

November 30, 2022

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

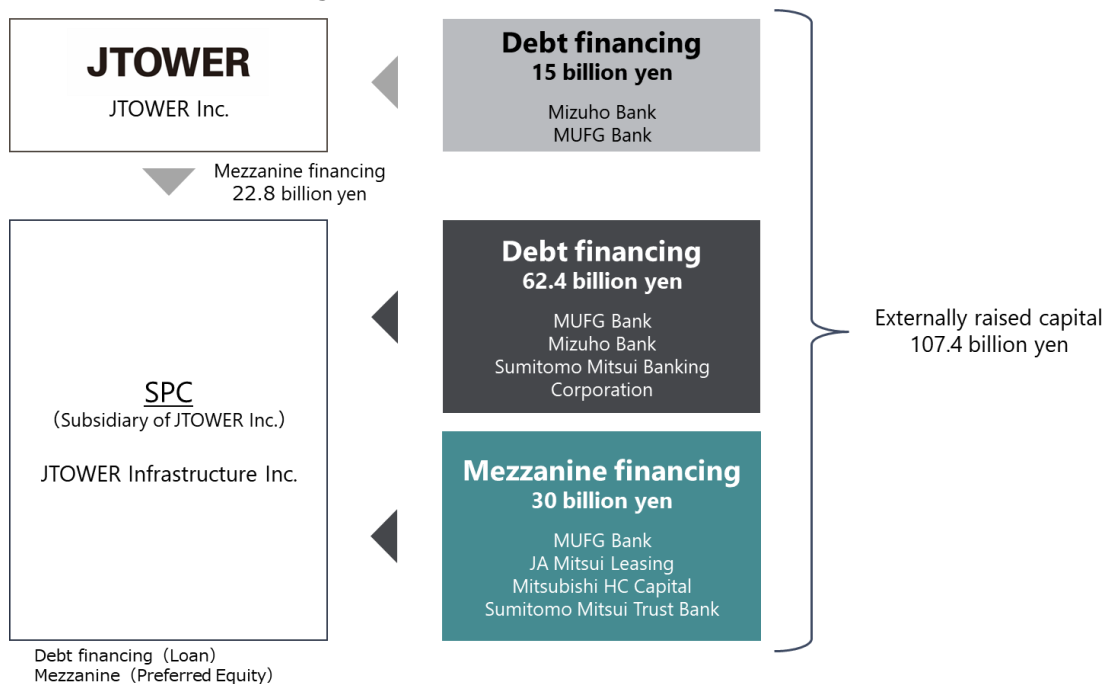
(Progress of disclosed matters) Notice Regarding the decision to enter into the financing contract for Carve-out of up to 6,002 telecommunications towers from NTT DOCOMO

At a meeting of the Board of Directors held on November 30, 2022, JTOWER Inc. (the "Company") resolved that JTOWER Infrastructure Inc. (the "Subsidiary") will enter into a commitment line agreement (the "Subsidiary Loan") and a preferred equity investment agreement with the Company and several financial institutions (the "Preferred Equity Investment") and also the Company will enter into loan agreements (the "Loans"; together with the Subsidiary Loan and the Preferred Equity Investment, the "Financing") in connection with the acquisition of up to 6,002 telecommunications towers (the "Telecommunications Towers") owned by NTT DOCOMO, INC. ("DOCOMO"), which was disclosed in the "Notice of decision to enter into the master transaction agreement for tower carve outs of up to 6,002 telecommunications towers from DOCOMO" on March 25, 2022.

1. Reasons for the financing

The Company has decided to conduct the Financing, including procurement through a financing structure utilizing the Subsidiary (For details, please refer to the "Notice of Establishment of Subsidiary" dated April 15, 2022), in order to appropriate funds for the acquisition of the Telecommunications Towers. The total amount of funds to be procured from external sources through the Financing is approximately 107.4 billion yen. Together with cash on hand, the Company will complete the procurement of funds for the acquisition of approximately 90% of the Telecommunications Towers.

【Outline of the Financing Structure】



2. Outline of the Subsidiary

(1)	Name	JTOWER Infrastructure Inc.
(2)	Head office address	2-2-3, Minamiaoyama, Minato-ku, Tokyo,
(3)	Name and role of representative	The representative partner: JTOWER Infrastructure Holdings Inc. (the consolidated subsidiary of the Company) Executive officer Atsushi Tanaka
(4)	Business Profile	Telecommunications Infra-Sharing business
(5)	Capital	0.1 million yen
(6)	Date Established	April 18, 2022
(7)	Major shareholders and their shareholding ratio	Owned by 100% by JTOWER Infrastructure Holdings Inc.

3. 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 rate	Base interest rate + Spread (Note 1)
(8)	Collateral status	Secured (Note 2), Non-guaranteed

(Note 1) After the agreement is executed, the Subsidiary will enter into interest rate hedging contracts for the majority of the loan amount (excluding the consumption tax loan portion).

(Note 2) The equities of the Subsidiary and other assets of the Subsidiary have been collateralized.

4. Outline of the Preferred Equity Investment

In accordance with the preferred equity investment agreement concluded with the Subsidiary, the Company plans to make the preferred equity investment totaling approximately 22.8 billion yen. In addition, the Subsidiary has entered into preferred equity investment agreements with the companies listed in "5. Outline of the investors (excluding the Company) in the Preferred Equity Investments" and the commitment amount is 30 billion yen in total.

In the event that surplus funds are generated from the Subsidiary's business due to the progress of Infra-Sharing, the preferred members of the Subsidiary will have the right to receive dividends in priority to the common member of the Subsidiary in accordance with the provisions of the various agreements in the Financing.

5. Outline of the investors (excluding the Company) in the Preferred Equity Investments

① MUFG Bank, Ltd.

(1)	Name	MUFG Bank, Ltd.
(2)	Head office address	2-7-1, Marunouchi, Chiyoda-ku, Tokyo
(3)	Name and role of representative	Junichi Hanzawa President & CEO
(4)	Business Profile	Banking business

② JA Mitsui Leasing, Ltd.

(1)	Name	JA Mitsui Leasing, Ltd.
(2)	Head office address	Ginza Building, 8-13-1 Ginza, Chuo-ku, Tokyo
(3)	Name and role of representative	Keito Shimbu President & CEO
(4)	Business Profile	Leasing, installment sales, financing, other associated business

③ Mitsubishi HC Capital Inc.

(1)	Name	Mitsubishi HC Capital Inc.
(2)	Head office address	Shin-Marunouchi Building, 1-5-1, Marunouchi, Chiyoda-ku, Tokyo
(3)	Name and role of representative	Takahiro Yanai Representative Director, President & CEO
(4)	Business Profile	Lease, installment sales, financing and other business

④ Sumitomo Mitsui Trust Bank

(1)	Name	Sumitomo Mitsui Trust Bank
(2)	Head office address	4-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo
(3)	Name and role of representative	Kazuya Oyama President
(4)	Business Profile	Trust business and banking business

6. Outline of the Loan

(1)	Borrower	JTOWER Inc.
(2)	Use of funds	Funds for investment in the Subsidiary, etc.
(3)	Lenders	Mizuho Bank, Ltd. MUFG Bank, Ltd.
(4)	Amount borrowed	15.0 billion yen
(5)	Final repayment date	December 30, 2025
(6)	Applicable interest rate	Base interest rate + Spread
(7)	Collateral status	Unsecured/non-guaranteed

7. Future Outlook

Upon completion of the Financing, the Company will start transferring the Telecommunications towers which meet certain conditions from DOCOMO 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 the Financing (include 1.24 billion yen as non-operating expenses) has already been incorporated into the financial forecast for the FY03/2023, but the impact on the financial forecast for the FY03/2023, including the financing for the acquisition of approximately 10% of the Telecommunications Towers (not subject to the Financing), is still under scrutiny and will be disclosed as soon as it is determined.