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Announcement of formulation of “Vision 2030”

Japan Communications Inc. (JCI) has been creating new wave in telecommunication business as the world’s first MVNO since its founding in 1996. This time, JCI hereby announces that JCI formulated “Vision 2030” as management policy looking ahead to FY2030.

Through these efforts over the past decade based on “New business strategy” which was formulated and disclosed in 2016, JCI found the path to become a company capable of sustainable long-term growth, by constructing its technology platform as a source of competitive advantage.

JCI will grow both the telecommunications business and digital trust businesses based on the technology platform and will aim for 65 billion yen as revenue and 15 billion yen as operating profit in FY2030.

For more information on "Vision 2030", please refer to the attached documents.

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 major 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.

Vision 2030

Japan Communications Inc.

1. Introduction

Since our founding in 1996, we have been a pioneer of new currents in the telecommunications industry as the world's first MVNO. Established in the dawn of the Internet era, we believed in the limitless potential of mobile data communications. We launched our PHS-based data communications business in 2001, followed by our 3G data communications business in 2007. Although the MVNO business began with our company alone, many operators subsequently entered the market, and competition had already intensified by 2015 (as of the end of September 2025, there are 2,002 MVNO operators).

In light of these circumstances, we recognized that, in order to achieve sustained long-term growth, we would need to build our own proprietary technological foundation as a source of competitive strength. Accordingly, in January 2016, we announced our "New Business Strategy." Through ten years of efforts based on this strategy, in our telecommunications business we have established a clear path toward voice and SMS network interconnection with NTT DOCOMO, INC., and in our FPoS business we have progressed through the proof-of-concept stage to reach the point where we are ready to launch commercial services.

This year marks the 30th anniversary of our founding. At this milestone, building on the technological foundation we have established, we are formulating "Vision 2030," with FY2030 as a milestone, in order to realize a "Safe and Secure Internet." Based on Vision 2030, we will pursue the mission of "Restoring ‘Trust’ to Digital," with the goal of achieving net sales of ¥65 billion and operating profit of ¥15 billion in FY2030.

2. Background of Vision 2030

Currently, our telecommunications services use phone numbers assigned by the Ministry of Internal Affairs and Communications (MIC) to MNOs and SIMs procured from MNOs. However, when we achieve voice and SMS network interconnection with NTT DOCOMO, INC. in November 2026, we will be able to use phone numbers assigned by the MIC directly to our company and to issue our own SIMs. This will enable us to provide a full-range telecommunications service that includes data, voice, and SMS. We refer to a provider of such services as a "Neo Carrier."

Meanwhile, our consolidated subsidiary my FinTech Inc. ("my FinTech"), as a Certification Authority accredited under the Act on Electronic Signatures and Certification Business, issues electronic certificates for identity verification, authentication of the individual, electronic signature, and data linkage. This digital authentication infrastructure leverages our proprietary patented technology, FPoS (FinTech Platform over Security Module).

Once we become a Neo Carrier, we will be able to generate and hold the private keys of electronic

certificates within the SIMs (both physical SIM cards and eSIMs) that we issue. This will allow us to leverage our digital authentication infrastructure to provide telecommunications services combined with diverse forms of authentication. Because this business model is scheduled to commence in the current fiscal year (FY ending March 2027), we are formulating and disclosing Vision 2030 at this time.

3. Vision 2030

3.1 Structure of Vision 2030

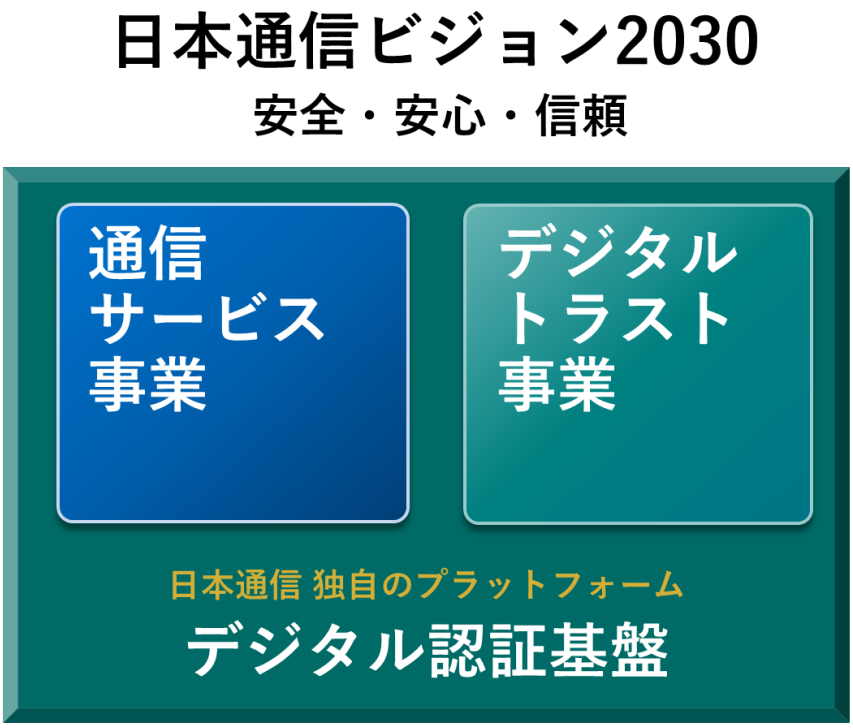

Figure: Structure of Vision 2030 (in Japanese)

The essence of Vision 2030 lies in the digital authentication infrastructure shown at the bottom of the figure above. Building on this digital authentication infrastructure, we will develop two business segments: the "Telecommunications Services Business" and the "Digital Trust Business." In the Telecommunications Services Business, we will leverage the networks of major mobile carriers (MNOs); in the Digital Trust Business, we will leverage the My Number Card system as an existing piece of social infrastructure. By using these existing infrastructures, we will be able to develop both businesses efficiently without generating excessive capital expenditure.

3.2 Digital Authentication Infrastructure

In mobile telecommunications services, communication at the base layer that uses SIMs is extremely secure (in contrast to communication at the upper IP layer). This is because the cryptographic keys reside within the SIM hardware itself and therefore cannot be hacked.

We have applied this principle to smartphones and developed our proprietary patented technology,

FPoS.

At present, under FPoS, a Certification Authority accredited under the Act on Electronic Signatures and Certification Business issues electronic certificates using the My Number Card as the trust anchor. These electronic certificates can verify the "Three Basic Identifiers" (address, name, and date of birth) and form the foundation of trust that authenticates the existence of a specific individual. At the same time as an electronic certificate is issued, the corresponding private key is generated and held within a hardware-protected area (a SIM card, eSIM, Secure Element within a smartphone, Secure Enclave, or the like). Because the private key is managed within hardware-protected storage, it cannot be hacked.

Through FPoS, we are able to issue to each individual smartphone user a Digital ID that authenticates the specific individual and that cannot be tampered with by any third party.

Furthermore, by leveraging FPoS technology to recognize a person (or a device), issue an electronic certificate, and protect the corresponding private key in hardware, we can secure not only the base layer of communication but also the higher IP layer and content layer.

The private keys of SIMs are managed by Certification Authorities accredited by GSMA (the global organization of mobile operators), and we are currently preparing to obtain GSMA accreditation. By obtaining GSMA accreditation, we aim to enable our Certification Authority to issue access to eSIMs around the world during FY2027.

As described above, the foundation that supports our business — in both the Telecommunications Services Business and the Digital Trust Business — is the Digital Authentication Infrastructure, which consists of our Certification Authority and the related authentication infrastructure.

3.3 Telecommunications Services Business

In the Telecommunications Services Business, we will provide telecommunications services using the networks of major mobile carriers (MNOs). Our principal current service is "Japan Communications SIM," but as a Neo Carrier we plan to launch new telecommunications services under a new brand. We see the following expanded possibilities arising from becoming a Neo Carrier.

(1) Expansion of Customer Base

As a Neo Carrier, we will use phone numbers assigned to our company, issue our own SIMs (both SIM cards and eSIMs), and provide telecommunications services with authorization from smartphone OS vendors. This will eliminate the complex initial setup procedures that have previously been required to begin using our services. In addition, although our existing services have not been able to offer international roaming, this will become possible as a Neo Carrier. These improvements will significantly enhance our telecommunications services and make them attractive to a broader range of customers.

(2) Expansion of Sales Channels

Japan Communications SIM has been sold primarily online, targeting customers capable of handling complex initial setup procedures. With initial setup no longer being complex and with international

usability now possible, we will be able to appeal to a much wider range of customers. As a result, in addition to online sales, we will be able to sell our services in physical retail stores, thereby expanding our sales channels.

(3) Sale of Hardware

Whereas Japan Communications SIM has only provided telecommunications services, we are also considering, as part of the launch of our Neo Carrier services, handling smartphones and other hardware as well as IoT devices, by leveraging credit-extension capabilities derived from our Digital Trust Business.

(4) Expansion in the IoT Field

We provide our proprietary patented Wireless Private Line and SIM-to-SIM communication services as safe and secure communications for IoT to government agencies and enterprises. Hitherto, IoT communication has been controlled solely through data communication, requiring continuous connection, which has resulted in increased cost and reduced security. As a Neo Carrier, we will be able to call IoT devices via the voice/SMS networks at low cost. By using FPoS on the Secure Element of an eSIM embedded in an IoT device for digital authentication, we will be able to verify that a given communication originates from that specific device, thereby reducing cost and improving security simultaneously.

3.4 Digital Trust Business

In the Digital Trust Business, we provide technologies, platforms, and solutions for restoring "trust" to digital. With the spread of the Internet, cybercrime and other malicious activities have increased dramatically, and today the source and content of digital information cannot easily be trusted. Leveraging our proprietary patented FPoS and related technologies, we are advancing efforts to restore trust to digital information on the Internet, with my FinTech providing digital trust services that leverage the My Number Card system.

FPoS provides three core functions that form the cornerstones of trust: identity verification (proof of identity), authentication of the individual (a login function that cannot be hacked), and electronic signature (assurance of authenticity). At present, we offer identity verification using the signature-verification function of the My Number Card, safe and easy login leveraging electronic certificates, and electronic signatures with legal effect equivalent to a registered seal (electronic signatures based on certified electronic certificates issued under the Act on Electronic Signatures and Certification Business).

Built on this foundation of trust is personal data linkage, one of the most distinctive features of FPoS. Based on identity verification using the My Number Card, the certified electronic certificates issued through FPoS contain a User Identifier that is uniquely assigned to each individual user. By using this User Identifier, the personal data of users can be linked across business operators, subject to the explicit consent of the individual. As FPoS adoption spreads across regional financial institutions, local governments, regional currencies, transportation, universities, and enterprises, new services with new

value will emerge through cross-operator data linkage.

Because the potential of the Digital Trust Business is enormous, the key will be to seize and develop a wide range of business opportunities. As our near-term focus, we view the possibilities of the Digital Trust Business as follows.

(1) Issuance of Attribute Certificates through the Establishment of an Attribute Certification Authority

In addition to our Certification Authority, we will establish an Attribute Certification Authority that manages individuals' enrollment status, organizational affiliation, qualifications, and the like, and will issue these attributes as electronic certificates. While the Certification Authority can authenticate a specific individual, this alone has limited applicability. The ability to digitally certify that someone is a student of a particular university, an employee (or holder of a specific position) at a particular enterprise, a holder of a specific qualification such as a physician, attorney, or certified public accountant, or other personal attributes, will enable us to provide trust services that are needed in many situations across society — including operations involving access control at universities and enterprises, and the verification of qualified persons in the provision of professional services.

(2) Issuance of Digital IDs for Devices (Machines)

By not limiting electronic certificates to those issued with the My Number Card as the trust anchor, we can extend issuance beyond "Digital IDs for People" to include "Digital IDs for Devices (Machines)" — certificates that authenticate the existence of specific devices (machines) such as IT equipment, automobiles, and home appliances. Furthermore, with both people and devices (machines) holding Digital IDs as a foundation of trust, devices (machines) will be able to provide services tailored to each individual user. For example, an automobile may authenticate its driver and configure driving conditions and insurance terms suited to that driver, or a home appliance may authenticate its user and provide services tailored to that user.

(3) Deployment as the Foundation for Sovereign AI

Once "Digital IDs for Devices (Machines)" can be issued, an electronic signature can be attached to each individual piece of data generated by a device (machine). This makes it possible to confirm, for every piece of data, "which device (machine) generated it, and when."

Today, vast quantities of data generated by devices (machines) — such as vehicle driving data, home-appliance operating data, and environmental data acquired by sensors — are used as training and inference material for AI. If we can confirm "which device (machine) generated which data, and when," we can guarantee the reliability of the data used for AI training and inference at the hardware level.

Furthermore, from the perspective of Sovereign AI, it is not sufficient merely to confirm "which device (machine) generated which data, and when"; it is also critically important to be able to confirm "who provided what data to the AI, and when."

By issuing not only "Digital IDs for People" but also "Digital IDs for Devices (Machines)," we will be able to verify, by means of electronic signatures, both the "provider" of data supplied to AI and the

"originator" that generated the data, thereby ensuring the reliability of the data generated by AI.

3.5 Quantitative Targets of Vision 2030

We aim to achieve net sales of ¥65 billion and operating profit of ¥15 billion in FY2030, as set forth below.

Business Segment	Net Sales	Operating Profit
Telecommunications Services Business	¥50.0 billion	¥7.5 billion
Digital Trust Business	¥15.0 billion	¥7.5 billion
Consolidated Total	**¥65.0 billion**	**¥15.0 billion**

4. Foundations Supporting Vision 2030

4.1 Finance

4.1.1 Revenue Structure

Under Vision 2030, building on the digital authentication infrastructure, we will develop the Telecommunications Services Business and the Digital Trust Business. The revenue structure of each business is as follows.

(1) Telecommunications Services Business

The Telecommunications Services Business is a recurring-revenue business based on monthly subscription fees, with a low monthly churn rate of 1.1%, providing a stable revenue base. We aim to achieve a net-sales CAGR (compound annual growth rate) of 33.8% over the next five years in this business, pursuing steady growth.

Specifically, with an ARPU of ¥980, we plan to expand the number of subscriber lines from 940,000 in FY2025 at a CAGR of 35.3%, targeting 4.25 million lines in FY2030. The mobile telecommunications lines provided by MVNOs are estimated at approximately 40 million as of 2025. Our market share at FY2025 is 2.3%, and we are targeting expansion to 4.25 million lines, or a 10.5% share, in FY2030.

(2) Digital Trust Business

The Digital Trust Business is a usage-based business model in which fees are charged according to the use of FPoS. In addition, since FPoS has a particular advantage in data linkage, we charge a Data Linkage Fee equal to 10% of the new added value created through such linkage. We will therefore generate revenue as the number of business operators leveraging FPoS, and the number of users of those operators, increases.

4.1.2 Financial Indicators

(1) Adjusted EBITDA

Under Vision 2030, investments required to become and to remain a Neo Carrier are expected to increase depreciation and amortization expenses related to software and equipment, which may temporarily affect accounting profit. We therefore position "Adjusted EBITDA" as an important supplementary indicator that enables us to assess the underlying cash-generating capability of the business by excluding the effect of non-cash and one-time expenses.

Adjusted EBITDA is calculated using the following formula:

Adjusted EBITDA = Operating Profit + Stock-Based Compensation + Asset Retirement Obligation Expenses + Depreciation and Amortization + One-Time Expenses

The trend of Adjusted EBITDA over the past three fiscal years is as follows.

(JPY million)	FY2023	FY2024	FY2025
Net Sales	7,400	9,239	11,632
Operating Profit	1,138	963	1,134
Adjusted EBITDA	1,362	1,441	1,523
Adjusted EBITDA Margin	18.4%	15.6%	13.1%

The Adjusted EBITDA margin has declined from 18.4% in FY2023 to 13.1% in FY2025, reflecting upfront investments for future growth and increased expenses associated with business expansion.

Under Vision 2030, we will expand revenue scale through continued growth of the Telecommunications Services Business and the launch of the Digital Trust Business. By achieving economies of scale through revenue growth, we will reduce the relative burden of fixed costs such as depreciation and amortization, and aim to achieve an Adjusted EBITDA margin in excess of 20%.

(2) ROIC

By March 2026, we plan to raise ¥6 billion through privately placed bank-underwritten bonds as investment funds for becoming a Neo Carrier, and we will redeem these bonds during the period of Vision 2030. In phases such as this, where growth investment is funded through debt, ROE — which addresses only shareholders' equity — does not adequately capture the efficiency of the total capital invested in the business. We therefore consider ROIC, which measures profitability against the entire invested capital including both debt and shareholders' equity, to be the appropriate indicator. ROIC, when compared with WACC — which represents the expected returns of all capital providers including creditors and shareholders — serves as an indicator of whether the business is fundamentally creating value. We accordingly position the maintenance and expansion of a state in which ROIC exceeds WACC as a key management indicator under Vision 2030.

Our ROIC spread for FY2025 is as set forth below.

Indicator	FY2025 Actual	FY2030 Target
ROIC (Note 1)	12.6%	25%
WACC (Note 2)	4.5%	Variable depending on the external environment
ROIC Spread	8.1%	Maintain / Expand

As of FY2025, our ROIC exceeds our WACC, generating returns in excess of the cost of capital. Building on the stable monthly subscription revenue of the Telecommunications Services Business and capturing the growth opportunities offered by the Digital Trust Business, we will realize economies of scale through revenue growth in both businesses and operate invested capital efficiently. We aim to achieve ROIC of 25% in FY2030, maintaining and expanding the state in which ROIC exceeds WACC, and pursuing the sustainable enhancement of corporate value.

4.2 Human Capital

Since our founding, we have approached the talent we seek from three perspectives.

The first is management talent. The businesses we are pursuing are unprecedented, with no companies to serve as a model. We have therefore had to think for ourselves, develop technologies on our own, and create our own products and services to develop our businesses. Management talent capable of producing “one” from “zero” is therefore indispensable. Going forward, we will also need management talent capable of growing “one” into “one hundred.” Maintaining a management team that can simultaneously pursue new business challenges and grow our existing businesses is a lifeline for our company.

The second is professional talent equipped with exceptionally advanced specialized knowledge and skills. As noted above, with no companies to serve as a model, having a management team and a professional team work together as one to continue advancing new technologies, new products and services, and even new business models and regulatory reforms is the lifeline that enables Japan Communications to remain truly Japan Communications.

The third is multi-talented personnel. FY2026 is a year in which we will establish the MVNO business model in its true sense by becoming a Neo Carrier and enter the full-scale introduction and adoption phase of FPoS technology, with initiatives involving many client and partner companies rapidly increasing. To advance these initiatives, we need a large number of personnel who understand the digital authentication infrastructure, are well versed in the Telecommunications Services Business, and have a deep understanding of the Digital Trust Business — in other words, personnel who understand all areas of our business. By having each individual aim to acquire skills across virtually all areas of work, we are cultivating a substantial cadre of multi-talented personnel. The development of multi-talented personnel is a lifeline for achieving the revenue growth we envision.

We evaluate our personnel based on ability, performance, and potential — not on age, gender,

educational background, experience, or willingness to work long hours.

By securing and developing the talent described above, we will support Vision 2030 and build an organization capable of responding flexibly to changes in the business environment.

End