

JTOWER

Tower carve outs Financing

November 30, 2022
JTOWER Inc.

**Infra-Sharing
Services
from Japan
Lead the World**

Decided to enter into the financing contract for tower acquisition

JTOWER

November 30, 2022

Decided to enter into the financing contract to raise the funds required for the tower acquisition from NTT DOCOMO



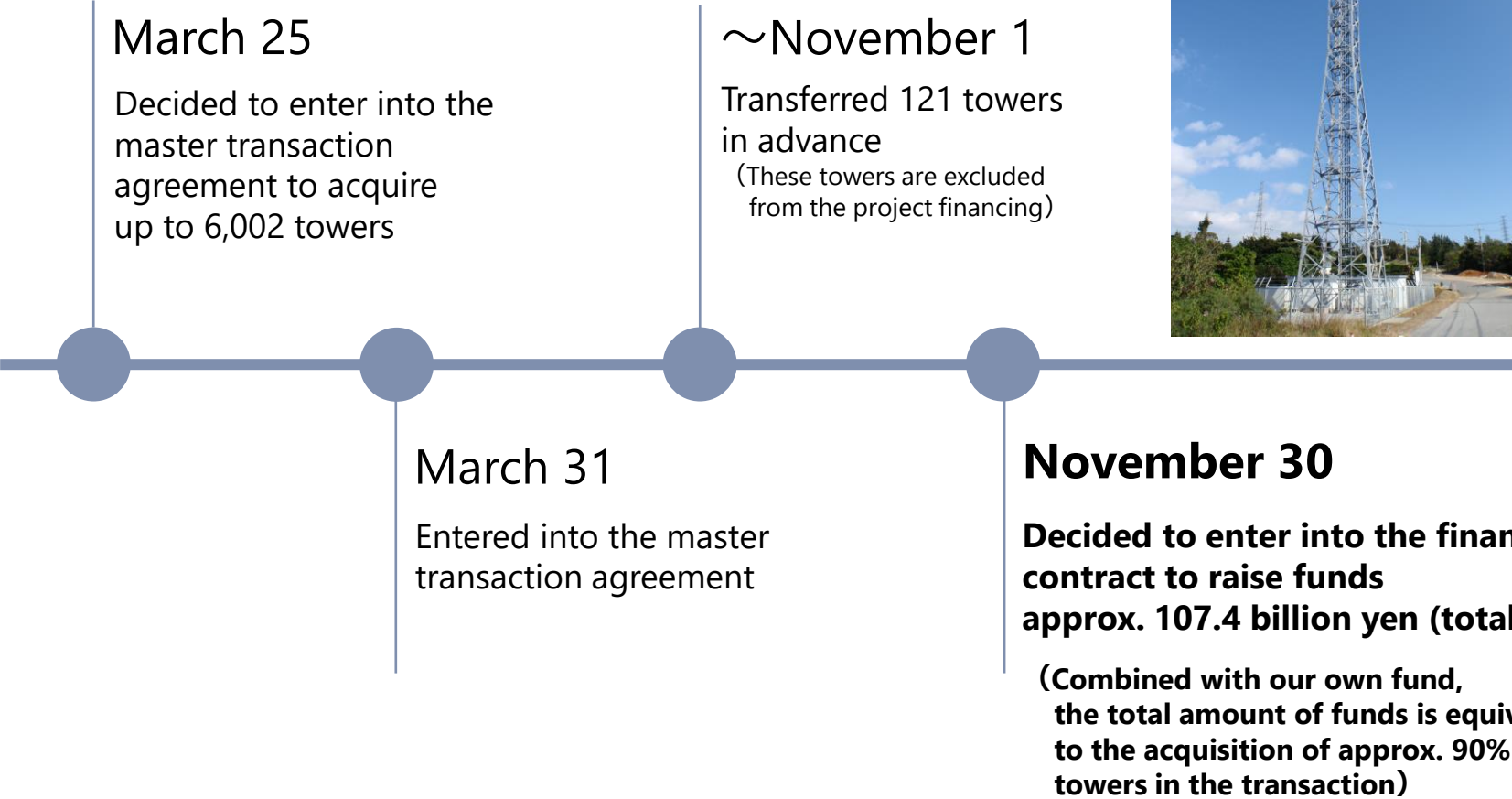
After the conclusion of the financing contract, we will start the transfer from the tower where the condition has been met

For the transferred towers we will accelerate the attraction of new tenants, including other MNO

Infra-Sharing of acquired towers leads to the effective use of existing infrastructures and is an effective measure to reduce environmental impact

Progress of tower acquisition from NTT DOCOMO

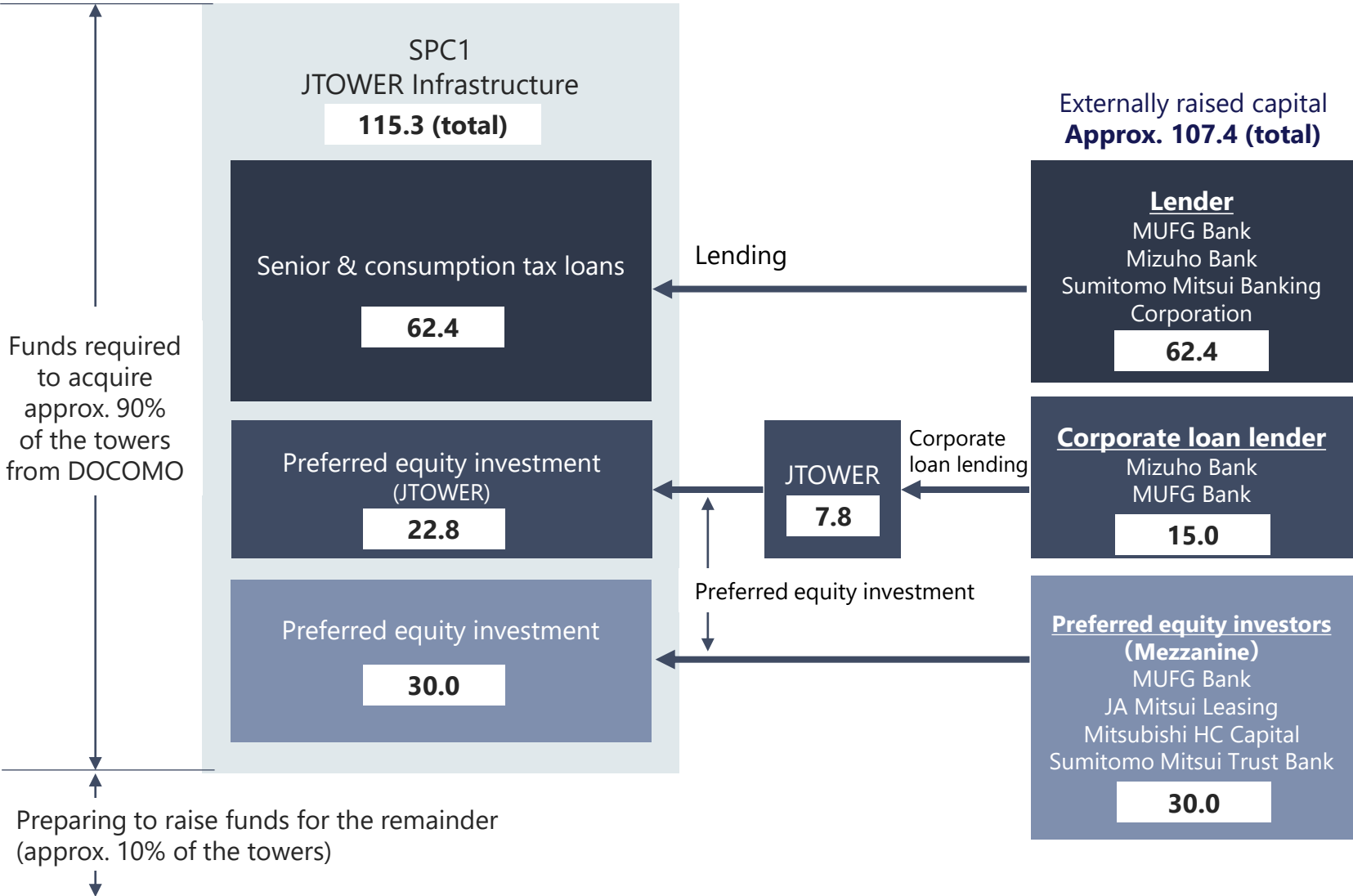
2022



Financing Structure

JTOWER

(JPY bn)



Funds required to acquire approx. 90% of the towers from DOCOMO

Preparing to raise funds for the remainder (approx. 10% of the towers)

Outline of Financing

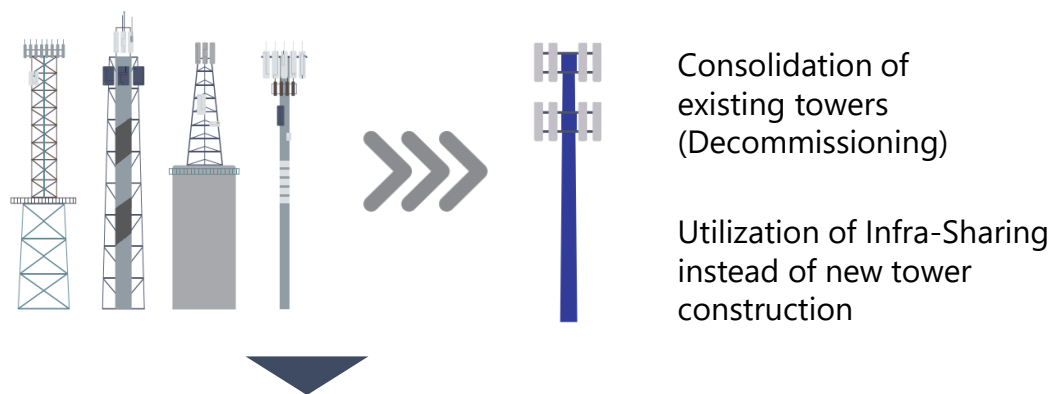
	JTOWER Infrastructure (SPC1)		JTOWER
	Senior & consumption tax loans	Preferred equity investment	Corporate loan
Commitment amount	<p>62.4 billion yen</p> <p><u>Senior loan</u> 53.1 billion yen</p> <p><u>Consumption tax loan</u> approx. 9.3 billion yen</p>	<p>52.8 billion yen</p> <p><u>JTOWER</u> 22.8 billion yen (own fund + corporate loan)</p> <p><u>Mezzanine loan</u> 30.0 billion yen</p>	<p>15.0 billion yen</p>
Withdrawal period	February 28, 2023~ August 31, 2024	—	—
Final repayment date	September 30, 2046 (consumption tax loans: For each loan, the anniversary of the date 9 months after the drawdown date)	—	December 30, 2025
Applicable interest rate and other condition	Base interest rate + Spread*1	The right to receive dividends in accordance with the provisions of the agreements when surplus funds are generated by SPC1's business	Base interest rate + Spread
Collateral status	Secured*2/Non-guaranteed	—	Unsecured/Non-guaranteed

*1: After the agreement is executed, the SPC1 will enter into interest rate hedging contracts for the majority of the loan amount (excluding the consumption tax loan portion).

*2: The equities of the Subsidiary and other assets of the Subsidiary have been collateralized.

- ✓ In the process of making decisions on the financing, some financial institutions have evaluated the contribution to the achievement of SDGs through the promotion of Infra-Sharing.
- ✓ Infra-Sharing of acquired towers leads to the effective use of existing infrastructures and we believe it becomes an effective measure to reduce environmental impact.

Promotion of Infra-Sharing by utilizing acquired towers



Contribute to the reduction of environmental impact by reducing materials, construction works and power consumption through the promotion of Infra-Sharing

With regard to the positive impact of Infra-Sharing, we are planning to improve our disclosures including the disclosure of quantitative information.

Category	Q	A
Overall	Are the details of the financing in accordance with the assumptions at the time of the conclusion of the master transaction agreement of carve-outs? What is the impact of recent trends in financial markets?	We believe that we were able to conclude the financing contracts within the anticipated cost levels. While the level of interest rates in Japan will continue to be low, the fixed interest rate will be applicable to the majority of senior loans through interest rate hedge contracts for future interest rate rises.
Overall	The total amount of funds raised in SPC1 is 115.3 billion yen and this is equivalent amount to acquire about 90% of the towers in the transaction. However, it is already above the 6,002 towers acquisition price of 106.2 billion yen. What is the reason?	The consumption tax loan (9.3 billion yen), financing related cost and reserves to structure project financing are included.
Overall	What is the specific number of towers which can be acquired through the financing?	Approximately 5,400 towers, equivalent to 90% of the towers to be acquired in the transaction. (Not including 121 towers that have already been acquired and transferred)
Overall	How did you select the towers to be acquired in the financing? How will the company plan to acquire the remaining 10% of the towers?	As a result of excluding assets that did not meet various conditions for the project financing, about 90% of towers were selected. To acquire the remaining 10%, we are planning to raise funds separately.
FY2022 Forecast	When will the tower transfer start?	We plan to start the tower transfer from December 1, 2022.
FY2022 Forecast	What is the forecast for financing structuring costs in FY2022?	The costs related to the financing (including non-operating expense of 1.24 billion yen) has already been included in the FY2022 forecast. But the impact, including the costs related the acquisition of the remaining 10% towers is under scrutiny.



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