

To our Shareholders and Investors:

June 5, 2023
JTOWER Inc.
Atsushi Tanaka
Representative Director

Supplementary Explanation Concerning Proposal No.1
of the 11th Annual General Meeting of Shareholders

Thank you very much for your continued support.

We would like to provide a supplementary explanation on Proposal No.1 (Election of Seven Directors) ("Proposal") contained in the "Convocation Notice of the 11th Annual General Meeting of Shareholders" which has been released through the Investor Communications Japan (ICJ) platform and our corporate website today.

In the Proposal, Shingo Ishida, belongs to Nippon Telegraph and Telephone Corporation ("NTT"), and Yoshiaki Uchida from KDDI Corporation ("KDDI") are candidates for outside directors. Both NTT and KDDI are shareholders of JTOWER.

Since our foundation in 2012, we have promoted the expansion of our Infra-Sharing business with the cooperation of both companies, which are leading mobile network operators in Japan. Furthermore, we entered into a capital and business alliance with NTT in July 2019, prior to our listing, and with KDDI in May 2021.

In expanding our Infra-Sharing business, we believe that having Mr. Ishida and Mr. Uchida, who have abundant experience and knowledge in the telecommunications business field, take on the responsibility of our outside directors, is also effective from the perspective of the knowledge and skill balance of the Board of Directors and contributes to our medium-to long-term growth.

In operating the Board of Directors under such a structure, we have separated Audit and Supervisory functions from business execution, and have selected to be a company with an Audit & Supervisory Board to provide external checking of the Board

of Directors. All members of the Audit & Supervisory Board are independent outside auditors. All auditors participate in the Board of Directors meetings, and of the total of 10 directors and auditors, seven are outside directors and auditors, and five of them are independent outside directors and auditors, which will further increase the diversity and fairness of the discussions of the board. This management system will ensure that the auditing and supervision of the Board of Directors is fully functional.

When we face with a case in which a conflict of interest potentially exists with the respective company that Mr. Ishida and Mr. Uchida belongs or belonged to, each applicable director will be considered to be a person with conflict of interest and excluded from participation of the board of directors resolution in the case, and we will take all possible precaution to maintain fairness of the resolution by the board of directors.

In summary, based on consideration that it will contribute to our medium-to long-term growth, we will appoint directors those who are appropriate for the promotion of the growth strategies. On the other hand, we will establish the structure to promote both growth of our business and keep fairness in management decisions, and operate our board of directors, by further assuring independence of the board of directors, and checking by having members of Audit & Supervisory Board, whose members are all independent auditors, separated from the Board of Directors, perform external checking of business execution.

However, even if the Proposal is approved, the number of independent outside directors on our board of directors will be two, and we recognize that it does not comply with the guideline "the ratio of the independent outside directors on the board of directors be at least one-third" in the Corporate Governance Code.

From here onward, in addition to expanding the number of independent outside director, we will continue to consider strengthening of corporate governance structure, including but not limited to the establishment of Nomination and Remuneration Committee, with the aim of further increasing corporate value.

We would kindly ask our shareholders to review this supplementary explanation for a better understanding of the Proposal.