

**INCJ to make follow-on investment in JTOWER Inc**  
**A company that provides telecommunications infrastructure sharing solutions**

- Support Japan's first outdoor telecommunications infrastructure sharing business
- With the introduction of 5G networks from 2019, telecommunications infrastructure is shifting towards a more cooperative model
- Reduce the costs of mobile communications and IoT infrastructure, providing benefits to end users in Japan

**Tokyo, October 11, 2018** — INCJ, Ltd. ("INCJ") announced today its decision to make a follow-on investment of up to JPY4 billion in JTOWER Inc. ("JTOWER"). This investment decision was made in light of JTOWER's business progress, and the additional funding is to be used as growth capital for JTOWER's new outdoor telecommunications infrastructure sharing business.

Established in June 2012, JTOWER's main focus is its telecommunications infrastructure sharing business for commercial facilities, offices, apartment buildings, etc., including its In-Building Solutions ("IBS") business, Roof-Top ("RTP") business, and overseas business. The company's IBS business is based on the installation and management of shared telecommunications equipment in large-scale facilities. JTOWER has already installed its equipment in 65 large-scale commercial facilities, with plans for 81 more installations (as of October 11, 2018). JTOWER's RTP business has created a database of information about building rooftops, which is provided to mobile network operators ("MNO") and IoT solution providers. JTOWER has also expanded its business overseas, including the acquisition of Vietnam's largest IBS company. In August 2013, INCJ authorized a maximum investment of up to JPY900 million in JTOWER, on the basis that the company's business would improve the overall efficiency of telecommunications infrastructure and lighten the initial investment burden on MNOs, ultimately providing benefits to end users. A total investment of JPY800 million was already carried out in line with JTOWER's business progress.

Now, JTOWER is planning to introduce Japan's first outdoor telecommunications

infrastructure sharing. Global trends are shifting telecommunications infrastructure from an area of competition to an area of cooperation, and infrastructure sharing is becoming increasingly popular overseas, but hasn't yet spread widely in Japan, where it remains a little-known market. In addition, the Japan's telecommunications infrastructure industry is approaching a turning point as the need for more base stations increases with new MNOs entering the market and the introduction of 5G from 2019. JTOWER is introducing its new outdoor telecommunications infrastructure sharing in order to take advantage of this growth opportunity, looking to create a platform that contributes to the construction of efficient infrastructure for MNOs and IoT solution providers. JTOWER is also planning to continue pursuing capital tie-ups and business collaboration with a variety of companies including MNOs, in accordance with the progress of this new business.

In addition to providing JTOWER with the necessary growth capital to develop shared communication facilities and construct telecommunications towers, INCJ will support stronger collaboration between JTOWER and other overseas tower companies in Asia, like edotco Group Sdn. Bhd. In Malaysia (another INCJ portfolio company). Also, by promoting the overseas development of Japan's ICT and energy management companies, INCJ can work on meeting demand for telecommunications infrastructure in Asia while introducing overseas management knowhow to JTOWER's domestic telecommunications infrastructure sharing. INCJ will actively support JTOWER's capital tie-ups and business collaboration. INCJ believes that the telecommunication infrastructure sharing has public nature, and that it is an important field to invest for telecommunications industry.

#### **About JTOWER Inc.**

Established: June 2012

Headquarters: Minato-city, Tokyo

Representative: Atsushi Tanaka

Business outline: Design and construction of communications infrastructure

Design and development of communications solutions

Provision of telecommunications services

**About INCJ, Ltd.**

INCJ, Ltd. was established in September 2018 via company split from Innovation Network Corporation of Japan (INCJ). INCJ was established in July 2009 with the aim of overcoming boundaries between companies and industries, creating and nurturing key industries via open innovation for the prosperity of future generations, and the company has changed its name to Japan Investment Corporation (JIC) and begun new activities. INCJ, Ltd. will continue the activities of INCJ, engaging in “Value Up” activities such as overseeing additional investments, milestone investments and exits from investments in portfolio companies until March 2025.

URL : <http://www.incj.co.jp>

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## Appendix

### Overview of Follow-on Investment Decision

#### **Target: JTOWER Inc.**

**Established:** June, 2012

**Headquarters:** Minato-ku, Tokyo

**Representative:** Atsushi Tanaka

**Business outline:** Design and construction of telecommunications infrastructure  
Design and development of telecommunications solutions  
Provision of telecommunications services

#### **Overview of investment**

**Authorized investment:** JPY4 billion (maximum)

**Amount Invested:** JPY550 million (Additional investment up to the maximum written above will be carried out upon the fulfillment of certain prerequisites)

**Co-investors:** SMBC Venture Capital

**Investment announced:** October 11, 2018

**Shareholding ratio:** Undisclosed

#### **Details of previous investment:**

- Investment announcement: August 12, 2013
- Press Release <https://www.incj.co.jp/news/assets/1418025624.01.pdf>

**Investment structure outline: See appendix**

#### **Significance of investment**

##### **Supporting social needs:**

- By sharing outdoor telecommunications infrastructure, improve the overall efficiency of telecommunications infrastructure and lighten the initial investment burden on MNOs, ultimately providing benefits to end users.
- If the equipment of multiple MNOs can be integrated into a single outdoor telecommunications infrastructure, the burden on local residents and the environment is reduced.

##### **Growth potential**

- Decreasing telecommunications infrastructure costs will promote the spread of IoT solutions, and world-class operational knowhow can be acquired from cooperative projects with overseas tower companies.
- MNOs, trading companies, telecommunications facility construction companies, domestic financial institutions, and other private companies are expected to contribute financing.

## **Innovation**

- As the first domestic outdoor telecommunications infrastructure sharing business, it will grow in advance of the planned introduction of 5G from 2019, aiming to create a platform that contributes to the construction of efficient infrastructure for MNOs and IoT solution providers.
- In the mid- to long-term, by increasing cooperation with overseas tower companies in Asia such as edotco, etc., it might be possible to achieve a global restructuring of the telecommunications infrastructure industry (including both indoor and outdoor).

## **Comment from the Minister of Economy, Trade, and Industry** as of September 19, 2018

Through the support of INCJ, we expect the spread of outdoor telecommunications infrastructure sharing businesses in Japan to drive the creation of more efficient telecommunications infrastructure facilities lower capital investment costs for carriers, reducing the cost of telecommunications.

In addition to providing support via funding, we would also like to promote the successful transfer of the knowledge that INCJ has gained from its investments in other overseas telecommunications infrastructure sharing projects and by doing so generate a ripple effect that benefits Japanese industry. Moreover, when considering exits from investments, such as through a share transfer, we will seek close cooperation with the Ministry and endeavor to preserve these benefits.

**Target:** JTOWER Inc.

**Business outline:** Design and construction of telecommunications infrastructure, design and development of telecommunications solutions, provision of telecommunications services

**Authorized investment:** JPY900 million (maximum) / JPY4 billion (maximum)

**Date of announcement:** August 12, 2013 / October 11, 2018

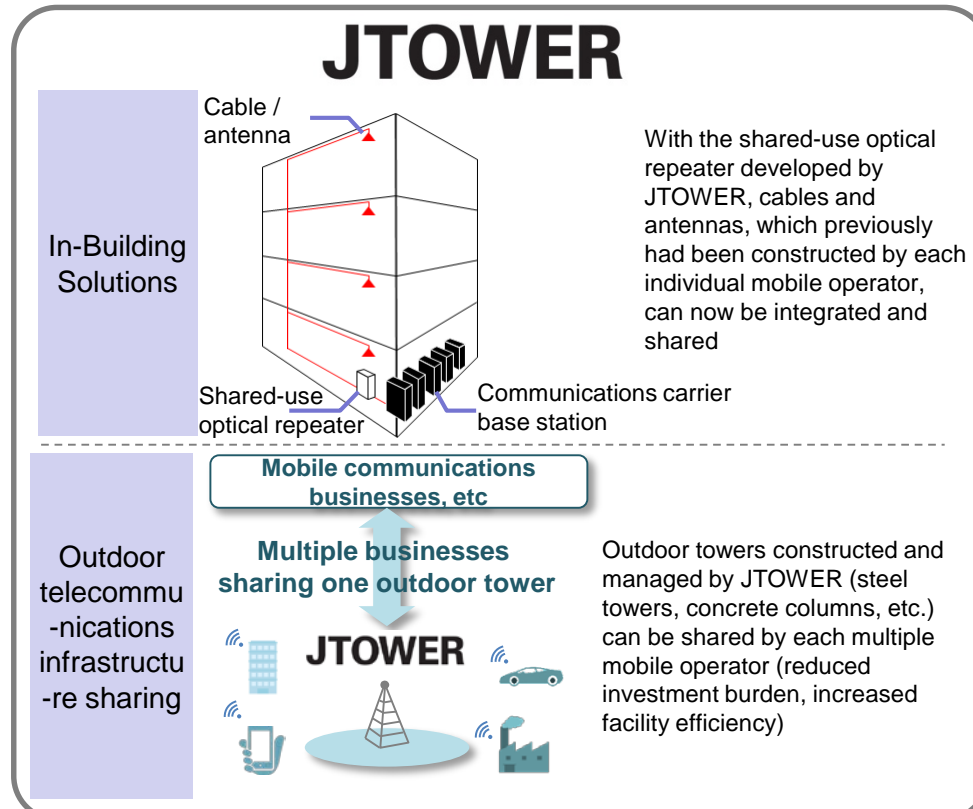
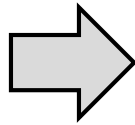
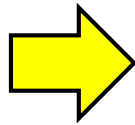


- Investment
- Management support



+6 other companies and private venture capital firms

- Investment
- Management support



**Customers / business partners**

Mobile communications companies

Real-estate companies, etc.

IoT companies, etc.

Providing infrastructure sharing solutions

- Resolve the indoor reception by the surge in share of the volume of indoor mobile traffic, and the increase in environmentally friendly buildings, etc.
- Reduce the costs of mobile communications and IoT infrastructure through outdoor telecommunications infrastructure sharing, providing benefits to domestic customers