthening collaborations in the utilization of Infra-Sharing.

1. Reasons for the Capital and Business Alliance

As the leading company in the telecommunications Infra-Sharing field, we operate the telecommunications Infra-Sharing business both indoors and outdoors. In Domestic IBS*¹ Business, which provides indoor Infra-Sharing, we have 255 installations (as of the end of September 2021) in 4G and plan to install 5G IBS in over 30 buildings, and our solutions are widely used by mobile carriers. In the tower business, which provides the outdoor tower sharing, as initiatives to start up the business, we began preparation for construction of more than 60 towers, and as a new initiative, concluded the master transaction agreement for the carve out of 71 towers owned by NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION, aiming to expand our business.

DOCOMO started using the JTOWER's Infra-Sharing solution (IBS) for its 4G network in 2016 and has expanded the use of the solution nationwide. Furthermore, from October 2020, the company started using 5G IBS at the time JTOWER installed 5G IBS in the Tokyo Metropolitan Government as the first 5G Infra-Sharing in Japan, and also began using Smart Poles*² in the Nishi-Shinjuku area of Tokyo. Both companies have continued to promote the use of Infra-Sharing through these activities.

This time, we have established a capital relationship and based on this relationship, we have decided to conclude the Capital and Business Alliance with the aim of further strengthening the relationship with DOCOMO and maximizing corporate value mutually by implementing the business alliance with respect to each of the items described in "2. Details of the Capital and Business Alliance (2) Details of the business alliance". We expect the alliance with DOCOMO will further increase the corporate value of both companies.

JTOWER and DOCOMO will use this alliance as an opportunity to strengthen collaboration. In addition to considering ways to develop new indoor and outdoor networks and the efficient use of existing towers, the companies will develop an efficient 5G network which will lead to the reduction of capital investments and other costs, power consumption, and installation spaces. Going forward, the companies will aim to realize the early expansion of 5G coverage by promoting Infra-Sharing.

*1 IBS: In-Building-Solution

*2 Smart Pole: A multi-functional pole with 5G base stations, Wi-Fi, surveillance camera, digital signage, etc.

2. Details of the Capital and Business Alliance

(1) Details of the capital alliance

DOCOMO acquires 553,473 shares of our common stock (2.5% of the total number of issued shares, as of September 30, 2021) from NIPPON TELEGRAPH AND TELEPHONE CORPORATION and takes an equity stake in us.

(2) Details of the business alliance

We form a business alliance with DOCOMO in the following areas in order to further develop our businesses and increase our corporate values. The specific content of the business alliance will be decided upon discussion between the two companies in the future.

1. Promote development of efficient and high-value-added 5G networks
2. The efficient installation of base stations by sharing information on JTOWER's Infra-Sharing related developments and DOCOMO's targeted buildings and sites for base stations
3. Development and utilization of new Infra-Sharing equipment through sharing technologies and knowledges of both companies

3. Overview of the Capital and Business Alliance partner

As of March 31, 2021

(1) Name	NTT DOCOMO, INC.
(2) Head office address	Sanno Park Tower, 11-1, Nagata-cho 2-chome, Chiyoda-ku, Tokyo
(3) Name and role of representative	Motoyuki Ii, President and chief executive officer, representative member of the board of directors
(4) Business	Telecommunications business, smart life business and other businesses
(5) Capital	JPY 949,679 million
(6) Date Established	July 1992
(7) Major shareholders and their shareholding ratio	NIPPON TELEGRAPH AND TELEPHONE CORPORATION 100%
(8) Relationship with	

	JTOWER		
	Capital relationship	Not applicable.	
	Personnel relationship	One personnel from DOCOMO is currently serving as directors of JTOWER.	
	Business relationship	There are transactions related to the use of our Infra-Sharing solutions.	
	Status of relationships with related parties	This is a subsidiary of our other associated company.	
(9) Consolidated business performance and financial condition for the last 3 years (IFRS) (JPY in millions)			
Fiscal year	March 31, 2018	March 31, 2019	March 31, 2020
Total equity attributable to the shareholders of DOCOMO	5,665,107	5,371,853	5,249,927
Total assets	7,654,938	7,340,546	7,535,925
Total equity attributable to the shareholders of DOCOMO per share (JPY)	1,576.63	1,610.64	1,626.05
Operating revenues	4,762,269	4,840,849	4,651,290
Operating profit	986,960	1,013,645	854,650
Profit attributable to the shareholders of DOCOMO	790,830	663,629	591,524
Basic earnings per share (JPY)	214.27	187.79	179.92
Dividends per share (JPY)	100.00	110.00	120.00

(Note)

1. DOCOMO's parent company is NIPPON TELEGRAPH AND TELEPHONE CORPORATION which is listed on the First Section of the Tokyo Stock Exchange, and the Company's Corporate Governance Report dated November 10, 2021 publishes its basic policy on the elimination of antisocial forces and the status of their development. Accordingly, we believe that DOCOMO and its directors and major shareholders have no relationship with antisocial forces.
2. Consolidated Business performance and financial condition for the year ended March 31, 2021 are not included because DOCOMO is an unlisted company.

4. Schedule

(1)	Resolution of the board of directors	November 22, 2021
(2)	Conclusion of the Capital and Business Alliance agreement	November 26, 2021 (tentative)
(3)	Commencement date for the business alliance	November 26, 2021 (tentative)

5. Future Outlook

We believe that the Capital and Business Alliance will contribute to improve the performance of our group over the medium to long term. However, the specific impact on our consolidated results for the year ending March 31, 2022 is immaterial. We will provide prompt notice of any events that may have a material impact on our consolidated financial results.