

Q3 Financial Results Briefing

For the Fiscal Year Ending March 2026 (30th Term)

(October 2025 – December 2025)

February 6, 2026

Japan Communications Inc.

Note: This document is a translation of the original Japanese text for reference purposes. In the event of any discrepancies between this translation and the original Japanese text, the original text shall take precedence.

Introduction

**Representative Director-Chairman
Frank Seiji Sanda**

Overview of Q3 Results

Executive Officer CFO
Mitsuru Kodaira

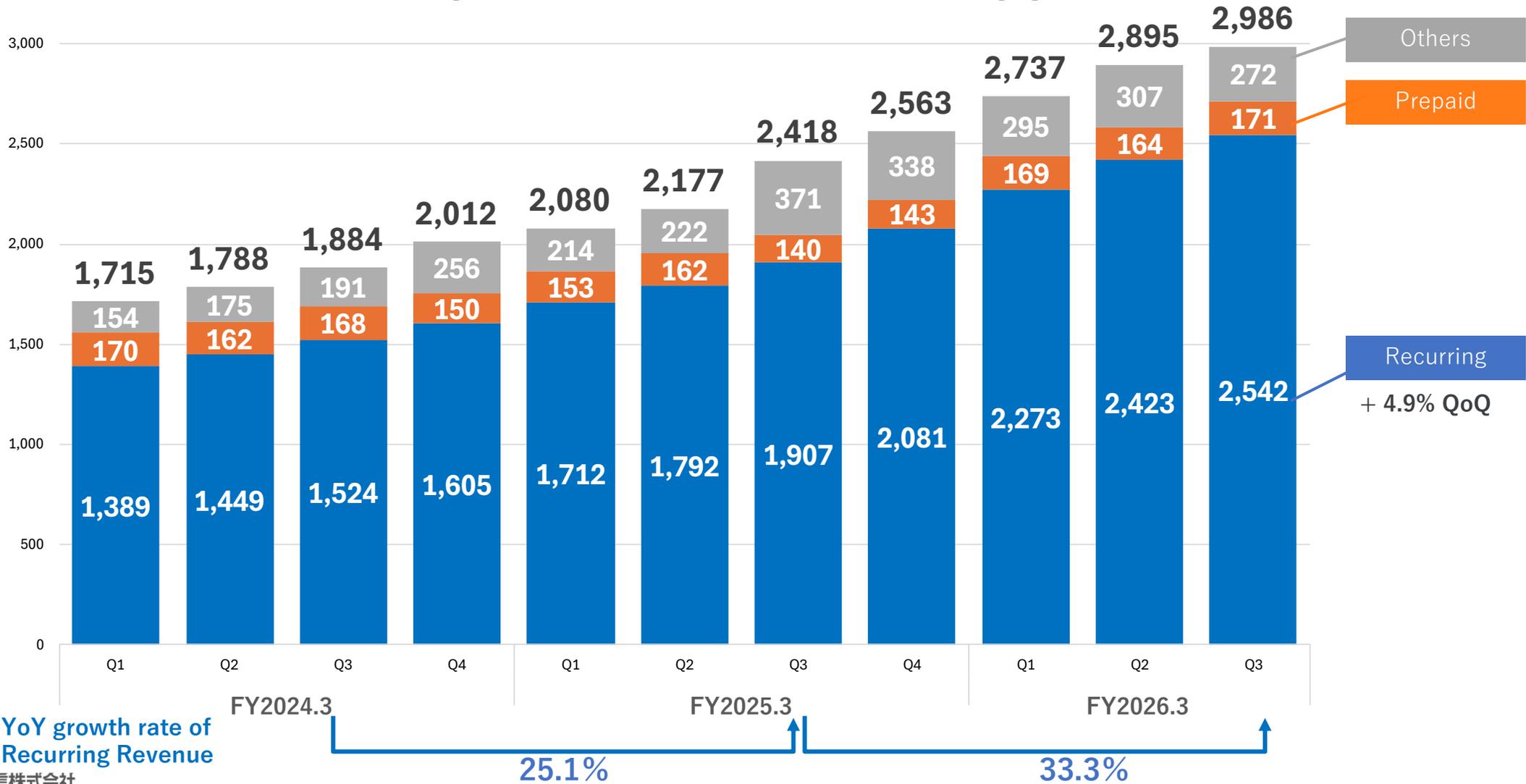
Results (Consolidated)

millions of yen (yen amounts are rounded down to millions)	Q3 FYE26		Previous Quarter			Previous Year				
			Q2 FYE26		change	Q3 FYE25		change		
Net revenue	2,986	100.0%	2,894	100.0%	91	3.2%	2,418	100.0%	568	23.5%
Cost of sales	1,864	62.4%	1,812	62.6%	52	2.9%	1,390	57.5%	474	34.1%
Gross profit	1,121	37.6%	1,082	37.4%	38	3.6%	1,028	42.5%	93	9.1%
Selling, general and administrative expenses	810	27.1%	823	28.4%	(13)	(1.6%)	677	28.0%	132	19.5%
Operating profit	311	10.4%	259	9.0%	51	20.0%	350	14.5%	(38)	(11.0%)
Ordinary profit	306	10.3%	259	9.0%	47	18.2%	374	15.5%	(67)	(18.0%)
Profit attributable to owners of parent	263	8.8%	202	7.0%	60	29.9%	309	12.8%	(46)	(14.9%)

Quarterly Revenue Trend

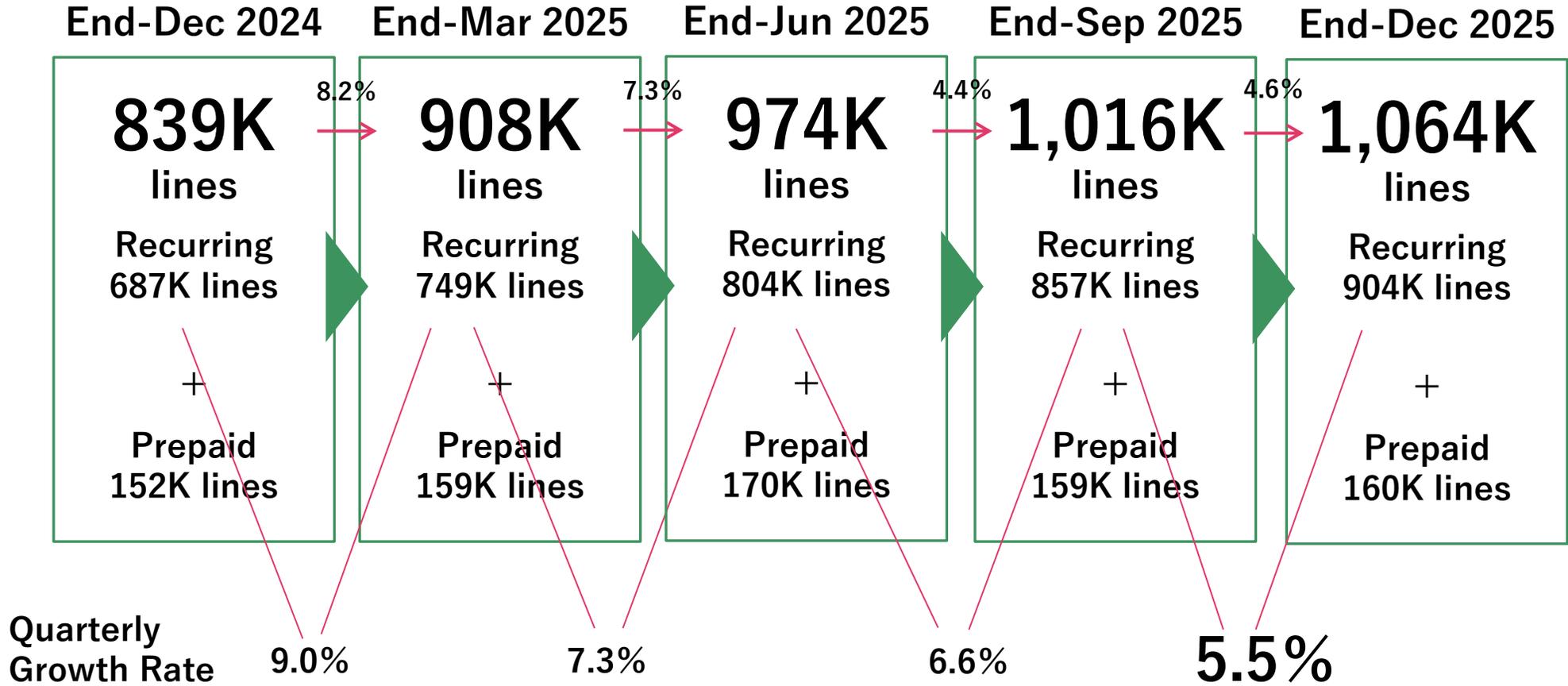
Recurring Revenue shows accelerating growth.

(JPY million)



Financial Results Presentation Material

Number of Contracted Lines



On track to 10 million lines in 2034, which gives us 4.0% mobile market share.

Balance Sheet (Consolidated)

millions of yen (yen amounts are rounded down to millions)	Q3 FYE26	Previous Quarter		Previous Year	
		Q2 FYE26	change	Q3 FYE25	change
Current assets	5,161	4,611	550	4,113	1,047
Cash and deposits	3,747	3,222	524	2,729	1,017
Accounts receivable - trade	874	853	20	801	73
Merchandise	60	66	(6)	56	3
Other	528	505	23	534	(5)
Allowance for doubtful accounts	(49)	(37)	(11)	(8)	(41)
Non-current assets	3,482	3,255	227	1,467	2,015
Property, plant and equipment	544	558	(13)	376	167
Intangible assets	2,274	2,027	247	465	1,808
Investments and other assets	663	669	(5)	624	38
Deferred Assets	24	25	(1)	-	24
Total assets	8,669	7,892	777	5,581	3,087
Current liabilities	2,400	1,888	512	1,892	508
Accounts payable - trade	1,057	568	488	834	222
Unearned revenue	87	91	(4)	101	(14)
Total current debt	-	-	-	-	-
Current portion of bonds payable	286	286	-	-	286
Other	970	942	28	956	14
Non-current liabilities	1,627	1,634	(6)	96	1,531
Bonds payable	1,571	1,571	-	-	1,571
Other	56	63	(6)	96	(39)
Total liabilities	4,028	3,523	505	1,988	2,040
Net assets	4,640	4,369	271	3,592	1,047
Total liabilities and net assets	8,669	7,892	777	5,581	3,087

Cash Flow (Consolidated)

millions of yen (yen amounts are rounded down to millions)	Q3 FYE26	Previous Quarter		Previous Year	
		Q2 FYE26	change	Q3 FYE25	change
Cash flows from operating activities	813	207	606	707	106
Cash flows from investing activities	(289)	(1,099)	809	(152)	(137)
Purchase of property, plant and equipment	(57)	(81)	23	(46)	(11)
Purchase of intangible assets	(228)	(999)	771	(106)	(121)
Other	(3)	(18)	15	(0)	(3)
Cash flows from financing activities	(2)	(146)	143	(2)	(0)
Effect of exchange rate change on cash and cash equivalents	3	1	2	3	0
Net increase (decrease) in cash and cash equivalents	524	(1,037)	1,562	555	(30)
Cash and cash equivalents at beginning of period	3,222	4,260	(1,037)	2,174	1,047
Cash and cash equivalents at end of period	3,747	3,222	524	2,729	1,017

Progress towards the direction of FYE March 2026

(million yen)

SIM	FYE March 2026 Projection	Current Results	% Progress
Revenue	11,000	8,564	77.9%
COGS	6,200	4,722	76.2%
Gross Margin	4,800	3,842	80.0%
GM%	43.6%	44.9%	-
SG&A	2,100	1,807	86.0%
Operating Profit	2,700	2,035	75.4%
OP%	24.5%	23.8%	-
+Depreciation	150	68	45.3%
-AD	-240	-15	6.3%
-CAPEX	-100	-72	72.0%
-TAX	-200	-174	87.0%

Free Cash Flow	2,310	1,842	79.7%
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FPoS	FYE March 2026 Projection	Current Results	% Progress
Expenditure	800	602	75.3%
CAPEX		49	
Expenses		553	

Neo carrer	FYE March 2026 Projection	Current Results	% Progress
Expenditure	5,400	2,432	45.0%
CAPEX		1,845	
Expenses		587	

Total Expenditure	6,200	3,034	48.9%
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Business Strategy Update

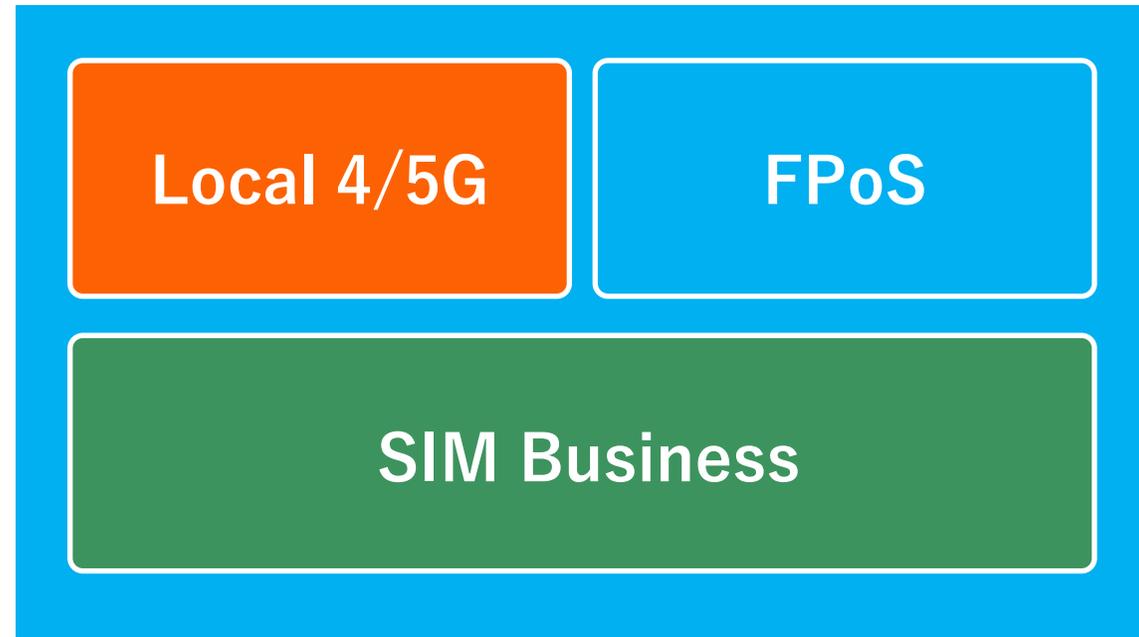
Representative Director

-President and CEO

Naohisa Fukuda

JCI business strategy

Carrying Bit Safely and Securely



Network Agnostic Operator

Neo-Carrier Project

Agreement with DOCOMO

Scheduled to launch service

February 13

November 24

2024

Obtained Approval from the Minister for Internal Affairs and Communications for the Amendment of the Telecommunications Numbering Plan (IMSI)

Oct.

Completed Visits to Fire Departments Nationwide for Emergency Call Network Development

Nov.

2025

Dec. Completed Vendor Selection

Mar.

Raised 2 billion yen from corporate bonds

Jun.

- Receiving the mobile phone number from Ministry of Internal Affairs and Communications
- Completed in-house test of core network functions

Nov.

Prospected for negotiations and coordination with each operator for voice network connection

2026

February 5, 2026
The Board of Directors resolved the schedule for the issuance of the second and subsequent corporate bonds.

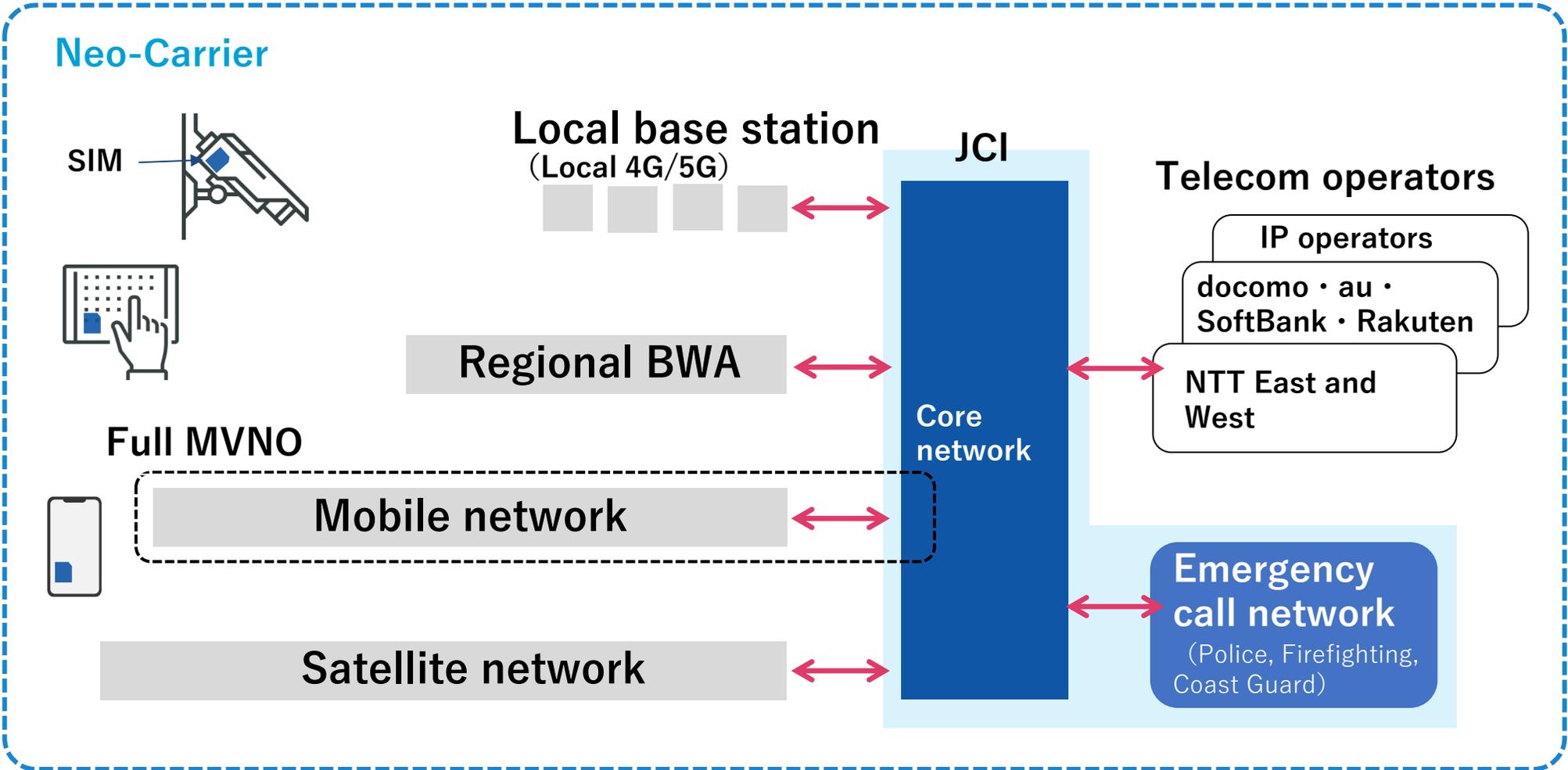
- Underwritten by banks
- Range from 3 billion yen to 4 billion yen
- With market finding rates
- Raise in March 2026

Develop and Test Core Network

Develop and Test Emergency Call Network

Strategic Direction

Different networks are combined and used as needed



Network Agnostic Operator

Strategic Direction

Neo-Carrier

- Voice/SMS/Data Network interconnection
- Emergency call connection
- Our own SIM



Become technically possible

- Initial Setup without complicated procedures
- International roaming
- eSIM Transfer
- Tethering
- 5GSA
- VoWifi , etc.



Sales Strategy

Today

Online sales only to
"tech-savvy users"



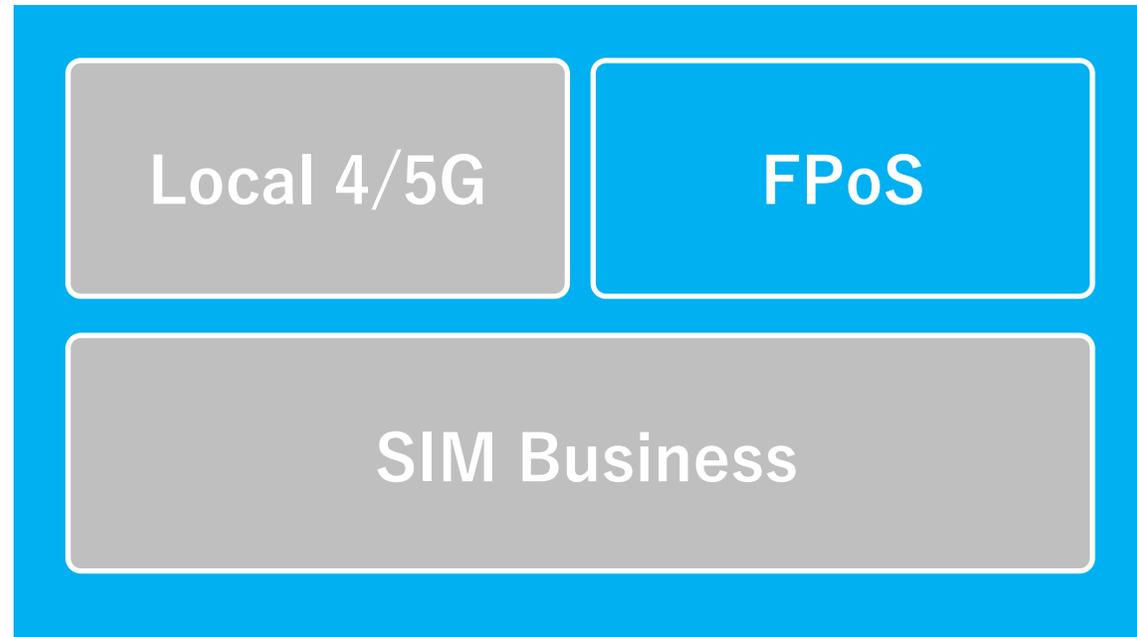
After Neo-Carrier

Service for everyone

- Online sales
- Stores with partners
- In addition to B2C, establish B2B sales

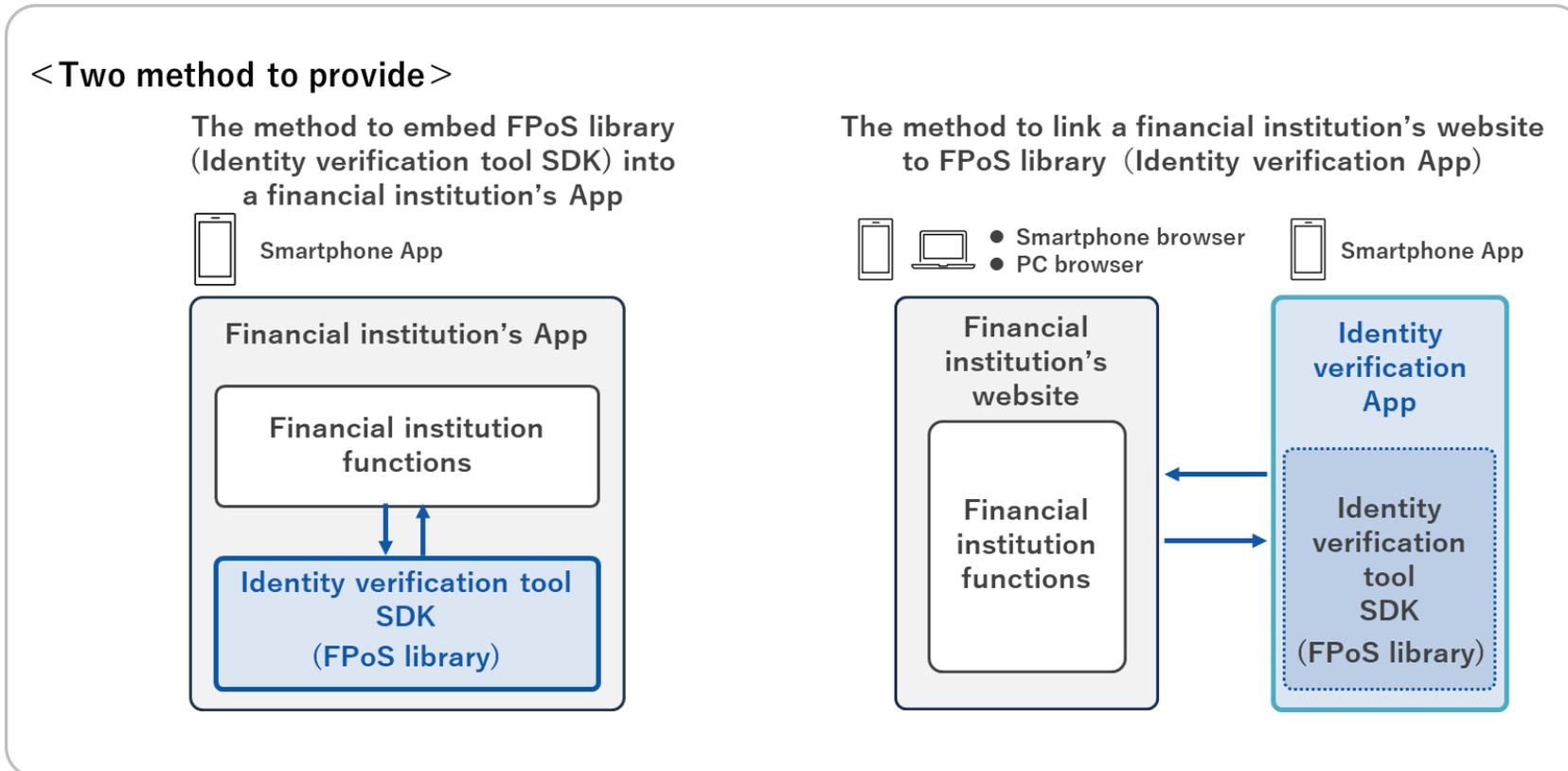
JCI business strategy

Carrying Bit Safely and Securely



FPoS Business Update

- Through collaboration with CNS (Chigin Network Service), a development version for system development and validation for financial institutions has been available since October 2025.
- The commercial version is scheduled to be rolled out sequentially from April 2026.



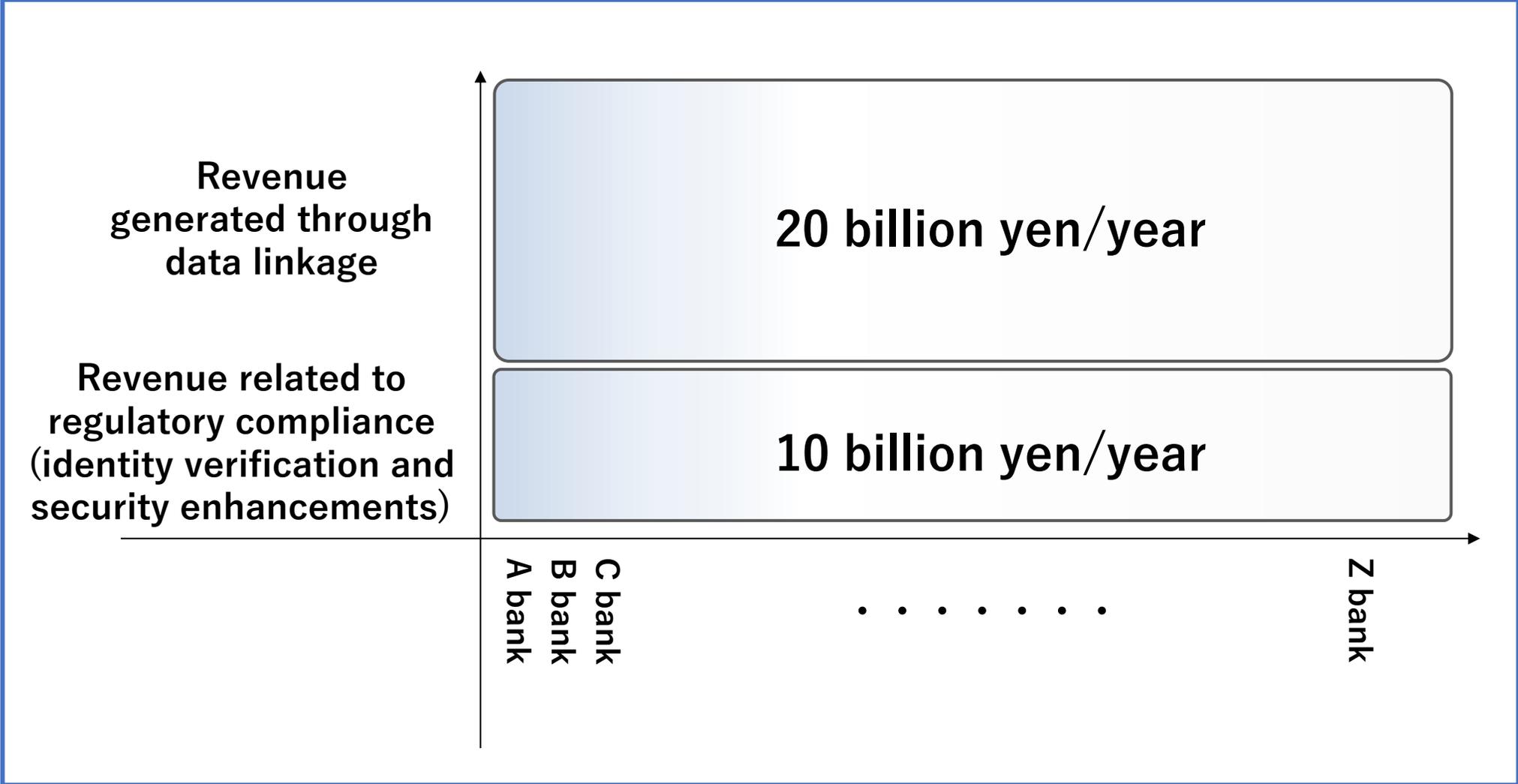
Addressable Market

Assuming covering all internet banking account holders of regional banks,

About 10 billion yen/year

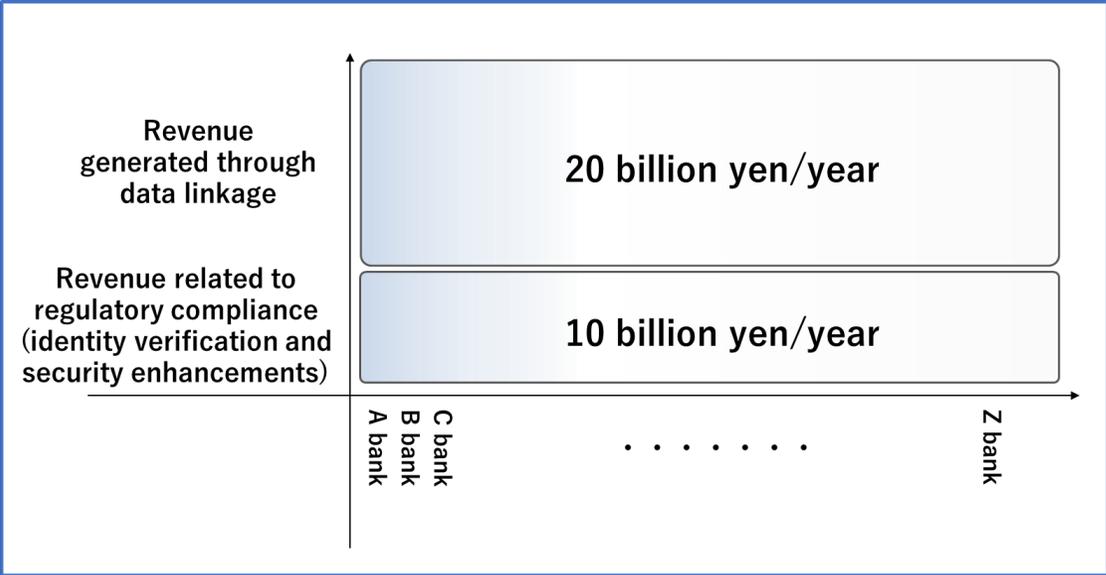
※Estimated based on the number of regional bank internet banking accounts and our assumed coverage.

Addressable Market



Addressable Market

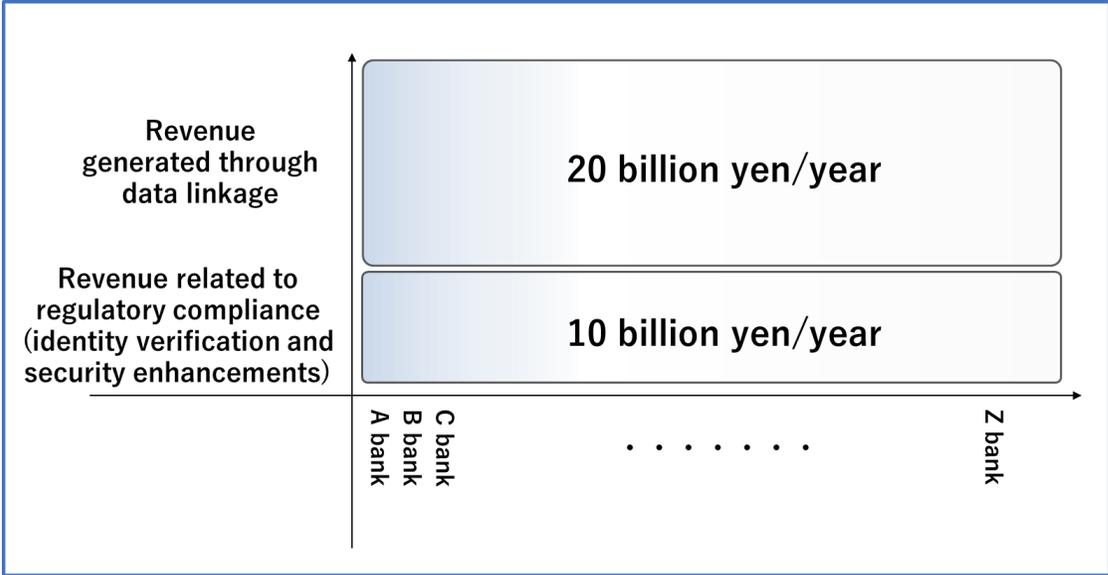
Financial Results Presentation Material



- City banks
- Trust banks
- Regional banks II
- + - Shinkin banks
- Credit unions
- Labor banks
- Online banks, etc.

Addressable Market

Financial Results Presentation Material

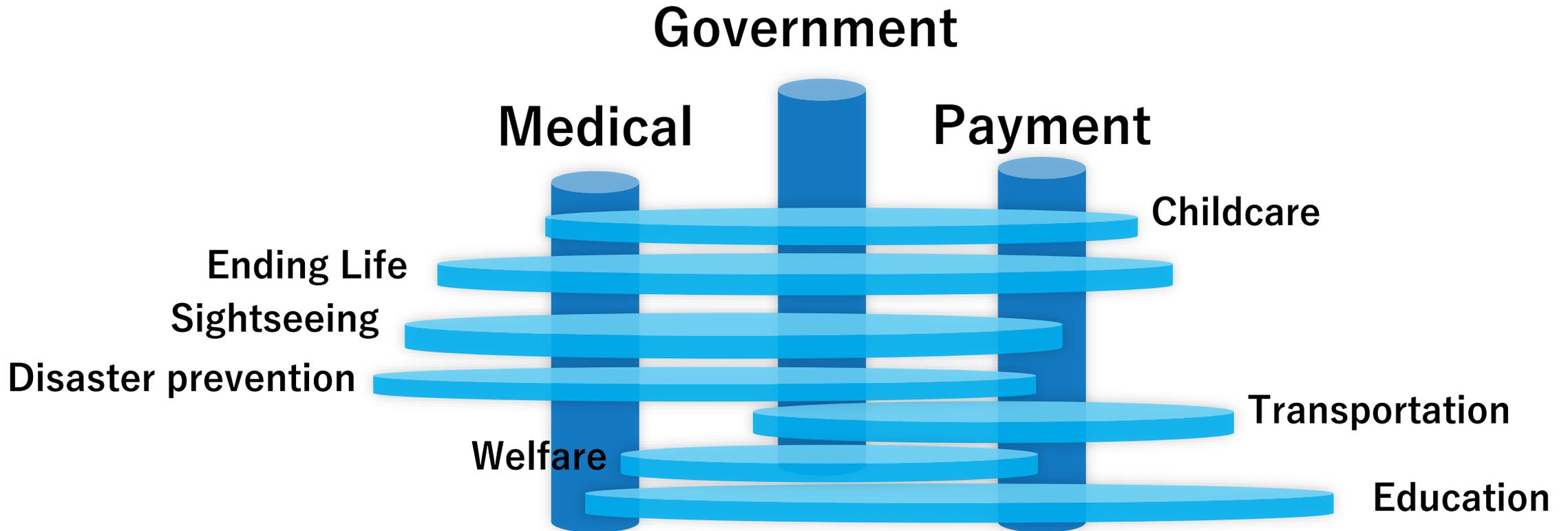


- City banks
- Trust banks
- Regional banks II
- + - Shinkin banks
- Credit unions
- Labor banks
- Online banks, etc.

+ Medical
 + Government
 + Transportation
 + Payment
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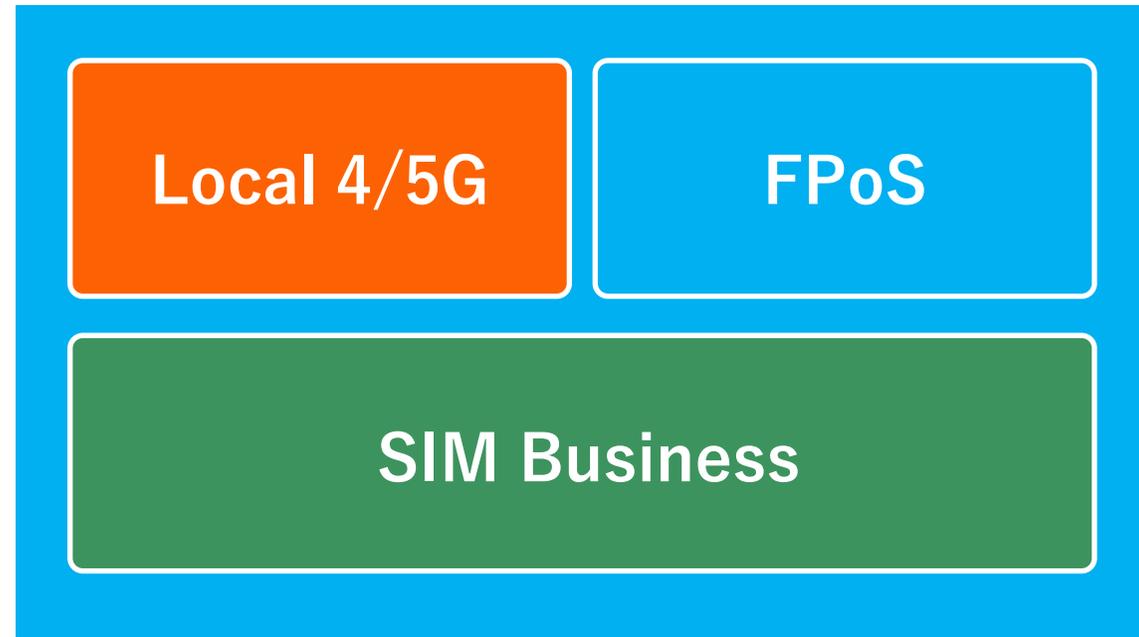
FPOS Marketing Strategy

- Government, financial services, and healthcare are designated as priority sectors where personal data must be securely utilized.
- We are prioritizing expansion in these three sectors.



JCI business strategy

Carrying Bit Safely and Securely



Network Agnostic Operator



JCI's Mission

Carrying Bit Safely and Securely

Disclaimer

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