

May 14, 2021

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

**Notice of Conclusion of Capital and Business Alliance Agreement and Issuance
of New Shares through the Third-Party Allotment**

At a meeting of the Board of Directors held on May 14, 2021, we resolved to enter into a capital and business alliance ("the Capital and Business Alliance") with KDDI CORPORATION ("KDDI"). In addition, on the same date, we resolved to issue new shares through a third-party allotment to KDDI, and at the same time, we resolved to issue new shares through a third-party allotment (together with the issuance of new shares through a third-party allotment to KDDI, "the Third-Party Allotment") to our shareholder, NIPPON TELEGRAPH AND TELEPHONE CORPORATION ("NTT") (NTT is referred to individually or collectively as "a scheduled subscriber"), as described below.

I Overview of the Capital and Business Alliance

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* Business, which provides indoor Infra-Sharing, we have 227 installations (as of the end of March 2021) and our solutions are widely used by mobile carriers. In light of the demand for more efficient capital expenditures for mobile carriers against the backdrop of 5G, we began full-fledged entry into Tower Business of sharing outdoor towers in the fiscal year ending March 2021 and we have begun preparations for construction of more than 60 towers as an initial initiative.

As one of our major customers, KDDI uses our Infra-Sharing solution and since we launched Domestic IBS Business, we have business relations with in a number of projects. This time, we decided to enter into the Capital and Business Alliance with KDDI and conduct the Third-Party Allotment of new shares to KDDI with the aim of further strengthening our partnership and mutually maximizing corporate value. We establish

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a capital relationship through the Third-Party Allotment of new shares, and based on this relation, we implement the business alliance for each item described in "2. Details of the Capital and Business Alliance, (2) Details of the business alliance".

We recognize that the promotion of indoor and outdoor Infra-Sharing in 5G, in addition to existing 4G, is one of the key management issues as capital expenditures for 5G base stations are expected to increase. We aim to accelerate and expand the introduction of indoor and outdoor Infra-Sharing by utilizing funds from the Third-Party Allotment.

*: In-Building-Solution, which refers to indoor Infra-Sharing solutions.

2. Details of the Capital and Business Alliance

(1) Details of the capital alliance

We allocate 553,473 shares of our common stock (2.5% of the total number of outstanding shares after the Third-Party Allotment and 2.5% of the voting rights) to KDDI.

For details of the capital alliance, please refer to "II. Issuance of new shares through the Third-Party Allotment".

(2) Details of the business alliance

We form a business alliance with KDDI 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 Promotion of Infra-Sharing: We will promote the use of Infra-Sharing to expand the outdoor and indoor network coverage mainly on 5G.
- ② Improve planning accuracy: We will improve the accuracy of both companies' investment and deployment plans by sharing business plans related to IBS (indoor Infra-Sharing solutions), rural towers, smart poles and others.
- ③ Technical support and know-how sharing: Both companies will share the technological know-how required to develop shared facilities such as IBS (indoor Infra-Sharing solutions), rural tower, and smart pole, and early realization of the development and rollout of sharing equipment compatible with new frequency bands to be allocated in the future, as well as the shared base station for high-layer telecommunication network.

3. Outline of the Capital and Business Alliance Partner

For an outline of KDDI, please refer to "II. Issuance of new shares through the Third-

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Party Allotment, 6. Reasons for selecting subscribers and other related matters (1) Overview of scheduled subscribers ① KDDI".

4. Schedule

(1) Schedule of the Capital and Business Alliance

Resolution of the board of directors May 14, 2021

Conclusion of the Capital and Business Alliance agreement May 14, 2021

Commencement date for the business alliance May 31, 2021

(2) Schedule for the Third-Party Allotment

Resolution of the board of directors May 14, 2021

Date of payment May 31, 2021

5. Future Outlook

Please refer to "II. Issuance of new shares through the Third-Party Allotment, 8. Future outlook".

II Issuance of new shares through the Third-Party Allotment

1. Outline of Offering

(1)	Date of payment	May 31, 2021
(2)	Number of new shares issued	1,106,946 shares
(3)	Issue price	JPY6,640 per share
(4)	Amount to be raised	JPY7,305,121,440 (Approximate net proceeds)
(5)	Method of offering or allotment	Third-party allotment KDDI: 553,473 shares NTT: 553,473 shares
(6)	Others	The Third-Party Allotment shall be subject to the effectiveness of the securities registration statement filed under the Financial Instruments and Exchange Act of Japan

(NOTE) No voting rights will be granted with respect to the shares to be issued through the Third-Party Allotment in connection with our 9th General Meeting of Shareholders to be held on June 24, 2021.

2. Purposes and Reasons for Offering

Although the Third-party allotment will result in certain dilution to our shares, as described in "I Overview of the Capital and Business Alliance, 1. Reasons for the Capital and Business Alliance", the issuance of new shares through the Third-Party allotment to KDDI will be conducted in conjunction with the business alliance between us and KDDI,

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in order to establish a cooperation system between us and ensure the Capital and Business Alliance.

In addition, NTT and us entered into a capital and business alliance agreement in July 2019. In order to further strengthen our cooperation system, in light of the increasing demand for capital expenditures against the backdrop of 5G, we will issue new shares to NTT through the Third-Party allotment, which will further strengthen the partnership between us.

By using the funds from the issuance of new shares through the Third-Party allotment to finance capital expenditures for the expansion of the introduction of Domestic IBS Business and Tower Business, we believe that the growth of both businesses will contribute to the enhancement of our corporate value and shareholder value.

3. Amount of funds raised, their use, and expected timing of expenditures

(1) Amount of funds to be raised (approximate net proceeds)

Total amount to be paid in (JPY)	Estimated issuance costs (JPY)	Estimated net proceeds (JPY)
7,350,121,440	45,000,000	7,305,121,440

(NOTE)

1. Approximate issuance costs are the total of registration-related expenses, legal fees and others.
2. Consumption taxes are not included in the approximate amount of issuance costs.

(2) Specific uses of funds to be raised

Specific uses	Amount (JPY in millions)	Scheduled time period for spending
① Capital expenditures for expansion of Domestic IBS Business	3,652	June 2021-March 2023
② Capital expenditures for expansion of Tower Business	3,652	June 2021-March 2023

(NOTE)

Until the funds are actually spent, we will manage them in bank deposits and other safe ways.

① Capital expenditures for expansion of Domestic IBS Business

In Domestic IBS Business, we continued to expand indoor Infra-Sharing solutions. In the fiscal year ending March 2021, we installed our IBS in 66 buildings and the total number of installations became 227 (for 4G IBS). From the fiscal year ending March 2022 onwards, we plan to strengthen our sales team by enhancing our recruitment activities to further expand the number of new 4G IBS installations. In addition, from the next fiscal year, we expect a full-scale launch of indoor 5G deployment by mobile

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carriers, which will further increase the demand for more efficient capital expenditures. In order to meet this demand, we plan to introduce 5G IBS from the fiscal year ending March 2022 using 5G sharing equipment developed in the fiscal year ending March 2021. Domestic IBS business model requires capital expenditures for the introduction of indoor Infra-Sharing solutions at the timing of recording revenues from the launch of services.

In order to realize these, we will use JPY3,652 million of funds raised by the Third-Party allotment to finance capital expenditures in Domestic IBS Business to increase installations of 4G and 5G IBS in new buildings. The purpose of the above-mentioned funds is the same as the use of the funds raised by the issuance of new shares through the public offering and the issuance of new shares through the third-party allotment in connection with the over-allotment of shares described in "10. Business results for and equity finance executed in the last three years, (4) Equity finance in the last three years" (hereinafter referred to as "the Funds Raised at the Time of Listing"). Out of the Funds Raised at the Time of Listing, we plan to use approximately JPY1,591,444 thousand of the unappropriated amounts in the fiscal year ending March 2021 for purposes mentioned above. However, in light of the demand for capital investment by mobile carriers, which is emerging against the backdrop of the widespread use of 5G, and the amount of capital investment required for the fiscal year ending March 2022 onwards considering the future expansion of 4G IBS and 5G IBS installations in IBS Business based on the Capital and Business Alliance, we believe that the unappropriated amount will not be sufficient alone. Accordingly, we will implement the Third-Party Allotment and use funds to finance capital investments in Domestic IBS Business.

② Capital expenditures for expansion of Tower Business

Against the backdrop of business conditions such as full-fledged investments in 5G base stations and the entry of the fourth mobile carrier, we decided to enter Tower Business, and since the fiscal year ending March 2021, we have been launching a full-fledged business, including the selection of tower installation sites and proposals for mobile carriers. As a result, as of May 14, 2021, we have decided to install more than 60 towers and have begun preparations for construction. Constructions of these towers are scheduled to be completed in order from the fiscal year ending March 2022, and other than these 60 towers, we aim to expand the number of towers to be installed. Like Domestic IBS business, the business model of Tower Business requires capital expenditures for the construction of sharing towers at the timing of recording revenues from the launch of services. In order to realize these, we will use JPY3,652 million of

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funds raised by the Third-Party Allotment to finance capital expenditures to expand the construction of sharing towers in Tower Business. The purpose of the above-mentioned funds is the same as the use of the Funds Raised at the Time of Listing and we plan to use approximately JPY 309,103 thousand of unappropriated amounts in the fiscal year ending March 2021, for purposes mentioned above. However, in light of the demand for capital investment by mobile carriers, which is emerging against the backdrop of the widespread use of 5G, and the amount of capital investment required for the fiscal year ending March 2022 onwards considering the future increase of the number of sharing towers in Tower Business based on the Capital and Business Alliance, we believe that the unappropriated amount will not be sufficient alone. Accordingly, we will implement the Third-Party Allotment and use funds to finance capital investments in Tower Business.

4. Considerations concerning the rational use of funds

The Third-Party Allotment will be used for the purposes described in "3. Amount of funds raised, their use, and expected timing of expenditures, (2) Specific uses of funds to be raised". This will enable us to further expand our businesses, improve earnings, and improve and strengthen our financial position. As a result, we believe that it will contribute to the enhancement of our medium to long term earnings and corporate value, and will also contribute to the interests of existing shareholders.

5. Rationality of issuance conditions

(1) Calculation base for the amount to be paid and their specific details

The issue price of the Third-Party Allotment was determined to be JPY6,640, which is the same amount as the closing price of our common stock on the Tokyo Stock Exchange Mothers ("the Closing Price") on the business day immediately before the resolution date of the board of directors regarding the Third-Party Allotment, in consultation with scheduled subscribers. We adopted the Closing Price as of the business day immediately before the resolution date of the board of directors as the method for calculating the issue price for the Third-Party Allotment because we believe that the most recent stock price more appropriately represents the actual condition of JTOWER and has determined that it is highly objective and reasonable.

The issue price is at a discount of 16.30% (Figures are rounded to the third decimal place. The same applies hereafter in the calculation of the discount rate.) over the simple average of the Closing Prices over one month immediately preceding the board resolution date (from April 14 to May 13, 2021) of JPY7,933 (Fractions less than one

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JPY have been rounded off. The same applies to the calculation of the average closing price below.), and at a discount of 22.08% over the simple average of the Closing Prices over three months immediately preceding the board resolution date (from February 14 to May 13, 2021) of JPY8,522, and at a discount of 29.03% over the simple average of the Closing Prices over six months immediately preceding the board resolution date (from November 14, 2020 to May 13, 2021) of JPY9,356.

In addition to the method in accordance with the Japan Securities Dealers Association's Guidelines for the Handling of the Allocation of New Shares to a Third-Party ("JSDA Guidelines"), we consider that the issue price is not particularly constitute a favorable for scheduled subscribers in light of the necessity of the Third-Party Allotment, the appropriateness of the purpose of further enhancing corporate values through the Third-Party Allotment, changes in our stock price, dilution caused by the Third-Party Allotment, and other factors. Mr. Hiroyuki Mitoma is our director and also serves as an employee of NTT, which is a scheduled subscriber, and has a special interest in the proposal for the Third-Party Allotment. Therefore, he has not participated in the deliberations and resolutions of the board of directors regarding the Third-Party Allotment.

Additionally, all three of our Audit & Supervisory Board members (all of whom are outside Audit & Supervisory Board members) stated that the issue price of the Third-Party Allotment is based on the market price of our common stock and determined in accordance with the JSDA Guidelines. Therefore, they were of the opinion that the amount is not particularly favorable to scheduled subscribers and is legally applicable.

(2) Basis for judging the issuance quantity and scale of share dilution to be rational

This fund raising will result in 5.32% dilution to 208,230 total voting rights as of March 31, 2021 and 5.31% dilution to 20,832,872 shares outstanding as of March 31, 2021. However, as described in "I. Overview of the Capital and Business Alliance 1. Reasons for the Capital and Business Alliance", we believe that we can improve our growth potential and profitability by further expanding our business through the business partnership with KDDI and expanding the introduction of Domestic IBS Business and Tower Business with the funds raised. On top of that, we also expect to aim to further increase corporate value through the Third-Party Allotment. We believe that this fund raising will contribute to increasing the shareholder value for existing shareholders even in consideration of the dilution associated with it, and that the volume of issuance and the size of the dilution of shares are reasonable.

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6. Reasons for selecting subscribers and other related matters

(1) Overview of scheduled subscribers

① KDDI

As of March 31, 2021

(1)	Name	KDDI CORPORATION
(2)	Head office address	3-2, Nishi-Shinjuku 2-chome, Shinjuku-ku, Tokyo
(3)	Name and role of representative	Makoto Takahashi, President
(4)	Business	Telecommunications business
(5)	Capital	141.852 billion JPY (As of December 31, 2020)
(6)	Date founded	June 1, 1984
(7)	Number of shares outstanding	2,304,179,550 shares (as of December 31, 2020)
(8)	Fiscal year end	Fiscal year ended March
(9)	Number of Employees	44,952 (consolidated, as of March 31, 2020)
(10)	Major Business Partners	Not applicable because there are no specific business partners.
(11)	Main banks	Mitsubishi UFJ Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Development Bank of Japan Inc., Mitsubishi UFJ Trust and Banking Corporation
(12)	Major shareholders and percentage ownership	Kyocera Corporation 14.54% Toyota Motor Corporation 12.95% The Master Trust Bank of Japan, Ltd. (Trust Account) 10.25% Custody Bank of Japan, Ltd. (Trust account) 5.49% Custody Bank of Japan, Ltd. (Trust account 7) 1.86% JPMorgan Securities Japan, Ltd. 1.60% Custody Bank of Japan, Ltd. (Trust account 5) 1.29% Barclays Securities Japan, Ltd. 1.26% JP MORGAN CHASE BANK 385781 1.21% STATE STREET BANK AND TRUST COMPANY 505103 1.20% (As of September 30, 2020)
(13)	Relationship with JTOWER	
	Capital relationship	Not applicable.
	Personnel relationship	Not applicable.
	Business relationship	There are transactions related to the use of our Infra-Sharing solutions among the Group companies.

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	Status of relationships with related parties	Not applicable.		
(14) Business performance and financial condition for the last 3 years (JPY in millions)				
Fiscal year		March 31, 2018	March 31, 2019	March 31, 2020
Total equity attributable to owners of the parent		3,773,703	4,183,492	4,384,424
Total assets		6,574,555	7,330,416	9,580,149
Equity attributable to owners of the parent per share (JPY)		1,568.84	1,779.41	1,906.35
Net sales		5,041,978	5,080,353	5,237,221
Operating profit		962,793	1,013,729	1,025,237
Income before income taxes		955,147	1,010,275	1,020,699
Net profit attributed to owners of the parent		572,528	617,669	639,767
Basic Earnings per Share (JPY)		235.54	259.10	275.69
Dividends per share (JPY)		90.00	105.00	115.00

(NOTE)

1. KDDI is listed on the First Section of the Tokyo Stock Exchange, and the Company's Corporate Governance Report dated March 30, 2021 also publishes its basic policy on the elimination of antisocial forces and the status of their development. Accordingly, we believe that KDDI and its directors and major shareholders have no relationship with antisocial forces.
2. KDDI's consolidated results of operations and financial conditions for the year ended March 31, 2021 are expected to be announced today.

② N T T

As of March 31, 2021

(1)	Name	NIPPON TELEGRAPH AND TELEPHONE CORPORATION
(2)	Head office address	5-1, Otemachi 1-chome, Chiyoda-ku, Tokyo
(3)	Name and role of representative	Jun Sawada, President & CEO
(4)	Business	Formulation of management strategy for the whole NTT Group and promotion of basic research and development
(5)	Capital	JPY937,950 million
(6)	Date founded	April 1, 1985
(7)	Number of shares outstanding	3,900,788,940 Shares
(8)	Fiscal year end	March 31
(9)	Number of Employees	(Consolidated) 324,650

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(10)	Major Business Partners	—		
(11)	Main banks	—		
(12)	Major shareholders and percentage ownership	The Minister of Finance 34.81% The Master Trust Bank of Japan, Ltd. (Trust Account) 5.83% Custody Bank of Japan, Ltd. (Trust Account) 4.38% Toyota Motor Corporation 2.23% Custody Bank of Japan, Ltd. (Trust Account 7) 1.05% Custody Bank of Japan, Ltd. (Trust Account 5) 0.97% Moxley and Co LLC 0.94% Custody Bank of Japan, Ltd. (Trust Account 6) 0.86% Custody Bank of Japan, Ltd. (Trust Account 1) 0.77% JP Morgan Chase Bank 385632 0.76%		
(13)	Relationship with JTOWER			
	Capital relationship	NTT holds 4,206,400 shares of the common stock of JTOWER.		
	Personnel relationship	One personnel from NTT is currently serving as directors of JTOWER.		
	Business relationship	NTT and JTOWER entered into a capital and business alliance agreement, and JTOWER has business relationships with NTT group companies related to the use of our Infra-Sharing solutions.		
	Status of relationships with related parties	This is our other associated company.		
(14) Business performance and financial condition for the last 3 years (JPY in millions)				
Fiscal year		March 31, 2019	March 31, 2020	March 31, 2021
Shareholders' equity		9,264,913	9,061,103	7,562,707
Total assets		22,295,146	23,014,133	22,965,492
Shareholders' equity per share (JPY)		2,416.01	2,492.60	2,087.98
Operating revenues		11,879,842	11,899,415	11,943,966
Operating profit		1,693,833	1,562,151	1,671,391
Income before income taxes		1,671,861	1,570,141	1,652,575
Profit attributable to NTT		854,561	855,306	916,181
Basic Earnings per Share attributable to NTT (JPY)		220.13	231.21	248.15
Dividends per share (JPY)		180.00	95.00	105.00

(NOTE)

- Shareholders' equity per share is calculated based on the number of shares outstanding at the end of the current fiscal year excluding treasury stock. Basic earnings per share attributable to NTT is calculated based on the average number of shares outstanding during the fiscal year excluding treasury stock.

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2. NTT, a scheduled subscriber, carried out a two-for-one stock split of common shares on January 1, 2020. Figures for shareholders' equity per share and basic earnings per share attributable to NTT for each fiscal year have been adjusted for the stock split.
3. Dividends per share for the fiscal year ended March 2020 are calculated based on the assumption that a two-for-one stock split of common shares was carried out at the beginning of the year, with the effective date of January 1, 2020.
4. NTT is listed on the First Section of the Tokyo Stock Exchange, and the Company's Corporate Governance Report dated June 24, 2020 also publishes its basic policy on the elimination of antisocial forces and the status of their development. Accordingly, we believe that NTT and its directors and major shareholders have no relationship with antisocial forces.

(2) Reasons for selecting subscribers

Please refer to "I. Overview of the Capital and Business Alliance, 1. Reasons for the Capital and Business Alliance" and "2. Purposes and Reasons for Offering".

(3) Policy of subscribers for holding shares of JTOWER

The purpose of investments into JTOWER by KDDI and NTT through the Third-Party Allotment are made with the aim of contributing to the enhancement of our corporate values over the medium to long term through strengthening collaborative relationships with KDDI and NTT. From this perspective, we have confirmed from KDDI and NTT that both companies will continue to hold the JTOWER shares to be acquired through the Third-Party Allotment over a long term. In addition, we plan to obtain from scheduled subscribers a written pledge agreeing that, if scheduled subscribers transfer all or part of the common shares in JTOWER to be acquired through the Third-Party Allotment less than two years from the payment date, both companies will notify JTOWER of it in writing; that we will report details of such a notification to Tokyo Stock Exchange, Inc.; and that details of such a report will be made available for public inspection.

(4) Details of confirmation of payment capacity of subscribers in respect of the payment

We examined KDDI's cash and cash equivalents (JPY427,213 million) in the Quarterly Securities Report for the Third Quarter of the 37th Business Term filed by KDDI on February 3, 2021, and NTT's cash and cash equivalents (JPY1,352,893 million) in the Quarterly Securities Report for the Third Quarter of the 36th Business Term filed by NTT on February 8, 2021, and confirmed that scheduled subscribers have sufficient assets for making the payment for the Third-Party Allotment.

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7. Major shareholders and their shareholding ratio after subscription

Before the subscription (As of March 31, 2021)		After the subscription	
CULTIVE Ltd.	22.45%	NIPPON TELEGRAPH AND TELEPHONE CORPORATION	21.70%
NIPPON TELEGRAPH AND TELEPHONE CORPORATION	20.19%	CULTIVE Ltd.	21.32%
Atsushi Tanaka	8.80%	Atsushi Tanaka	8.36%
Custody Bank of Japan, Ltd. (Trust Account)	6.30%	Custody Bank of Japan, Ltd. (Trust Account)	5.98%
JA Mitsui Leasing, Ltd.	5.02%	JA Mitsui Leasing, Ltd.	4.77%
KDDI CORPORATION	—	KDDI CORPORATION	2.52%
Eiji Terada	1.93%	Eiji Terada	1.83%
The Master Trust Bank of Japan, Ltd. (Trust Account)	1.60%	The Master Trust Bank of Japan, Ltd. (Trust Account)	1.52%
Rakuten Securities, Inc.	1.44%	Rakuten Securities, Inc.	1.37%
UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT (Standing proxy: Citibank, N.A., Tokyo Branch)	1.22%	UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT (Standing proxy: Citibank, N.A., Tokyo Branch)	1.16%

(NOTE)

1. Above shareholding ratio before the subscription is based on the register of shareholders as of March 31, 2021.
2. The percentages of shareholdings are calculated based on the total number of shares issued and outstanding.
3. Figures are rounded to the third decimal place.

8. Future Outlook

The specific impact of the Third-Party Allotment on our consolidated financial results for the fiscal year ended March 2022 is immaterial. We will provide prompt notice of any events that may have a material impact on our consolidated financial results.

9. Matters concerning procedures under the Code of Corporate Conduct

JTOWER is not required to receive opinions of independent third parties nor to confirm the intent of its shareholders as a result of the Third-Party Allotment as prescribed in

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Rule 432 of the Securities Listing Regulations of the Tokyo Stock Exchange because ① the dilution rate after the Third-Party Allotment is less than 25%, and ② it does not cause any change in the controlling shareholder.

10. Business results for and equity finance executed in the last three years

(1) Consolidated business results for the last three years

(JPY in thousands, except for notable items)

Fiscal year	March 31, 2019	March 31, 2020	March 31, 2021
Net sales	1,377,990	2,558,500	3,501,932
Operating profit	(169,705)	69,622	418,671
Ordinary income	(166,826)	5,642	178,942
Net income attributable to owners of the parent	(214,841)	(13,182)	506,466
Net income per share (JPY)	(29.92)	(0.94)	24.58
Dividends per share (JPY)	-	-	-
Net assets per share (JPY)	(208.90)	323.58	342.59

(2) Current number of issued shares and dilutive shares

	Number of shares	Ratio to total number of issued shares
Total number of issued shares	20,832,872 shares	100%
Number of dilutive shares at current conversion price (exercise price)	199,100 shares	0.96%
Number of dilutive shares on the lower limit conversion price (exercise price)	-	-
Number of dilutive shares on the upper limit conversion price (exercise price)	-	-

(NOTE)

1. The number of shares issued is the number of shares outstanding as of March 31, 2021.
2. The number of dilutive shares shown above represents the number of dilutive shares related to the JTOWER's stock option plan as of March 31, 2021.

(3) Recent stock prices

① Stock prices for the last three years (JPY)

	Year ended March 31, 2020	Year ended March 31, 2021
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Opening	2,620	3,285
High	4,890	13,050
Low	2,260	2,925
Closing	3,320	8,570

(NOTE)

As we listed on December 18, 2019, the previous figures are not included.

The opening price for the fiscal year ended March 2020 is the stock price on the date of listing.

② Stock prices for the last six months (JPY)

	2020 December	2021 January	February	March	April	May
Opening	9,580	10,850	11,230	8,950	8,720	7,850
High	11,200	13,050	11,950	9,250	9,140	7,880
Low	8,700	9,810	8,710	7,780	7,810	6,620
Closing	10,700	11,330	9,040	8,570	7,860	6,640

(NOTE) Stock prices for May 2021 are presented as of May 13, 2021.

③ Stock price on the business day before the issue resolution date (JPY)

	May 13, 2021
Opening	6,770
High	6,850
Low	6,620
Closing	6,640

(4) Equity finance in the last three years

• Issuance of new shares through third-party allotment

Payment date	October 12, 2018
Amount of financing	JPY 699,998 thousand
Issue price	JPY 4,750
Number of shares outstanding at the time of offering	Common Stock 1,795,000 shares Class A Preferred Stock 428,700 shares Class B Preferred Stock 914,300 shares Class C Preferred Stock 375,000 shares Class D Preferred Stock 200,000 shares Class E Preferred Stock 231,500 shares
The number of shares issued through offering	Class E Preferred Stock 147,368 shares
Number of shares outstanding after offering	Common Stock 1,795,000 shares Class A Preferred Stock 428,700 shares Class B Preferred Stock 914,300 shares

Note: This document is a press release to publicly announce the conclusion of our capital and business alliance agreement and the issuance of new shares to the public and is not intended to solicit investment in any securities.

	Class C Preferred Stock 375,000 shares Class D Preferred Stock 200,000 shares Class E Preferred Stock 378,868 shares
Initial use of funds at the time of issuance	Expenses for the development of shared facilities and the improvement of operating systems for business growth, including Tower business
Scheduled timing of expenditures at the time of issuance	Not applicable.
Current appropriation status	The entire amount has been appropriated.

•Public offering of new shares

Payment date	December 17, 2019
Amount of financing	JPY 4,365,760 thousand (approximate net proceeds)
Issue price	JPY 1,317.50
Number of shares outstanding at the time of offering	16,367,472 shares
The number of shares issued through offering	Common Stock 2,987,000 shares
Number of shares outstanding after offering	19,354,472 shares
Initial use of funds at the time of issuance	Together with the funds from the issuance of new shares through a public offering and the issuance of new shares through a third-party allotment in connection with an overallotment offering, the funds were planned be allocated as follows: ① Capital expenditures for expansion of introduction in Domestic IBS Business: JPY4,169,353 thousand ② Capital Expenditures for Expansion of Introduction in Tower Business: JPY500,000 thousand ③ Repayment of borrowings: JPY1,000,000 thousand
Scheduled timing of expenditures at the time of issuance	January 2020 to March 2021
Current appropriation status	Together with the funds from the issuance of new shares through public offering and the issuance of new shares through third-party allotment in connection with the over-allotment offering, the funds have been appropriated as follows: ① Capital Expenditures for Expansion of Introduction in Domestic IBS Business: Appropriated JPY2,577,909 thousand for fiscal year ended March 2020 and fiscal year ended March 2021 (Note 1)

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	② Capital expenditures to expand the introduction of Towers Business: Appropriated JPY190,897 thousand for the year ended March 31, 2021 (Note 2) ③ Repayment of loans: JPY1,000,000 thousand appropriated for the year ended March 2020
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(NOTE)1. With regard to the amount of capital expenditures in Domestic IBS Business that was assumed at the time of the issuance of new shares, actual declines in the unit capital expenditures and delays in service launch in some buildings have occurred. For these reasons, an unappropriated amount of JPY1,591,444 thousand has been incurred. However, this unappropriated amount will be appropriated by the year ended March 2022.

2. With regard to the amount of capital expenditures in Tower Business that was assumed at the time of the issuance of new shares, postponement of the actual introduction of some projects have occurred. For this reason, an unappropriated amount of JPY309,103 thousand has been incurred. However, this unappropriated amount will be appropriated by the year ended March 2022.

- Issuance of new shares through third-party allotment in connection with an overallotment offering

Payment date	January 20, 2020
Amount of financing	JPY1,303,593 thousand (net proceeds approximate)
Issue price	JPY1,317.50 per share
Number of shares outstanding at the time of offering	19,521,272 shares
The number of shares issued through offering	Common Stock 883,900 shares
Number of shares outstanding after offering	20,405,172 shares
Subscriber	SMBC Nikko Securities Inc.
Initial use of funds at the time of issuance	Together with the funds from the issuance of new shares through a public offering and the issuance of new shares through a third-party allotment in connection with an overallotment offering, the funds were planned to be allocated as follows: ① Capital expenditures for expansion of introduction in Domestic IBS Business: JPY4,169,353 thousand ② Capital Expenditures for expansion of introduction in Tower Business: JPY500,000 thousand ③ Repayment of borrowings: JPY1,000,000 thousand
Scheduled timing of expenditures at the time of issuance	January 2020 to March 2021
Current appropriation status	Together with the funds from the issuance of new shares

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	<p>through public offering and the issuance of new shares through third-party allotment in connection with the over-allotment offering, the funds have been appropriated as follows:</p> <p>①Capital expenditures for expansion of introduction in Domestic IBS Business: Appropriation of JPY2,577,909 thousand for the fiscal years ended March 2020 and 2021 (Note 1)</p> <p>②Capital investment to expand introduction in Tower Business: JPY190,897 thousand was allocated for the year ended March 31, 2021 (Note 2)</p> <p>③Repayment of loans: JPY1,000,000 thousand in full for the year ended March 2020</p>
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(NOTE)1. With regard to the amount of capital expenditures in Domestic IBS Business that was assumed at the time of the issuance of new shares, actual declines in the unit capital expenditures and delays in service launch in some buildings have occurred. For these reasons, an unappropriated amount of JPY1,591,444 thousand has been incurred. However, this unappropriated amount will be appropriated by the year ended March 2022.

2.The amount of capital expenditures related to the introduction of Tower Business, which was assumed at the time of the issuance of new shares, was JPY309,103 thousand, which was not yet appropriated due to a postponement of the actual introduction of Tower Business. However, the amount of the unappropriated capital expenditures will be appropriated by the year ending March 2022.

11. Terms and Conditions of Issuance

(1)	The classes and number of shares to be offered	Common Stock 1,106,946 shares
(2)	Amount to be paid	JPY6,640 per share
(3)	Total amount to be paid	JPY7,350,121,440
(4)	Amount of capital to be increased	JPY3,675,060,720
(5)	Amount of additional paid-in capital to be increased	JPY3,675,060,720
(6)	Method of offering or allotment (scheduled subscribers)	Based on third-party allotment KDDI 553, 473 shares NTT 553,473 shares
(7)	Payment date	May 31, 2021
(8)	Others	The Third-Party Allotment shall be subject to the effectiveness of the securities registration statement filed under the Financial Instruments and Exchange Act of Japan

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