



# JTOWER

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## Financial Results for Q2 FY2022 ended September 30, 2022

November 9, 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 H1 Financial Results
- 2 . Initiatives for Future Growth
- 3 . FY2022 Full Year Forecasts
- 4 . Q&A
- 5 . Appendix

**Infra-Sharing  
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## Consolidated revenue increased by 20% YoY to JPY2,284 million

- The revenue for the Domestic IBS business increased by 15% YoY to JPY1,855 million, driving overall revenue growth.
- Infra-Sharing revenue\*<sup>1</sup> accounted for 96% of the total revenue, establishing a stable revenue base.

## Operating profit remained about the same level as H1 FY2021 due to an increase in SG&A expenses

- Operating profit decreased by 0.5% YoY due to an increase in SG&A expenses such as personnel and office relocation expenses, despite an increase in Infra-Sharing revenue.
- In H1, R&D expense for 5G mmWave shared radio unit was not incurred. R&D expense planned for H1 FY2022 was recorded after the acceptance inspection was conducted at the end of October.
- Ordinary profit increased due to foreign exchange gains of JPY95 million, resulting from the depreciation of the yen.

## Full-year forecasts remained unchanged

- H1 results were in line with forecasts except for delays in R&D expense for 5G mmWave shared radio unit.
- Full-year forecasts remained unchanged, considering the revenue contribution of carve-out towers and the incurrence of upfront investment expenses in 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.

**Domestic  
IBS**

The number of installations in both 4G and 5G **is expected to expand from the initial forecast.** Particularly expand in 5G IBS due to the expansion of 5G indoor coverage by MNO.

**Tower**

**Transferred 121 towers** from NTT DOCOMO prior to concluding the financing contract for carve-outs.

# ① FY2022 H1 Consolidated Results – P&L

- Revenue increased to JPY2,284 million (+20% YoY)
- Operating profit remained about the same level as H1 FY2021 due to an increase in SG&A expenses such as personnel and office relocation expenses.
- Foreign exchange gains (JPY95 million) were recorded as non-operating income due to the depreciation of the yen.

(JPY mn)	FY2021	FY2022		
	6 Months Results	6 Months Results	Change	
			Amount	%
<b>Revenue</b>	1,899	<b>2,284</b>	+385	+20.3%
<b>EBITDA *1</b>	757	<b>893</b>	+135	+17.9%
<i>EBITDA Margin</i>	39.9%	<b>39.1%</b>	- 0.8pt	—
<b>Operating Profit</b>	231	<b>229</b>	- 1	-0.5%
<i>Operating Profit Margin</i>	12.2%	<b>10.1%</b>	- 2.1pt	—
<b>Ordinary Profit</b>	197	<b>329</b>	+131	+66.8%
<b>Net Income</b>	128	<b>223</b>	+95	+74.4%
<b>Capital Expenditure (Investment Cash Flow)</b>	-983	<b>-1,133</b>	- 150	+15.3%

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

# ① FY2022 H1 Consolidated Results – BS (1/2)

- Building a solid financial base with cash and cash equivalents increased by JPY7 billion from the end of FY2021 to **JPY15.6 billion** due to an increase in Infra-Sharing revenue which exceeded capital investments.

(JPY mn)	FY2021	FY2022	
	March 31, 2022	September 30, 2022	Change
<b>Current Assets</b>	<b>15,782</b>	<b>16,462</b>	<b>+679</b>
Cash and Cash Equivalents	14,835	15,610	+775
Accounts Receivable	592	648	+56
<b>Non-current Assets</b>	<b>9,222</b>	<b>9,760</b>	<b>+538</b>
Tangible Fixed Assets	8,317	8,845	+527
Goodwill	339	374	+34
<b>Total Assets</b>	<b>25,005</b>	<b>26,222</b>	<b>+1,217</b>
<b>Financial Indicators</b>			
Debt	733	625	- 107
Net Debt	-14,102	-14,985	- 883
Equity Ratio	60.9%	59.8%	- 1.1pt

# ① FY2022 H1 Consolidated Results – BS (2/2)

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

(JPY mn)	FY2021	FY2022	
	March 31, 2022	September 30, 2022	Change
<b>Current Liabilities</b>	<b>9,215</b>	<b>10,026</b>	<b>+810</b>
Accounts payable - trade	294	163	- 130
Short-term borrowings*1	60	55	- 5
Accounts payable - other	975	1,019	+44
Contract liability	7,473	8,317	+843
<b>Non-current Liabilities</b>	<b>569</b>	<b>514</b>	<b>- 55</b>
Long-term borrowings	150	125	- 25
<b>Total Liabilities</b>	<b>9,785</b>	<b>10,540</b>	<b>+755</b>
<b>Net Assets</b>	<b>15,219</b>	<b>15,682</b>	<b>+462</b>
Share capital	7,989	7,992	+3
Capital surplus	6,150	6,154	+3
<b>Total Liabilities and Net Assets</b>	<b>25,005</b>	<b>26,222</b>	<b>+1,217</b>

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



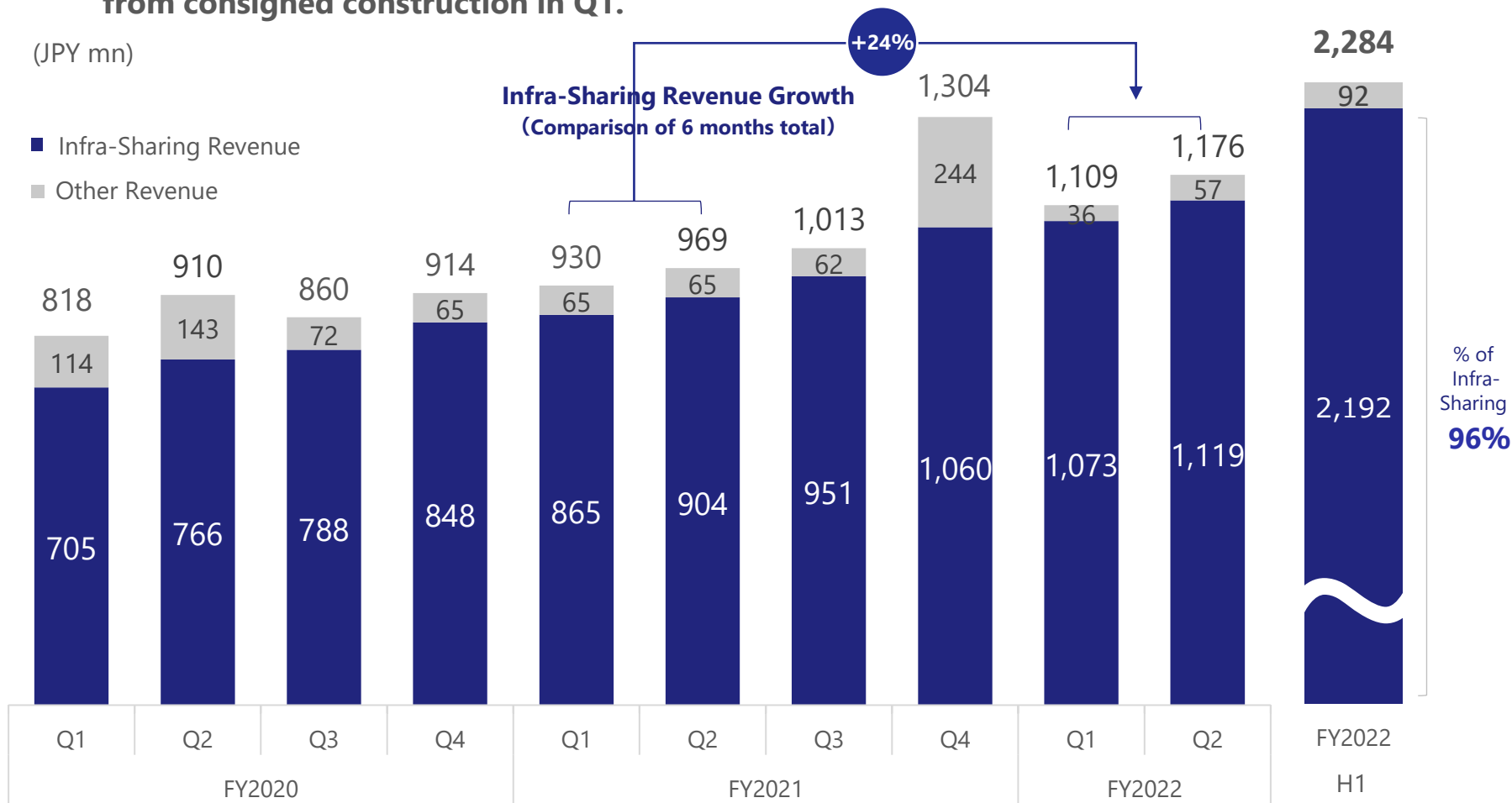
# ① FY2022 H1 Consolidated Results – CF

- With increased contract liability (to be reported as revenue in the future), cash and cash equivalents at the end of Q2 increased by JPY600 million from the end of FY2021.  
(In FY2021, the third-party allotment of new shares was conducted in Q1)

(JPY mn)	FY2021	FY2022	
	6 Months Ended September 30, 2021	6 Months Ended September 30, 2022	Change
<b>Cash Flows from Operating Activities</b>	<b>1,328</b>	<b>1,659</b>	<b>+331</b>
Change in Contract liability (Decrease "-")	476	842	+366
Depreciation	510	644	+134
Foreign exchange losses (gains "-")	-	-96	-96
Amortization of Goodwill	15	17	+2
<b>Cash Flows from Investing Activities</b>	<b>-1,051</b>	<b>-977</b>	<b>+74</b>
Purchase of property, plant and equipment	-983	-1,133	-149
Subsidies received	-	150	+150
<b>Free Cash Flow</b>	<b>276</b>	<b>682</b>	<b>+405</b>
<b>Cash Flows from Financing Activities</b>	<b>7,086</b>	<b>-100</b>	<b>-7,186</b>
Proceeds from issuance of shares	7,335	7	-7,327
Proceeds from sale and leaseback transactions	16	46	+30
Repayments of lease obligations	-136	-124	+11
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>2</b>	<b>101</b>	<b>98</b>
<b>Net Increase (Decrease "-") in Cash and Cash Equivalents</b>	<b>7,365</b>	<b>683</b>	<b>-6,682</b>
Cash and Cash Equivalents at Beginning of Period	7,990	14,375	+6,384
Cash and Cash Equivalents at End of Period (Q2)	15,355	15,058	-297

# ① Historical Consolidated Revenue

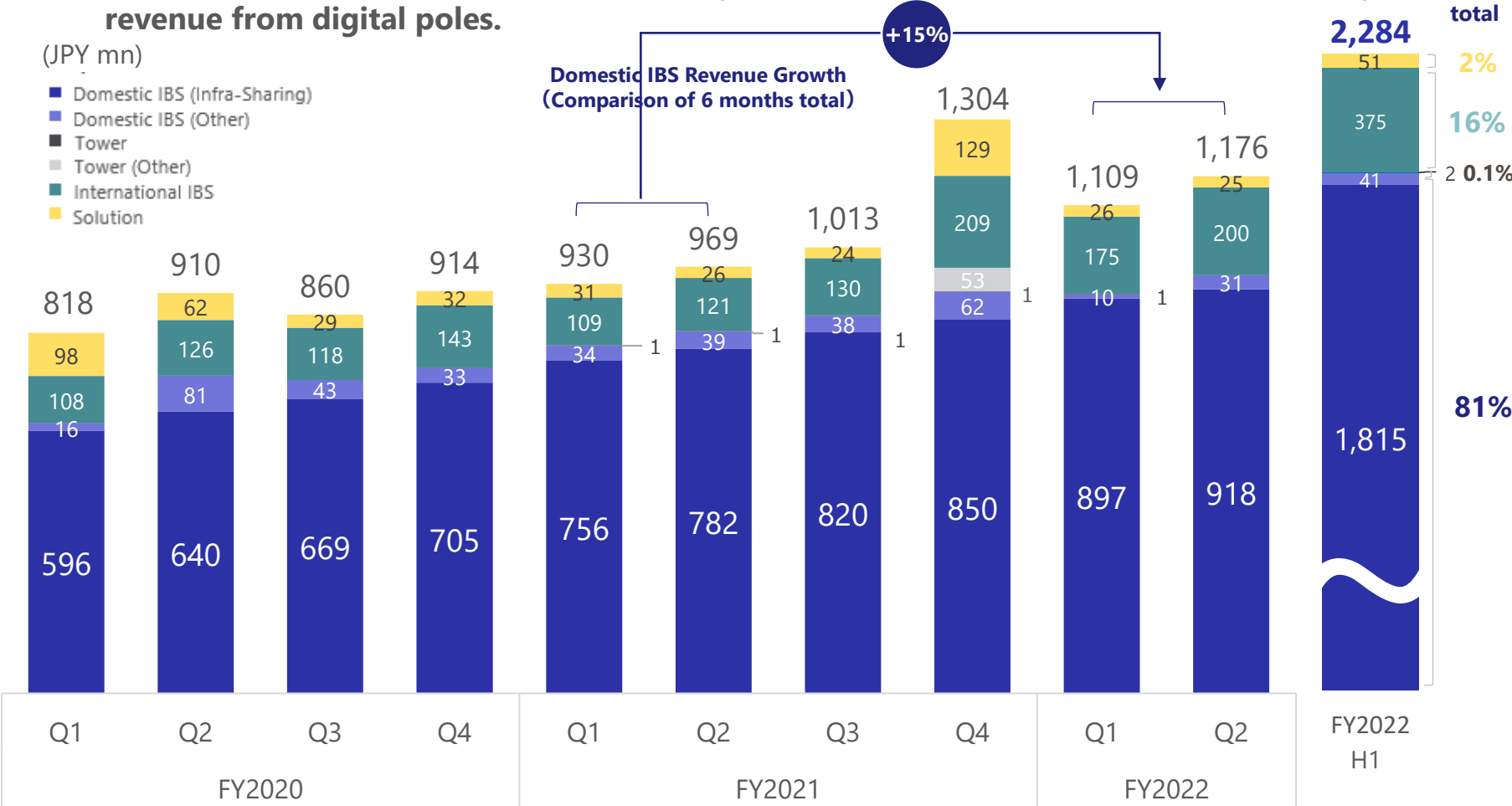
- Infra-Sharing revenue\*1 has grown **24%** YoY and is serving as a steady revenue base, accounting for **96%** of the total consolidated revenue.
- Other revenue declined compared with H1 FY2021 due to the impact of a decline in revenue from consigned construction in Q1.



\*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

- Domestic IBS revenue increased by **15% YoY** and has grown to account for **81%** of the total consolidated revenue.
- In International IBS, revenue increased due to the contribution from the IBS asset transfer and the impact of the depreciation of the yen. Tower business continues to record only the revenue from digital poles.

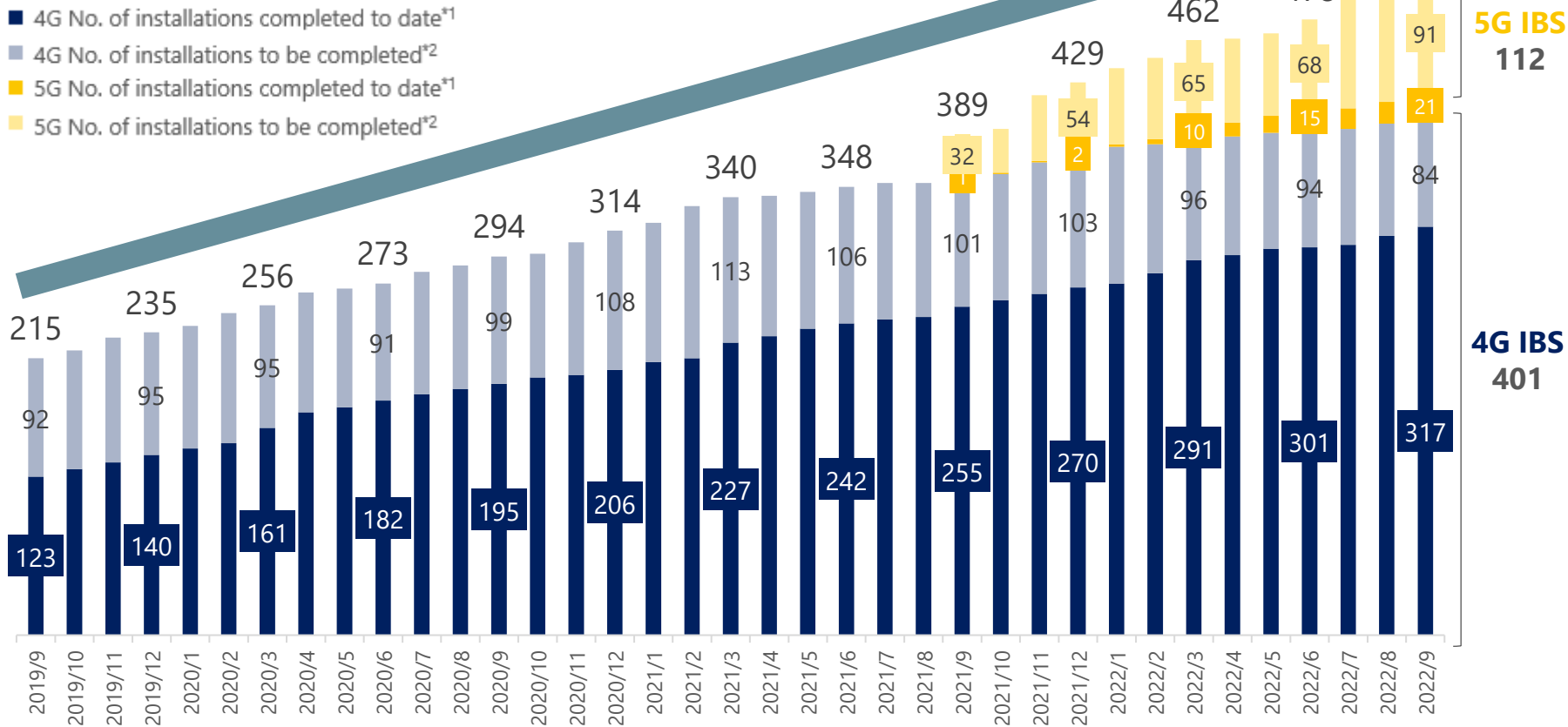


Note: Breakdown of quarterly revenue by business is unaudited.

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

- In H1, the number of completed installations of 4G IBS increased by 26 and total number of 4G IBS installations has increased to 401 (installation completed: 317, to be installed: 84). \* Exclude 4G IBS (replacement)
- Total number of installations of 5G IBS became 112 including pipelines.

(Number of properties)



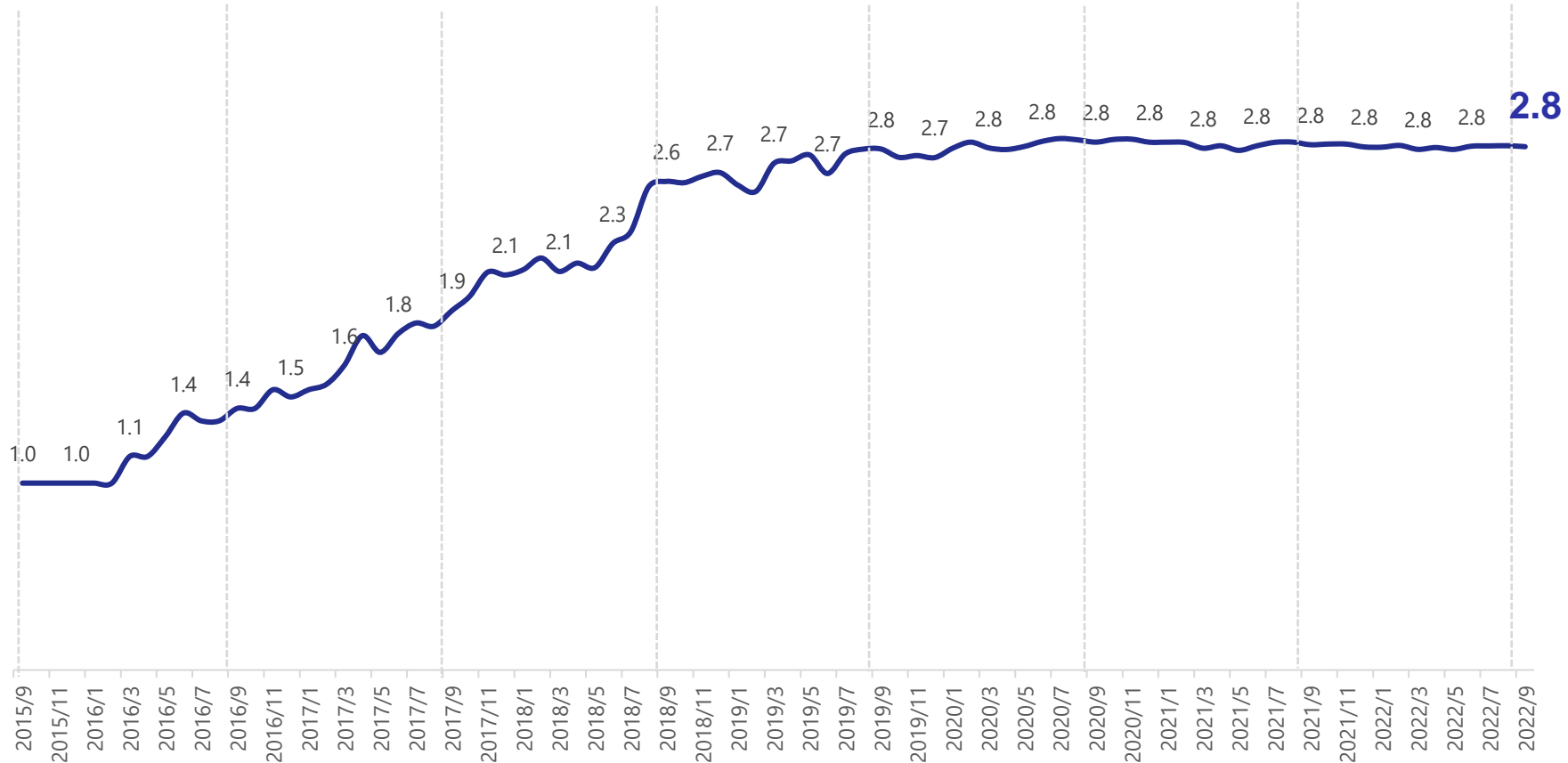
\*1: Projects where radio waves have been emitted and revenues are recognized.

\*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\*<sup>1</sup> (Domestic IBS-4G)

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

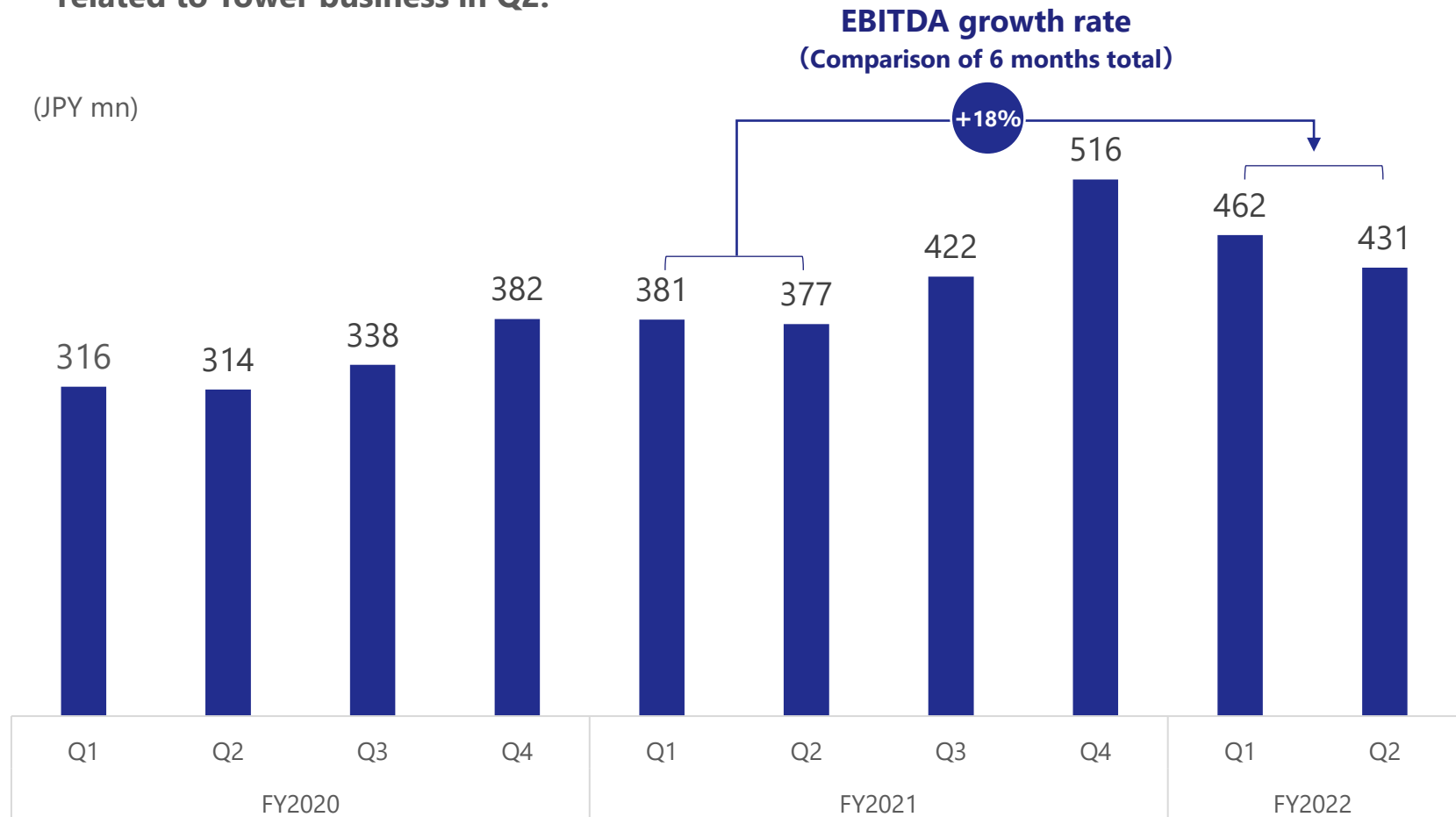
(x)



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

# ① Historical Consolidated EBITDA\*1

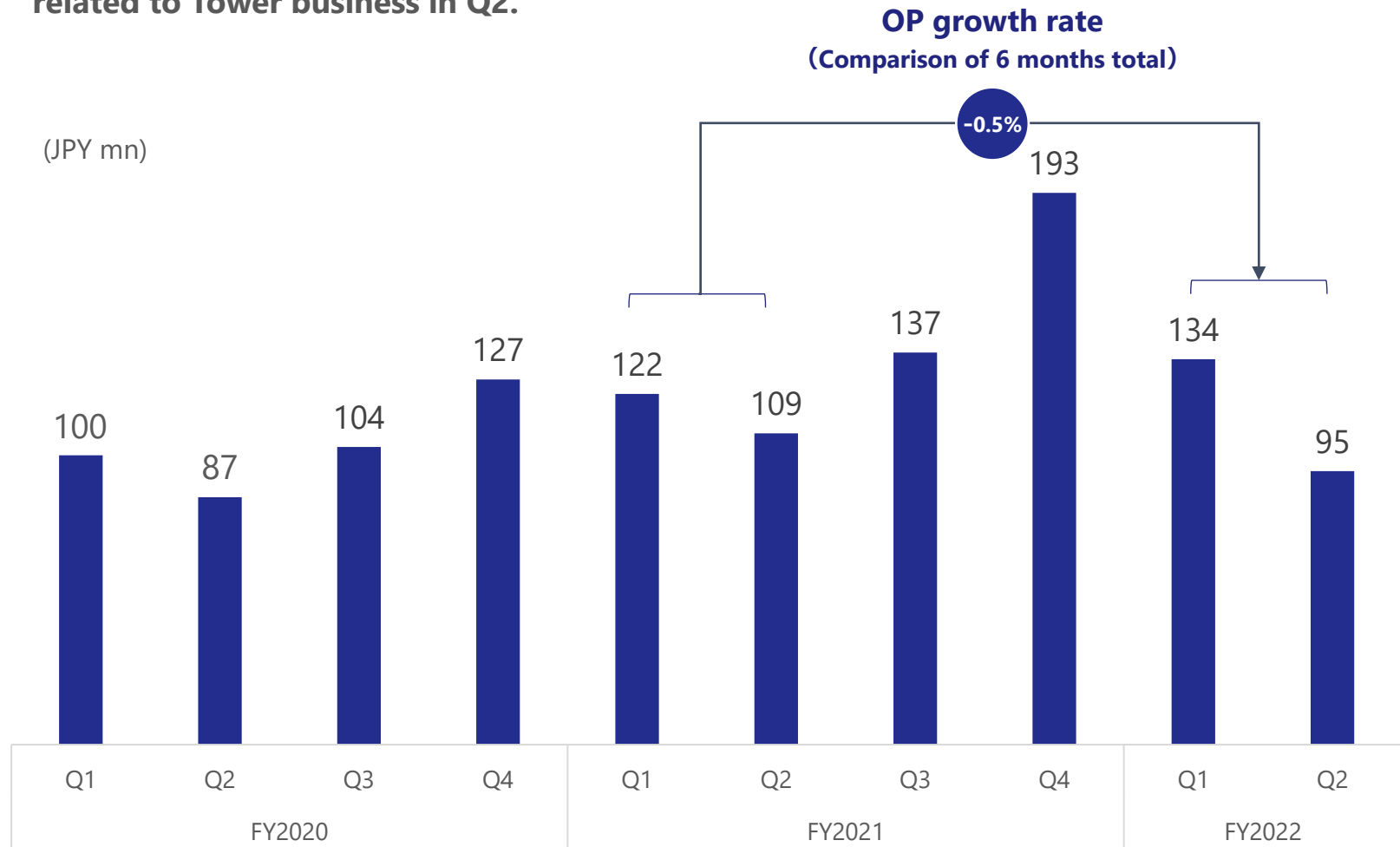
- Consolidated EBITDA improved by **18% YoY**.
- Decreased compared with the previous quarter due to the impact of recording expenses related to Tower business in Q2.



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

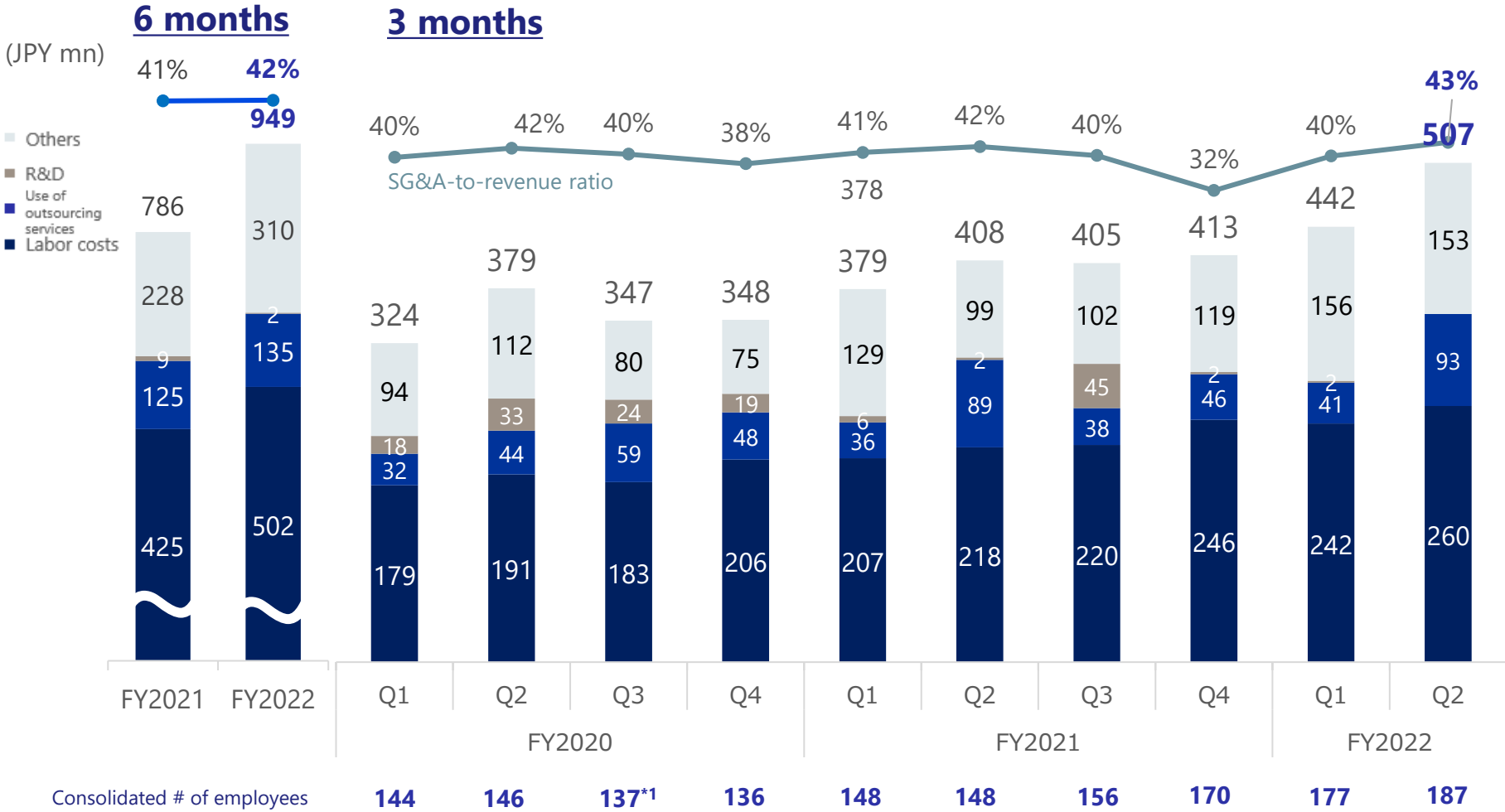
# ① Historical Consolidated Operating Profit

- Consolidated Operating Profit slightly decreased by **0.5% YoY**.
- Decreased compared with the previous quarter due to the impact of recording expenses related to Tower business in Q2.



# ① Historical Consolidated SG&A Expenses

- Other expenses increased throughout H1 due to office relocation expenses.
- Outsourcing expenses increased due to the recording of the expense related to Tower business (JPY46 million) in Q2.



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



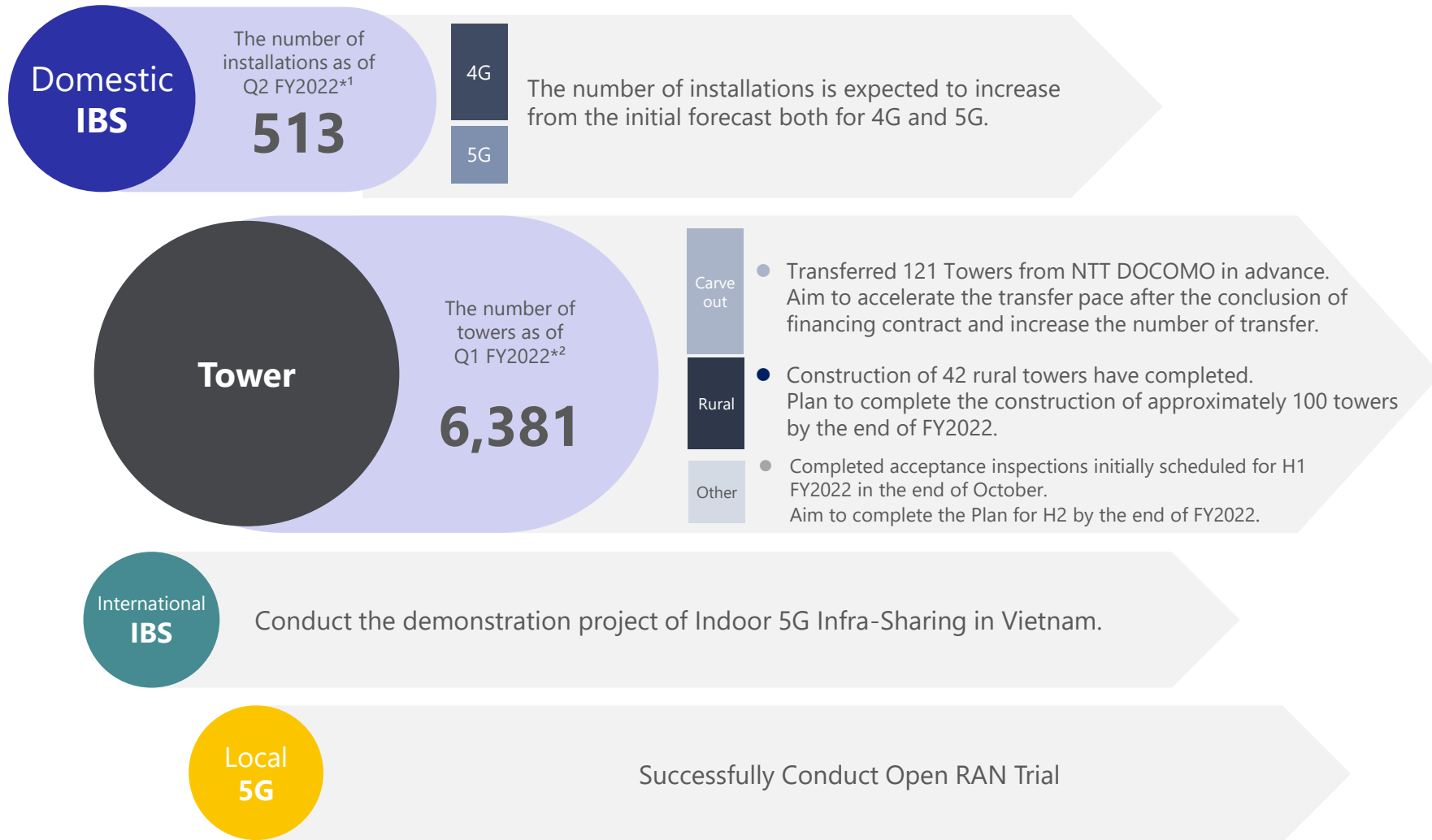


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## ② <Summary> Initiatives for Future Growth




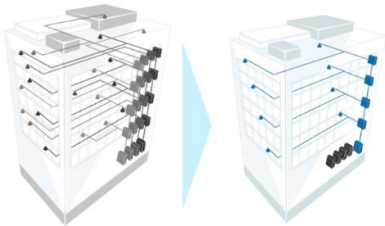


\*1: The total of installations (installation completed + pipelines) of 4G and 5G IBS

\*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)

## ② Domestic IBS – The number of installations is expected to increase both for 4G and 5G

- The number of installations is expected to increase from the initial forecast for 4G IBS new installations, 4G IBS replacements and 5G IBS.
- Significant growth in 5G IBS due to expansion of 5G indoor coverage by MNO.

### New initiatives

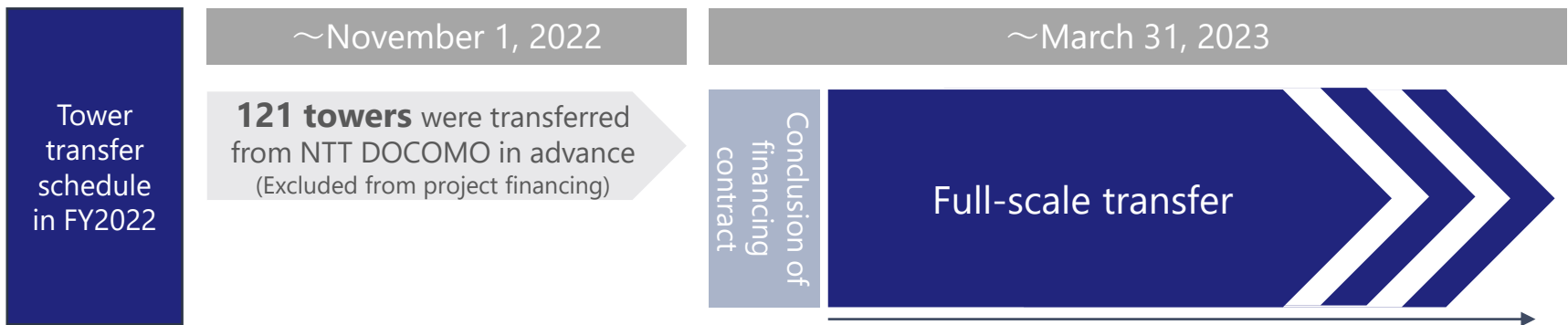
	4G IBS (New installation)	4G IBS (Replacement)	5G IBS
Installation Image			<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>4G&amp;5G</p>  </div> <div style="text-align: center;"> <p>Only 5G</p>  </div> </div>
Main target	New building	Existing building	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">New building</div> <div style="text-align: center;">Existing building</div> </div>
Coverage area*	Basically <b>whole building</b> (more than <b>2</b> tenants)	Basically <b>whole building</b> (more than <b>1</b> tenant)	Centered on <b>high traffic spots</b> (more than <b>1</b> tenant)
Initial installation forecast in FY2022	<b>61 buildings</b>	<b>10 buildings.</b>	<b>44 buildings.</b>
The number of installations is expected to increase from the initial forecast			

## ② Tower – Progress of Tower carve-outs

- As of November 1, 2022, 121 towers were transferred from NTT DOCOMO prior to the conclusion of the financing contract. (These towers are excluded from project financing)
- For towers subject to project finance, although the start of the transfer was slightly delayed from the initial forecast, but we aim to accelerate the transfer pace and increase the number of transfer in FY2022 from the initial forecast of 2,180.



**Accelerate the transfer pace after the conclusion of financing contract**  
(Aiming to expand the number from the initial forecast of 2,180 towers)



\*1: The number shown on each tower image is the total number agreed upon in the master transaction agreement.

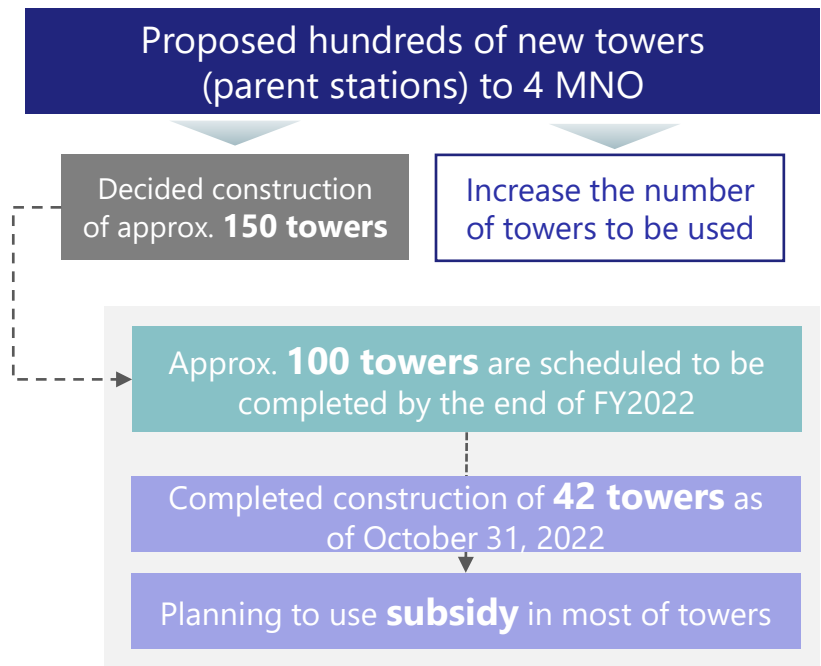
## ② Tower - Progress of rural tower sharing

- Constructions of 42 rural towers were completed as of October 31, 2022 and about 100 towers are scheduled to be completed by the end of FY2022. (The majority of MNO use will start from FY2023)
- Accelerate the expansion of rural tower sharing by actively utilizing the subsidy system\*1.

<Progress of rural tower sharing>



(Photo) Tower in Hiroo, Hokkaido (Before the installation of base stations)



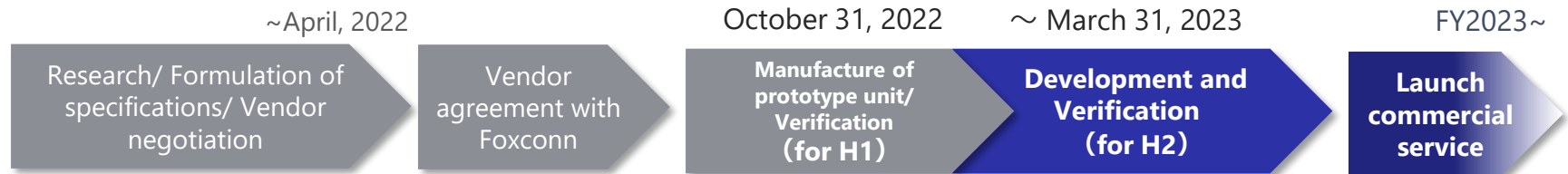
**Accelerate the expansion of rural tower sharing by actively utilizing the subsidy system**

\*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).

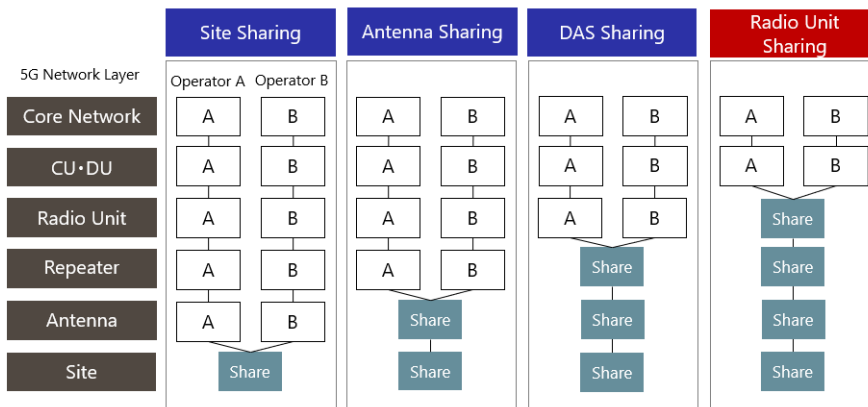
## ② Tower - Development of 5G mmWave Shared Radio Unit

- In April 2022, we concluded the agreement with Foxconn Technology Group (Taiwan) to develop 5G mmWave shared radio unit and we completed acceptance inspections initially scheduled for H1 FY2022 in the end of October.
- Aim to complete the remaining development and acceptance inspections by the end of FY2022.

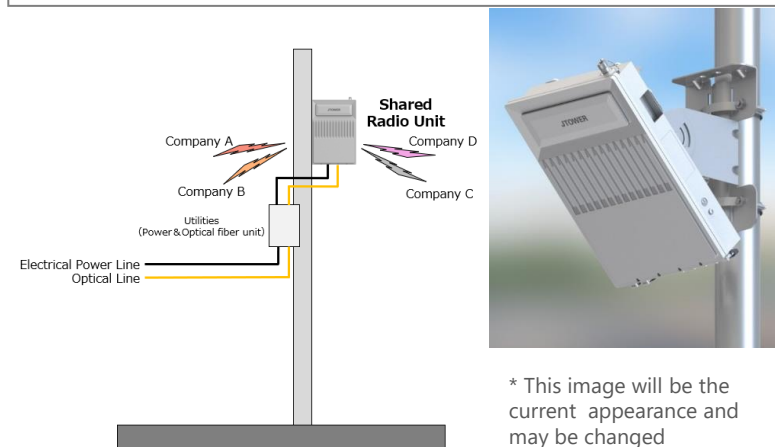
### Development Status and Future Steps of 5G mmWave shared radio unit



### Realization of RU sharing in the high layer



### Image of installation and device



## ② International IBS – The demonstration project of Indoor 5G Infra-Sharing in Vietnam

# JTOWER

- In November 2022, JTOWER has been adopted for Internal Affairs and Communications' FY2022 demonstration project of indoor Infra-Sharing in the Socialist Republic of Vietnam.
- In order to introduce Japanese 5G solutions into ASEAN region, JTOWER, SPN, KDDI Vietnam will participate and conduct the demonstration project on the feasibility and dissemination of indoor Infra-Sharing.

The commercial complex that conducts demonstrations

**Parkson Saigon Tourist Plaza**  
(Ho Chi Minh City, Vietnam)

5 floors above ground, 1 below  
Commercial complex

Details of verification

### ● Building a verification environment

Develop 5G network facilities by Infra-Sharing in addition to the existing 4G network.

### ● Verifying Applications Using 5G Networking Equipment

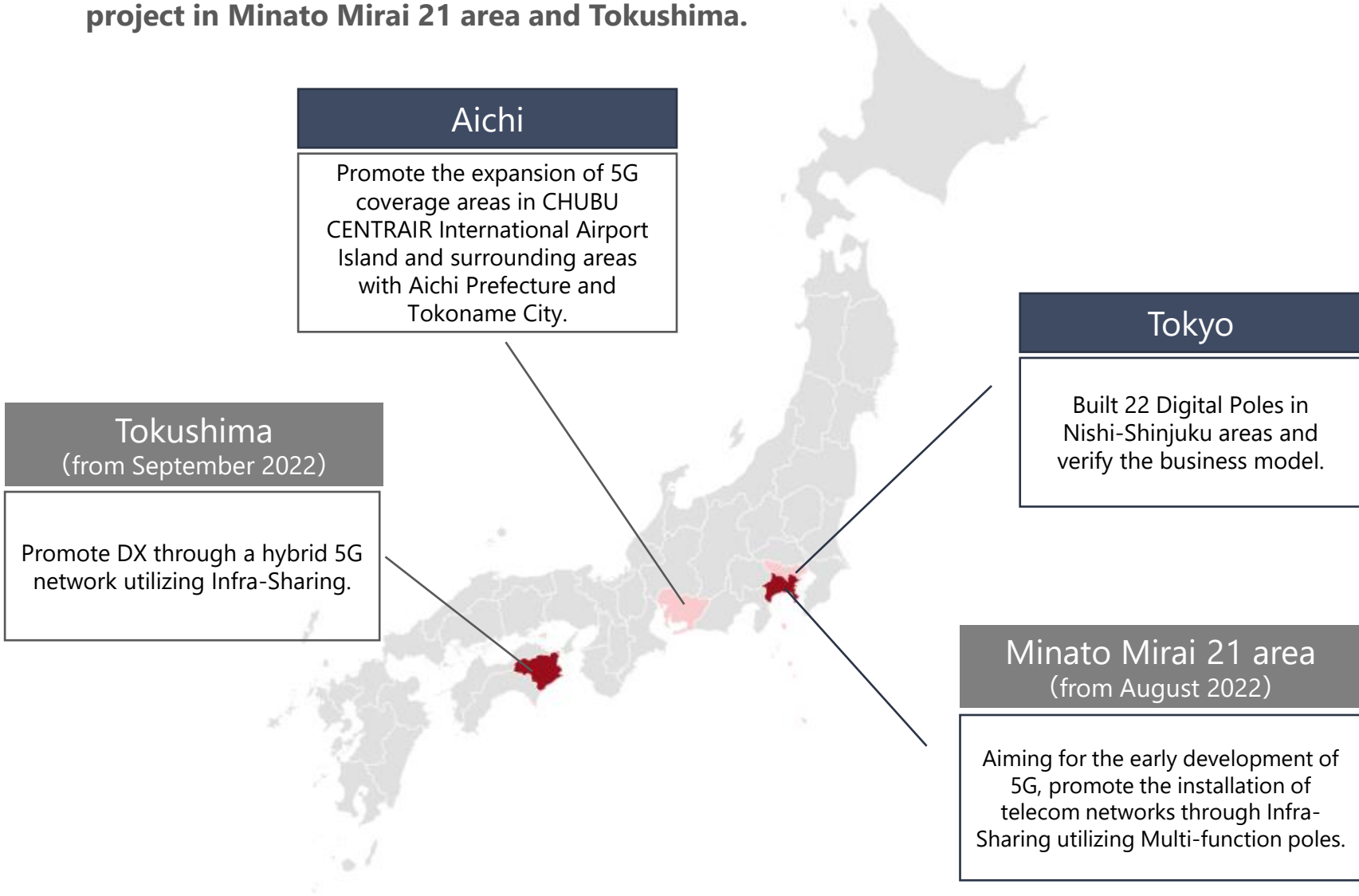
Provide XR contents and evaluate the improvement of convenience for downloading large-volume data in an indoor 5G environment.

### ● Verification of feasibility

- Quantitatively demonstrate how much reduction has been achieved in capital investment, operation and maintenance costs and power consumption compared to the case in which Infra-Sharing had not been conducted.
- Formulate a business model for actual introduction in other countries in ASEAN

## ② Promotion of Smart City

- In addition to the projects in Tokyo and Aichi, we have started taking part of Smart City project in Minato Mirai 21 area and Tokushima.





## ② <Reference> Installation of Local 5G sharing equipment **JTOWER** in Tokushima

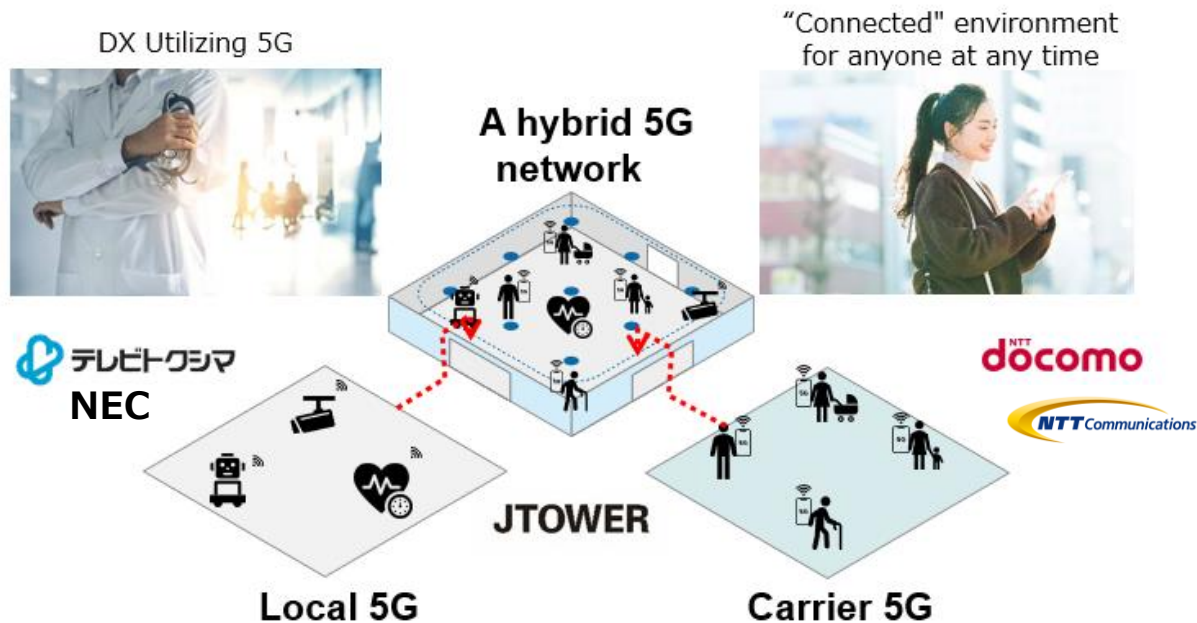
- Promote DX through a hybrid 5G network at Tokushima Prefectural Government Building and the Tokushima Prefectural Central Hospital. Aiming to start operation in spring 2023 in anticipation of digitalization of government and utilization in the medical field.

### Image of a hybrid 5G network

Tokushima Prefectural Government Building



Tokushima Prefectural Central Hospital



## ② Local 5G – Successfully Conduct Open RAN Trial

# JTOWER

- In October 2022, the 4 companies of JTOWER, MKI, Cisco and Airspan succeeded in Open RAN Trial. The deployment was built with Cisco Private 5G, JTOWER's Local 5G sharing equipment and Airspan's base station.

### Results of the collaboration

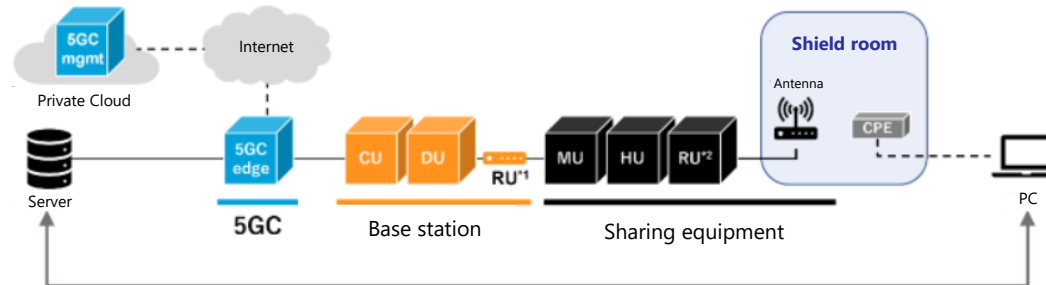
The interoperability between technology providers using Open RAN base stations

The devices of each technology provider and JTOWER's L5G Sharing equipment were interconnected, and the transmission from the client PC to the test server (placed after L5G core network) was confirmed.

Efficient network construction

Confirmed that the combination of JTOWER and Cisco-provided equipment would create benefits for shortening network-construction time, reducing CAPEX and operational burdens for local 5G users.

【System overview of the connection test】



#### Performance measurement zone

【凡例】 ■ : Cisco ■ : Airspan ■ : JTOWER Wireless network: MKI

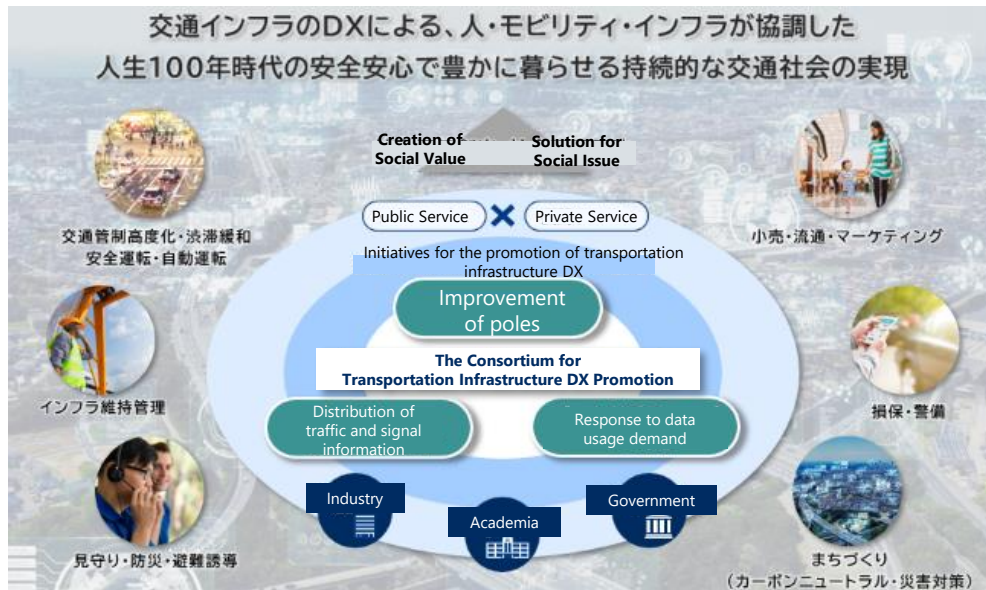
5GC : 5Gコアネットワーク、CU (Central Unit) : 集約基地局、DU (Distributed Unit) : リモート局、RU\*1 (Radio Unit) : 5G無線装置、MU (Master Unit) : 親機、HU (Hub Unit) : 光中継器、RU\*2 (Remote Unit) : 子機、CPE (Customer Premise Equipment) : ローカル5G端末

By promoting Infra-Sharing of L5G facilities, we aim to provide sustainable L5G that reduce environmental impact by reducing materials, construction works and electricity consumption.

## ② <Reference> Established the Consortium for Transportation Infrastructure DX Promotion

- In August 2022, the 4 companies of JTOWER, Sumitomo Electric, Nippon Signal and NEC established the Consortium for Transportation Infrastructure DX Promotion through industry-government-academia collaboration with the support of Professor Takashi Oguchi (Tokyo university) and Professor Keisuke Uehara (Keio university).
- The consortium promote study and external activities to encourage the actual use of the flexible and scalable new DX foundation centered on 5G network using traffic signals, aiming for the realization of a safe, secure and sustainable transport society in cooperation with people, mobility and infrastructure.

### The Consortium for Transportation Infrastructure DX Promotion



### Roles of JTOWER in consortiums

- Promote 5G network sharing using signal poles
- Lead in commercialization
- Coordination of collaboration with MNO



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### ③ FY2022 Full Year Forecasts (No change)

- H1 results were in line with forecasts except for delays in R&D expense for 5G mmWave shared radio unit.
- Full-year forecasts remained unchanged, considering the revenue contribution of carve-out towers the incurrence of upfront investment expenses from H2.

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

FY2022	
H1 results	H2 forecasts
2,284	<b>3,556</b>
893	<b>697</b>
39.1%	<b>19.6%</b>
229	<b>-469</b>
10.1%	—
329	<b>-2,129</b>
223	<b>-2,063</b>
-1,133	<b>-42,737</b>

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



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Category	Q	A
H1 Results	What is the expense related to Tower business? It was the factor behind the increase of outsourcing costs in Q2.	This is the research and preparation cost for the construction of rural towers, which is recorded as SG&A expense after a certain period of time. The expense is expected to be mostly completed this time.
H1 Results	What was the reason for the delay in R&D expense for 5G mmWave shared radio unit ? As previously stated, the acceptance inspection scheduled for H1 was completed at the end of October. Has the cause of the delay been resolved?	The main reason was the impact of semiconductor shortage. As of the end of October, the problem has been resolved, but if it occurs again, it will impact acceptance inspections in H2. Therefore, we will continue to monitor the market trends.
Carve-out	How did you select 121 towers for which were transferred in advance? Why were those towers not included for project finance?	The conclusion of the finance contract is under adjustment for finalization. In order to create the flow of the transfer procedure and the operation and management structure, the transfer of 121 towers was implemented in advance, targeting towers located in NTT DOCOMO's owned land.
Carve-out	Did you raise capital to acquire 121 towers ?	The acquisition of 121 towers was handled with our own funds.
Carve-out	What is the progress of the financing contracts?	We are working to finalize various conditions with financial institutions. We will disclose the details promptly upon the decision of the financing agreement.
Full Year Forecasts	How will the revenue of Domestic IBS and Tower progress in H2?	With regard to carve-outs, for towers subject to project financing, the start of the transfer will be delayed compared to the initial forecast. But we aim to increase the number of transfer (more than the initial forecast of 2,180 towers) . In addition, we expect upside potentials, including an increase in the number of installations in Domestic IBS and a positive impact from the foreign exchange impact in International IBS.



## Outline

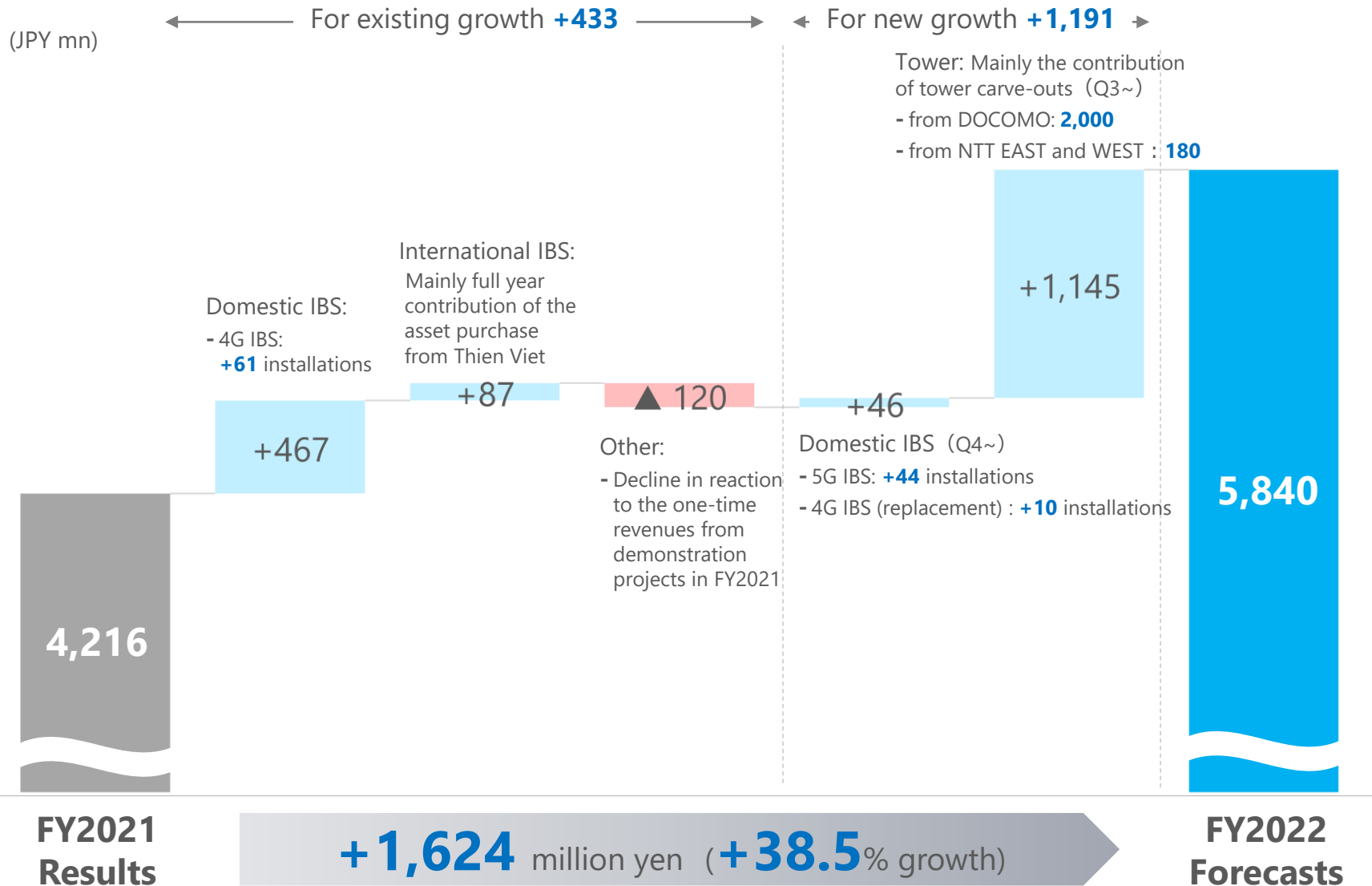
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## ⑤ <Reference> FY2022 Forecast

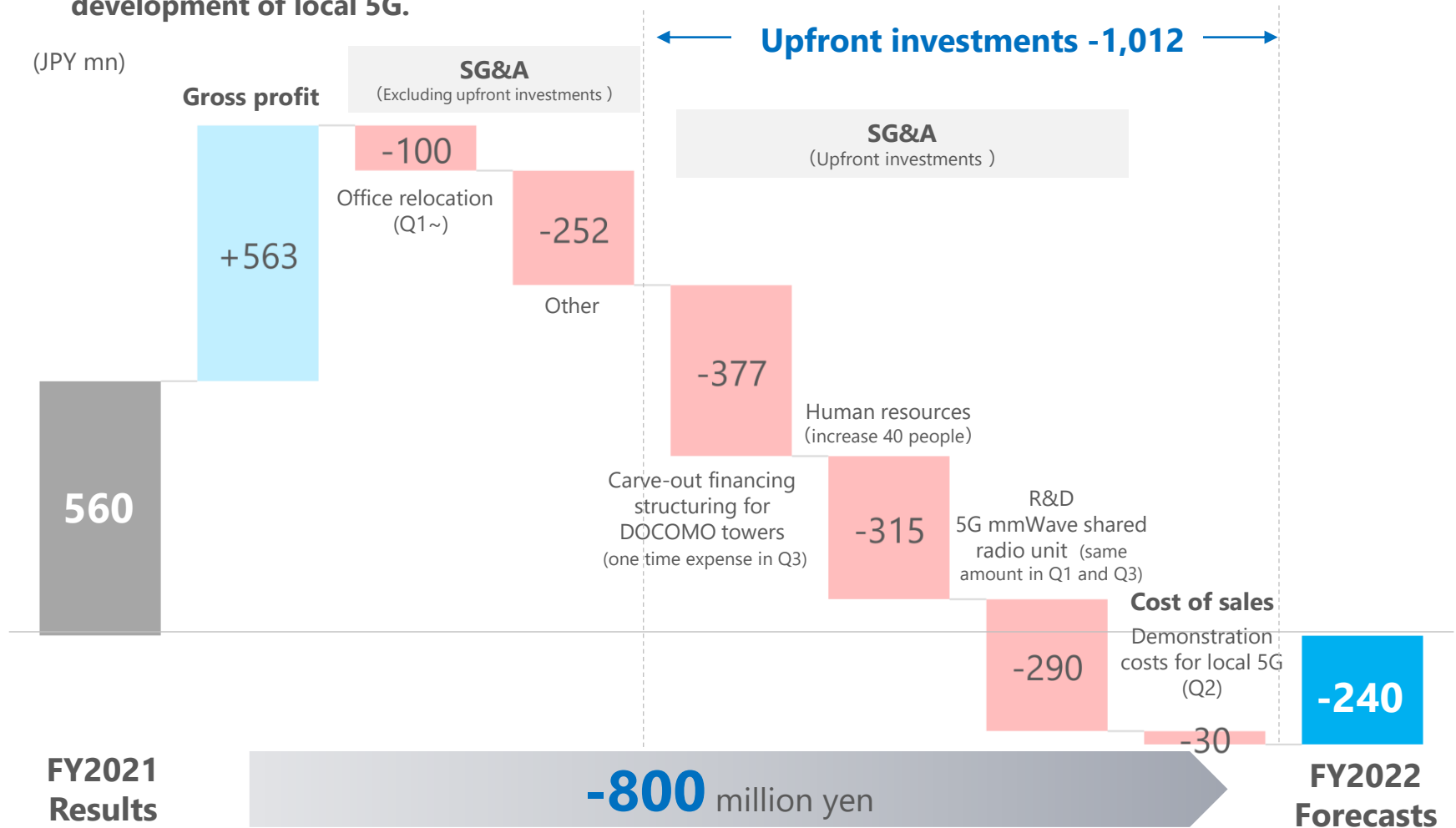
### Factors Behind Changes in Consolidated Revenue (announced May 12, 2022)



## ⑤ <Reference> FY2022 Forecast:

### Factors Behind Changes in Consolidated OP (announced May 12, 2022)

- Expected upfront investments, including the expansion of human resources (mainly for Domestic IBS and Tower), one-time expenses for the structuring of carve-out financing, expenses for the development of 5G mmWave shared radio unit and expenses related to the demonstration and development of local 5G.

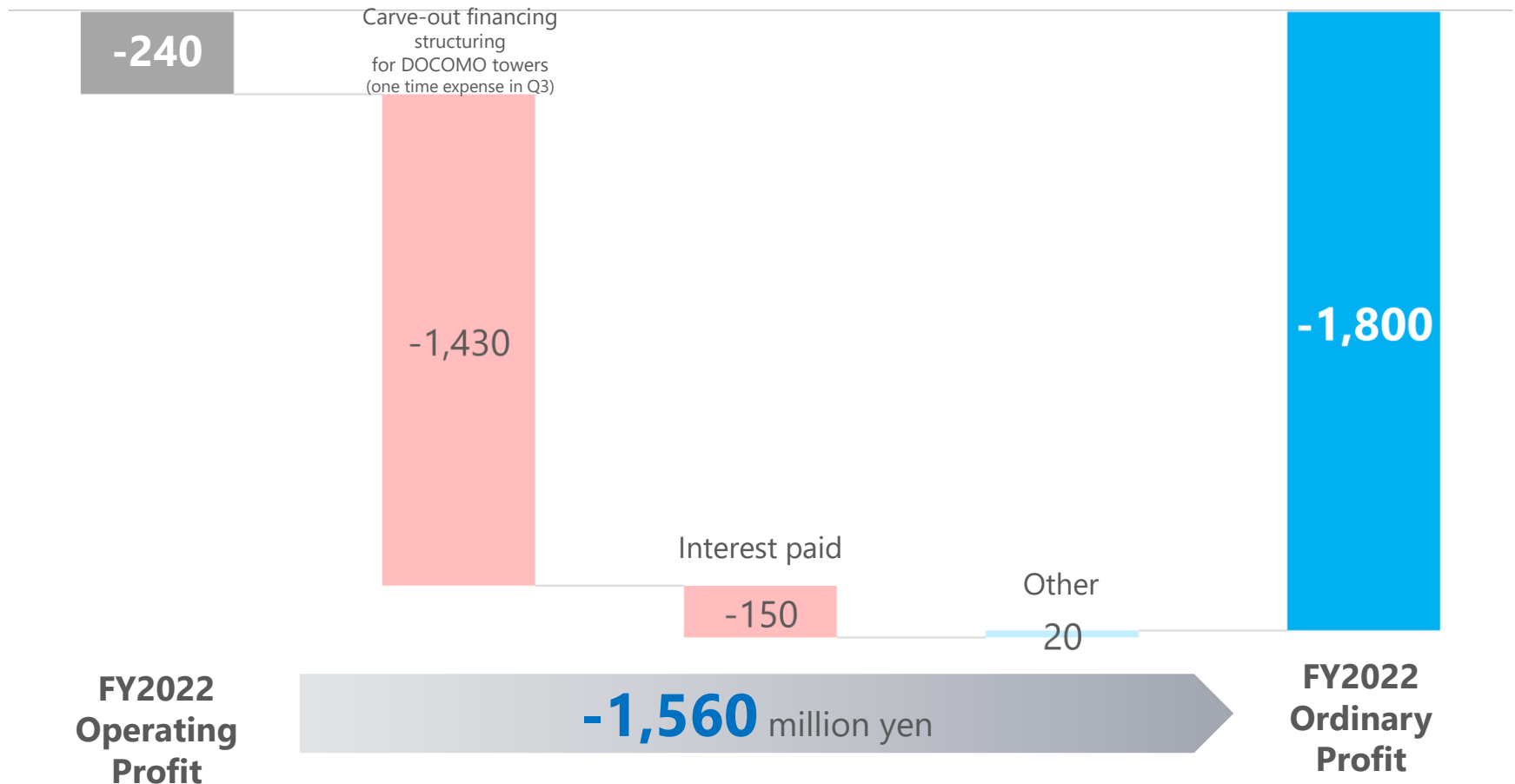


## ⑤ <Reference> FY2022 Forecast:

Breakdown of Non-operating Income and Expenses(announced May 12, 2022)

- In non-operating expenses, about **JPY1.4 billion** is expected to be booked in Q3 as **one-time costs** for structuring finance related to the tower carve-out.

(JPY mn)



# 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

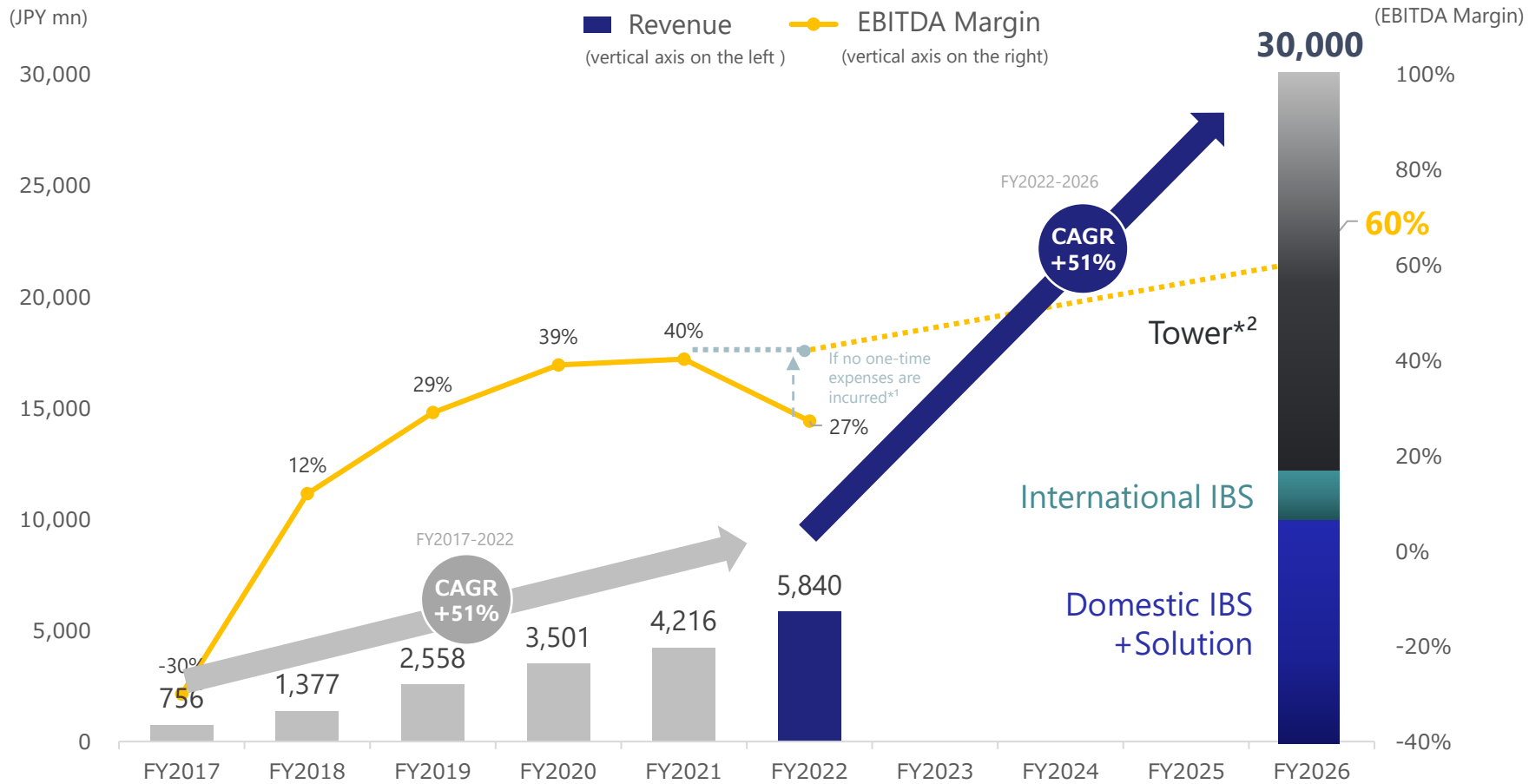
Tenancy ratio

**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

- 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.



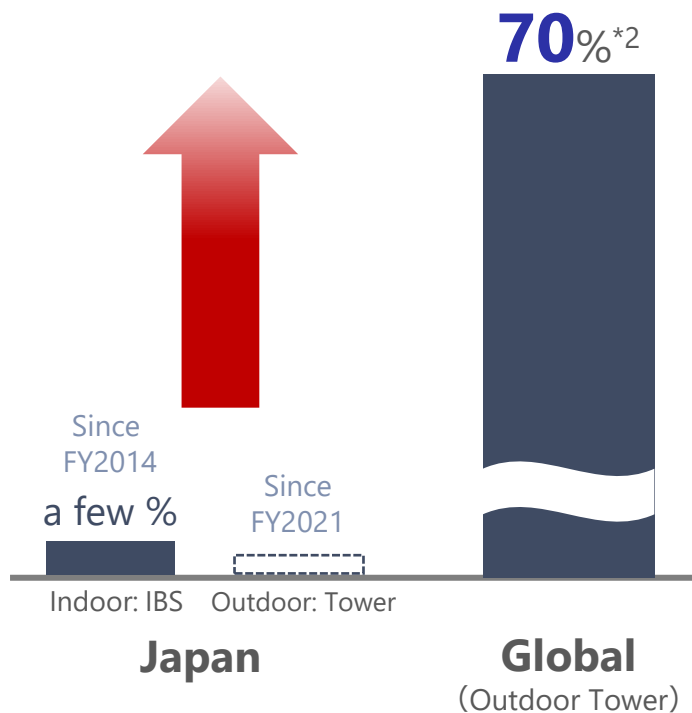
\*1: One-time expenses related to carve-outs, such as financing structuring cost and others.

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

## ⑤ Market development and room for expansion for Infra- Sharing in Japan

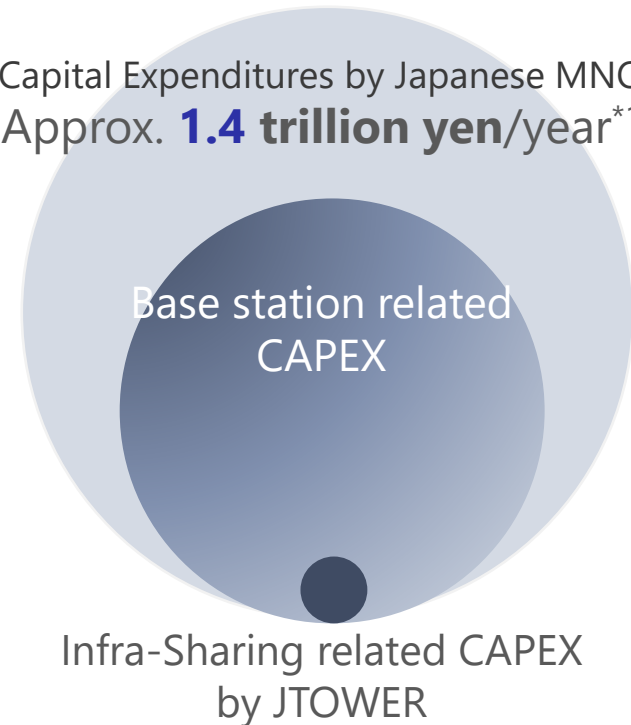
- In Japan, JTOWER has been leading Infra-Sharing market as a pioneer.
- On the other hand, compared to the global market, Japanese Infra-Sharing market seems to be a market with considerable room for future expansion.

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

## ⑤ Our strengths in Infra-Sharing market

- 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.**

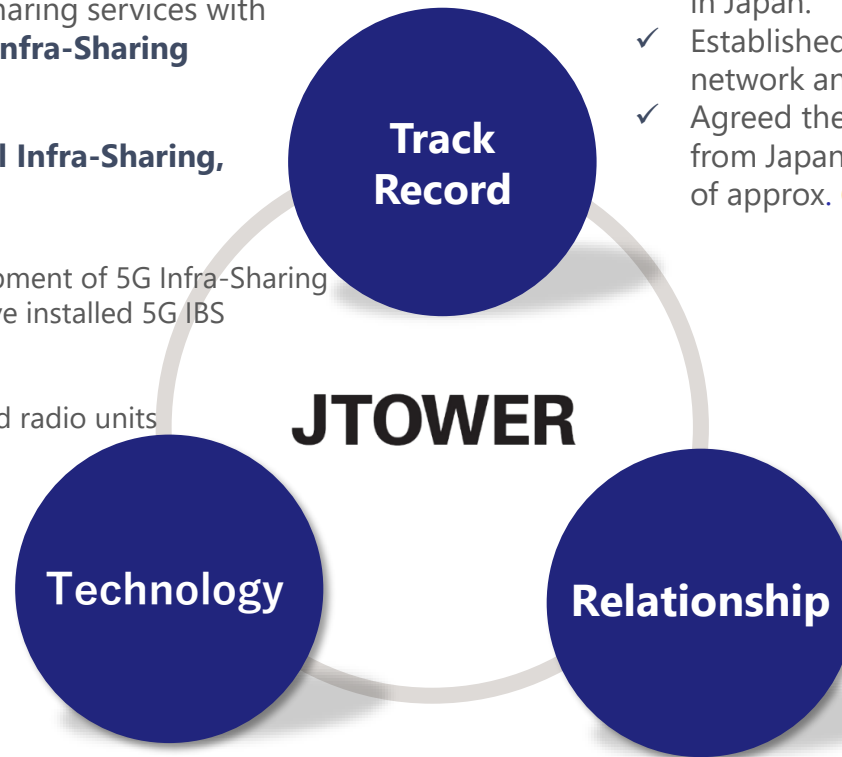
- ✓ Lead in **the high-level Infra-Sharing, such as 5G.**

- **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 **300 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**)

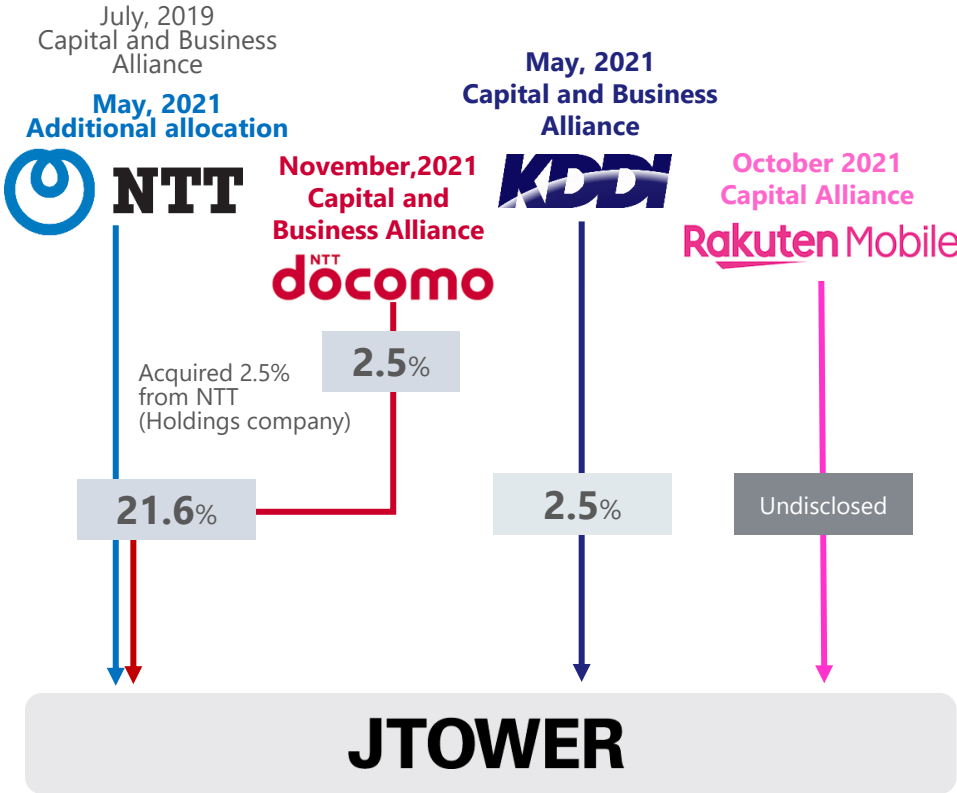
- ✓ Relationship with MNO and real estate developers.
- ✓ **Capital and business alliance** with MNO.
- ✓ Participate in projects by MIC and the Tokyo Metropolitan Government.

# ⑤ 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.



## ⑤ <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

# ⑤ Breakdown of Infra-Sharing and Other Revenues by Business\*1

■ Infra-Sharing Revenue    ■ Other Revenue



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

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from Japan  
Lead the World**

**JTOWER**