

September 26, 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

**Notice of decision to enter into the master transaction agreement for
the additional tower carve outs of
up to 1,552 telecommunications towers from DOCOMO**

At a meeting of the Board of Directors held on September 26, 2023, we resolved to enter into the master transaction agreement for the additional tower carve outs from NTT DOCOMO, INC. ("DOCOMO"). The contract will enable the companies to make a transaction in which up to 1,552 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 our key growth strategies. By combining this transaction with the purchase of up to 6,002 telecommunications towers agreed with DOCOMO in March 2022, we can greatly expand our business foundation as a tower sharing operator. The combination of the transactions will enable us to strengthen network building in each area by utilizing these towers for a wide range of applications. We decided to enter into this agreement since we believe that through the promotion of Infra-Sharing, 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	1,552 (maximum)
(2)	Purchase Price (Total)	17.0 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 September 26, 2023

(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 director
(4)	Business	Telecommunications business, smart life business and other businesses
(5)	Capital	949.6 billion yen (as of March 31, 2023)
(6)	Net assets	6,950.7 billion yen (as of March 31, 2023)
(7)	Total assets	10,200.4 billion yen (as of March 31, 2023)
(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 19.1% of our shares.
	Personnel relationship	One personnel from of NIPPON TELEGRAPH AND TELEPHONE CORPORATION, the parent company of 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 Prime Market of the Tokyo Stock Exchange, and the Company's Corporate Governance Report dated June 23, 2023 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	September 26, 2023
(2)	Conclusion of the master transaction agreement	September 26, 2023 (tentative)
(3)	Transfer of asset	Gradually start from Q4 FY03/2024 onwards (tentative)

2. Borrowing of Funds

With respect to a portion of the funds for the acquisition of telecommunications towers, we plan to borrow from financial institutions and receive preferred equity investment from investors through a financing structure utilizing the scheme to establish a subsidiary as an SPC (Special Purpose Company) and, if necessary, through other funding approaches. For the borrowings, we have received an intention from Mizuho Bank, Ltd. to provide a certain amount of loans, subject to the conclusion of the master transaction agreement and certain other matters. In addition, we have received intentions from the investors for the preferred equity investments. The above statement of intent only expresses the intention of financial institution or investor with respect to the above loans and preferred equity investments and does not constitute a commitment currently to make such loans or investments. In addition, we continue to hold discussions with the financial institution and investors regarding the amount of loans and investments. Details of borrowings and preferred equity investments and 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 Q4 FY03/2024, the impact on FY03/2023 results is under review and will be disclosed as soon as it is determined.

If the transfer of all 1,552 towers is completed, the annual revenue associated with usage fees and other charges is expected to be approximately 1.2 to 1.6 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.