

March 31, 2023

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 of the Conclusion of a Basic Agreement on Finance Transactions by a
Subsidiary**

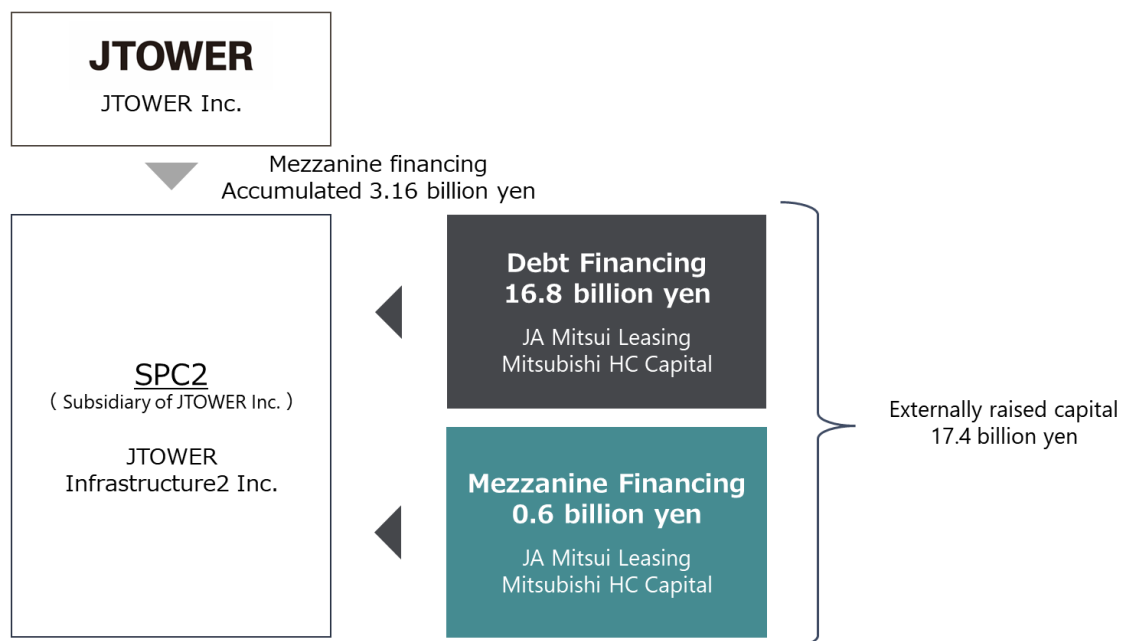
At a meeting of the Board of Directors held on March 31, 2023, JTOWER Inc. ("JTOWER") resolved that JTOWER Infrastructure2 Inc. (the "Subsidiary") will enter into a commitment line agreement (the "Subsidiary Loan") and preferred equity investment agreements (the "Preferred Equity Investments") (together with the Subsidiary Loan and the Preferred Equity Investments, the "Financing") with JA Mitsui Leasing, Ltd. (the "JA Mitsui") and Mitsubishi HC Capital Inc. (the "Mitsubishi HC Capital") in connection with a financing transaction consisting of the Subsidiary Loan and the Preferred Equity Investment between the Subsidiary, the JA Mitsui and other financial institutions, which was disclosed in the " Notice of the Conclusion of a Basic Agreement on Finance Transactions by a Subsidiary " on February 15, 2023.

1. Reasons for the financing

As disclosed in the "JTOWER and NTT West announced tower carve outs for Infra-Sharing" on July 8, 2021, "Notice of decision to enter into the master transaction agreement for tower carve outs of 136 telecommunications towers from NTT East" on March 14, 2022 and "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, JTOWER decided to execute the Financing to raise the fund for the acquisition of the telecommunication towers owned by Nippon Telegraph and Telephone West Corporation, Nippon Telegraph and Telephone East Corporation and NTT DOCOMO, Inc. (the "Telecommunication Towers") and related cost, etc.

The total of externally raised capital through the Financing is approximately 17.4 billion yen. The Financing includes the financing for the acquisition of up to 6,002 telecommunications towers from NTT DOCOMO, excluding the portion that can be acquired through the financing disclosed in "(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" on November 30, 2022.

【Outline of the Financing Structure】



2. Outline of the Subsidiary

(1)	Name	JTOWER Infrastructure2 Inc.
(2)	Head office address	2-2-3, Minamiaoyama, Minato-ku, Tokyo,
(3)	Name and role of representative	The representative partner: JTOWER Infrastructure Holdings2 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	August 8, 2022
(7)	Major shareholders and their shareholding ratio	Owned by 100% by JTOWER Infrastructure Holdings2 Inc.

3. Outline of JA Mitsui Leasing, Ltd.

(1)	Name	JA Mitsui Leasing, Ltd.
(2)	Head office address	Ginza Mitsui Building, 8-13-1 Ginza, Chuo-ku, Tokyo
(3)	Name and role of representative	Keito Shimbu President & CEO

4. Outline of 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
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5. Outline of the Subsidiary Loans

(1)	Borrower	JTOWER Infrastructure2 Inc.
(2)	Use of funds	Appropriation for acquisition costs of telecommunications tower facilities and related costs, etc.
(3)	Lenders	JA Mitsui Leasing, Ltd. Mitsubishi HC Capital Inc.
(4)	Commitment amount	Approx. 16.8 billion yen (Of which, Consumption tax loans approx. 1.5 billion yen)
(5)	Term of commitment	From March 31, 2023 to August 31, 2024
(6)	Final repayment date	March 31, 2029
(7)	Applicable interest rate	Fixed rate
(8)	Collateral status	Secured (Note 1), Non-guaranteed

(Note 1) The equities of the Subsidiary and other assets of the Subsidiary have been collateralized.

6. Outline of the Preferred Equity Investment

JTOWER has made the preferred equity investment of approximately 3.0 billion yen. Additionally, in accordance with the preferred equity investment agreement concluded with the Subsidiary, JTOWER plans to make the preferred equity investment 0.2 billion yen in total. In addition, the Subsidiary has entered into preferred equity investment agreements between JA Mitsui Leasing, Ltd. and Mitsubishi HC Capital Inc. and the commitment amount is 0.6 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.

7. Future Outlook

Upon completion of the Financing, JTOWER will continue transferring the telecommunications towers which meet certain conditions and the transaction is expected to result in revenue and gains or losses of profits from the timing of the transfer of each tower. With the completion of the Financing, all of the financing planned for the purpose of the acquisition of the Telecommunication Towers will be completed. The cost of the Financing has already been factored into our earnings forecast for the fiscal year ending March 31, 2023.