

16 February 2024

To whom it may concern:

Company name: JTOWER Inc.
Representative: Representative Director
Atsushi Tanaka
(TSE Growth Code No. 4485)
Contact: Ryosuke Nakamura
Managing Director, CFO
(TEL. +81-3-6447-2614)

Notice Regarding Issuance of New Shares through International Offering

JTOWER Inc. (the "Company") hereby announces that the Company's Board of Directors has resolved as of today matters regarding issuance of new shares through international offering (the "International Offering") as described below.

NOTE

1. Background and Purpose of the International Offering:

With the vision of "Infra-Sharing Services from Japan: Lead the World", the Company has introduced and developed telecommunications Infra-Sharing service in Japan, a practice that was previously uncommon, and as a pioneer in the field of telecommunications Infra-Sharing, we provide services that integrate capital expenditures in equipment, antennas, construction and structures, etc. related to mobile base station-related infrastructure, which has traditionally been carried out independently by mobile network operators, and services of sharing such infrastructures to each operator.

The Company aims to accelerate growth in the IBS Business and Tower Business, which are our core businesses and to promote the expansion and penetration of Infra-Sharing in Japan and overseas. In particular, the Company has been focusing on the acquisition of telecommunications towers owned by mobile network operators (carve out), the attraction of operators to such towers and the promotion of sharing as its key growth strategies. We believe that accelerating growth investment, including the further acquisitions of telecommunication towers, and constructing broader coverage of area for future growth will encourage mobile network operators to utilize our facilities for a wide range of applications and further strengthen our competitiveness as a pioneer.

On the other hand, we believe that further strengthening our financial base and increasing our financial flexibility will lead to the expansion of our future debt financing capacity and the improved agility in executing our growth strategy, which will contribute to our medium- to long-term growth.

The funds to be raised through the International Offering will be used to invest in the Infra-Sharing business and to repay a portion of the Company's borrowings. In addition to the repayment of the borrowings using a portion of the funds to be raised through the International Offering, the Company plans to refinance a portion of the Company's borrowings. By leveraging such procured funds and refinancing the Company's borrowings, we aim to further enhance its corporate and shareholder value and strengthen its financial base.

In addition, we believe that by soliciting demand from a wide range of investors through the International Offering in anticipation of a change in market classification to the Prime Market of the Tokyo Stock Exchange,

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Inc. (the "TSE"), we can expect to further diversify our shareholder composition, particularly among overseas institutional investors, and increase the liquidity of our shares.

By promoting further Infra-Sharing, we will continue to promote the early development of 5G networks, reduce the environmental burden and contribute to the realization of a sustainable society.

2. Issuance of New Shares through International Offering:

(1)	Type and number of shares to be offered	3,600,000 shares of the Company's common stock
(2)	Method of determination of amount to be paid in	The amount to be paid in will be determined on a date falling in the period from 16 February 2024 (Friday) to 21 February 2024 (Wednesday) (the "Pricing Date") through the book-building process, which is equivalent to the process provided under Article 25 of the Rules Concerning Underwriting, Etc. of Securities promulgated by the Japan Securities Dealers Association (the "JSDA").
(3)	Amount of stated capital and additional capital reserves to be increased	The amount of stated capital to be increased shall be half of the maximum increased amount of stated capital, as calculated in accordance with the provisions of Article 14, Paragraph 1 of the Rules of Account Settlement of Corporations with any fraction less than one yen resulting from the calculation being rounded up to the nearest one yen. The amount of additional capital reserves to be increased shall be the amount obtained by subtracting the said amount of stated capital to be increased from the said maximum increased amount of stated capital.
(4)	Method of offering	The shares will be offered in the international markets (excluding the United States), mainly in Europe and Asia. The sole bookrunner and lead manager (the "Lead Manager") will purchase and underwrite all of the shares described in (1) above. The issue price (offer price) with regard to the International Offering will be determined on the Pricing Date based on the provisional range calculated by multiplying the closing price of regular trading of the common stock of the Company on Tokyo Stock Exchange, Inc. on the Pricing Date (or, if no closing price is quoted on that date, the closing price of the immediately preceding date) by 0.90 ~ 1.00 (with any fraction less than one yen being rounded down), by a process equivalent to the book building process set out under Article 25 of the Rules Concerning Underwriting, etc. of Securities provided by the JSDA, taking into account investor demand and other conditions.
(5)	Compensation for the Lead Manager	The Company will not pay any underwriting fees to the Lead Manager. The aggregate amount of the difference between (a) the issue price (offer price) and (b) the amount to be paid to the Company by the Lead Manager will be retained by the Lead Manager.
(6)	Payment date	4 March 2024 (Monday)
(7)	Delivery date	5 March 2024 (Tuesday)

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(8)	Subscription unit	100 shares
(9)	Determination of the issue price (offer price), the amount to be paid in, the amount of stated capital and additional capital reserves to be increased and any other matters necessary for the International Offering and the implementation of the procedures (including the execution of related agreements and the preparation of related documents) shall be determined at the discretion of Atsushi Tanaka, Representative Director, or a proxy appointed by him.	

<Reference>

1. Use of Proceeds:

With regard to the estimated net proceeds of approximately ¥15.8 billion from the International Offering, the Company plans to allocate ¥10.8 billion by the end of March 2025 to the investments in the Infra-Sharing business, mostly as growth capital for further expansion of the Infra-Sharing business, including investments in further tower acquisition opportunities, and the balance for investments into a subsidiary established for the tower acquisitions, and ¥5 billion by the end of September 2024 for repayments of a portion of our borrowings, respectively.

(Note) The estimated net proceeds amount above was calculated based on the closing price of regular trading of the common stock of the Company on the TSE on 15 February 2024 (Thursday).

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