

May 18, 2023

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

Notice of Borrowing by a Subsidiary

At a meeting of the Board of Directors held on May 18, 2023, JTOWER Inc. (the "Company") resolved that JTOWER Infrastructure Inc. (the "Subsidiary") will borrow a total of 13.8 billion yen (11.7 billion yen in senior loans, 2.1 billion yen in consumption tax loans) (the "Subsidiary Borrowing") based on the commitment line agreement (the "Subsidiary Loan Agreement") which was disclosed in the "(Progress of disclosed matters) Notice Regarding the decision to enter into a financing contract for the Carve-out of up to 6,002 telecommunications towers from NTT DOCOMO" on November 30, 2022.

1. Purpose of Subsidiary Loan

As disclosed in the "(Progress of disclosed matters) Notice Regarding the decision to enter into a financing contract for the Carve-out of up to 6,002 telecommunications towers from NTT DOCOMO" on November 30, 2022, the Company had resolved to raise funds, including the fund raising through a financing structure utilizing the Subsidiary (for details, please refer to "Notice of Establishment of Subsidiary" on 15 April, 2022) to acquire up to 6,002 telecommunications towers from NTT DOCOMO, INC. As part of this financing, the Subsidiary Borrowing of 13.8 billion yen (drawdown) under the Subsidiary Loan Agreement is executed by the Subsidiary for the acquisition of a portion of the telecommunications towers.

2. Outline of the Subsidiary Loans

(1)	Borrower	JTOWER Infrastructure Inc.
(2)	Use of funds	Appropriation for acquisition costs of telecommunications tower facilities and related costs
(3)	Lenders	MUFG Bank, Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation
(4)	Commitment amount	Approx. 62.4 billion yen (Of which, Consumption Tax Loans approx. 9.3 billion yen)
(5)	Term of commitment	From February 28, 2023 to August 31, 2024
(6)	Final repayment date	September 30, 2046 (Consumption Tax Loans: For each loan, the date 9 months after the drawdown date)
(7)	Applicable interest	Base interest rate + Spread (Note 1)

	rate	
(8)	Collateral status	Secured (Note), Non-guaranteed
(9)	Amount of borrowing	Approx. 13.8 billion yen (remaining commitment amount Approx. 43.4 billion yen (Of which, Consumption Tax Loans approx. 6.4 billion yen))
(10)	Date of borrowing	May 31, 2023

(Note) The equities and other assets of the Subsidiary have been collateralized.

3. Future Outlook

Upon completion of the financing, the Company will continue transferring the telecommunications towers which meet certain conditions from NTT DOCOMO, INC. and the transaction is expected to result in revenue and gains or losses of profits from the timing of the transfer of each tower. The cost of financing has already been factored into our earnings forecast for the fiscal year ending March 31, 2024.