



March 13, 2025

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Announcement regarding the issue of the first unsecured bonds
(for qualified institutional investors only)

Japan Communications Inc. (JCI, TSE Prime:9424) hereby announces that at the board of directors meeting held today, it was resolved to issue the first unsecured bonds (for qualified institutional investors only) (hereinafter referred to as the “Bonds”) as raising funds for capital investment for network system, etc. to achieve an interconnection with the voice and SMS network of NTT DOCOMO, INC. (DOCOMO), as detailed below.

JCI innovated and practiced MVNO business model for the first time in the world. In 1996, at the time of establishment, JCI received wholesale offers from mobile operators and provided mobile service to corporate customers. In 2001, JCI achieved an interconnection with PHS network and started providing data telecommunication service. In 2007, JCI achieved an interconnection with the data network of DOCOMO and started providing data telecommunication service. And in 2009, JCI concluded a wholesale contract with the voice and SMS network of DOCOMO. Last year, on February 2024, JCI agreed with DOCOMO about interconnection with the voice and SMS network, and JCI and DOCOMO are developing respective technology thereof. JCI aims to start a new business on May 24, 2026.

Mobile network consists of data, voice, and SMS. At present, JCI has an interconnection with only the data network of DOCOMO. Upon JCI has an interconnection with all the data, voice and SMS network of DOCOMO, JCI will be able to use the data, voice and SMS network of DOCOMO on a cost basis, in accurate, not to exceed the amount of the appropriate costs under efficient management plus appropriate profit, based on the Telecommunications Business Act into the future.

At the same time, JCI will be able to be allocated mobile phone numbers (the phone number starting 070, 080 and 090) by the Ministry of Internal Affairs and Communications directly. It gives JCI more flexibility in service. JCI considers it NEO carrier, in other words, the birth of new carrier.

According to the statistics of the Ministry of Internal Affairs and Communications, there are 1,941 (in the end of September 2024) MVNO operators in Japan. By becoming a NEO carrier, JCI will have a tremendous advantage in both cost competitiveness and service provision ability over other MVNO operators. Also, in comparison with major mobile operators, MNO, JCI has an advantage in cost competitiveness, because JCI realized low-cost operation in many ways, such as network construction, operation, dealer's commission, sales, and personnel cost.

To become NEO carrier who has the above advantages, JCI has to make an interconnection with the voice and SMS network of DOCOMO, and has to construct such system as network system with other mobile carrier and fixed farrier, providing system of JCI's original SIM and eSIM, business operation system including customer management and billing, and emergency call (110, 119, etc.) system. JCI anticipates approximately 65 billion yen as a capital investment for the above system and would not estimate them an excessive considering their profitability.

At present, JCI's MVNO business is going well in customer base, sales and profitability and has a strong financial condition in Balance Sheet. Therefore, JCI would like to make an investment to become a NEO carrier in own funds and debt and this time JCI would like to issue JCI's first bonds to MUFG Bank, Ltd., the underwriter. Please look forward to JCI's process for NEO carrier as well as FPoS Business.

1. The purpose of issuing the Bonds

Funding for capital investment for network systems, etc. to achieve an interconnection with the voice and SMS network of NTT DOCOMO, INC.

2. Outline of the Bonds

(i)	Name of the Bonds	The first unsecured bonds of Japan Communications Inc. (for qualified institutional investors only)
(ii)	Maximum Amount of the Bonds	2 billion yen
(iii)	Amount of Each Bond	100 million yen
(iv)	Payment Amount of Each Bond	100 yen per 100-yen face value
(v)	Minimum Amount of Total Payment Amount of the Bonds	2 billion yen
(vi)	Payment Date	March 26, 2025
(vii)	Maximum Interest Rate (Fixed Rate)	2.00 % per year (note)
(viii)	Redemption Amount of the Bonds	100 yen per 100-yen face value
(ix)	Redemption Way of the	Scheduled redemption per 6 months

	Bonds	
(x)	Redemption Period of the Bonds	March 26, 2032
(xi)	Payment Way of Interest	Scheduled payment per 6 months
(xii)	Payment Period of Interest	March 26, 2032
(xiii)	No Place of Bond Administrator	The Bonds will not place the Bond Administrator because it meets the requirement of proviso of Article 702 of the Companies Act.
(xiv)	Security or Guarantee	Unsecured and no guarantee
(xv)	Underwriter	MUFG Bank, Ltd.
(xvi)	Fiscal Agent	MUFG Bank, Ltd.
(xvii)	Transfer Institution	Japan Securities Depository Center, Inc.
(xviii)	Application of the Act on Book-Entry Transfer of Company Bonds, Shares, etc.	The Bonds will be subject to the Act on Book-Entry Transfer of Company Bonds, Shares, etc.

(note) Interest rate of the Bonds is scheduled to be decided on March 18, 2025.

3. Impact on future performance

JCI recognizes that the issuance of the Bonds will have minimal impact on our business performance. However, JCI will properly announce any matter that should be disclosed in the future.

About Japan Communications Inc. (JCI)

Japan Communications Inc. (JCI), founded in 1996, is a pioneer who created the MVNO market and has brought innovation to the telecommunications industry. While JCI has established a stable profit model in their main business, simple and rational mobile communication services, JCI is aiming for further growth. JCI has strengths in patented technologies such as the mobile leased line "Closed SIM-to-SIM Communication" and the digital authentication technology "FPoS," and is focusing on providing mobile communication services and digital authentication infrastructure based on the authentication technology. The PCI DSS-certified mobile leased line is adopted by high-security sectors, such as police and bank. The FPoS supports security at the highest global standards and convenience. Under the mission of "carrying bit in safety and security," JCI is aiming for developing social infrastructure such as secure mobile environment beyond national borders and is working on sustainable growth and improving corporate value.