

March 25, 2022

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

**Notice of decision to enter into the master transaction agreement for tower carve outs of up to 6,002 telecommunications towers from DOCOMO**

At a meeting of the Board of Directors held on March 25, 2022, we resolved to enter into the master transaction agreement for tower carve outs from NTT DOCOMO, INC. ("DOCOMO"). The contract will enable the companies to make a transaction in which up to 6,002 telecommunications towers owned by DOCOMO to be transferred to JTOWER and DOCOMO will lease these towers from JTOWER. The details are as follows.

1. Acquisition of telecommunications towers

(1) Reason for acquisition

We position the purchase of existing telecommunications towers owned by telecommunications companies and the promotion of Infra-Sharing by attracting new tenants to these towers (carve-out) to be one of the key growth strategies. This transaction will greatly expand our business foundation as a tower sharing operator. In addition, we have decided to enter into this agreement since we believe that by promoting Infra-Sharing for existing towers, we can contribute to the early deployment of 5G network and the realization of a sustainable society by reducing environmental impact.

(2) Details of acquisition and lease after acquisition

(1)	Total number of telecommunications towers	6,002 (maximum)
(2)	Purchase Price (Total)	106.2 billion yen (maximum)
(3)	Funds for purchase	Borrowings and self-financing (see 2. Borrowing of Funds for details)
(4)	Transaction	Steady transfer from the towers with the right condition and DOCOMO will start leasing these towers after the transfer process has been completed.

(3) Outline of the counterparty to the transaction

As of March 25, 2022

(1)	Name	NTT DOCOMO, INC.
(2)	Head office address	Sanno Park Tower, 11-1, Nagata-cho 2-chome, Chiyoda-ku, Tokyo
(3)	Name and role of representative	Motoyuki Ii, President and chief executive officer, representative member of the board of directors
(4)	Business	Telecommunications business, smart life business and other businesses
(5)	Capital	949,679 million yen (As of March 31, 2021)
(6)	Net assets	5,368,597 million yen (As of March 31, 2021)
(7)	Total assets	7,603,182 million yen (As of March 31, 2021)
(8)	Date Established	July 1992
(9)	Major shareholders and their shareholding ratio	NIPPON TELEGRAPH AND TELEPHONE CORPORATION 100%
(10)	Relationship with JTOWER	
	Capital relationship	DOCOMO owns 2.5% of our shares. In addition, NIPPON TELEGRAPH AND TELEPHONE CORPORATION, the parent company of DOCOMO, owns 19.2% of our shares.
	Personnel relationship	One personnel from DOCOMO is currently serving as directors of JTOWER.
	Business relationship	DOCOMO and JTOWER have concluded a capital and business alliance. There are transactions related to the use of our Infra-Sharing solutions.
	Status of relationships with related parties	DOCOMO is a subsidiary of our other associated company.

(Note) DOCOMO's parent company is NIPPON TELEGRAPH AND TELEPHONE CORPORATION which is listed on the First Section of the Tokyo Stock Exchange, and the Company's Corporate Governance Report dated November 10, 2021 publishes its basic policy on the elimination of antisocial forces and the status of their development. Accordingly, we believe that DOCOMO and its directors and major shareholders have no relationship with antisocial forces.

(4) Schedule

(1)	Resolution of the Board of Directors	March 25, 2022
(2)	Conclusion of the master transaction agreement	March 31, 2022 (tentative)
(3)	Transfer of asset	Gradually start from FY03/2023 (tentative)

## 2. Borrowing of Funds

A portion of the funds for the acquisition of telecommunications towers will be borrowed from financial institutions through a financing structure utilizing a scheme to establish a subsidiary as an SPC (Special Purpose Company) and, if necessary, through other funding approaches. With respect to borrowings, we have received an intention from MUFG Bank, Ltd. and Mizuho Bank, Ltd. to provide a certain amount of loans, subject to the conclusion of the master transaction agreement and certain other matters. The above statement of intent only expresses the financial institution's intention with respect to the above loans and does not constitute a commitment currently to make such loans. In addition, we continue to hold discussions with financial institutions regarding the amount of loans. Details of borrowings and detailed conditions such as the establishment of a subsidiary will be disclosed promptly upon determination.

The remaining amount other than the above will be covered using own funds.

## 3. Future Outlook

Transfer procedures will be implemented on a tower-by-tower basis and the transaction is expected to result in revenue and gains or losses of profits from the timing of the transfer of each tower. Since the transfer of towers is expected to be carried out successively starting from FY03/2023, there is no impact on the results for FY03/2022.

If the transfer of all 6,002 towers is completed, the annual revenue associated with usage fees and other charges is expected to be approximately 8 to 10 billion yen and EBITDA margin is expected to be approximately 40 to 50%. However, we will further improve revenue and profitability by promoting Infra-Sharing with other mobile network operators.

As for depreciation, we are in the process of confirming the accounting method, including the depreciation period, and will disclose as soon as it is finalized.

In addition, we plan to announce the financial forecasts for FY03/2023, which is scheduled in May 2022, at the same time we will announce the financial results for FY03/2022.