

JTOWER

Explanatory Material on the Tender Offer

August 14, 2024

JTOWER Inc.

**Infra-Sharing
Services
from Japan
Lead the World**

We support the Tender Offer by DigitalBridge Group

JTOWER

August 14, 2024

- ✓ DB Pyramid Holdings, LLC, which is managed and operated by **DigitalBridge Group Inc.** (Digital infrastructure investment firm in the U.S.), announced the launch of **the Tender Offer (TOB)** for our common shares.
- ✓ At the meeting of the Board of Directors held on the same day, it was resolved to express an opinion **in support of the Tender Offer** and to **recommend to all our shareholders to apply for the Tender Offer.**

Outline of the Tender Offer

Category	Outline
Tender offeror	DB Pyramid Holdings, LLC (managed and operated by DigitalBridge Group, Inc.)
Scheme	Going-private transactions of JTOWER Inc. (delisted)
Purchase price	3,600 yen per share of common stock * The premium to the closing price of our shares at TSE Growth Market is 161.82% on the previous business day (August 13), 135.29% on the simple average during the past 1 month, 113.27% on the simple average during the past 3 month, and 30.15% the simple average during the past 6 month.
Purchase quantity (planned)	Maximum : No upper limit Minimum : 12,477,600 shares (Shareholding ratio: 48.49%*) * Shareholding ratio, including Cultive Ltd. (Asset management company of Representative Director, Atsushi Tanaka) is 66.67%.
Schedule	Announcement Date : Aug. 14, 2024 (Wed.) Tender Offer Period : Aug. 15 (Thu.) – Oct. 10, 2024 (Thu.) (39 business days) Settlement Commencement Date : Oct. 18, 2024 (Fri.)
Other	The Tender Offeror implements the procedures for obtaining review and clearance under the Foreign Exchange and Foreign Trade Act necessary for the implementation of the Tender Offer.

Significance and Synergy of the Tender Offer JTOWER

In order to increase capital investments in Infra-Sharing business, strengthen the management system, and upgrade the sharing areas, we have received representations from the external sponsor with high knowledge and expertise in our business, to have a preparation to provide additional equity capital required to fully support our growth.

Flexible and stable response to future demand for **additional investments**

Possible to make **up-front investments** from a **long-term perspective**

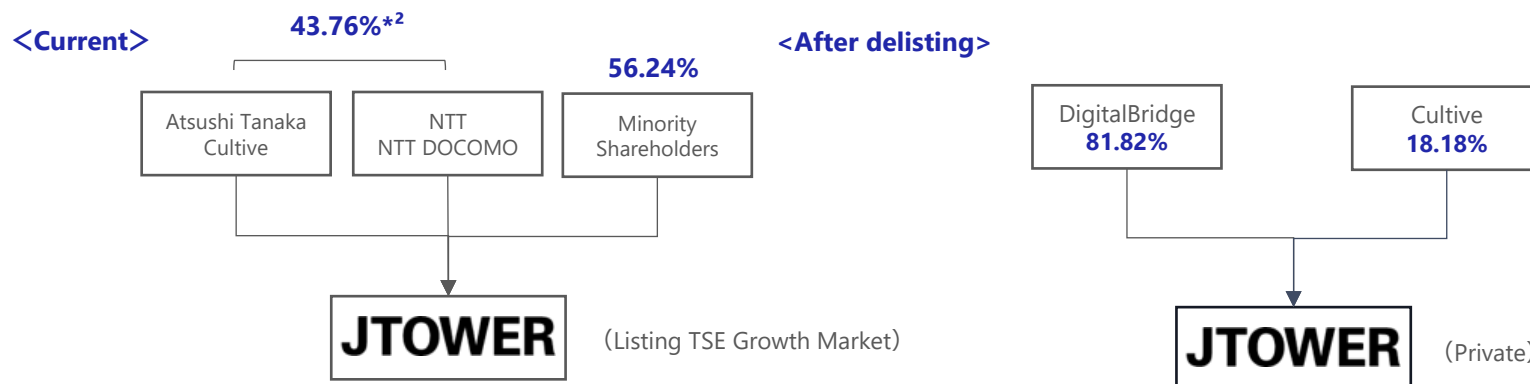
Capturing growth opportunities in Infra- Sharing market can enhance the speed of business growth

Structure and Relation After the Successful Completion of the Tender Offer

JTOWER

Structure

- Upon the successful completion of the Tender Offer and subsequent the Squeeze Out Procedures*¹, all shareholders of JTOWER will lose their status as shareholders (excluding Cultive Ltd., the asset management company of Representative Director, Atsushi Tanaka) and the shares of the company are expected to be **delisted**.
- According to DigitalBridge, after the completion of the Tender Offer, the current management structure of is expected to be maintained and **the current management team, including Representative Director, Atsushi Tanaka, is expected to continue to lead the management of the company.**



*1 The procedures necessary in order to implement the series of procedures to make the Tender Offeror and Cultive the only shareholders of the Company.

*2 Blue indicates shareholding ratio, in terms of the definition, please refer to, "Notice Regarding Expression of Opinion in Support of the Tender Offer for the Company Shares, Etc. by DB Pyramid Holdings, LLC and Recommendation of Tender".

Relation

- After the successful completion of the Tender Offer, we will **maintain our business alliance** with existing capital partners NTT, NTT DOCOMO, and KDDI, and we will continue to strengthen our relationships with **all MNO** who are customers of our business.

Q&A

For details, please refer to "Notice Regarding Expression of Opinion in Support of the Tender Offer for the Company Shares, Etc. by DB Pyramid Holdings, LLC and Recommendation of Tender" ("Press Release").
The defined terms in Q&A shall be in accordance with Press Release.
In the event of any discrepancy between Q&A and Press Release, Press Release shall prevail.

Q	A
<p>Why was there no prior explanation for the Tender Offer?</p>	<p>The discussion of this transaction was subject to high confidentiality, and it was decided to disclose and explain after the decision.</p>
<p>Why was it decided to conduct the Tender Offer with DigitalBridge among multiple partners?</p>	<p>Following the proposal process from potential partners, we determined that the proposal from DigitalBridge was superior in terms of the probability of the proposal being realized, the preconditions for financing, the management strategy and support structure after the transaction, among other things. Therefore, we decided to select DigitalBridge as the partner for this project, as it contributes to the enhancement of the medium to long-term corporate value.</p>
<p>Is there any possibility that the Tender Offer will not be successful?</p>	<p>The following are circumstances under which the Tender Offer may not be successful:</p> <ul style="list-style-type: none"> - If The number of shares to be purchased does not reach the minimum target of 12,477,600 shares (shareholding ratio: 48.49%). - If the examination under the Foreign Exchange and Foreign Trade Act does not complete during the Tender Offer period. - If circumstances arise that constitute grounds for withdrawal of a tender offer as prescribed in the Financial Instruments and Exchange Act
<p>What will be the relationship with MNO, who are customers, after the Tender Offer?</p>	<p>It is assumed that there will be no changes due to the Tender Offer, including existing business relationships, and we intend to further strengthen our relationships in the future.</p>
<p>What is the impact on JTOWER's competitive advantage by becoming a subsidiary of a foreign company?</p>	<p>We intend to further enhance our competitive advantage by maximizing the use of knowledge and resources possessed by DigitalBridge, in addition to the knowledge and experience of our current management team in business operations, to realize the provision of better services.</p>

Q	A
<p>Is the Tender Offer price of 3,600 yen significantly lower than the public offering price in February 2024, but is it at an appropriate price?</p>	<p>The current stock price is based on the consolidated financial forecast for FY03/2025, which was disclosed after the execution of the public offering. The Tender Offer price is considered appropriate as it includes a premium over the closing price on the previous business day prior to the announcement, as well as the simple average closing prices over the last one and three months, exceeding the premiums in similar past transactions.</p>
<p>Is the primary reason for delisting the prolonged low share price?</p>	<p>In the stock market, there is a possibility that fundraising may be constrained due to the situation of stock prices, and there is a strong tendency to emphasize short-term profitability, making it difficult to implement proactive investments for future growth.</p> <p>DigitalBridge has provided a legally binding proposal to have a preparation to provide additional equity capital required to fully support our growth after the transaction.</p> <p>The decision to privatize our company at this time was made because it allows for stable, dynamic fundraising by external sponsors and enables us to dynamically respond to future additional funding needs.</p>
<p>Was the verification of the Tender Offer price based on medium to long-term financial targets?</p>	<p>Verification was conducted by Nomura Securities (a third-party calculation agent of JTOWER) and CPA Partners (a third-party calculation agent of the Special Committee), based on the business plan in line with our officially announced medium to long-term financial targets.</p>
<p>In conjunction with the implementation of the Tender Offer, is there any change to the medium to long-term financial targets explained in the medium to long-term business outlook announced in May 2024?</p>	<p>The medium to long-term financial targets have not been changed.</p>

Q	A
<p>What measures are being implemented to ensure fairness of the Tender Offer? Is there any disadvantage to minority shareholders?</p>	<p>As the measures to ensure fairness, we implemented the followings and we believe that sufficient consideration has been given to the interests of our minority shareholders.</p> <ol style="list-style-type: none"> (1) Implementation of the Tender Offer process (2) Independent special committee established, and a written report obtained, by the Company (3) Share valuation reports obtained by the Company from independent third-party calculation agent (4) Share valuation report obtained by the special committee from an independent third-party calculation agent (5) Advice from an independent law firm to the Company (6) Establishment of an independent review system within the Company (7) Approval of all directors of the Company with no interest in the Transaction, and no objection to the Transaction from all company auditors of the Company with no interest in the Transaction (8) Measures to ensure opportunities for other purchasers to purchase.
<p>Is there any security concern due to JTOWER becoming a subsidiary of a foreign company?</p>	<p>We understand that the Tender Offeror is required to undergo the necessary examination and approval procedures under the Foreign Exchange and Foreign Trade Act and that the implementation of the transaction will proceed after such examination, and we recognize that there are no issues.</p>
<p>Is there a prospect for obtaining clearance under the Foreign Exchange and Foreign Trade Act?</p>	<p>The Tender Offeror has conducted a prior inquiry to the authorities and has made a prior notification, which has been accepted.</p>
<p>Is there any discussion with DigitalBridge regarding the timing and method of exit? Is there any anticipated method of exit in JTOWER?</p>	<p>There is nothing we can answer at this point.</p>
<p>Is there any impact on project finance in the existing SPC?</p>	<p>There is nothing specifically envisaged at this point.</p>
<p>Is there a plan for JTOWER to relist?</p>	<p>There is nothing we can answer at this point.</p>

Appendix



- A leading, global-scale digital infrastructure investment firm based in the U.S. with approximately \$84.5 billion in managed asset under management globally.
- Heritage of over 25 years in the digital infrastructure business, including cell towers, data centers, fiber, small cells (small base station), and edge infrastructure.
- DigitalBridge and its telecommunications tower portfolio companies have been value-added partners to many MNOs, including through the delivery of large-scale BTS*¹ programs.
- Extensive expertise in operations, financing, development, and mergers and acquisitions (M&A) within the telecommunications tower sector.
- Extensive knowledge in taking digital infrastructure companies private.
- Partnered with existing management and employees receiving active support from key clients.
- Successful in accelerating the growth of businesses through strategic value-added policies and robust capital support after privatization.

*1 BTS: Built-to-suit. "BTS program" means a program in which infrastructure facilities that are customized to align with the needs and requirements of specific telecommunications companies and clients are designed and built.

BridgeDigitalBridge is a Leading Global Investor Dedicated to Digital Infrastructure

JTOWER

~\$84.5B
Assets Under Management¹

45
Portfolio Companies

100+
Digital Infrastructure Professionals²

25+
Years of Experience³

89K+
Active Sites Across 8 Global Tower Companies

Towercos

INVESTING ACROSS THE DIGITAL ECOSYSTEM

DigitalBridge's investment strategy seeks to provide investors exposure to a portfolio of high growth, resilient businesses enabling the next generation of mobile and internet connectivity

Sector Specialists

25+ year mgmt. track record of building digital infra businesses

High Growth

Revenue and earnings profile aligned with secular tailwinds

Platform Builders

Deep experience in building highly scalable platforms capturing significant TAM opportunities

(1) AUM as of June 30, 2024, and inclusive of portfolio companies in which DigitalBridge Group, Inc. (the "Company") has invested from its balance sheet (either directly (in the case of Vantage Data Center SDC and DataBank) or indirectly through an investment vehicle managed by a subsidiary of the Company) or for which a subsidiary of the Company provides investment advisory services (collectively, "DBRG Owned and Advised Companies"). Includes AUM of non-digital portfolio companies under the InfraBridge platform.

(2) Digital Infrastructure Professionals as of June 30, 2024.

(3) DigitalBridge's senior private equity investment team members have 25+ years experience owning, operating and managing digital infrastructure assets.



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