November 17, 2020

Company name: ＪＴＯＷＥＲ Inc.
Representative: Representative Director
Atsushi Tanaka
(TSE Mothers Code No. 4485)
Contract: Ryosuke Nakamura
Managing Director, CFO

Notice of Execution of IBS Asset Purchase Agreement at JTOWER's Vietnamese Subsidiary

JTOWER Inc. hereby announces that SOUTHERN STAR TELECOMMUNICATION EQUIPMENT JOINT STOCK COMPANY ("SPN"), our consolidated subsidiary engaged in the IBS (In-Building Solution: sharing solution of indoor mobile telecommunication infrastructure) business in Vietnam, has executed IBS Asset Purchase Agreement with Thien Viet Company Limited (“TVC”), one of the operators in the same industry in Vietnam.

1. Reasons for the purchase of assets

With the steadily growing economy, Vietnam has been seeing its mobile phone penetration rise above 100% and demands for mobile telecommunication infrastructure continue to grow. In particular, the IBS market, leasing of indoor telecommunication equipment (shared equipment) to multiple mobile network operators (“MNOs”), has been expanding rapidly with the rise of the mobile network traffic and the needs of MNOs to manage their assets more efficiently, and is expected to maintain its growth as plans for major real estate development continue to increase in Vietnam.

Established in 2007, SPN is one of the largest IBS operators by coverage areas in Vietnam. Supported by its positive relationships with all three major MNOs, high quality services and expansive network with real estate developers, SPN has installed its equipment and provided services at a variety of buildings in Vietnam, including major high-rise office buildings, hotels and commercial complexes.

Through the purchase of IBS assets from TVC, SPN aims to capture the IBS demand in Vietnam, which is expected to continue to grow. In conjunction with this, SPN will further strengthen the operation and business foundation of its IBS business nationwide and contribute to improving the telecommunications environment in Vietnam.

2. Overview of the subsidiary purchasing assets

(1)	Name	SOUTHERN STAR TELECOMMUNICATION EQUIPMENT JOINT STOCK COMPANY
(2)	Address	8th Floor 412 Nguyen Thi Minh Khai Street, Ward 5, District 3, Ho Chi Minh City, Vietnam
(3)	Name and Title of Representative	Satoshi Igarashi, Legal Representative Director
(4)	Summary of Business	IBS Business
(5)	Capital Stock	34,000,000,000 VND

(6)	Date of Establishment	July 13, 2007
(7)	Major Shareholders and their Shareholding Ratio	VIBS PTE. LTD.: 100%

3. Overview of transaction

(1)	Number of Projects	63 projects（Approx. 1.8 million ㎡）
(2)	Purchase Price (Total)	Approx. 240 million yen
(3)	Transaction	Based on the Agreement, once TVC shall hand over contracts with each building owner and MNO respectively, SPN shall pay the agreed price to TVC.
(4)	Funds for purchase	Self-financing

4. Outline of the counterparty to the transaction

(1)	Name	Thien Viet Company Limited	
(2)	Address	Floor 11, TMC Building, 01 Lương Yên, Bạch Đằng ward, Hai Bà Trưng District, Hà Nội city, Việt Nam	
(3)	Name and Title of Representative	Phan Thanh Son, Representative Director, Chairman	
(4)	Summary of Business	Telecommunication services and IBS business	
(5)	Capital Stock	20,000,000,000 VND	
(6)	Date of Establishment	January 6, 1997	
(7)	Major Shareholders and their Shareholding Ratio	Phan Thanh Son: 50% Vu Hoai Nam: 50%	
(8)	Our Relationship with the Company	Capital Relationship	Not applicable.
		Human Relationship	Not applicable.
		Trading Relationship	Not applicable.
		Relevant Status to Relevant Party	Not applicable.

(*1) The total assets and net assets of the counterparty are not disclosed at the request of the counterparty.

5. Schedule of asset purchase

(1)	Board Resolution Date	November 17, 2020
(2)	Execution Date of the agreement	November 30, 2020 (Tentative)
(3)	Completion Date of transfer of ownership	December 31, 2021 (Tentative) (*1)

(*1) The transfer of ownership is expected to be completed at the end of December, 2021.

6. Future Outlook

The transaction is expected to result in incremental revenue and gains or losses of profits from the timing of asset transfer on a property by property basis. SPN's fiscal year ends at the end of December, and the incorporation of consolidated financial results has 3 months time lag. The transfer of ownership of each asset will be phased in from December 2020 to December 2021 and will have an immaterial impact on the consolidated financial results of FY03/2021. If this transaction contributes for the full fiscal year, the revenue is expected to be approximately 150 million yen.