

FY03/2021 Q4

JTOWER

Financial Results for the 4th Quarter of FY2020 ended March 31, 2021

May 14, 2021

J T O W E R Inc.

1

FY2020 Financial Results

2

The Capital and Business Alliance and the Third-Party Allotment

3

Future Business Strategies

4

FY2021 Full Year Forecasts

5

Appendix

Domestic IBS

<4G IBS> The total number of IBS installations exceeded **200**

<5G IBS>

Completed development of **the 5G infra-sharing equipment**
Realized the Japan's first indoor Infra-Sharing in the Tokyo Metropolitan Government

Tower

<Rural area> Started preparations for the construction of more than **60 towers**

<Urban area> Launched **2 smart poles** in the Nishi-Shinjuku area

International IBS

Entered into an IBS asset purchase agreement for **63 properties** from the local player in Vietnam

Solution

Technical verification by obtaining **the license for testing L5G**

Nabiq was excluded from consolidation from 2H and became an equity-method affiliate

Consolidated revenue increased by 37% YoY to JPY3,501 million, continuing high growth

- Excluding Nabiq (excluded from consolidation from 2H), consolidated revenue grew by 45% YoY.
- The revenue for the Domestic IBS business increased by 56% YoY to JPY2,784 million, driving overall revenue growth.
- Infra-Sharing revenue^{*1} accounted for 89% of the total revenue, establishing a stable revenue base.

Profitability improved due to strong operating profit

- SG&A expenses fell short of the plan due to the deconsolidation of Nabiq, the postponement of recruitment and the continuation of remote work, in addition to the expansion of Infra-Sharing revenue. As a result, consolidated operating profit increased from JPY69 million in the previous fiscal year to JPY418 million.
- Consolidated EBITDA increased by 83% YoY to JPY1,349 million.

Recorded equity in losses of affiliates, deferred tax assets and others in Q4

- Ordinary profit was JPY178 million due to the recording of equity in losses of affiliates (Nabiq and GNI Myanmar) as non-operating expenses in Q4.
- In addition to the above, the recording of deferred tax assets and other factors resulted in a net income of JPY 506 million.

*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.

Assumptions for expected impacts at the beginning of FY2020

Domestic IBS

First state of emergency
A state of emergency will continue **by the end of June**, and delays in the launch of services are factored in. **(for up to 6 months)**

Second state of emergency
No assumption of impact.

International IBS

* Incorporate financial results in 3 months time lag.

Belated approvals by mobile network operators will cause **the delay in service launch. (for about 3 months)**

Solution

Gradual recovery in new contract acquisition, which declined by half at the beginning of the fiscal year compared to initial expectations.

SG&A

No assumption of impact.

Impact on FY2020 results

First state of emergency was lifted on May 25, about 1 month ahead of the assumption. Since then, there was no significant delay in launch of services, and **the number of installations was generally in line with expectations.**

Impact became apparent as expected in Q3 (July to September), but no significant impact in other quarters.

Sluggish acquisition of new contracts continued throughout the fiscal year, **but the impact from 2H was limited due to the deconsolidation of Nabiq.**

SG&A expenses fell short of the plan due to the implementation of remote work and postponement of recruitment.

- Revenue increased to JPY2,588 million (+37% YoY), excluding Nabiq (excluded from consolidation from 2H), **grew by 45% YoY**. EBITDA increased to JPY1,349 million (+83% YoY), and operating profit increased from JPY69 million in the previous fiscal year to **JPY418 million**. Net income was **JPY506 million** due to equity in losses of affiliates and deferred tax assets.

(JPY mn)	FY2019	FY2020		
	12 Months Results	12 Months Results	Change	
			Amount	%
Revenue	2,558	3,501	+943	+36.9%
EBITDA ^{*1}	737	1349	+611	+83.0%
EBITDA Margin	28.8%	38.5%	+9.7pt	—
Operating Profit	69	418	+349	+501.3%
Operating Profit Margin	2.7%	12.0%	+9.3pt	—
Ordinary Profit	5	178	+173	+3071.4%
Net Income	-13	506	+519	—
Capital Expenditure (Investment Cash Flow)	-2,611	-2,401	+210	-8.0%

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

- Cash and Cash Equivalents increased by JPY1,209 million from the end of FY2019 to **JPY8,398 million** due to an increase in Infra-Sharing revenues, which exceeded capital investment, thereby maintaining financial soundness.

(JPY mn)	FY2019	FY2020	
	March 31, 2020	March 31, 2021	Change
Current Assets	8,032	8,955	+922
Cash and Cash Equivalents	7,188	8,398	+1,209
Notes and Accounts Receivable	482	397	- 85
Non-current Assets	6,614	7,790	+1,176
Tangible Fixed Assets	5,860	6,968	+1,108
Goodwill	579	329	- 249
Total Assets	14,646	16,745	+2,098
Financial Indicators			
Debt	1,083	1,195	+111
Net Debt	-6,104	-7,202	- 1,098
CAPEX	2,787	2,098	- 688
Equity Ratio	45.3%	42.6%	- 2.7pt

- Increased number of IBS installations has been reflected in increased current and long-term unearned revenue (to be reported as revenue in the future).

(JPY mn)	FY2019	FY2020	
	March 31, 2020	March 31, 2021	Change
Current Liabilities	3,288	3,881	+593
Accounts payable - trade	193	129	- 64
Short-term borrowings* ¹	45	210	+165
Accounts payable - other	1,204	851	- 352
Unearned revenue	1,525	2,318	+793
Non-current Liabilities	4,723	5,726	+1,003
Long-term borrowings	300	210	- 90
Long-term unearned revenue	3,869	4,985	+1,115
Total Liabilities	8,011	9,608	+1,596
Net Assets	6,635	7,137	+501
Share capital	4,272	4,300	+28
Capital surplus	2,433	2,462	+28
Total Liabilities and Net Assets	14,646	16,745	+2,098

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

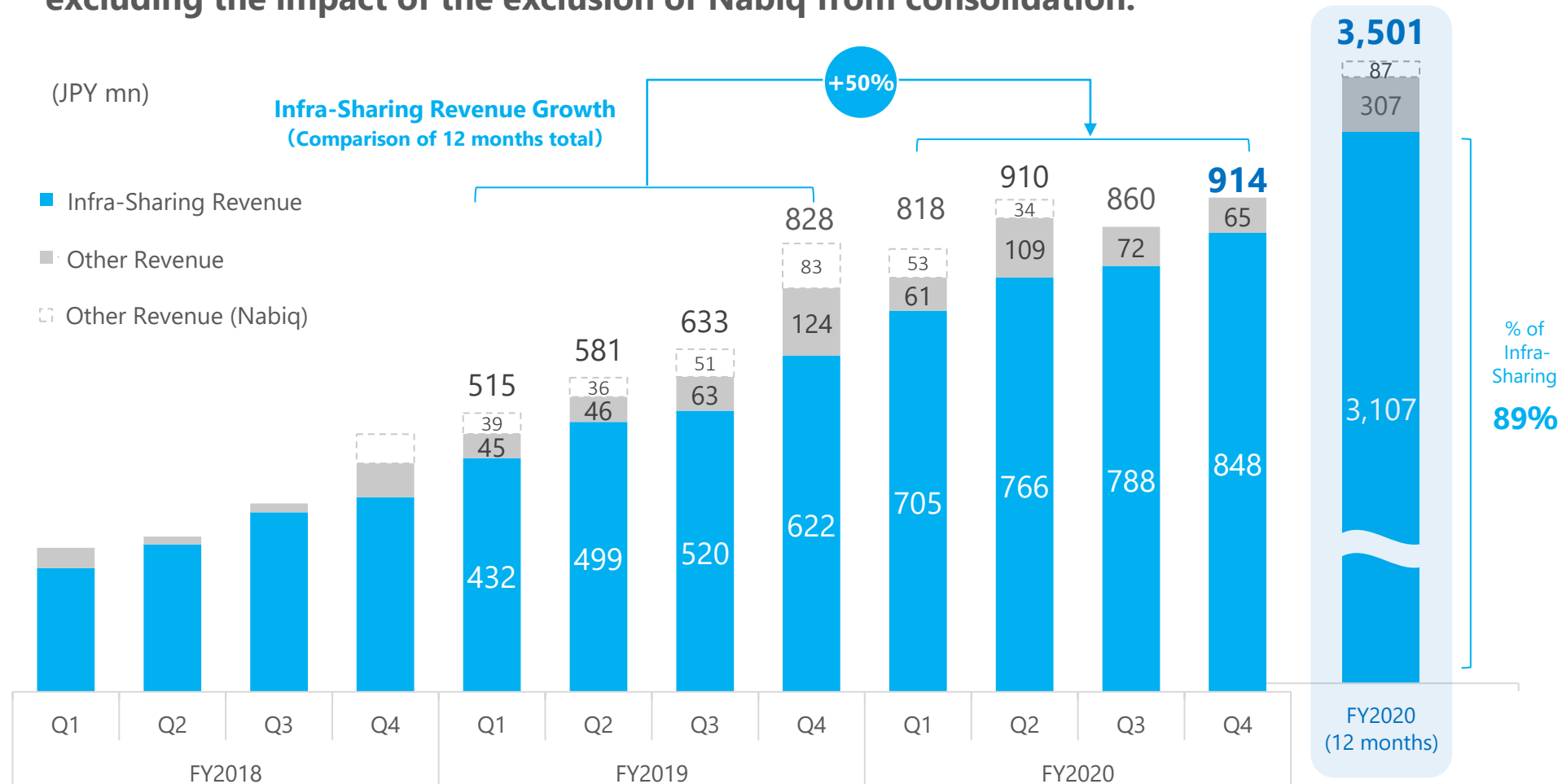
1 FY2020 Consolidated Results – CF

JTOWER

- With increased unearned revenue (to be reported as revenue in the future), cash and cash equivalents at the end of the period increased by JPY1,256 million. Free cash flow increased to JPY840 million.

(JPY mn)	FY2019	FY2020	
	12 Months Ended March 31, 2020	12 Months Ended March 31, 2021	Change
Cash Flows from Operating Activities	3,165	3,311	+145
Change in Unearned revenue	2,565	1,881	- 683
Depreciation	612	887	+275
Amortization of Goodwill	53	41	- 12
Cash Flows from Investing Activities	-2,699	-2,470	+228
Purchase of property, plant and equipment	-2,611	-2,401	+209
Free Cash Flow	466	840	+374
Cash Flows from Financing Activities	4,385	418	- 3,967
Net Increase (Decrease "-") in Short-term Borrowings	32	-45	- 77
Proceeds from issuance of shares	5,725	56	- 5,668
Proceeds from sale and leaseback transactions	392	303	- 88
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-1,604	—	+1,604
Effect of exchange rate change on cash and cash equivalents	-0	-1	-1
Net Increase (Decrease "-") in Cash and Cash Equivalents	4,851	1,256	- 3,594
Net Increase (Decrease) in Cash and Cash Equivalents Due to Changes in Scope of Consolidation	- 6	-117	- 111
Cash and Cash Equivalents at Beginning of Period	2,006	6,851	+4,844
Cash and Cash Equivalents at End of Period (Q4)	6,851	7,990	+1,138

- Infra-Sharing revenue*¹ has grown **50%** YoY and is serving as a steady revenue base, accounting for **89%** of the total consolidated revenue.
- Other revenue increased due to the expansion of consigned construction revenue, excluding the impact of the exclusion of Nabiq from consolidation.



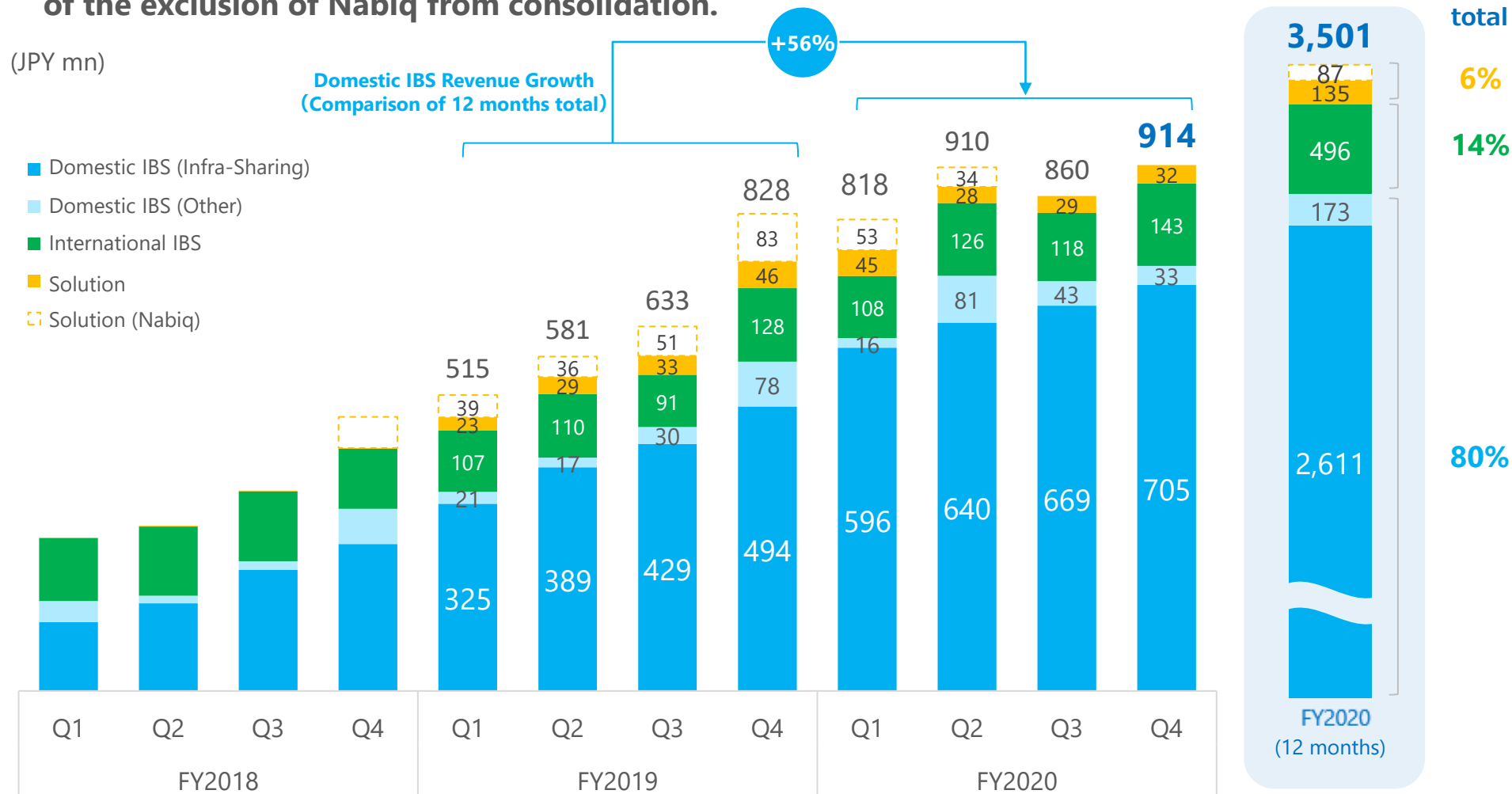
*1: Revenue from Infra-Sharing service based on long-term contracts. For details, please refer to "Breakdown of Infra-Sharing and Other Revenues by Business" in Appendix.

*2: Figures from FY2018 and before as well as the breakdown of Infra-Sharing revenue and other revenue are unaudited.

1 Historical Revenue by Business

JTOWER

- Domestic IBS revenue increased by **56%** YoY and has grown to account for **80%** of the total consolidated revenue. Steady growth in both Infra-Sharing and Other revenue (consigned construction revenue).
- International IBS revenue increased in Q4 and Solution revenue decreased due to the impact of the exclusion of Nabiq from consolidation.



Note: Breakdown of quarterly revenue by business is unaudited.

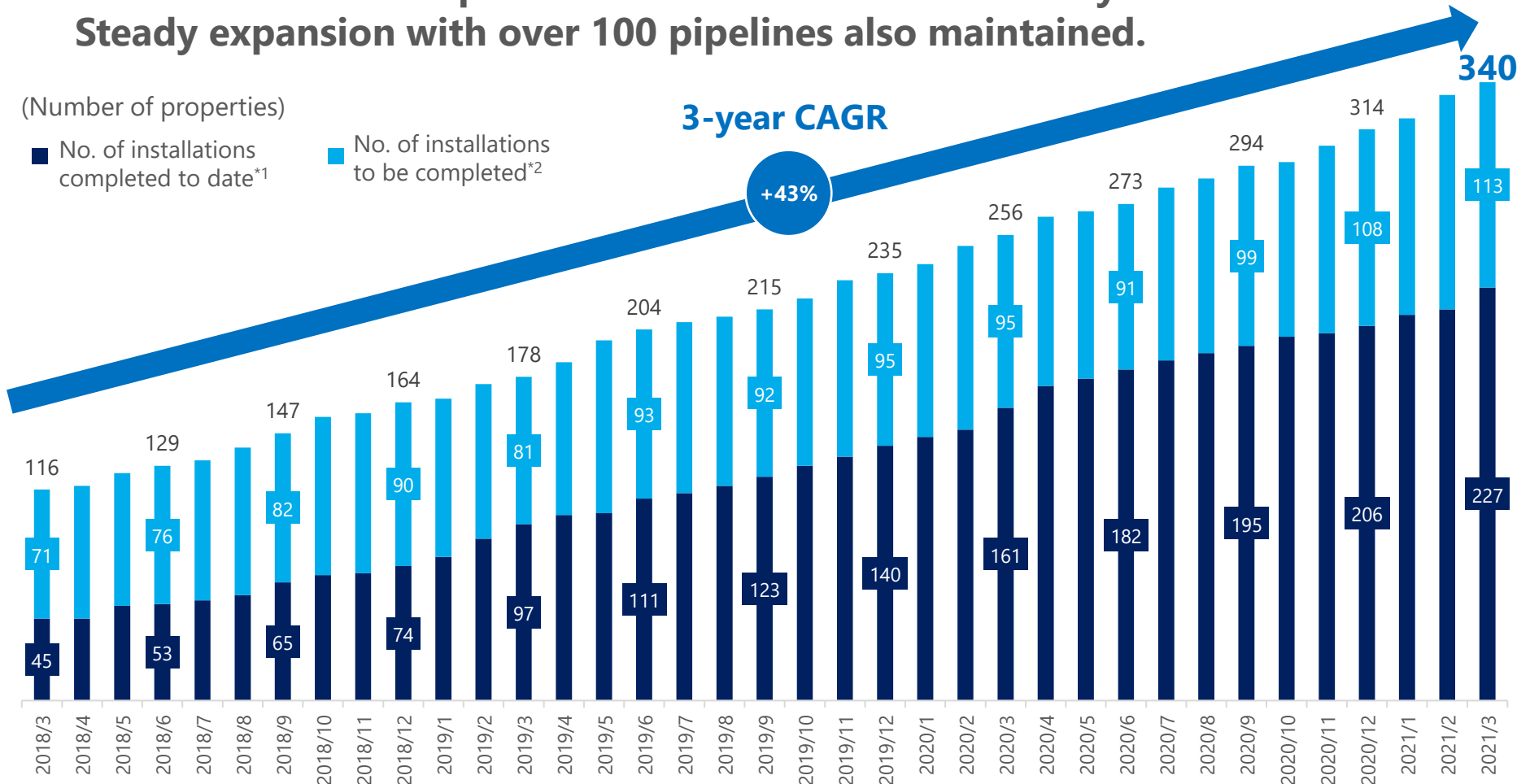
1 Historical Number of Installations (Domestic IBS-4G) JTOWER

- Total number of IBS installations has increased to **340** (installation completed: **227**, to be installed: **113**).
- Total number of completed IBS installations increased by **66** in FY2020. Steady expansion with over 100 pipelines also maintained.

(Number of properties)

3-year CAGR

■ No. of installations completed to date*¹ ■ No. of installations to be completed*²



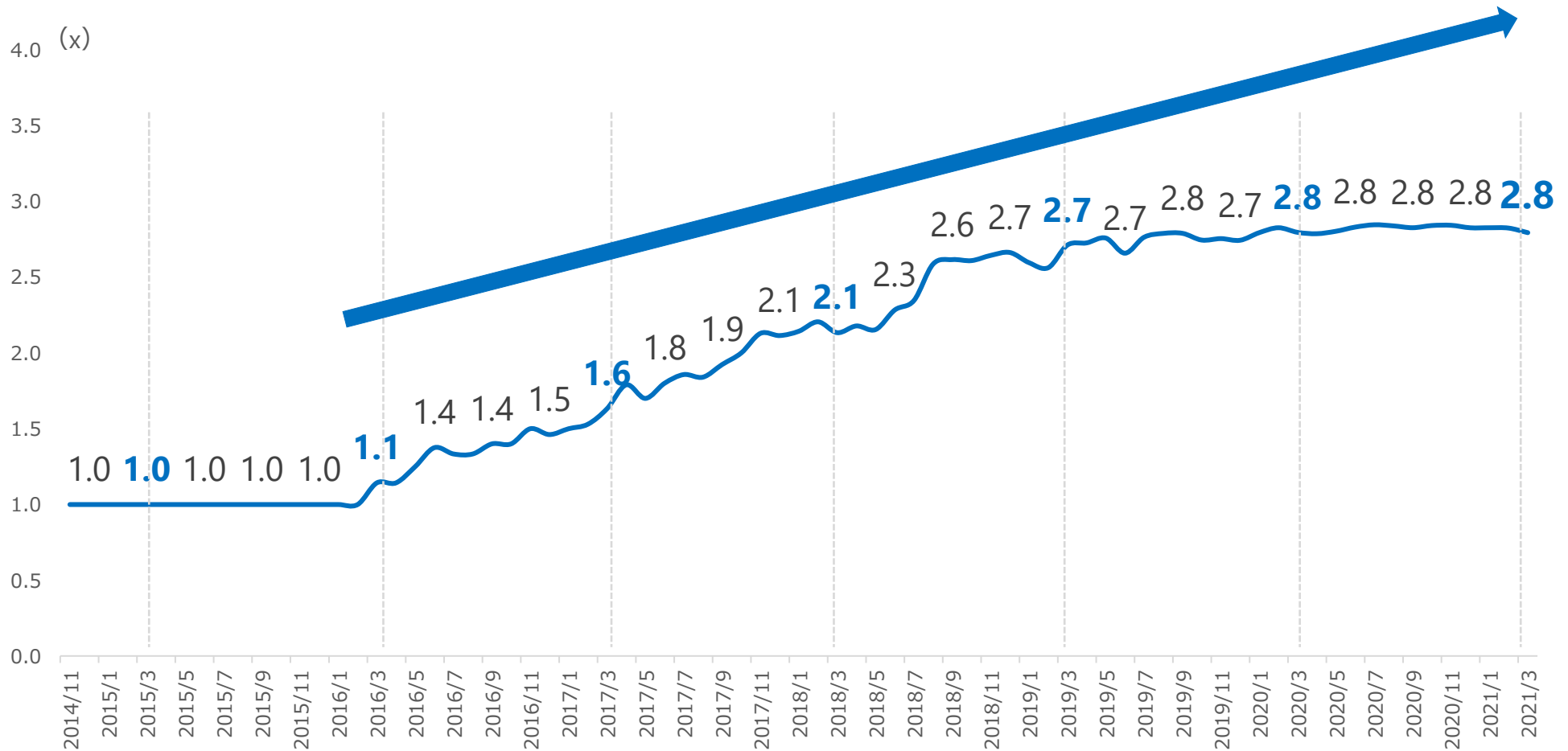
*1: Projects where radio waves have been emitted and revenues are recognized.

*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*¹ (Domestic IBS-4G)

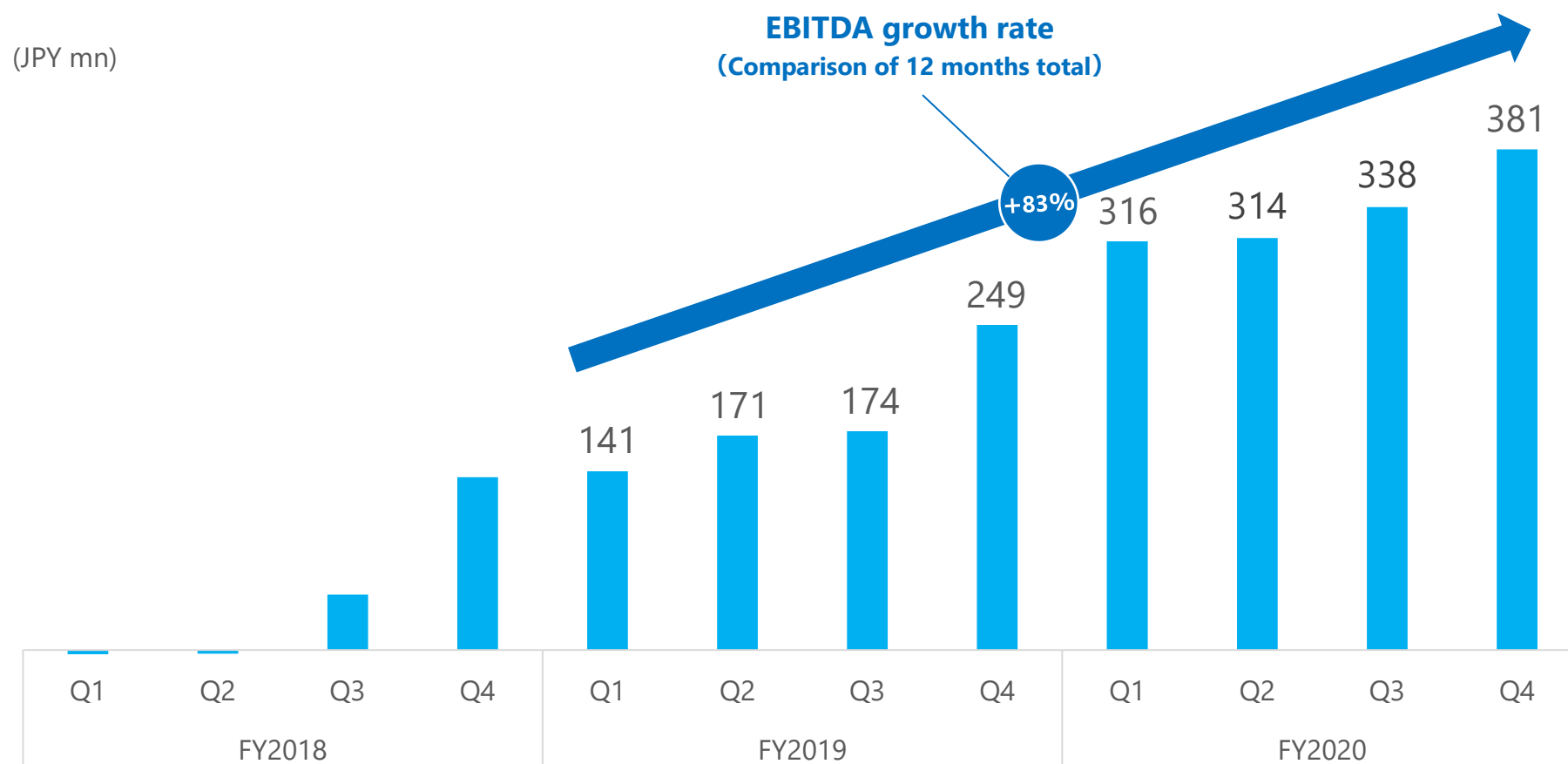
JTOWER

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



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

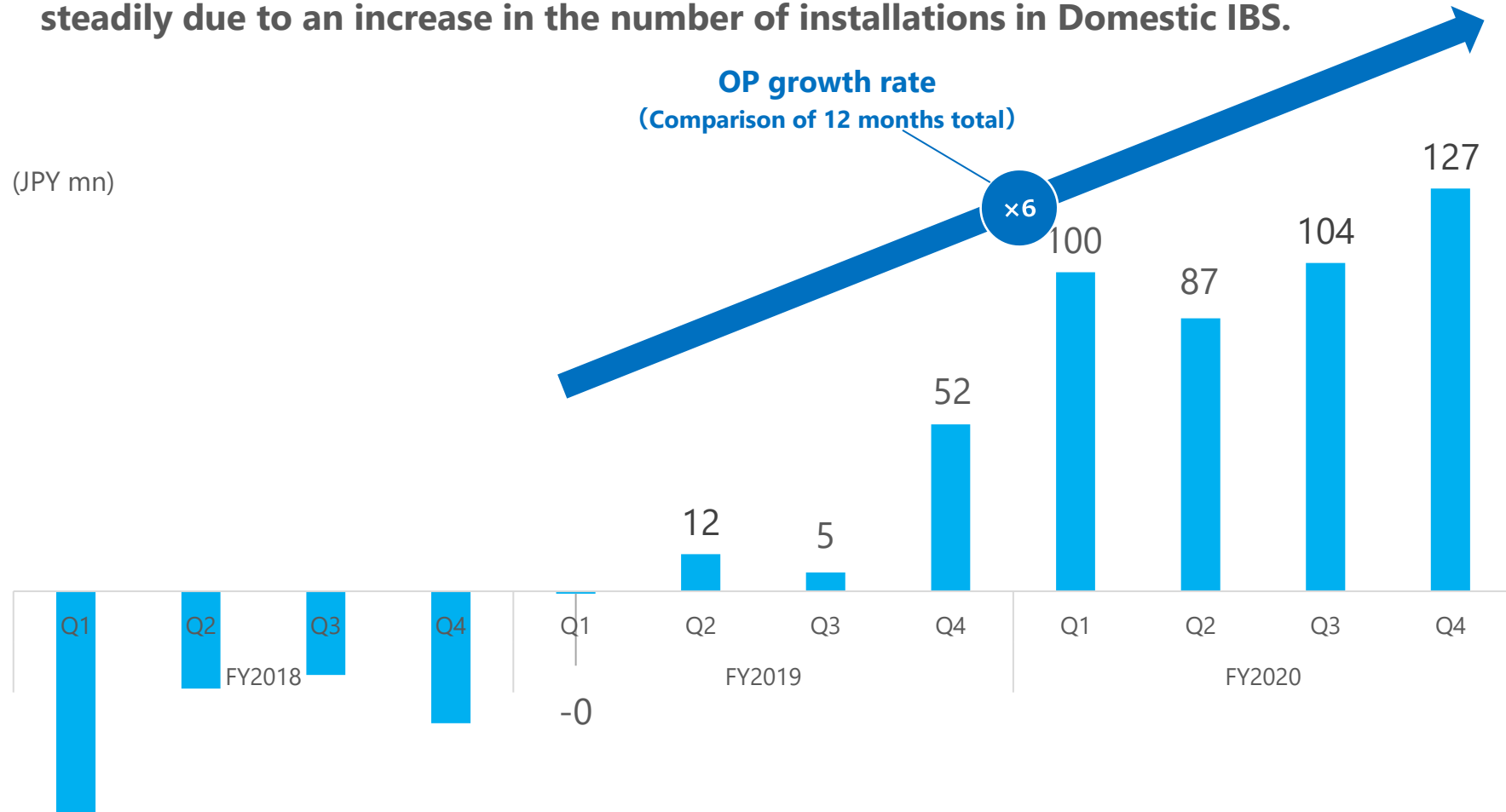
- Consolidated EBITDA grew by **83%** YoY to JPY1,349 million as profitability improved due to the deconsolidation of Nabiq and SG&A fell short of the plan due to the impact of COVID-19, while Infra-Sharing revenue grew steadily due to an increase in the number of installations in Domestic IBS.



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

*2: Figures before FY2019 are unaudited..

- Operating profit increased from JPY69 million in the previous fiscal year to **JPY418 million** as profitability improved due to the deconsolidation of Nabiq and SG&A fell short of the plan due to the impact of COVID-19, while Infra-Sharing revenue grew steadily due to an increase in the number of installations in Domestic IBS.

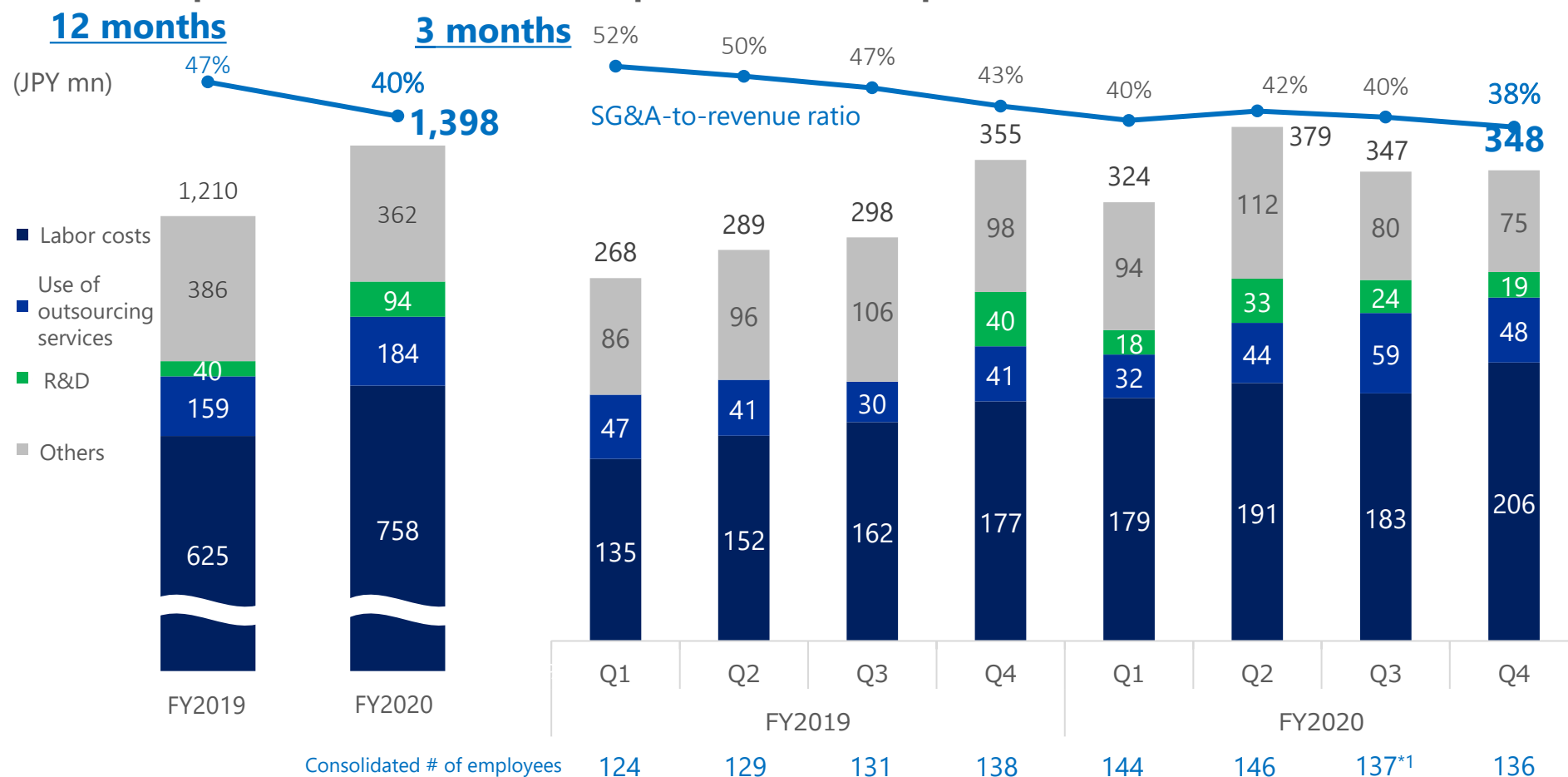


*1: Figures before FY2019 are unaudited.

1 Historical Consolidated SG&A Expenses

JTOWER

- In addition to the expansion of Infra-Sharing revenue, labor costs increased due to strengthening organizational structures and R&D expenses related to the 5G infra-sharing equipment and Tower business (mainly outsourcing expenses) increased, however, the consolidated SG&A expenses ratio improved by 7% to **40%** YoY, due to the deconsolidation of Nabiq and SG&A fell short of the plan due to the impact of COVID-19.



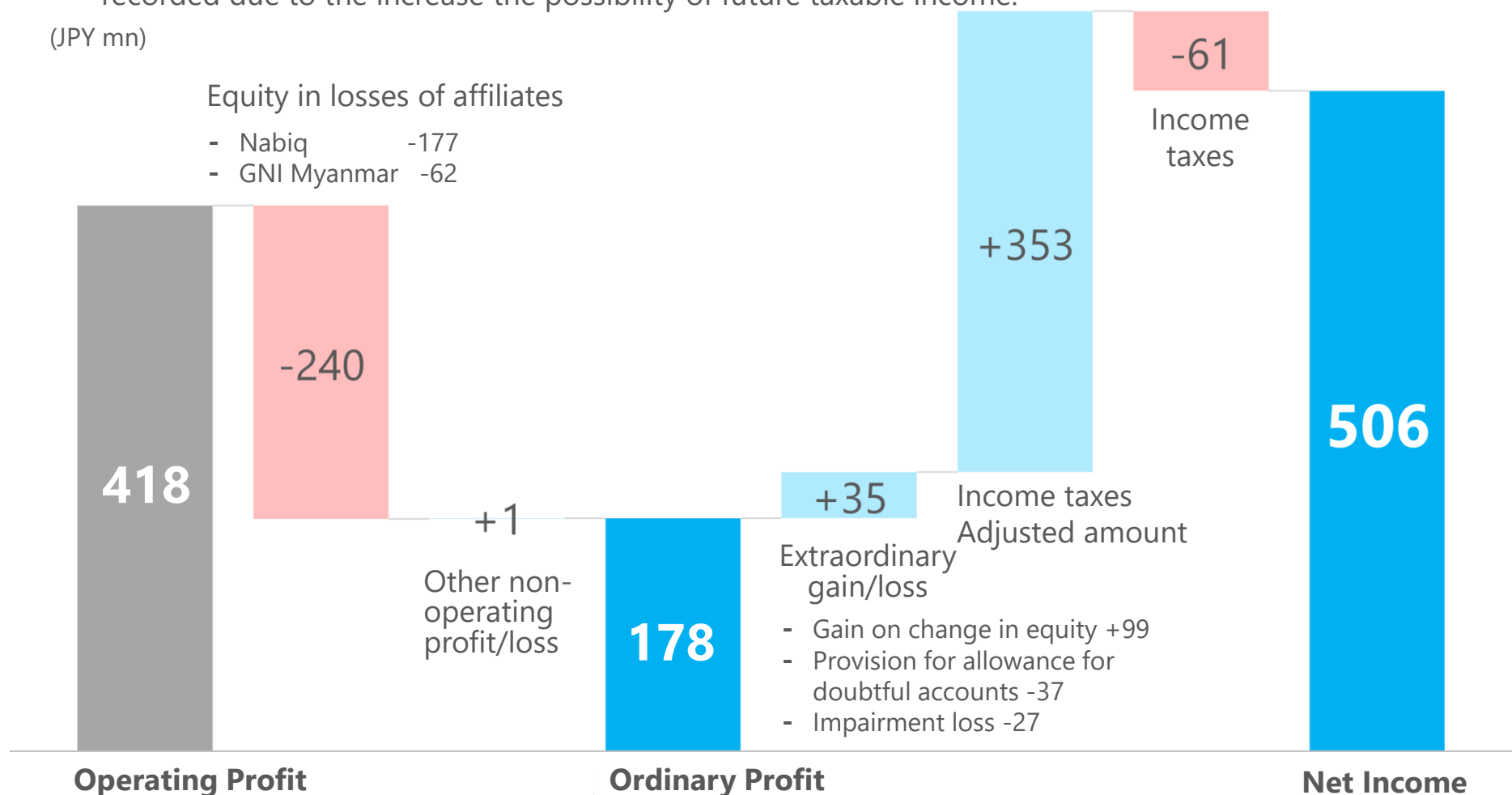
*1: The number of employees on a consolidated basis decreased due to the deconsolidation of Nabiq from Q3 FY2020.

1 Details of non-operating profit or loss and others JTOWER

● The following items are recorded as non-operating profit/loss and others

- Write-down of investments in affiliates accounted for by the equity method (Nabiq and GNI Myanmar) recorded as equity in losses of affiliates.
- Deferred tax assets and income taxes-deferred primarily related to net operating loss carryforwards were recorded due to the increase the possibility of future taxable income.

(JPY mn)



1 FY2020 Differences between full year Forecasts and Results JTOWER

- Strong performance mainly in Domestic IBS (Infra-Sharing revenue), and despite the impact of the exclusion of Nabiq from consolidation, revenue **increased by 3.5%** compared to the initial forecast, and compared to the most recent forecast, results were **generally in line with expectations at JPY3,501 million**.
- In addition to the above, SG&A fell short of the plan due to the postponement of recruitment and the continuation of remote work. As a result, operating profit **increased by 179%** and compared to the most recent forecast, results were generally **in line with expectations at JPY418 million**.
- Cash flows from investing activities related to CAPEX decreased compared to forecasts due to lower-than-expected CAPEX in Tower in FY2020 and lower unit CAPEX at new installations in Domestic IBS.

(百万円)	FY2019	FY2020			
	12 months results	12 monthths Initial forecasts (May 12, 2020)	12 months results	Change	
				Amount	%
Revenue	2,558	3,381	3,501	+120	+3.5%
EBITDA *1	737	1,128	1,349	+221	+19.6%
EBITDA Margin	28.8%	33.4%	38.5%	+5.2pt	—
Operating Profit	69	150	418	+268	+178.6%
Operating Profit Margin	2.7%	4.4%	12.0%	+7.5pt	—
Ordinary Profit	5	107	178	+71	+66.4%
Net Income	-13	62	506	+444	—
Capital Expenditure (Investment Cash Flow)	- 2,611	- 3,468	- 2,401	+1,067	-30.8%

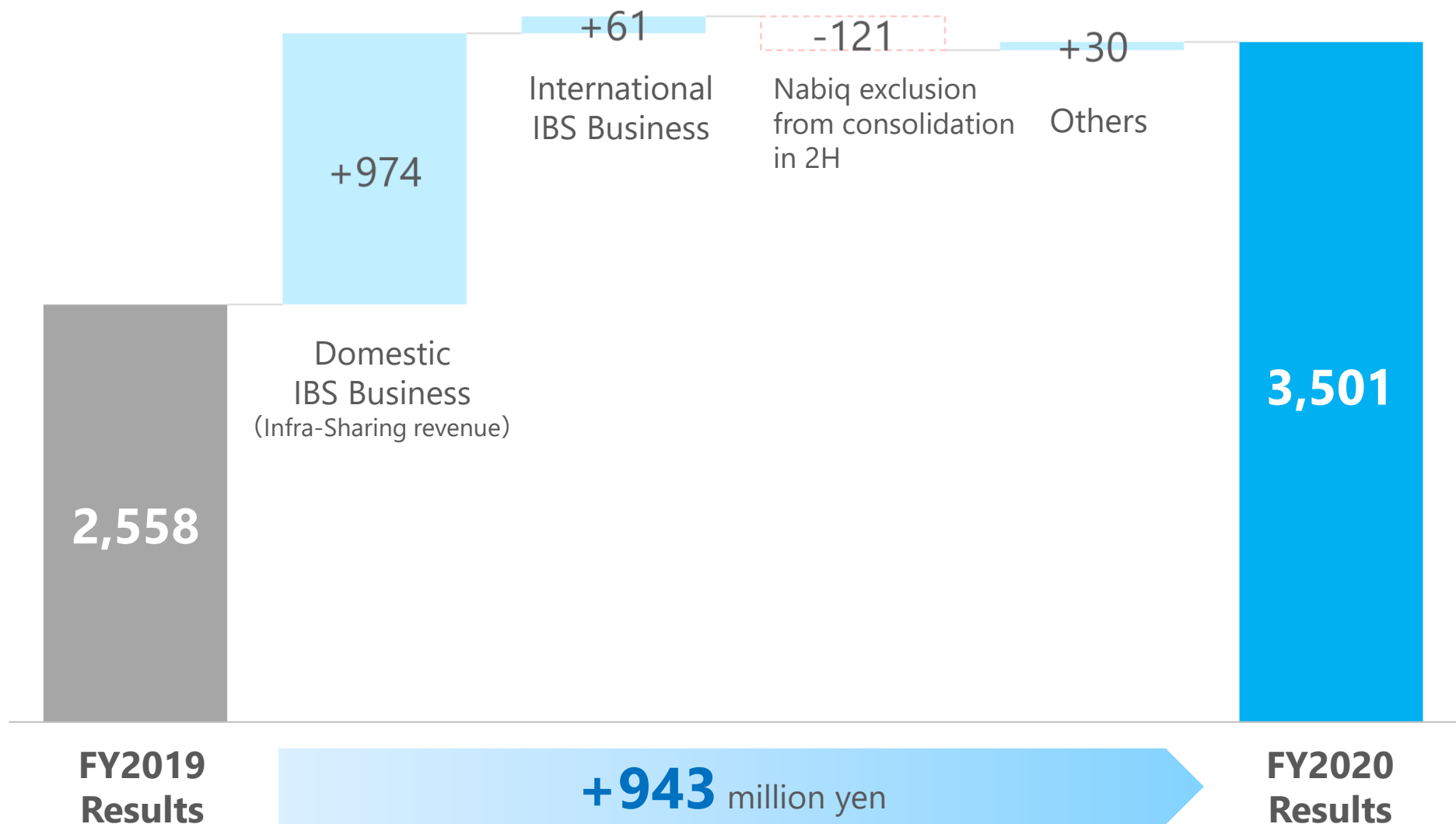
FY2020		
12 monthths Initial forecasts (March 17, 2021)	Change	
	Amount	%
3,510	- 9	-0.3%
1,330	+19	+1.4%
37.9%	+0.6pt	—
400	+18	+4.5%
11.4%	+0.6pt	—
360	- 182	-50.6%
—	—	—
- 2,640	+239	-9.1%

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

1 Factors behind Changes in FY2020 Consolidated revenue

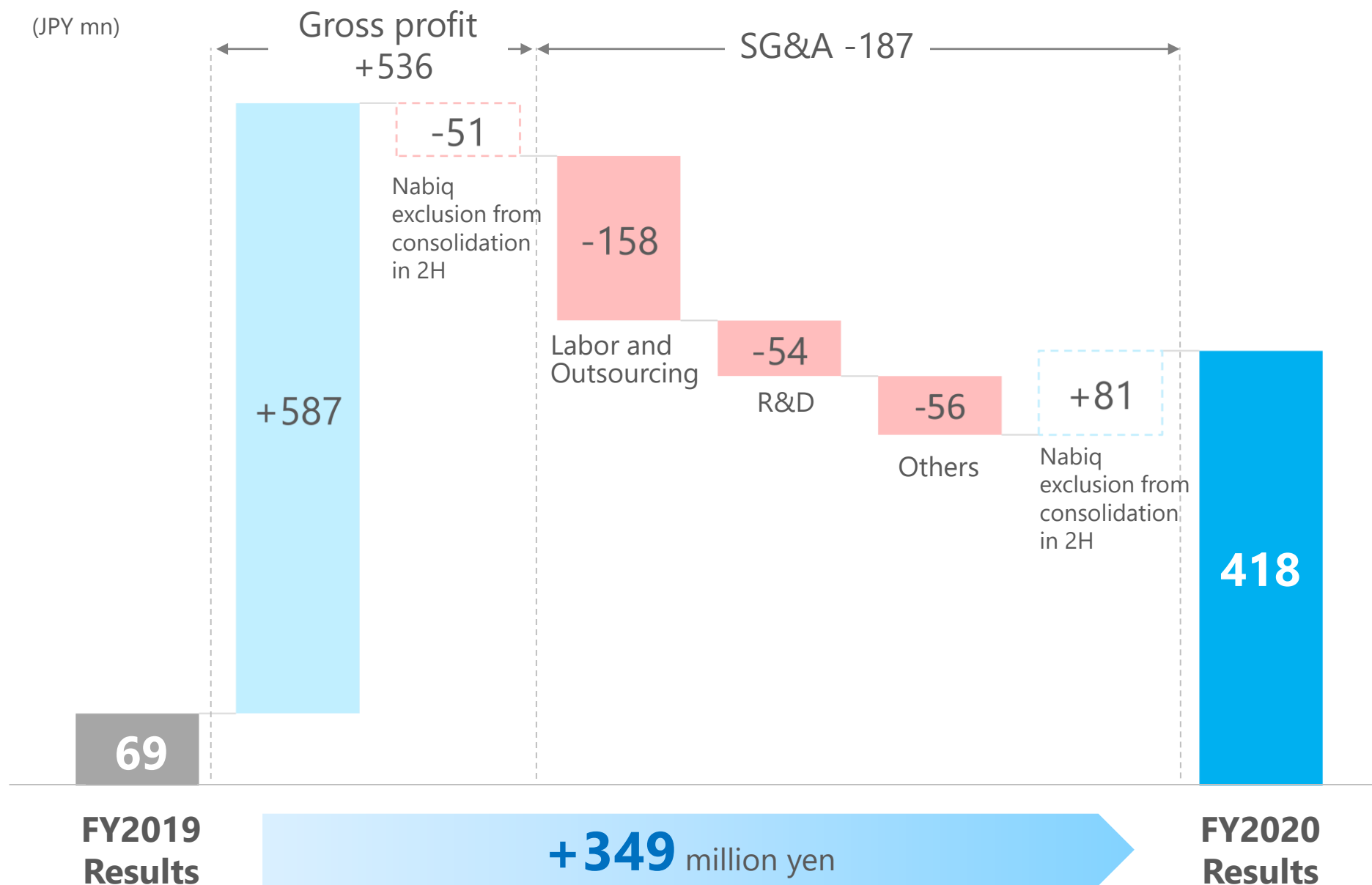
JTOWER

(JPY mn)



1 Factors behind Changes in FY2020 Consolidated OP

JTOWER



1

FY2020 Financial Results

2

The Capital and Business Alliance and the Third-Party Allotment

3

Future Business Strategies

4

FY2021 Full Year Forecasts

5

Appendix

Overview		<ul style="list-style-type: none"> Capital and business alliance: Conclusion with KDDI Capital increase through third-party allotment: Allocated to KDDI and NTT
Overview of capital and business alliance	Purpose	<ul style="list-style-type: none"> Further strengthen the relationship with KDDI and mutually maximize our corporate values to accelerate and expand the introduction of Infra-Sharing both indoors and outdoors.
	Details of business alliance	<ul style="list-style-type: none"> Promotion of Infra-Sharing : We will promote the use of Infra-Sharing to expand the outdoor and indoor network coverage mainly on 5G. Improve planning accuracy: We will improve the accuracy of both companies' investment and deployment plans by sharing business plans related to IBS, rural towers, smart poles and others. Technical support and know-how sharing: Both companies will share the technological know-how required to develop shared facilities such as IBS, rural tower, and smart pole, and early realization of the development and rollout of the 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.
	Contract day	<ul style="list-style-type: none"> May 14, 2021
Overview of the third-party allotment		<ul style="list-style-type: none"> Issuance of new shares: KDDI 553,473 shares, NTT 553,473 shares: Total 1,106,946 shares (dilution rate 5%) Issue price: JPY6,640 per share (the closing Price as of the business day immediately before the resolution date of the board of directors) Approximate net proceeds: JPY7,305 million Payment date: May 31, 2021
Use of funds		<ul style="list-style-type: none"> Capital expenditures in Domestic IBS Business to increase the number of installations in 4G and 5G IBS : JPY3,652 million Capital expenditures in Tower Business to expand constructions of shared tower : JPY3,652 million

2 Vision through the Capital and Business Alliance JTOWER

We will further expand growth and improve the speed of development in IBS and Tower businesses, aiming for efficient capital expenditures and early deployment particularly in 5G

JTOWER

Sharing of Infra-Sharing Deployment Plans
Strengthen collaboration in new development



Sharing of information on installation sites
Provision of useful technical requirements
for new development

IBS Business (Indoor Infra-Sharing)

- Further increase the number of installations and accelerate deployments both in 4G and 5G IBS.
- Increase the tenancy ratio.

Tower Business (Outdoor tower sharing)

- Further increase the number of new tower sharing and accelerate deployments both in rural and urban areas.
- Promote the discussion of carve-out for existing towers

Development of shared facilities

- Early realization and promotion of the 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.

2 Positioning of the Capital Transactions

JTOWER

Through the capital transaction, we will strengthen the relationship with both NTT and KDDI, aiming to further grow and expand by strengthening our position as an Infra-Sharing provider

Our capital structure

2019/7/4

Capital and Business Alliance*1

2021/5/14

Additional allocation

2021/5/14

Capital and Business Alliance



Ownership ratio
before and after the
Capital Transactions

20.2% → **21.7%**

0% → **2.5%**

Further strengthen
existing partnership

Build a new
alliance

JTOWER

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.

*1: After the capital and business alliance in July 2019, NTT made additional investments in December 2019 and January 2020 following our IPO.

1

FY2020 Financial Results

2

The Capital and Business Alliance and the Third-Party Allotment

3

Future Business Strategies

4

FY2021 Full Year Forecasts

5

Appendix

3 Future Business Strategies and Major Initiatives JTOWER

Domestic IBS

Sustainable increase in new buildings and **expansion in existing buildings** with a great potential

- ✓ **Strengthen operations** for construction, sales, technology and maintenance
- ✓ **Strengthen sales activities in response to 5G demand**

Tower

Increase the number of towers, including rural tower sharing, smart poles, and carve-outs

- ✓ The development of the shared radio unit compatible with 5G mmWave
- ✓ Establishment of a business management structure

International IBS

Expand business in both organic and inorganic, mainly in Vietnam

- ✓ In addition to asset purchases and M&A from local players in Vietnam, considering M&A in other countries with a basic policy

Local 5G

Realizing **Commercial Services** in Local 5G Business

- ✓ Conduct field trials to establish a business model and commercial products

4G IBS

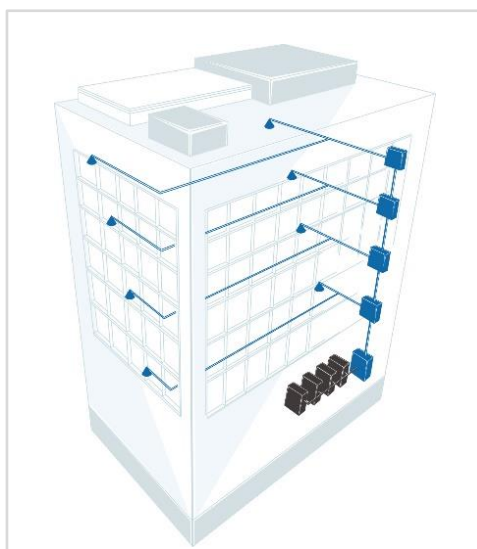
- Sustainable increase in new buildings.
- Respond to 4G replacement demand at existing buildings that have become apparent.
- Increase the tenancy ratio with the entry of the fourth carrier.

5G IBS

- Completed development of the 5G infra-sharing equipment in FY2020.
- New installations to both new and existing buildings.
- Aiming for further expansion in existing buildings, which has significant potential, in the medium-to long-term

Image of 5G Infra-Sharing (main target buildings)

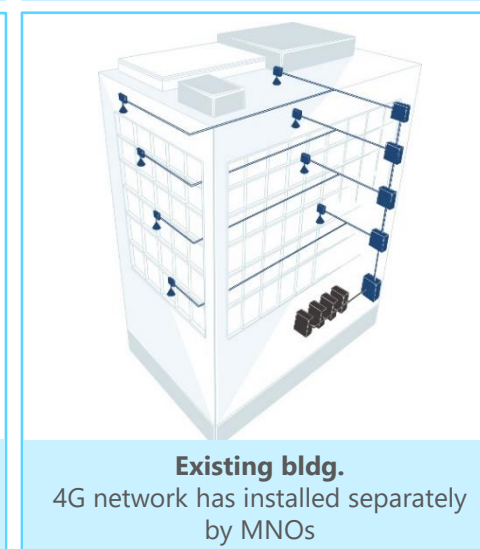
4G Only



4G & 5G



5G Only

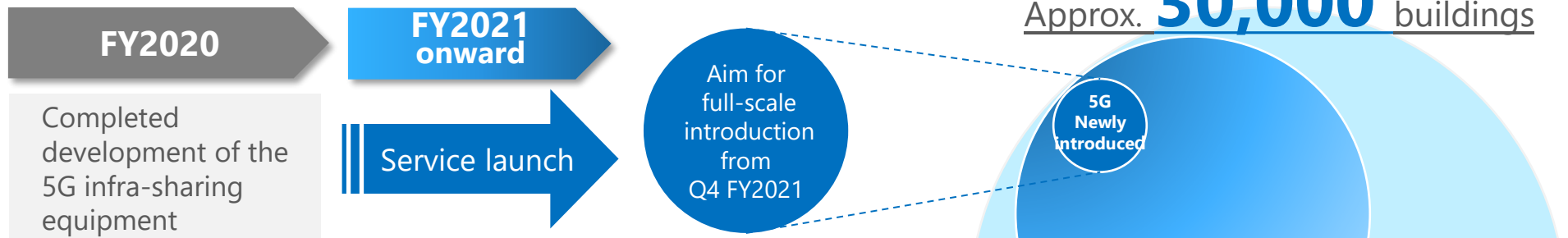


3 Future Business Strategies(1) – Domestic IBS (New Initiatives) JTOWER

- New initiatives, the replacement of existing 4G networks to 4G IBS in existing buildings and the rollout of new 5G IBS, will be introduced from FY2021 onward. Aiming to expand in the existing building market, which has significant potential, over the medium to long term.

<5G IBS>

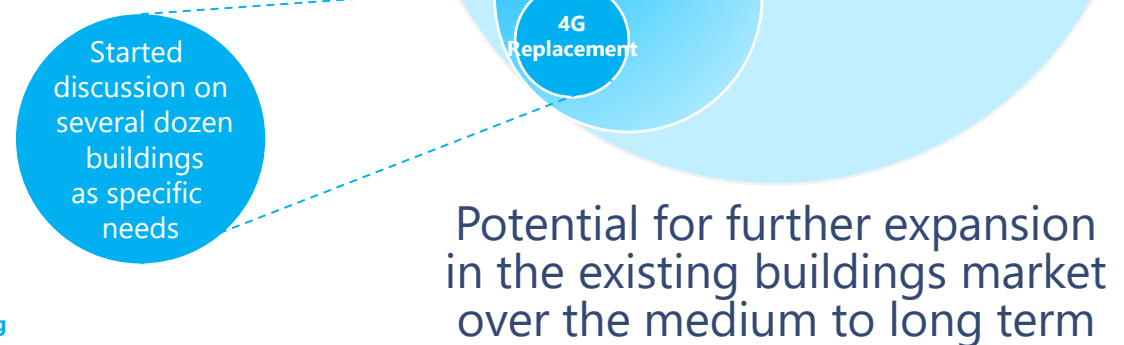
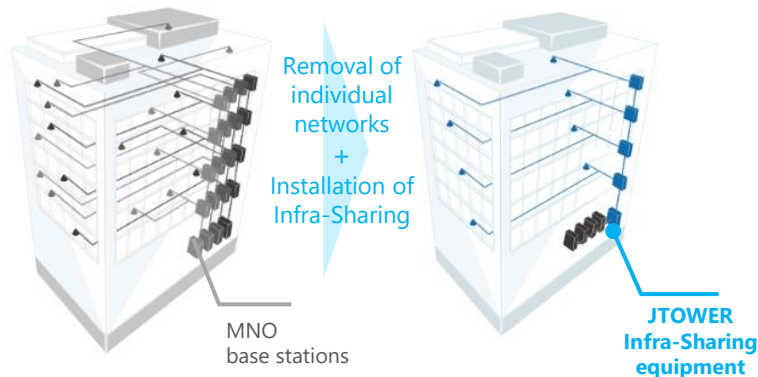
Introductions in new/existing buildings



<4G IBS> Replacements in existing buildings

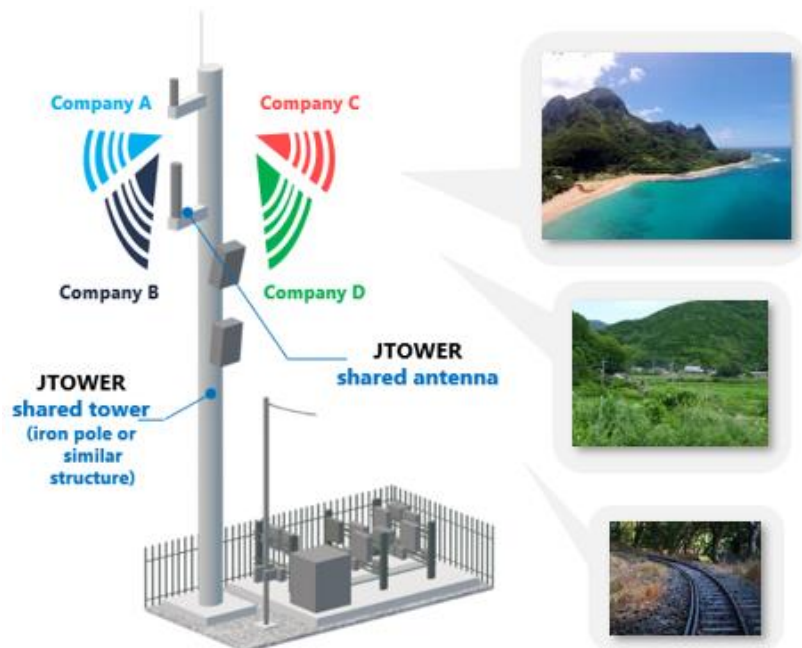
Individual Installation
by MNO
(Existing building)

After replacing with
Infra-Sharing



Tower sharing in rural areas

- Began preparations for the construction of more than 60 towers and will start services in some areas in FY2021.
- In the hundreds of towers proposed, strengthen sales activities to increase the number of order.
- Aiming to expand the deployment of child-stations after installations of parent-stations.



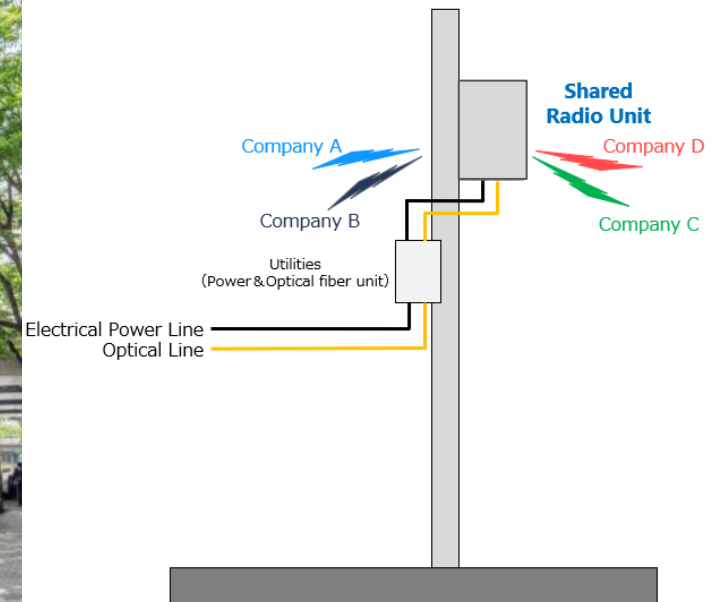
Smart pole

- Selected as the 5G Smart Poles provider of the Tokyo Metropolitan Government.
- Promoting the expansion of the number from two smart poles in the Nishi-Shinjuku area.
- Aim to expand the coverage in the areas with smart solution demands.



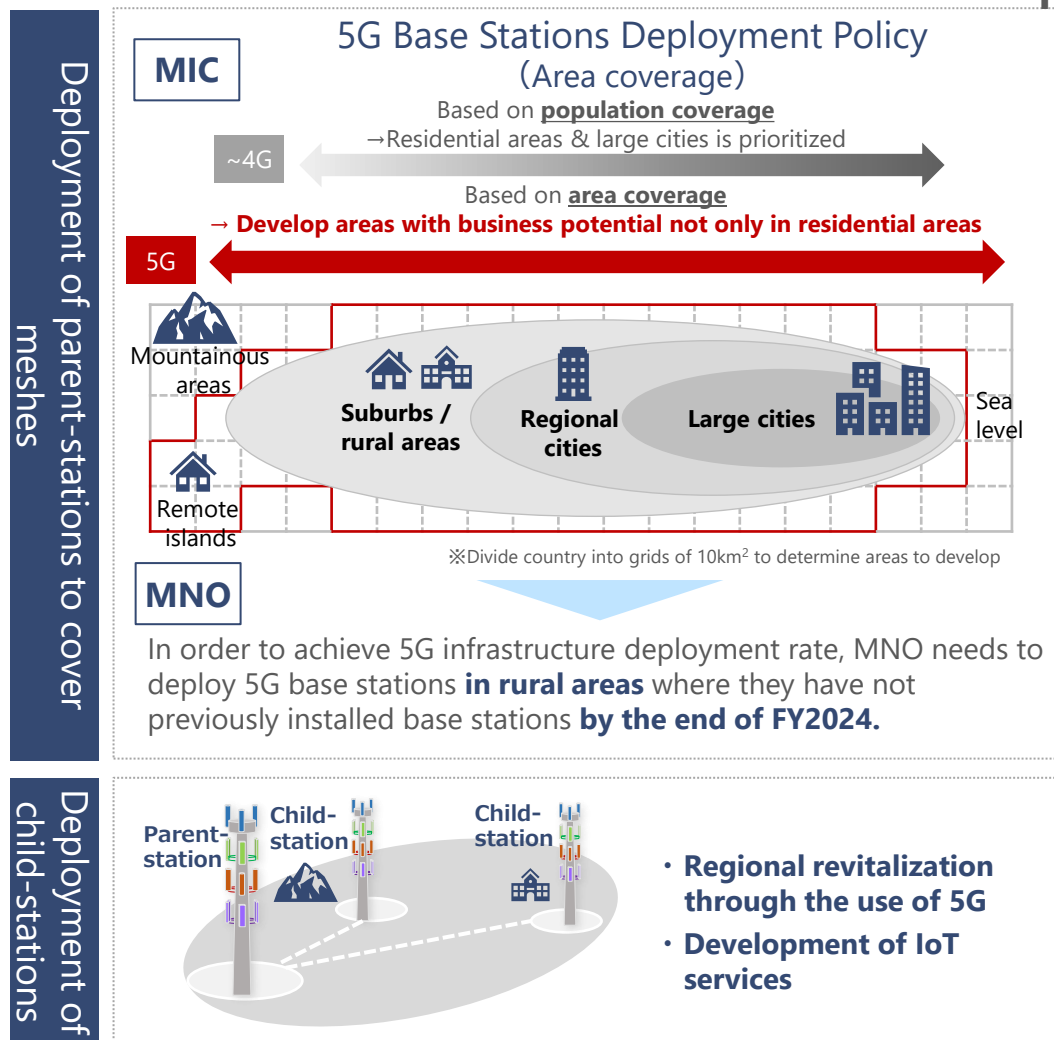
Shared radio units compatible with 5G mmWave

- Started development of 5G mmWave compatible shared radio units to be shared in the high layer in FY2021.
- Anticipate installation in a wide range location both indoor and outdoor, including concrete poles, electric poles, signals, smart poles and inside of buildings.



3 Future Business Strategies(2) – Tower (Rural areas)

- Began preparations for the construction of more than 60 towers in 2H FY2020. In FY2021, we will launch services in completed towers and promote sales activities to expand the number of orders for hundreds of towers under proposal.



Progress of Tower sharing in rural areas

FY 2019

- ✓ Selection of candidate sites
- ✓ Negotiations with landowners

FY 2020

- ✓ Proposal for new tower sharing to 4 MNOs
- ✓ Receive some answers
- ✓ Began preparations for the construction of more than **60 towers**

FY 2021

- ✓ **Launch services** in completed towers
- ✓ Promote sales activities to expand the number of orders **for hundreds of towers** under proposal.

mid to long term

- ✓ Further expansion of **parent-stations**
- ✓ Rollout of **child-stations** within meshes

※ A 5G advanced specified base station (parent base station) which is deployed in each mesh is one that is connected to a high capacity line and can connect to multiple 5G specified base stations (child stations).

- As a 5G Smart Poles provider of TMG, we built two smart poles in the Nishi-Shinjuku area. From FY2021 onwards, we aim to expand the coverage in the areas with smart solution demands.

Tower sharing in urban areas



Street light

5G Sub-6
shared antenna

5G 28GHz
antenna

Wi-Fi6

Digital Signage

Charger
(plug in)

Roadmap for tower sharing in urban areas

July 2020

- Selected as the 5G Smart Poles provider of the Tokyo Metropolitan Government (April 3, 2020)
- Entered into an agreement to install smart poles in the Nishi-Shinjuku area with TMG.
- **The four MNOs** all decided to use these smart poles to be installed in accordance with the Agreement.

October
2020

- Installed **5G base stations** including 5G infra-sharing equipment and began to share telecommunications facilities.
- **5G services by four MNOs** gradually started from October 2020.

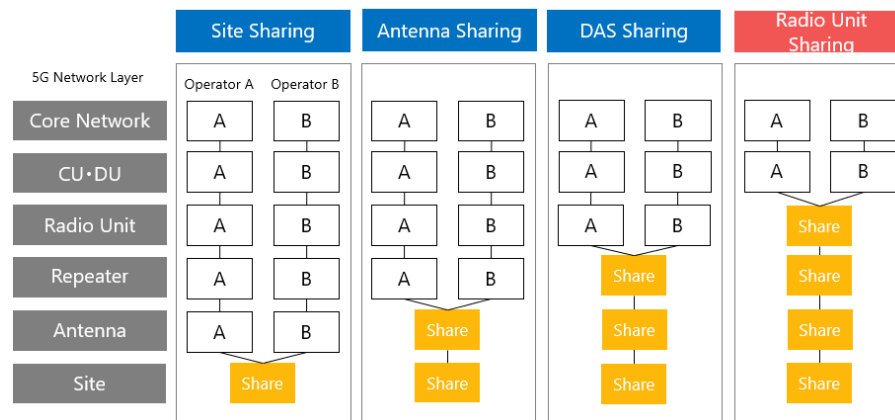
FY2021
Onwards

- Initiatives in Tokyo Data Highway projects.
- Promote acquisition of new orders, such as collaboration with local governments with smart poll demand aiming for expansion.

3 Future Business Strategies(2) – Tower (5G mmWave shared RU) JTOWER

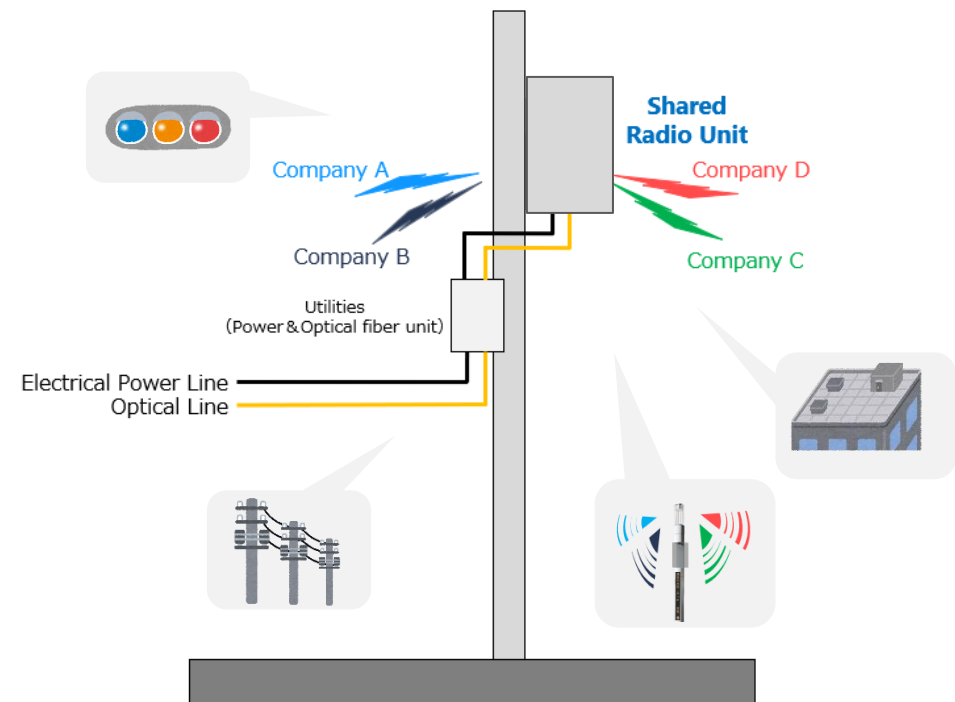
- In 5G mmWave spectrum, we have begun developing shared radio units (base stations), aiming for sharing in the high layer compare to previous sharing. Development is scheduled to be completed in FY2021 and plan to start commercial services in spring 2022.

Realization of RU sharing in the high layer



- **Sharing of Radio Unit (base station) in the high layer** compared with previous sharing of DAS and antenna.
- Compatible with 5G mmWave (28GHz band) allocated to 4 MNOs.
- Complying with **O-RAN** and **compact and lightweight**.

Image of installation



Anticipate installation in a wide range location both indoor and outdoor, including concrete poles, electric poles, signals, smart poles and inside of buildings

3 Future Business Strategies(2) – Tower (Carve-out)

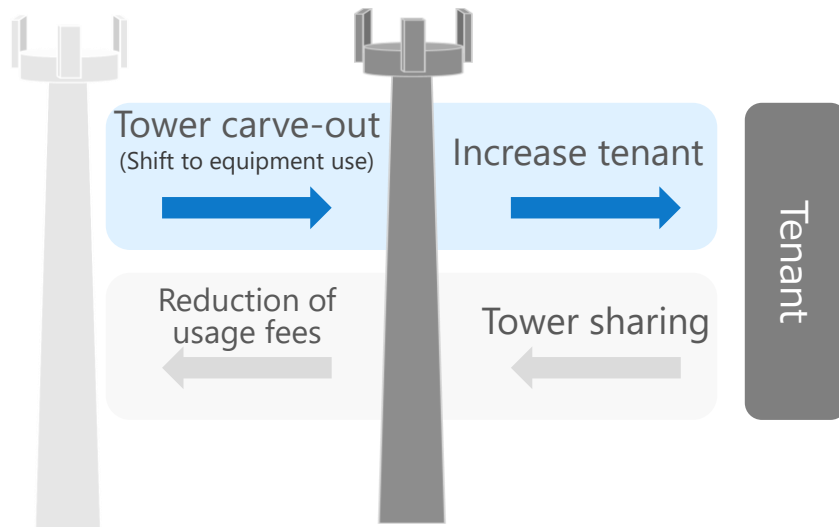
JTOWER

- As a new initiative, we consider the carve-out of existing towers owned by telecommunication company (contracts for purchase and use).
- Aiming to realize part of this initiative from FY2021.

Image of existing tower carve-outs

Tower assets owned
by mobile carrier

JTOWER



Significance of existing tower carve-outs

Economic benefits (telecommunication company)

Reduction of
OPEX by
tower sharing

Improvement of
financial base
through disposal
of assets

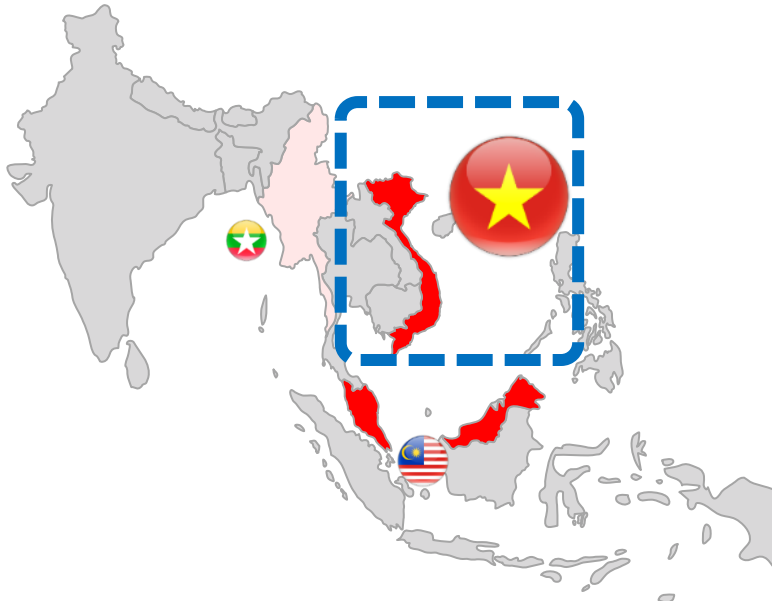
Social significance

Reduction of
environmental
impact

Effective use
of social
infrastructure

International IBS

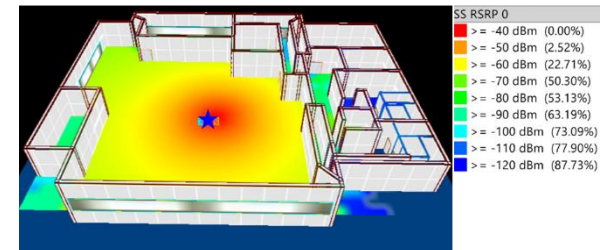
- Continuously expanding the number of installations in Vietnam.
- Contribution to earnings by transferring IBS assets (63 projects) acquired from THIEN VIET COMPANY LIMITED.
- In light of the recent political instability, the direction of exiting from the Myanmar business.
- Based on the basic policy based on the status of expansion in overseas markets, in FY2021, in addition to business expansion in Vietnam, we aim to expand our business through new M&A.



Local 5G

- Started initiatives for commercialization by utilizing management resources cultivated in Domestic IBS.
- Obtained license for testing of Local 5G in December 2020.
- Aim to launch commercial services (revenue booked) in fiscal 2021 while making upfront expenditures for demonstration and development costs.

Image of radio wave propagation simulation indoors



Equipment used for radio wave propagation measurement



RFスキャナ: PCTEL社製IBSflex

Image of mobile connectivity confirmation

実証時のスマートフォン画面
*シールドボックス内で撮影

- Clarified strategy for expansion into new countries based on the status of overseas expansion up to now.
- Aiming to expand overseas business through new M&A in FY2021 with strategies based on the above.

Status of overseas expansion to date



- Entered into the market in July 2017 through acquisition of the largest local operator.
- Generate stable revenue and earnings by steadily increasing the number of installations and recurring revenues in Vietnam.
- Growth is expected in both organic and inorganic over the medium to long term

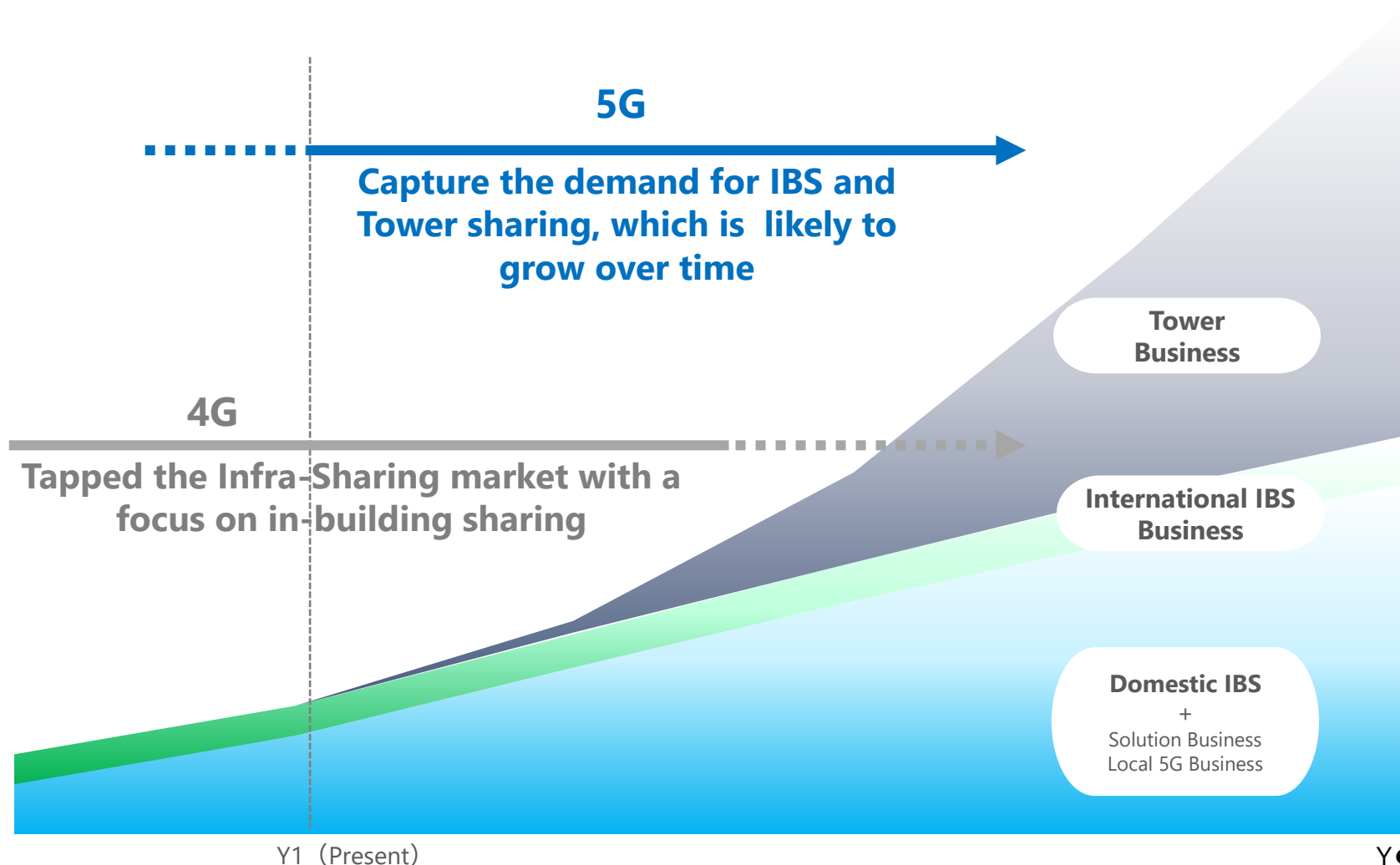


- Entered into the greenfield as a new launch in October 2016.
- Recently, due to political instability in Myanmar and the impact of COVID-19, there are no prospects for future.
- In light of these conditions, we are in the direction of exiting this market. Recorded full valuation loss on investment shares in FY2020.

Future overseas expansion strategy

- Characteristics of market:
New business launches in emerging countries are highly uncertain.
- Basic policy for expansion into new countries:
Identify country risks and set the following basic policies
 - M&A of the existing Infra-Sharing player (consolidation)
 - Capital participation with business partners in markets with high growth prospects
- Policy in Vietnam:
In addition to steadily increasing in an organic manner, aggressively pursuing the purchase of IBS assets from other operators or M&A.

Aiming to expand the Domestic IBS business and the Tower business supported by the increasing 5G demands for the efficient capital investments in telecom infrastructure area



1 FY2020 Financial Results

2 The Capital and Business Alliance and the Third-Party Allotment

3 Future Business Strategies

4 FY2021 Full Year Forecasts

5 Appendix

Invest and develop to further strengthen competitiveness
as a leading company of Infra-Sharing

Advance enhancement of structures to expand IBS and Tower
businesses in the medium to long term

Strengthening relationships with mobile carriers by concluding
capital and business alliances

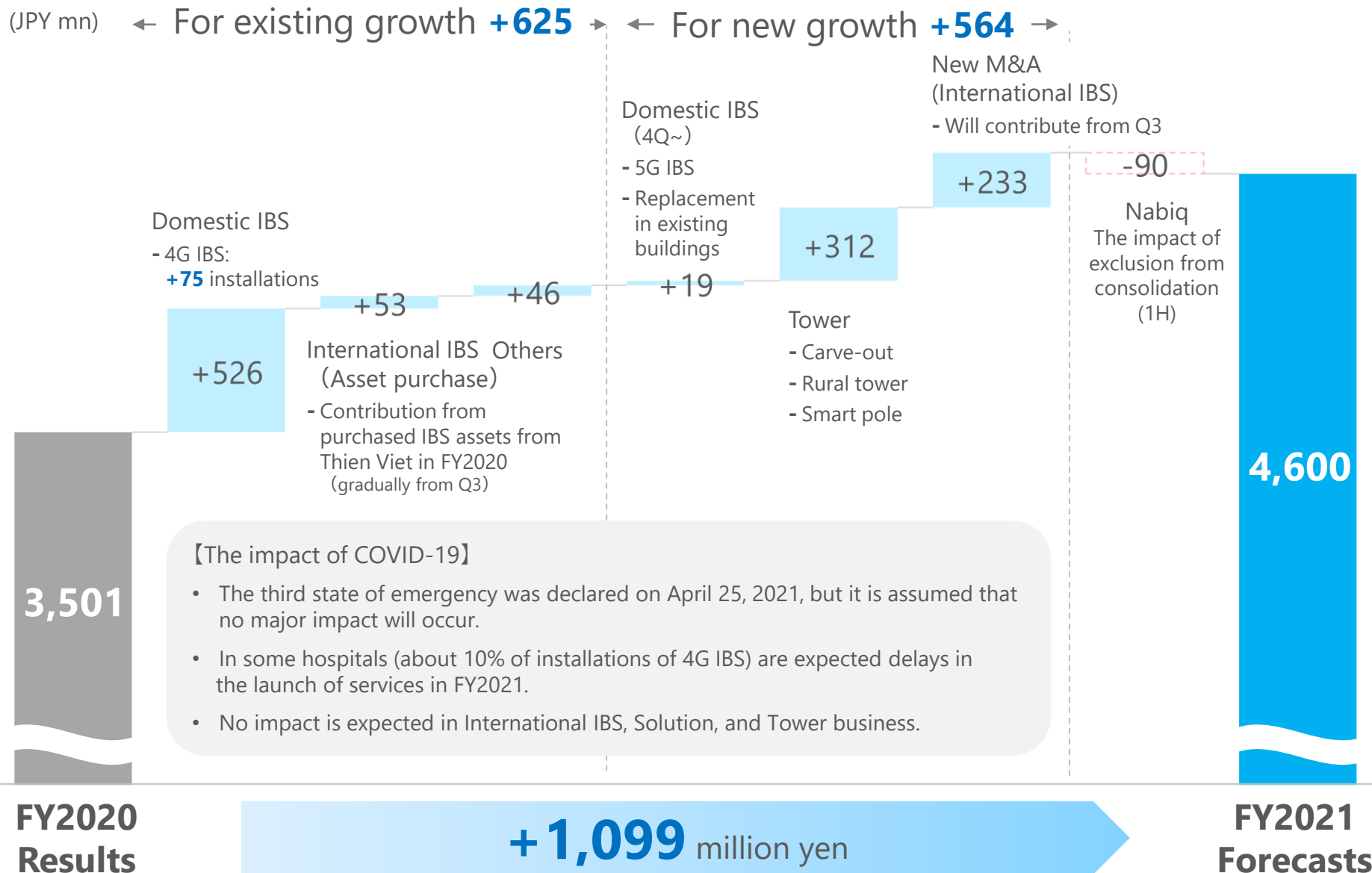
Fiscal year to strengthen investment

**Lead to increase corporate value
over the medium to long term**

FY2021 Forecast:

4 Factors Behind Changes in Consolidated Revenue

JTOWER



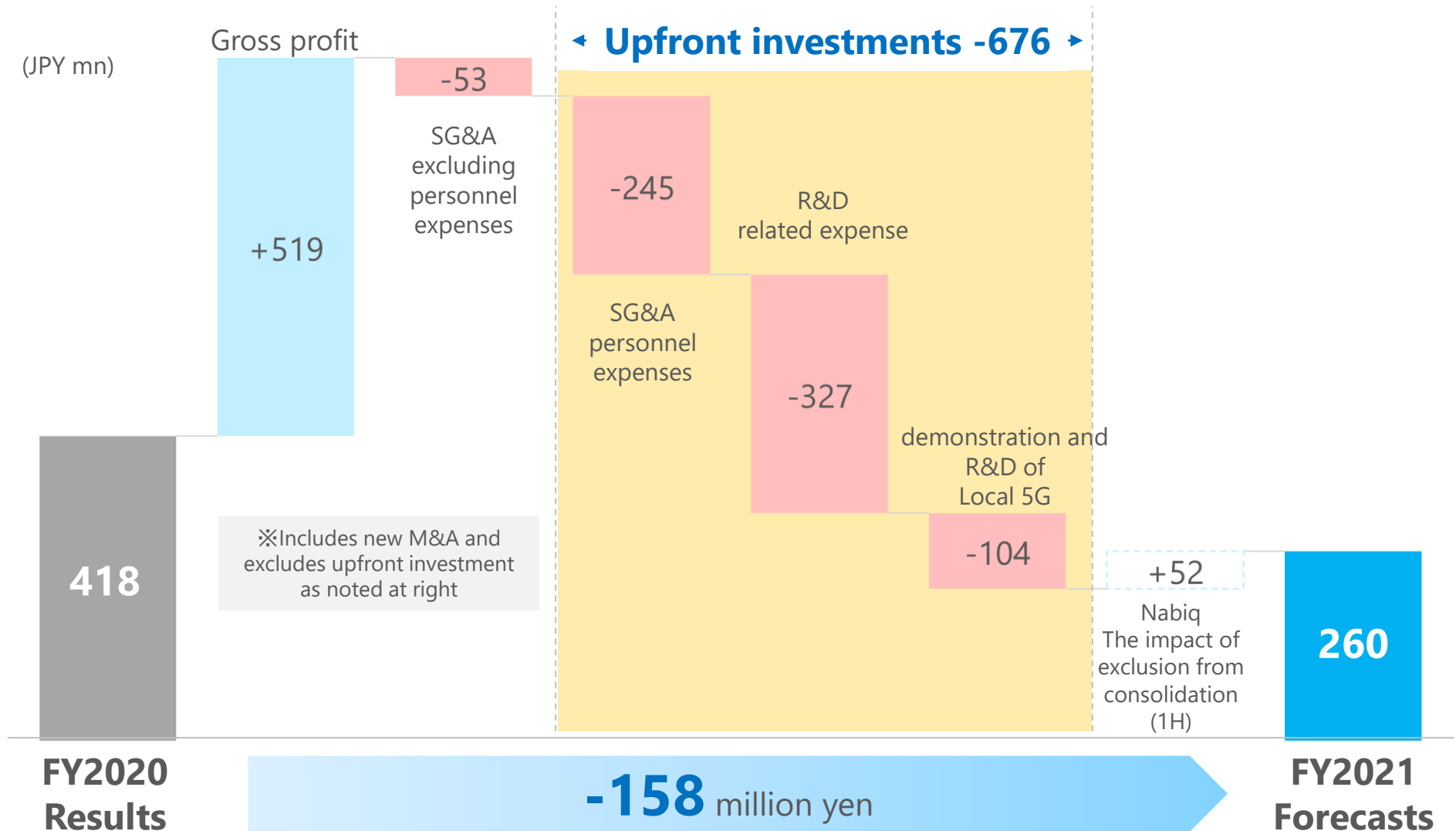
FY2021 Forecast:

4

Factors Behind Changes in Consolidated Operating Profit

JTOWER

- Focus on upfront investments for future growth and expansion, including the structural enhancement centered on Domestic IBS and Tower, R&D expenses including the development of 5G mmWave shared radio units, and demonstration and R&D related expenses for local 5G.



4 FY2021 Full Year Forecasts

JTOWER

- Revenue is expected to **increase by 31% YoY to JPY4.6 billion** due to the implementation of new growth strategies in addition to the existing growth strategies centered on the continued expansion of the number of installations in Domestic IBS.
- We expect EBITDA to **increase by 18% YoY**, operating profit to **decrease by 38% YoY** and will maintain profitability on the net income basis, **due to the upfront investment for future growth such as the structural enhancement centered on Domestic IBS and Tower, R&D expenses including the development of 5G mm Wave shared radio units, and demonstration and R&D related expenses for Local 5G.**

	FY2020	FY2021		
	12 months results	12 months forecasts	Change	
(JPY mn)			Amount	%
Revenue	3,501	4,600	+1,098	+31.4%
EBITDA*1	1,349	1,590	+240	+17.8%
<i>EBITDA margin</i>	38.5%	34.6%	-3.9pt	—
Operating Profit	418	260	-158	-37.9%
<i>Operating Profit margin</i>	12.0%	5.7%	-6.3pt	—
Ordinary Profit	178	180	+2	+0.6%
Net Income	506	100	-406	-80.3%
Capital Expenditure (Investment Cash Flow)	-2,401	-3,770	-1,369	+57.0%

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

1 FY2020 Financial Results

2 The Capital and Business Alliance and the Third-Party Allotment

3 Future Business Strategies

4 FY2021 Full Year Forecasts

5 Appendix

(JPY mn)	FY2017	FY2018	FY2019	FY2020
Revenue	756	1,377	2,558	3,501
Domestic IBS Business	510	863	1,783	2,784
International IBS Business	244	455	435	496
Solution Business	1	59	339	221
<i>Revenue Growth</i>	356%	82.1%	86.6%	36.9%
Cost of Goods Sold	587	730	1,278	1,685
Gross Profit	169	647	1,279	1,816
<i>Gross Profit Margin</i>	22.4%	47.0%	50.0%	51.9%
Selling, General and Administrative Expenses	643	817	1,209	1,397
<i>SG&A Ratio</i>	85.1%	59.3%	47.3%	39.9%
Operating Profit	-474	-169	69	418
<i>Operating Profit Margin</i>	-	-	2.7%	11.9%
EBITDA* ¹	-225	168	737	1,349
<i>EBITDA Margin</i>	-	12.2%	28.8%	38.5%
Ordinary Profit	-479	-166	5	178
Net Income Before Income Taxes	-560	-166	-1	214
Net Income Attributable to Non-Controlling Interests	1	15	2	-
Net Income Attributable to Owners of the Parent	-577	-214	-13	506
Consolidated Number of Employees* ²	72	116	138	136

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

*2: Number of employees includes the average number of temporary workers (contract workers and workers from staffing agencies) in the past year.

(JPY mn)	FY2017	FY2018	FY2019	FY2020
Current Assets				
Cash and Cash Equivalents	2,452	2,329	7,188	8,398
Notes and Accounts Receivable	195	379	482	397
Total Current Assets	2,781	2,983	8,032	8,955
Non-current Assets				
Tangible Fixed Assets	1,500	3,631	5,860	6,968
Goodwill	460	638	579	329
Total Non-current Assets	1,994	4,412	6,614	7,790
Total Assets	4,776	7,396	14,646	16,745

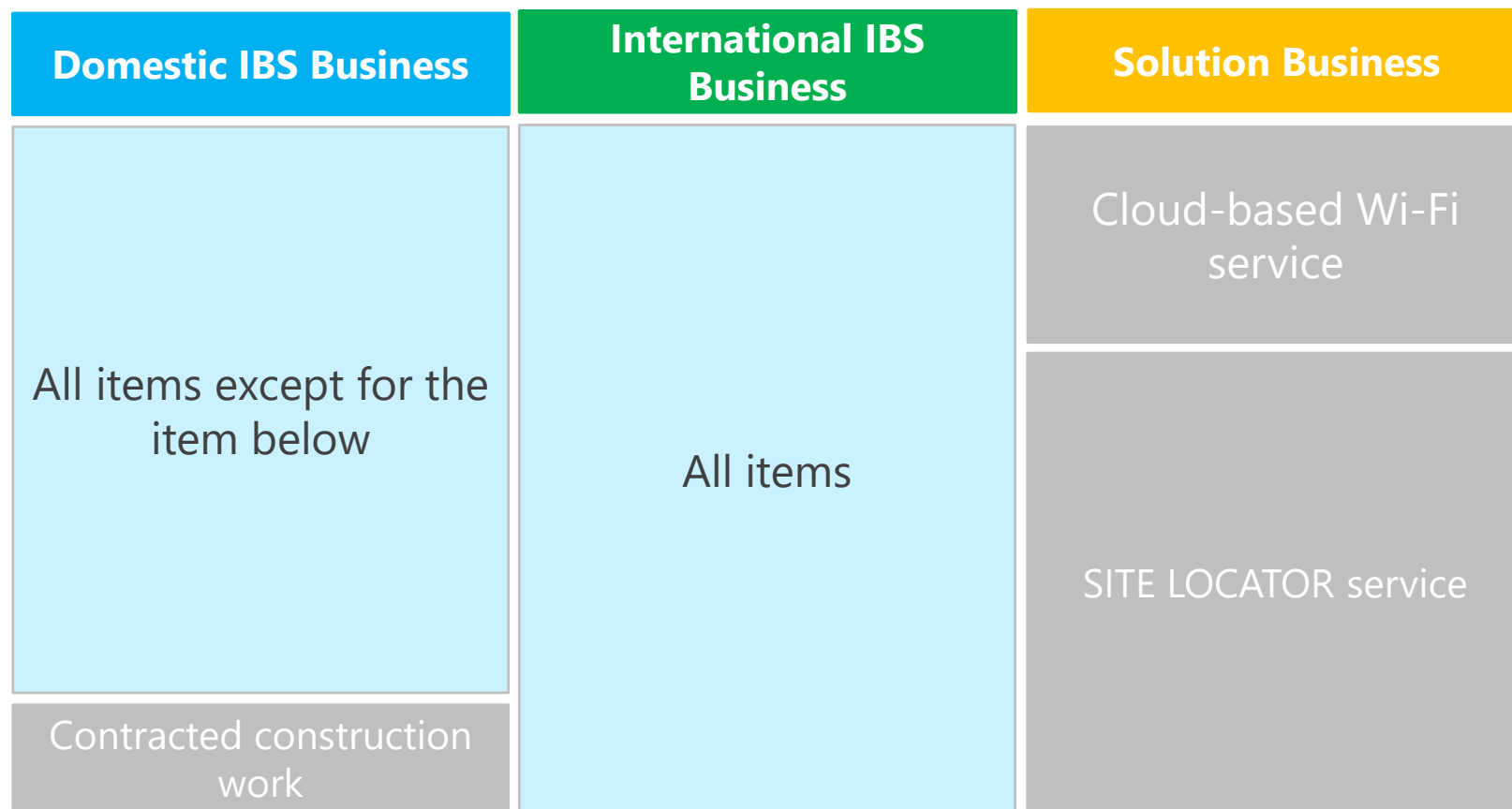
Financial Indicators				
Debt	637	818	1,083	0
Net Debt	-1,815	-1,510	-6,104	0
Capital Expenditure	913	2,441	2,787	2,098
Equity Ratio	24.1%	21.0%	45.3%	42.6%

	FY2017	FY2018	FY2019	FY2020
Current Liabilities				
Accounts payable - trade	68	172	193	129
Shor-term borrowings	15	12	45	210
Accounts payable - other	429	1,019	1,204	851
Unearned revenue	318	737	1,525	2,318
Total Current Liabilities	986	2,143	3,288	3,881
Non-current Liabilities				
Long-term borrowings	150	300	300	210
Long-term unearned revenue	1,024	2,042	3,869	4,985
Total Non-current Liabilities	1,580	2,744	4,723	5,726
Total Liabilities	2,566	4,887	8,011	9,608
Share capital	1,049	1,399	4,272	4,300
Capital surplus	1,341	1,658	2,433	2,462
Total Net Assets	2,209	2,508	6,635	7,137
Total Liabilities and Net Assets	4,776	7,396	14,646	16,745

(JPY mn)	FY2017	FY2018	FY2019	FY2020
Cash Flows from Operating Activities	888	1,290	3,165	3,311
Change in Unearned revenue	1,002	1,437	2,565	1,881
Depreciation	233	300	612	887
Amortization of Goodwill	15	36	53	41
Cash Flows from Investing Activities	-1,900	-2,110	-2,699	-2,470
Purchase of investment securities	-	-91	-	-
Purchase of property, plant and equipment	-800	-1,775	-2,611	-2,401
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-1,067	-99	-	-
Free Cash Flow	-1,011	-820	466	840
Cash Flows from Financing Activities	2,603	570	4,385	418
Net Increase (Decrease) in Short-term Borrowings	14	-2	32	-45
Proceeds from issuance of shares	1,095	697	5,725	56
Proceeds from Share Issuance to Non-controlling Shareholders	1,060	-	-	99
Proceeds from sale and leaseback transactions	488	145	392	303
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	-158	-1,604	-
Effect of exchange rate change on cash and cash equivalents	-27	-4	-0	-1
Net Increase (Decrease) in Cash and Cash Equivalents	1,563	-254	4,851	1,256
Net Increase (Decrease) in Cash and Cash Equivalents Due to Changes in Scope of Consolidation	-	-	-6	-117
Cash and Cash Equivalents at Beginning of Period	697	2,261	2,006	6,851
Cash and Cash Equivalents at End of Period (Q4)	2,261	2,006	6,851	7,990

■ Infra-Sharing Revenue

■ Other Revenue



*1: Breakdown as of March 31, 2021
(Nabiq has been removed from the above categories due to deconsolidation from Q3 FY2020)

This document has been prepared solely for the purpose of presenting relevant information regarding JTOWER Inc. ("JTOWER"), and JTOWER does not represent or warrant the accuracy, completeness, fairness or certainty of the information contained in this document. This document is not intended for a solicitation of any investment.

The information on industry, market trends or economic and other conditions contained in this document is prepared based on the information currently available, and JTOWER is not liable for the truthfulness, accuracy or completeness of such information.

Any forward-looking statements, including targets, plans, estimations, forecasts and expectations, contained in this document are based on the current judgments and opinions of JTOWER as of the date of this document, and involve certain risks, uncertainties and other factors. Due to factors such as domestic or overseas economic conditions, market or industry trends, competition with others, human resources, technological innovation or other business environment, the actual results such as the performance or financial position of JTOWER may be materially different from statements contained or implied in this document.

JTOWER

SHARING THE VALUE

**Creating business with social impact
that brings value to all stakeholders**