

Financial Results Briefing

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

(April 2025 – March 2026)

May 8, 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 FYE March 2026 Results

**Executive Officer CFO
Mitsuru Kodaira**

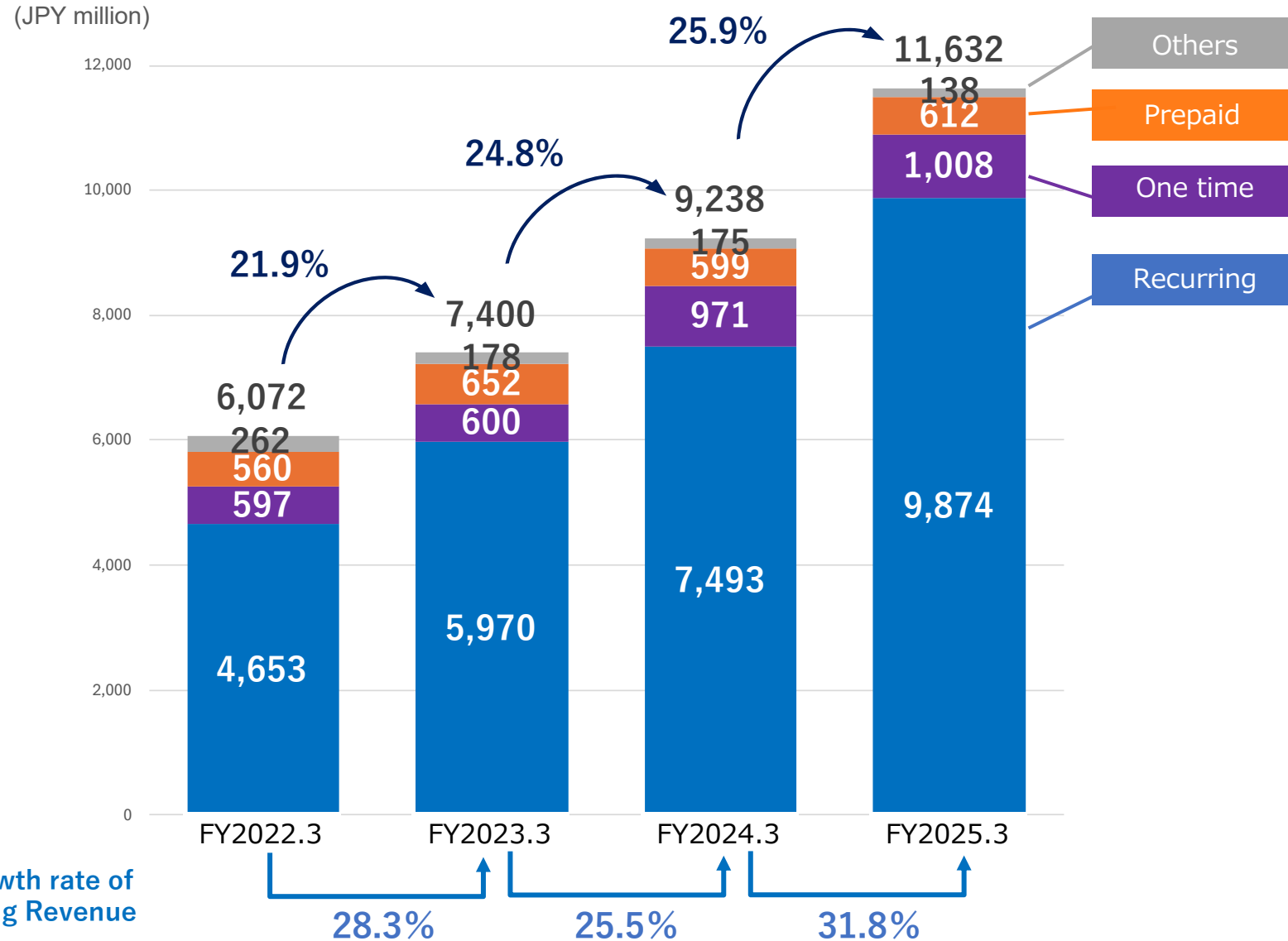
Results (Consolidated)

millions of yen (yen amounts are rounded down to millions)	FYE2025		FYE2026			
					change	Y to Y Growth rate
Net revenue	9,238	100.0%	11,633	100.0%	2,394	25.9%
Cost of sales	5,396	58.4%	7,219	62.1%	1,823	33.8%
Gross profit	3,842	41.6%	4,414	37.9%	571	14.9%
Selling, general and administrative expenses	2,880	31.2%	3,280	28.2%	399	13.9%
Operating profit	962	10.4%	1,134	9.7%	171	17.8%
Ordinary profit	1,000	10.8%	1,117	9.6%	117	11.8%
Profit attributable to owners of parent	849	9.2%	763 ^{※1}	6.6%	(85)	(10.1%)

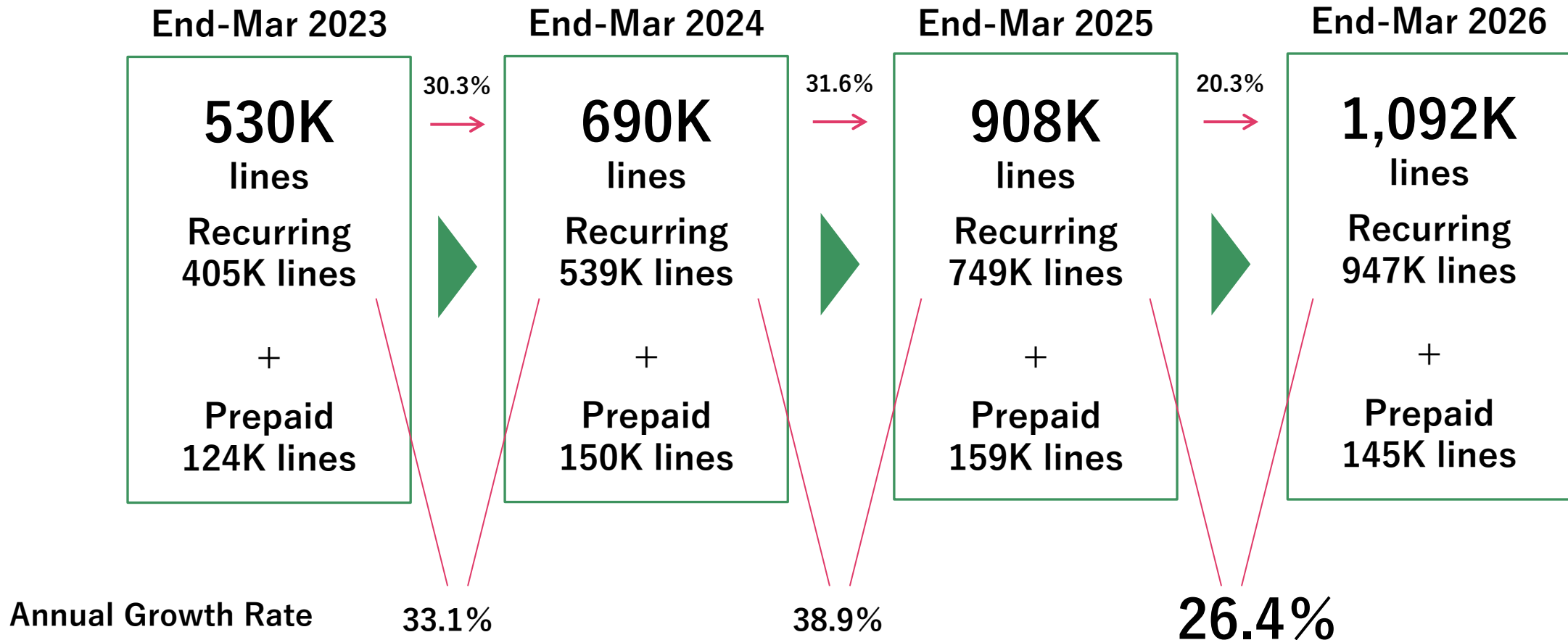
※1 extraordinary loss of 215 million yen as impairment loss in my FinTech business

Revenue Trend

Driven by Recurring Revenue growth

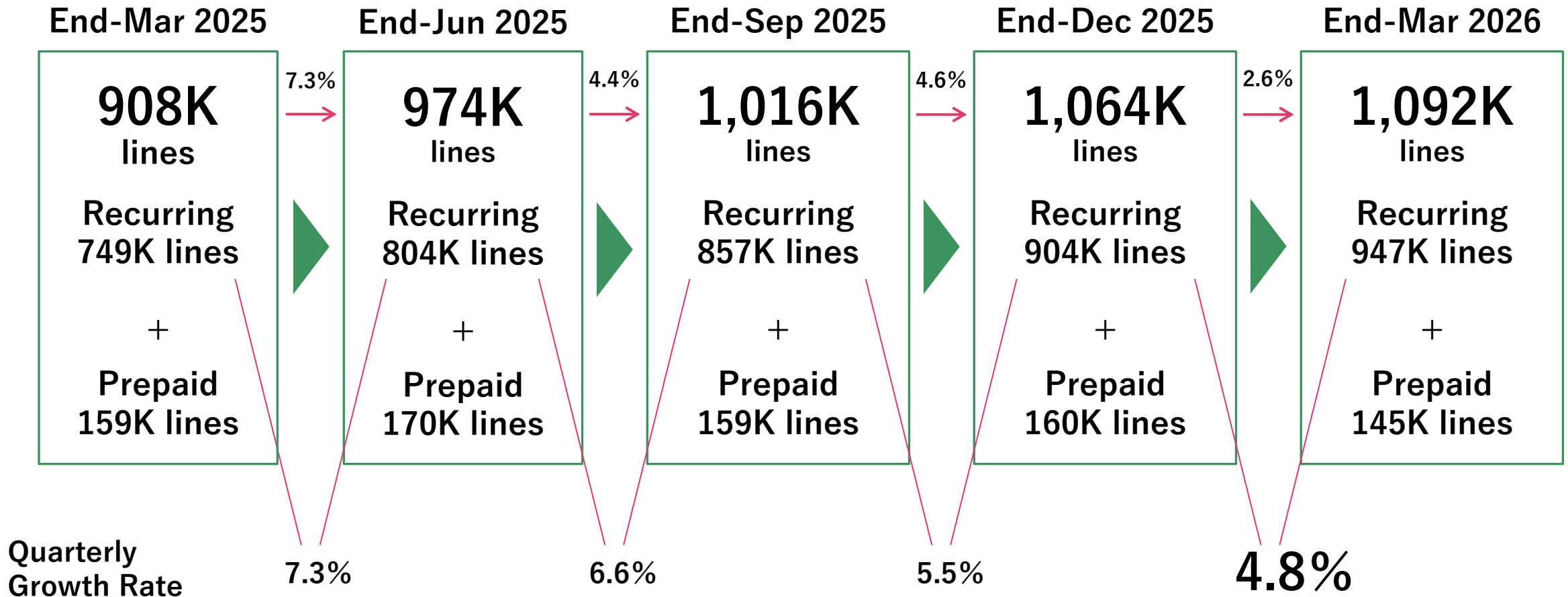


Number of Contracted Lines (Year)



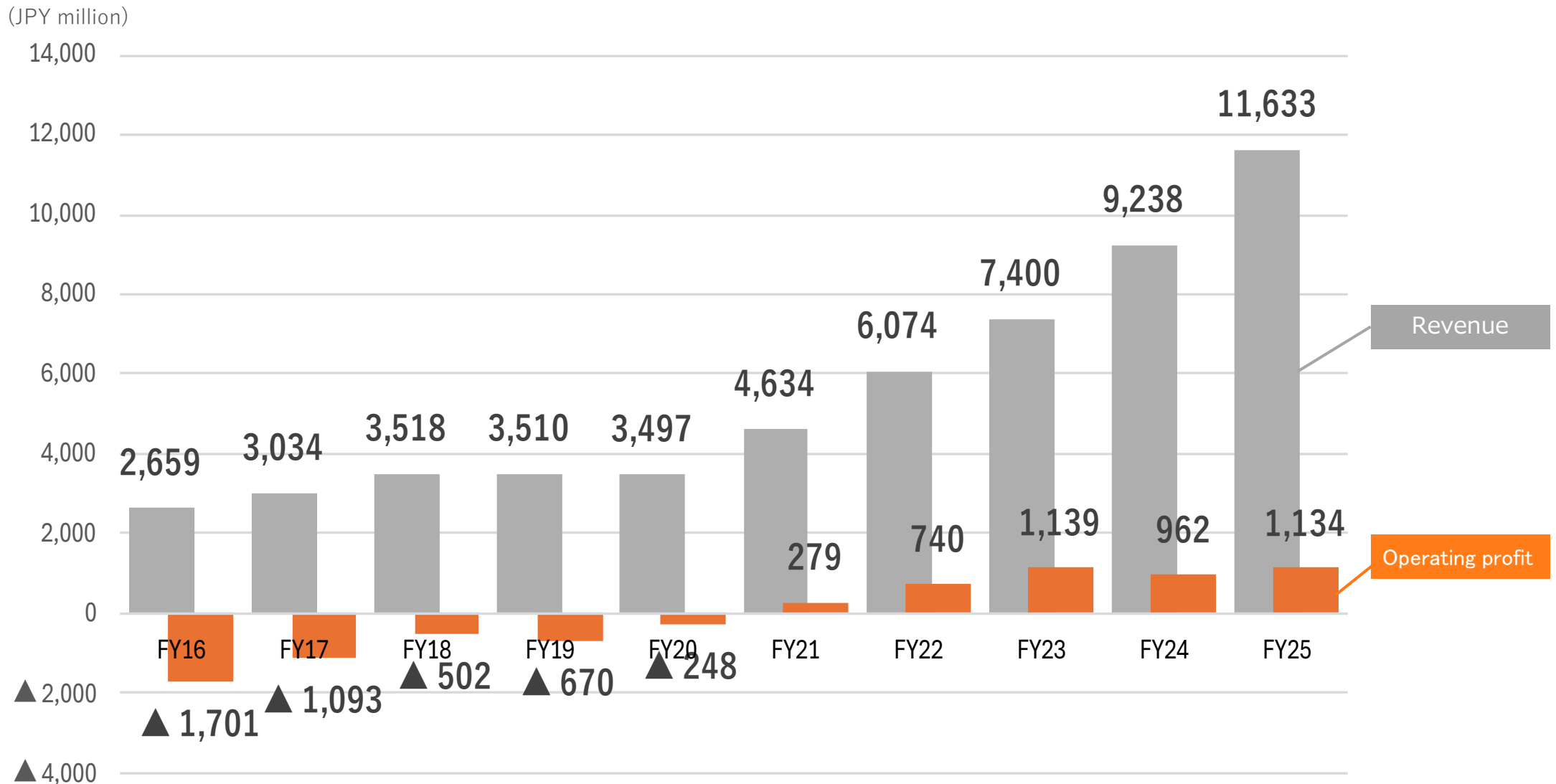
On track to 10 million lines in 2034, which gives us 4.0% mobile market share.

Number of Contracted Lines (Quarter)



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

Trends in sales and operating profit over the past 10 years



Balance Sheet (Consolidated)

millions of yen (yen amounts are rounded down to millions)	FYE2024	FYE2025	FYE2026	change
Current assets	3,552	5,507	8,453	2,946
Cash and deposits	2,518	4,300	7,107^{※1}	2,806
Accounts receivable - trade	724	796	879	83
Merchandise	69	49	70	21
Other	244	368	437	69
Allowance for doubtful accounts	(3)	(7)	(41)	(34)
Non-current assets	856	1,805	3,454	1,648
Property, plant and equipment	231	369	532	162
Intangible assets	334	815	2,243	1,428
Investments and other assets	290	621	679	58
Deferred Assets	-	27	87	59
Total assets	4,409	7,340	11,995	4,654
Current liabilities	1,302	1,673	2,443	770
Accounts payable - trade	356	473	571	98
Unearned revenue	113	105	97	(7)
Total current debt	-	-	-	-
Current portion of bonds payable	-	286	852^{※2}	566
Other	831	808	921	113
Non-current liabilities	127	1,796	4,909	3,112
Bonds payable	-	1,714	4,862^{※1}_{※2}	3,148
Other	127	82	47	(35)
Total liabilities	1,429	3,470	7,353	3,883
Net assets	2,979	3,870	4,642	771
Total liabilities and net assets	4,409	7,340	11,995	4,654

※1 Raised 4 billion yen by issuing corporate bonds

※2 Bonds are listed separately as current liabilities and Long-term liabilities.

Cash Flow (Consolidated)

millions of yen (yen amounts are rounded down to millions)	FYE2024	FYE2025	FYE2026
Cash flows from operating activities	1,071	930	1,321
Cash flows from investing activities	(213)	(1,104)	(2,155)
Purchase of property, plant and equipment	(95)	(257)	(334)
Purchase of intangible assets	(121)	(545)	(1,698)
Other	3	(301)	(122)
Cash flows from financing activities	75	1,957	3,636^{※1}
Effect of exchange rate change on cash and cash equivalents	3	(0)	5
Net increase (decrease) in cash and cash equivalents	937	1,782	2,806
Cash and cash equivalents at beginning of period	1,580	2,518	4,300
Cash and cash equivalents at end of period	2,518	4,300	7,107

※1 Raised 4 billion yen by issuing corporate bonds

Progress towards the direction of FYE March 2026

(million yen)

SIM	FYE March 2026 Projection	Results	% Progress
Revenue	11,000	11,570	105.2%
COGS	6,200	6,423	103.6%
Gross Margin	4,800	5,147	107.2%
GM%	43.6%	44.5%	-
SG&A	2,100	2,386	113.6%
Operating Profit	2,700	2,761	102.3%
OP%	24.5%	23.9%	-

+Depreciation	150	105	70.0%
-AD	-240	- 25	10.4%
-CAPEX	-100	-129	129.1%
-TAX	-200	-209	104.5%

Free Cash Flow	2,310	2,503	108.4%
-----------------------	--------------	--------------	---------------

FPoS	FYE March 2026 Projection	Results	% Progress
Expenditure	800	976	122.0%
CAPEX		129	
Expenses		847	

Neo carrier	FYE March 2026 Projection	Results	% Progress
Expenditure	5,400	2,783	51.5%
CAPEX		1,939	
Expenses		844	

Total Expenditure	6,200	3,759	60.6%
--------------------------	--------------	--------------	--------------

Business Strategy Update

Representative Director

-President and CEO

Naohisa Fukuda

Announced on January 22, 2016

JCI Business Strategy

Local 4/5G

FPoS

SIM Business

Announced on May 7, 2026

JCI Vision 2030

Safety, Security and Trust

**Telecom-
munications
Service
Business**

**Digital
Trust
Business**

JCI's proprietary platform

Digital Authentication Infrastructure

Transformation in 10 years

Announced on January 22, 2016



Announced on May 7, 2026



Transformation into a company capable of sustainable long-term growth, by developing its proprietary technology platform as the source of competitive advantage.

Transformation in 10 years

Financial perspective

FY2017.3

FY2026.3

Growth more than
four times

Revenue

2.65

billion yen



11.63

billion yen

Operating
Profit

-1.70

billion yen



2.80 billion yen
improvement

1.13

billion yen

Business perspective

Develop its proprietary technology platform as the source of competitive advantage

- ① Neo-Carrier technology platform
- ② JCI's proprietary FPoS technology platform that has entered the full-scale introduction and adoption phase.

Both ① and ② are based on our company's unique digital authentication platform, which will be a source of competitive advantage that will support future growth.

The transformation in business is even greater than the transformation in finance.

JCI Vision 2030

Safety, Security, and Trust

JCI's proprietary platform

Telecommunications Service Business

- Nihon-Tsushin SIM
- Mobile leased line
- Closed SIM-to-SIM Communication
- Local 5G dedicated SIM
- IoT SIM
- Communication for government agencies, etc.

MNO Infrastructure

Digital Trust Business

Utilizing FPoS technology

- Identity Verification
- Person Authentication
- Digital Signature
- Data Linkage
- Sovereign AI, etc.

My Number Card System

Hardware-protected private key

Digital Authentication Infrastructure

Digital Certification Authority / Attribute Certification Authority

Announced on May 7, 2026

JCI Vision 2030

Safety, Security, and Trust

Telecommunications Service Business

Revenue **50** billion yen
Operating Profit **7.5** billion yen

Digital Trust Business

Revenue **15** billion yen
Operating Profit **7.5** billion yen

JCI's proprietary platform

Digital Authentication Infrastructure

Total

Revenue **65** billion yen
Operating Profit **15** billion yen

Target for
fiscal year
2030

Key Management Indicators

- The Company raised 6 billion yen through privately placed bank bonds as investment capital for the Neo Carrier Project. In a phase where we are pursuing growth investment utilizing debt, ROE — which focuses solely on equity capital — does not sufficiently capture capital efficiency. Therefore, we consider ROIC, which reflects the efficiency of the entire invested capital including both debt and equity, to be the more appropriate metric.
- Furthermore, we position maintaining and growing ROIC above WACC — which represents the expected return of all capital providers — as a key management indicator under Vision 2030.

Results for FY2025			Vision in FY2030	
ROIC	12.6%	➔	25%	
WACC	4.5%		Variable depending on the external environment	
ROIC Spread	8.1%		Maintain / Expand	

Announced on May 7, 2026

JCI Vision 2030

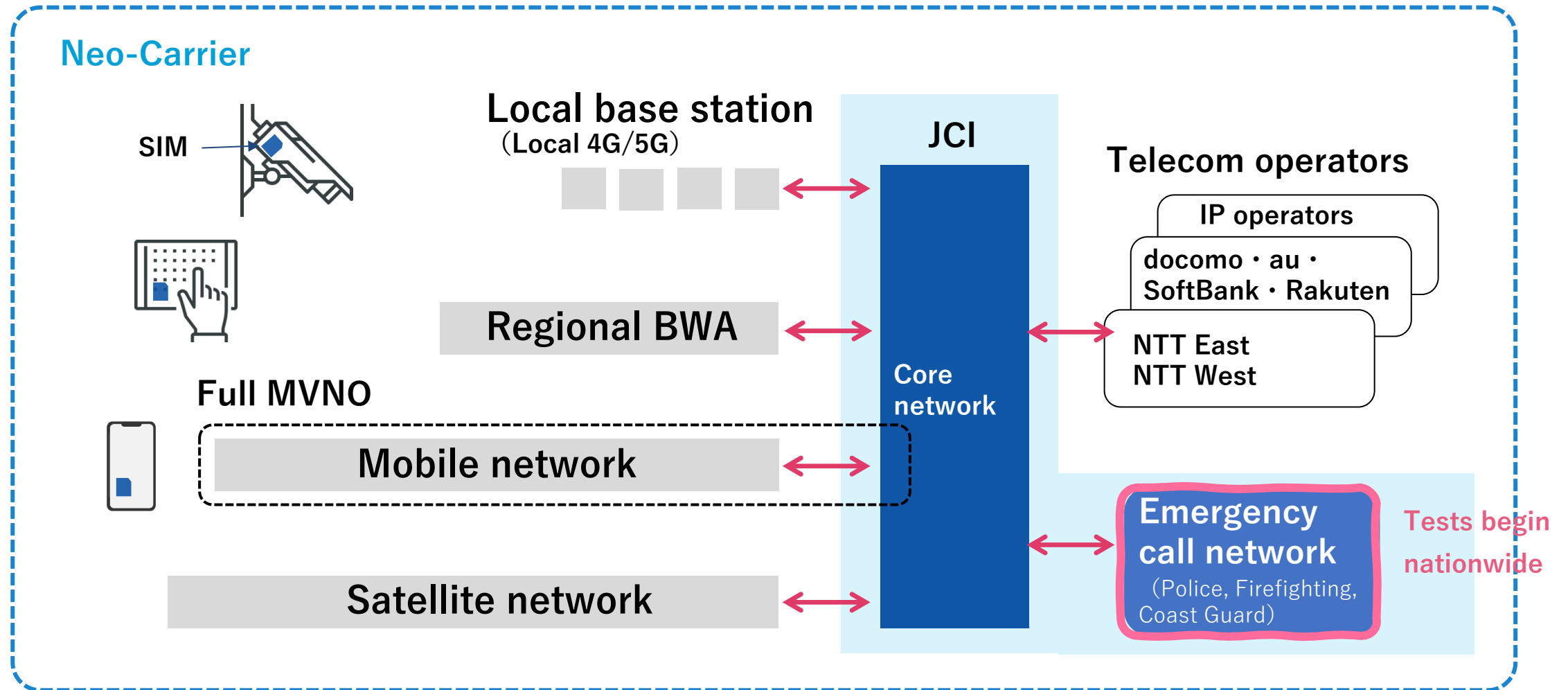
Safety, Security, and Trust

**Telecom-
munications
Service
Business**

**Digital
Trust
Business**

JCI's proprietary platform
Digital Authentication Infrastructure

Neo-Carrier Launch on November 24



Network Agnostic Operator

Potential of the Telecommunications Service Business

① Expansion of Customer Base

By simplifying initial setup through our own SIM issuance and significant improvement in communication services, we are expanding our user base.

② Expansion of Sales Channels

By lowering the barrier to entry, we are developing in-store sales that can appeal to a wider range of customers.

③ Sale of Hardware

We are considering handling smartphones and other devices by leveraging credit-extension capabilities derived from our Digital Trust Business.

④ Expansion in the IoT Field

To date, IoT communication has been requiring continuous connection. As a Neo Carrier, we will be able to call IoT devices via the voice/SMS networks at low cost. In addition, using the Secure Element of an eSIM embedded in an IoT device for digital authentication reduces cost and improves security simultaneously.

⑤ Improve Profitability

As a Neo Carrier, we can use data, SMS, and voice networks on a cost basis and when incoming calls are received on our network, connection fee revenue generated as a new source of revenue.

Announced on May 7, 2026

JCI Vision 2030

Safety, Security, and Trust

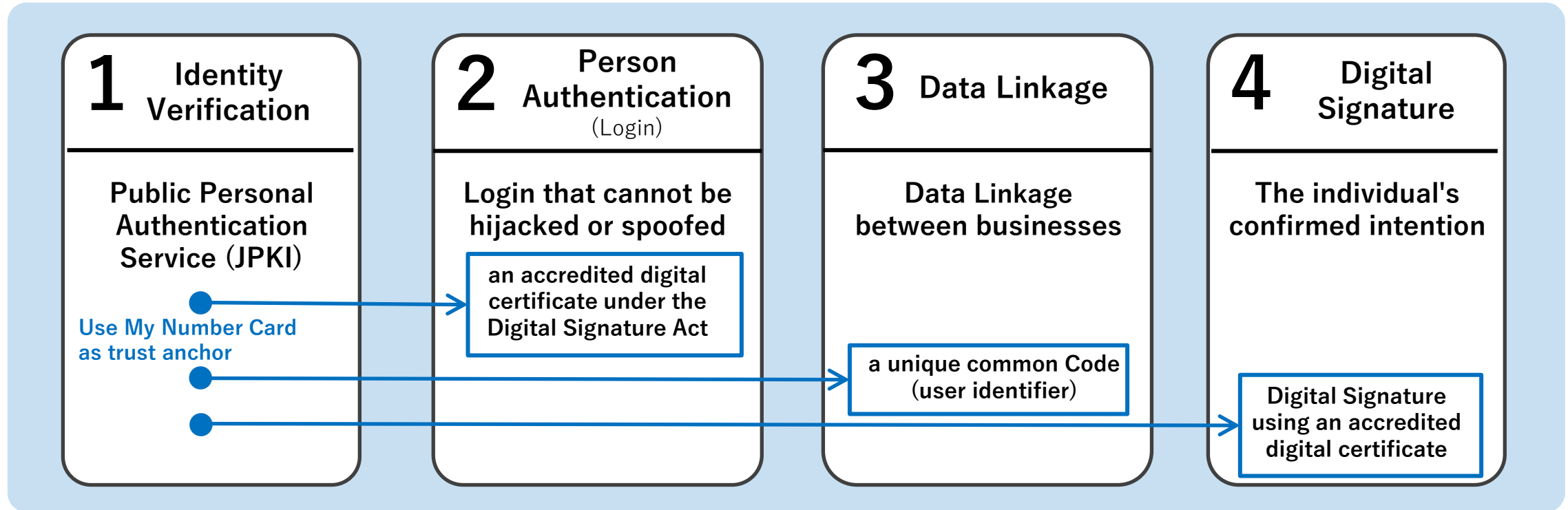
**Telecom-
munications
Service
Business**

**Digital
Trust
Business**

JCI's proprietary platform
Digital Authentication Infrastructure

4 Major Functions of FPoS Library

FPoS Library can progress from using JPKI(Public Personal Authentication Service) to utilizing its other functions. Furthermore, in October 2024, "FPoS Library" has been certificated under the Digital Signature Act.



+ α :

Provided as an "FPoS Library"

➡ Can be easily and inexpensively embed into various companies' applications.

Digital Trust Business

Using the My Number Card system, we provide Digital Trust Services (my FinTech.) Currently, we support authentication and identity verification in payment, finance, and telecommunication sector, but we view the possibilities of the Digital Trust Business as follows:

Expansion area, as our near-term focus,

① Issuance of Attribute Certificates through the Development of an Attribute Certification Authority

In addition to authentication of specific individuals, JCI provides trust services necessary for access control, qualification verification, etc. based on attribute information through issuance of attribute digital certificates based on an individuals' affiliation, qualifications, and other attributes.

② Issuance of Digital IDs for Devices (Machines)

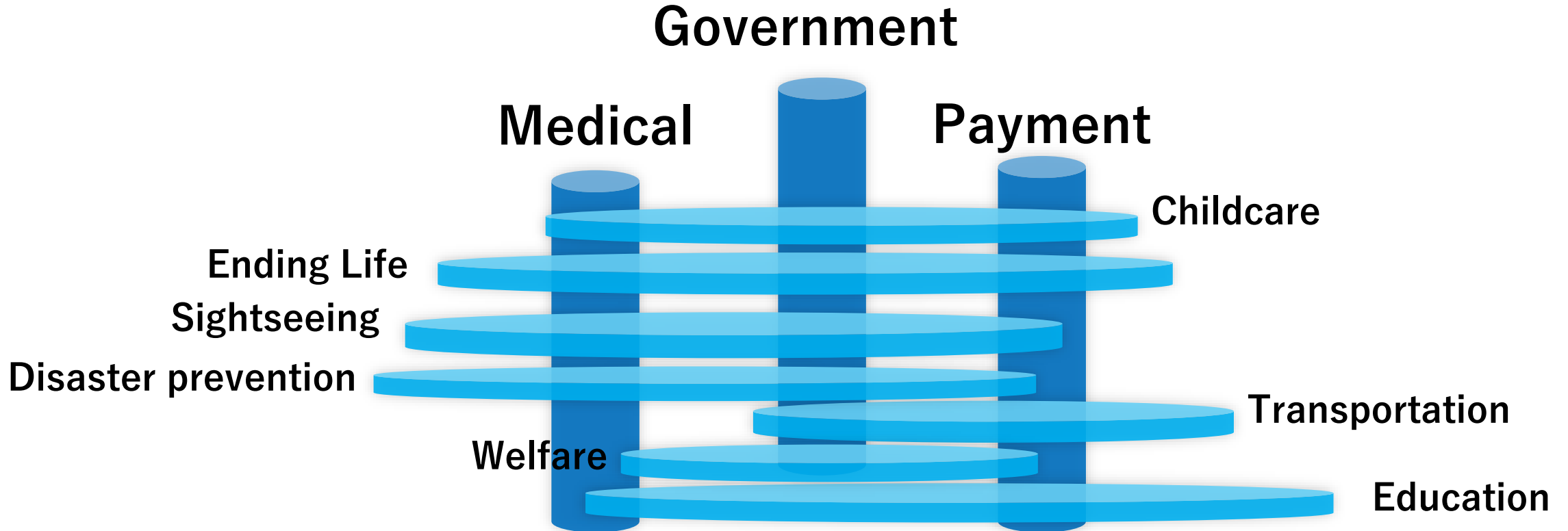
Not only "Digital IDs for People", JCI will also issue "Digital IDs for Devices (Machines)", which authenticates the existence of specific devices (machines) and provides services tailored to that user.

③ Deployment as the Foundation for Sovereign AI

By attaching a digital signature to the data using both "Digital IDs for People" and "Digital IDs for Devices (Machines)", it becomes possible to confirm who is providing what data to the AI and when. This ensures the reliability of the data generated by the AI.

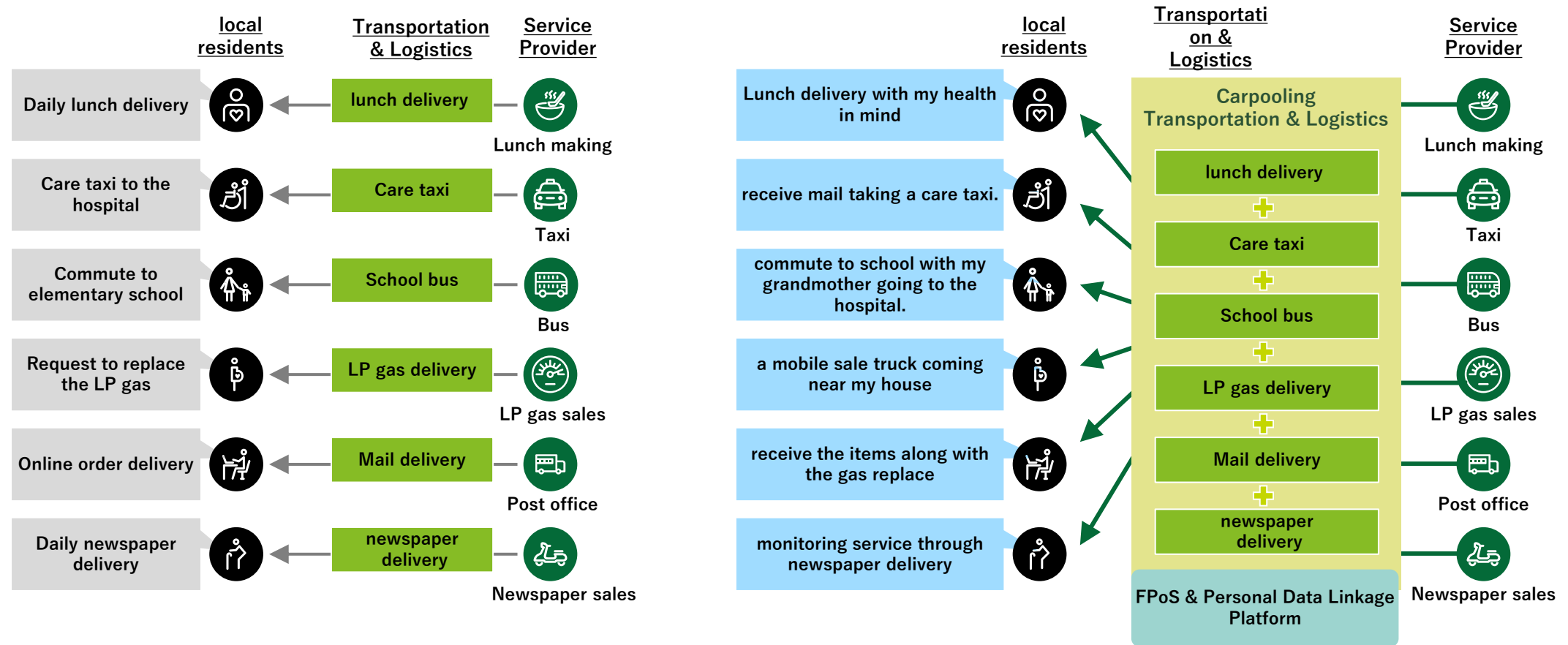
FPoS Marketing Strategy

- 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.



Local government: Essential Services

A system for sharing personal information among multiple businesses would enable the provision of essential services that better meet the needs of local residents, and businesses can expect to improve operational efficiency and increase sales.

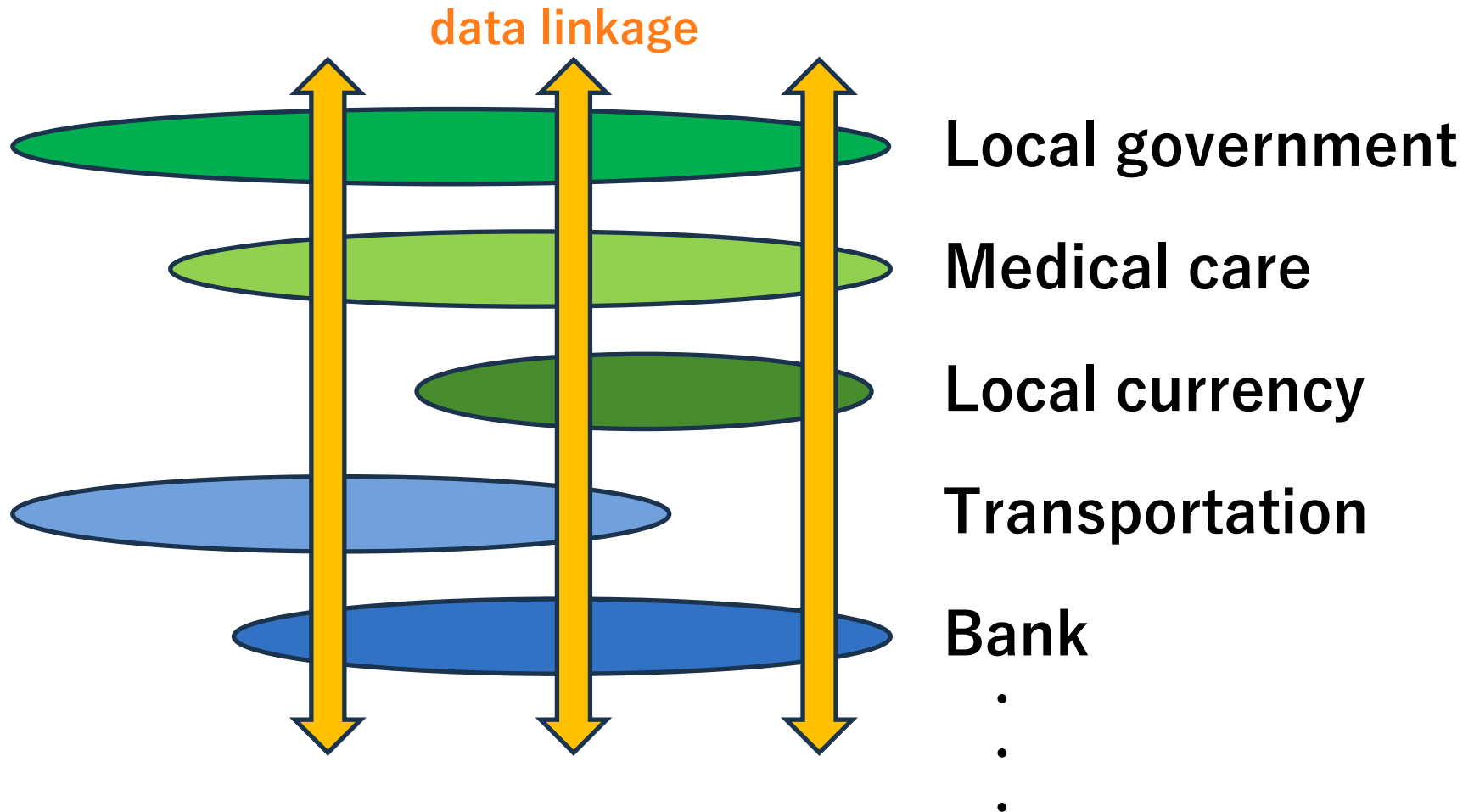


Source: Explanatory materials on my FinTech, presented at the 4th meeting of the Subcommittee on Regional Life Maintenance Policy, Regional Economic and Industrial Subcouncil, Industrial Structure Council, Ministry of Economy, Trade and Industry, held on February 25, 2026.

※Based on discussions held at the Subcommittee on Regional Life Maintenance Policy, the establishment of a certification scheme aimed at maintaining essential services has been incorporated into a proposed bill (the Amendment Bill to the Act on Special Measures for Industrial Competitiveness: Cabinet decision in March 2026).

Personal Data Linkage is finally starting

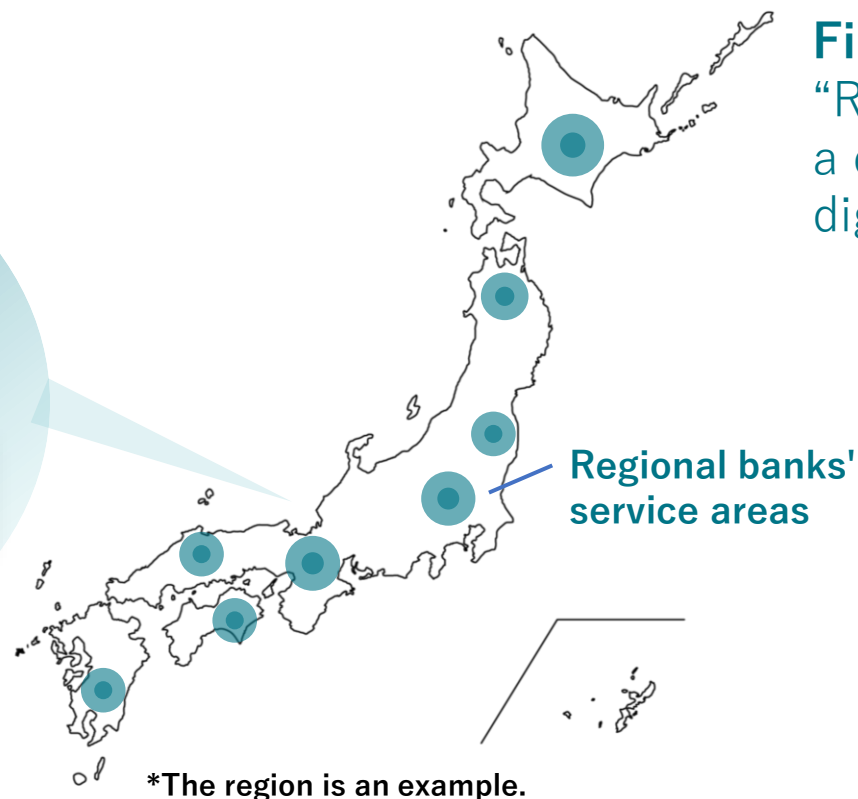
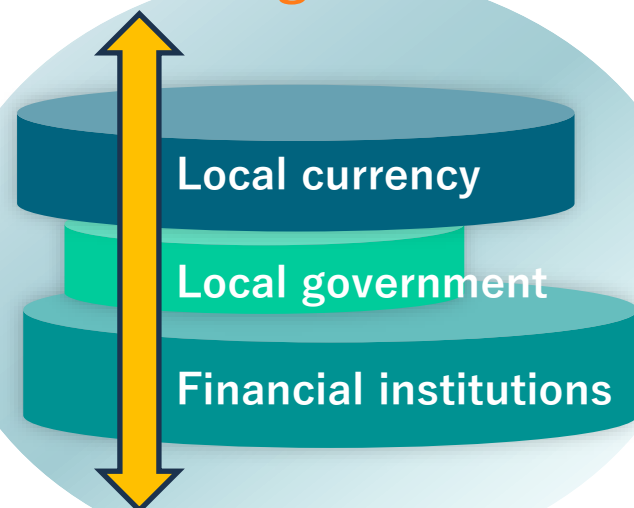
As FPoS adoption spreads across multiple sectors, cross-operator personal data linkage is finally about to start.



The FPoS Ecosystem Expansion

- Adoption by local financial institutions
- Adoption by local governments in essential services
- Adoption in local currencies
- Promoting data linkage with partner companies, primarily in regions where FPoS adoption layers overlap.

Data linkage



Financial Services Agency
“Regional banks should play a central role in regional digital transformation.”

Announced on May 7, 2026

JCI Vision 2030

Safety, Security, and Trust

**Telecom-
munications
Service
Business**

**Digital
Trust
Business**

JCI's proprietary platform

Digital Authentication Infrastructure

JCI Digital Authentication Infrastructure

The base layer of mobile communication using a SIM card is secure.

- Encryption keys protected by hardware.
- The IP layer and content layer are not secure.

JCI provides our own SIMs (SIM cards, eSIMs, etc.) as a Neo Carrier.
By providing SIMs ourselves, we can access to eSIMs worldwide.

FPoS enables the use of SIM communication methods in smartphones.
A private key protected by hardware is the key.

Expansion of the Digital Authentication Infrastructure

- Completion of the Neo Carrier Platform
- Development of a GSMA^{*1}-certified digital certification authority
- Attribute-Authentication-based trust service scheduled to be commercially launched this Autumn
- NFC contactless authentication
- Offline payment service scheduled to be launch in FY2027
- Upgrade FPoS library while changing the rules of the Digital Signature Act
- Support for Open ID Connect (OIDC)/OAuth 2.0^{*2}
- FPoS IoT (announced on March 5, 2026)

*1 GSMA is a global industry association comprised of mobile operators and other related companies.

*2 OpenAI has adopted as ChatGPT's authentication platform. Ory provides an authentication platform compliant with this standard, and its de facto founder is Thomas Curran.

FPoS Expansion Status

Previous cases

- Maebashi City, Gunma
- Ebetsu City, Hokkaido
- Omura City, Nagasaki
- Kadoma City, Osaka
- SouSou: End-of-Life Platform
- WELLNET: Payment
- NyuuLy: For Foreign Residents in Japan
- paperlogic: Digital Signature

Full-scale adoption cases

- Financial Institutions: Over 10 banks have applied. Aiming for 50 applications by the end of FY2026.
- Local Currencies: Moving to the full-scale adoption phase.
- Medical Institutions: Full-scale implementation cases have begun.
- Digital Signatures on Contracts, etc.: In the full-scale introduction phase.
- Local Governments: Started development centered on essential services.

The catalyst that will cause a Big Bang

***By the end of FY2026, the first year of Vision 2030, the number of FPoS users is expected to exceed the number of users of our telecommunications services business.**

Maximize the momentum of the FPoS business

FPoS Developers Conference 2026 is held on July 28th & 29th.



The image shows a registration page for the FPoS Developers Conference 2026. The page features a teal and yellow color scheme. At the top left is the FPoS logo with the tagline 'Trust by Design'. The main heading reads 'FPoS Developers Conference 2026' followed by '開発者と産業が交わる、二日間。' (Two days where developers and industry meet). Below this, the theme is 'FINTECH PLATFORM over Security Module'. A registration deadline of '5月29日(金) 申込開始予定' (Registration starts on Friday, May 29th) is noted, along with instructions to register via email. A registration form with a '登録' (Register) button is present. On the right, a portrait of Audrey Tan is shown, identified as the 'Keynote Speaker'. Her bio mentions she is the '元デジタル担当大臣 / エシカルハッカー' (Former Digital Minister / Ethical Hacker). A footer note states 'ほか、国内外の第一線で活躍する登壇者が集結' (Other speakers from the first line of activity in Japan and abroad will be gathered).

FPoS Trust by Design
DEVELOPERS CONFERENCE

Trust by Design — 日本の「社会 OS」は、ここから始まる。

FPoS Developers Conference 2026
開発者と産業が交わる、二日間。
FINTECH
PLATFORM
over
Security Module

5月29日(金) 申込開始予定
申込開始のお知らせをご希望の方は、以下よりメールアドレスをご登録ください。
申込多数の場合は、抽選となります。

someone@example.com 登録

■ [プライバシーポリシー](#)の内容を確認し、同意します。*

Keynote Speaker
オードリー・タン氏
台湾 元デジタル担当大臣 / エシカルハッカー

ほか、国内外の第一線で活躍する登壇者が集結

Announced on May 7, 2026

JCI Vision 2030

Safety, Security, and Trust

**Telecom-
munications
Service
Business**

**Digital
Trust
Business**

JCI's proprietary platform

Digital Authentication Infrastructure



JCI's Mission

Carrying Bit Safely and Securely

Disclaimer

Any written or oral statements made in this presentation that are not historical facts are forward-looking statements. Readers are cautioned not to place undue reliance on those forward-looking statements, which speak only as of their dates. All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from those expressed or implied by these forward-looking statements.

Company and product names mentioned in this document are trademarks or registered trademarks of their respective companies.