Q1Financial Results Briefing

For the Fiscal Year Ending March 2026 (31st Term)

(April 2026 – June 2026)

August 7, 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.

Opening Remarks

Representative Director-Chairman

Frank Seiji Sanda

Overview of Q1 Results

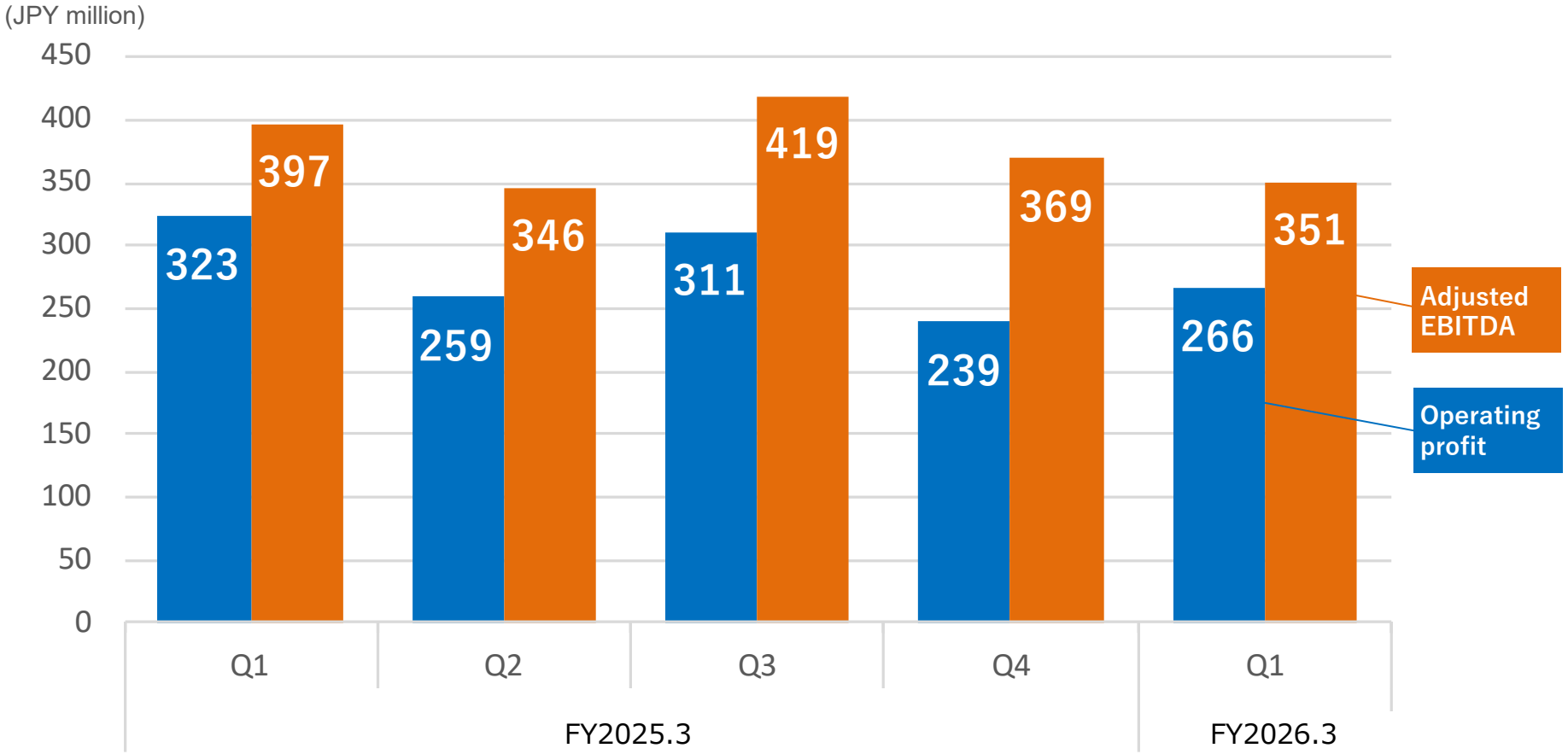
Executive Officer CFO
Mitsuru Kodaira

Results (Consolidated)

millions of yen (yen amounts are rounded down to millions)	Q1 FYE27		Previous Quarter				Previous Year			
			Q4 FYE26		change		Q1 FYE26		change	
Net revenue	3,154	100.0%	3,014	100.0%	139	4.6%	2,737	100.0%	416	15.2%
Cost of sales	2,017	64.0%	1,926	63.9%	91	4.7%	1,616	59.1%	400	24.8%
Gross profit	1,137	36.0%	1,088	36.1%	48	4.5%	1,121	40.9%	16	1.4%
Selling, general and administrative expenses	870	27.6%	848	28.2%	21	2.5%	797	29.1%	72	9.1%
Operating profit	266	8.5%	239	8.0%	27	11.3%	323	11.8%	(56)	(17.4%)
Ordinary profit	238	7.6%	233	7.8%	4	2.1%	317	11.6%	(79)	(24.9%)
Profit attributable to owners of parent	158	5.0%	55	1.9%	103	184.8%	241	8.8%	(82)	(34.2%)
Adjusted EBITDA	351	11.1%	369	12.2%	(17)	(4.8%)	397	14.5%	(46)	(11.6%)

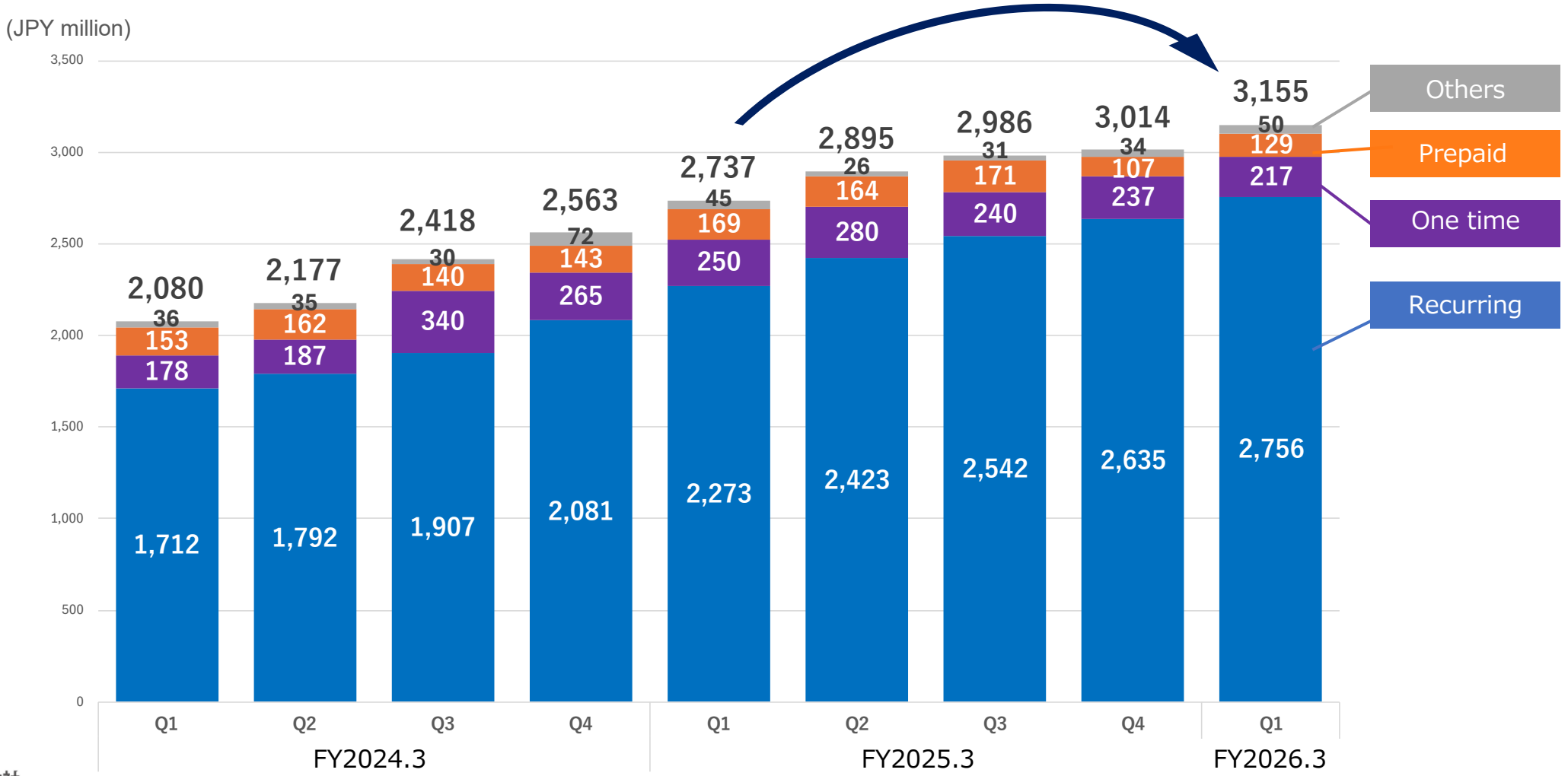
Adjusted EBITDA

Starting this fiscal year, JCI tracks Adjusted EBITDA as a key supplementary indicator, as Neo-Carrier investment in software and equipment is expected to raises depreciation.

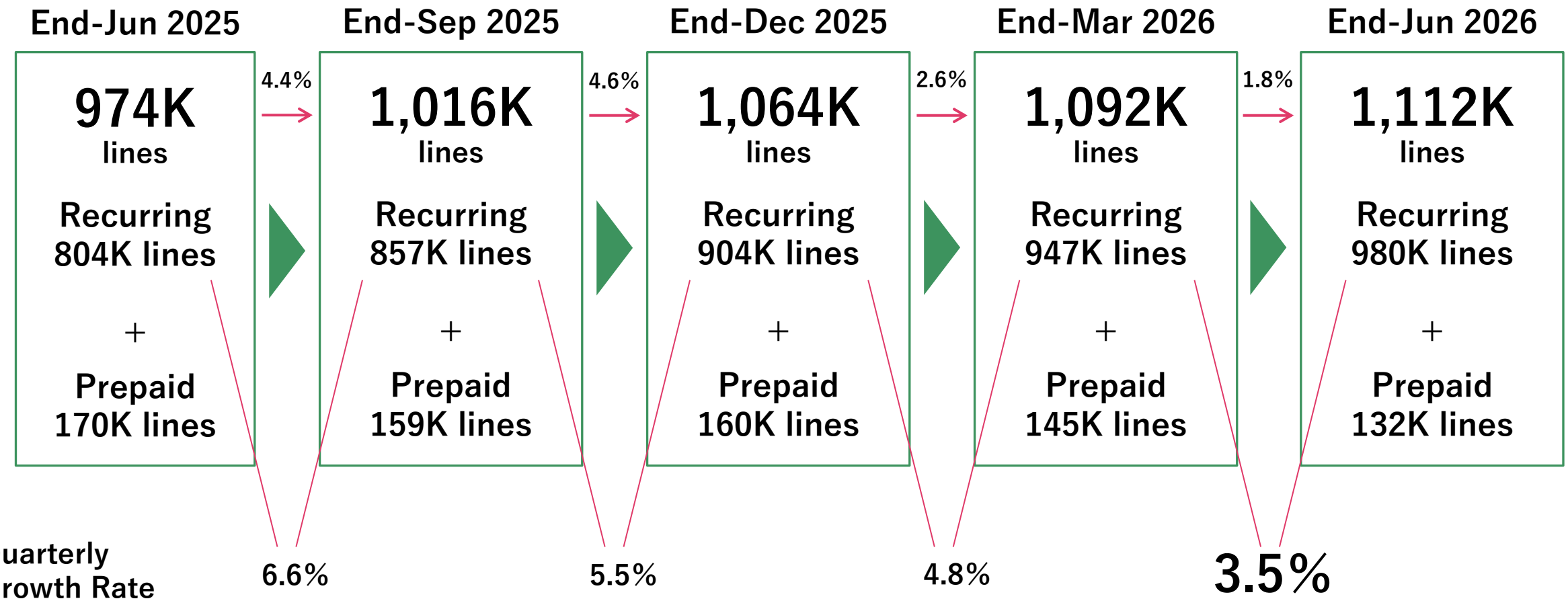


Revenue Trend

Net revenue increased 15.3% YoY, Recurring revenue increased 21.3% YoY.



Number of Contracted Lines (Quarter)



Impact of Mandatory Digital KYC

Since the mandatory digital KYC (Know Your Customer) requirement took effect on April 1, 2026,

① Carrier-hopping* applications have fallen by half

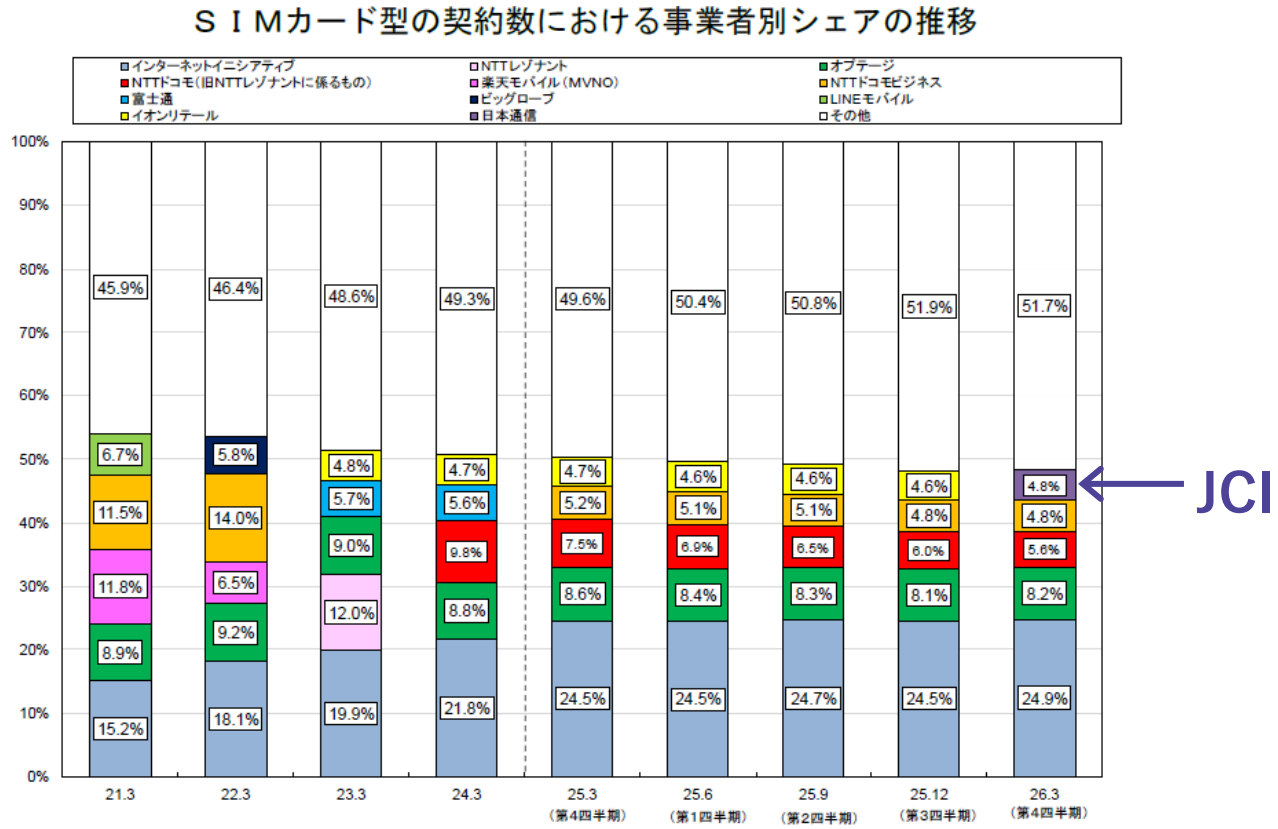
② “NihonTsushin SIM” is sold online only, so customers without My Number Cards are unable to complete their application, resulting in a drop-off

New line contracts are expected to decline in the short term

*Repeatedly switching mobile carriers within a short period to receive incentives such as point rewards or device discounts

JCI Rises to No. 5 Among 2,000 MVNOs

- JCI was listed for the first time in the "Quarterly Data on the Number of Contracts and Market Share of Telecommunications Services (Q4 FY2025, as of end of March)", published by the Ministry of Internal Affairs and Communications on July 10, 2026.
- This official government data, which lists the top five operators by market share, positions JCI as one of the leading MVNOs.



*Source: Ministry of Internal Affairs and Communications, July 10, 2026, "Quarterly Data on the Number of Contracts and Market Share of Telecommunications Services (Q4 FY2025, as of end of March)"

Balance Sheet (Consolidated)

millions of yen (yen amounts are rounded down to millions)	Q1 FYE27	Previous Quarter		Previous Year	
		Q4 FYE26	change	Q1 FYE26	change
Current assets	8,331	8,453	(122)	5,556	2,774
Cash and deposits	6,899	7,107※1	(207)	4,260	2,639
Accounts receivable - trade	908	879	29	794	114
Merchandise	66	70	(4)	37	29
Other	499	437	61	473	25
Allowance for doubtful accounts	(42)	(41)	(1)	(8)	(34)
Non-current assets	3,574	3,454	119	2,224	1,349
Property, plant and equipment	546	532	14	559	(12)
Intangible assets	2,397	2,243	154	1,042	1,354
Investments and other assets	629	679	(49)	622	7
Deferred Assets	83	87	(3)	26	57
Total assets	11,989	11,995	(5)	7,808	4,181
Current liabilities	2,272	2,443	(170)	1,909	362
Accounts payable - trade	580	571	8	470	110
Unearned revenue	91	97	(6)	100	(8)
Total current debt	-	-	-	-	-
Current portion of bonds payable	852	852※2	-	286	566
Other	748	921	(173)	1,053	(305)
Non-current liabilities	4,902	4,909	(7)	1,789	3,113
Bonds payable	4,862	4,862※1※2	-	1,714	3,148
Other	40	47	(7)	75	(34)
Total liabilities	7,175	7,353	(178)	3,699	3,476
Net assets	4,814	4,642	172	4,108	705
Total liabilities and net assets	11,989	11,995	(5)	7,808	4,181

※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)	Q1 FYE27	Previous Quarter		Previous Year	
		Q4 FYE26	change	Q1 FYE26	change
Cash flows from operating activities	113	(29)	142	330	(216)
Cash flows from investing activities	(319)	(400)	81	(365)	46
Purchase of property, plant and equipment	(67)	(47)	(19)	(147)	80
Purchase of intangible assets	(251)	(321)	69	(149)	(102)
Other	-	(31)	31	(69)	69
Cash flows from financing activities	(3)	3,788 ※1	(3,791)	(3)	(0)
Effect of exchange rate change on cash and cash equivalents	1	1	0	0	2
Net increase (decrease) in cash and cash equivalents	(207)	3,360	(3,568)	(39)	(167)
Cash and cash equivalents at beginning of period	7,107	3,747	3,360	4,300	2,806
Cash and cash equivalents at end of period	6,899	7,107	(207)	4,260	2,639

※1 Raised 4 billion yen by issuing corporate bonds

Business Strategy Update

Representative Director

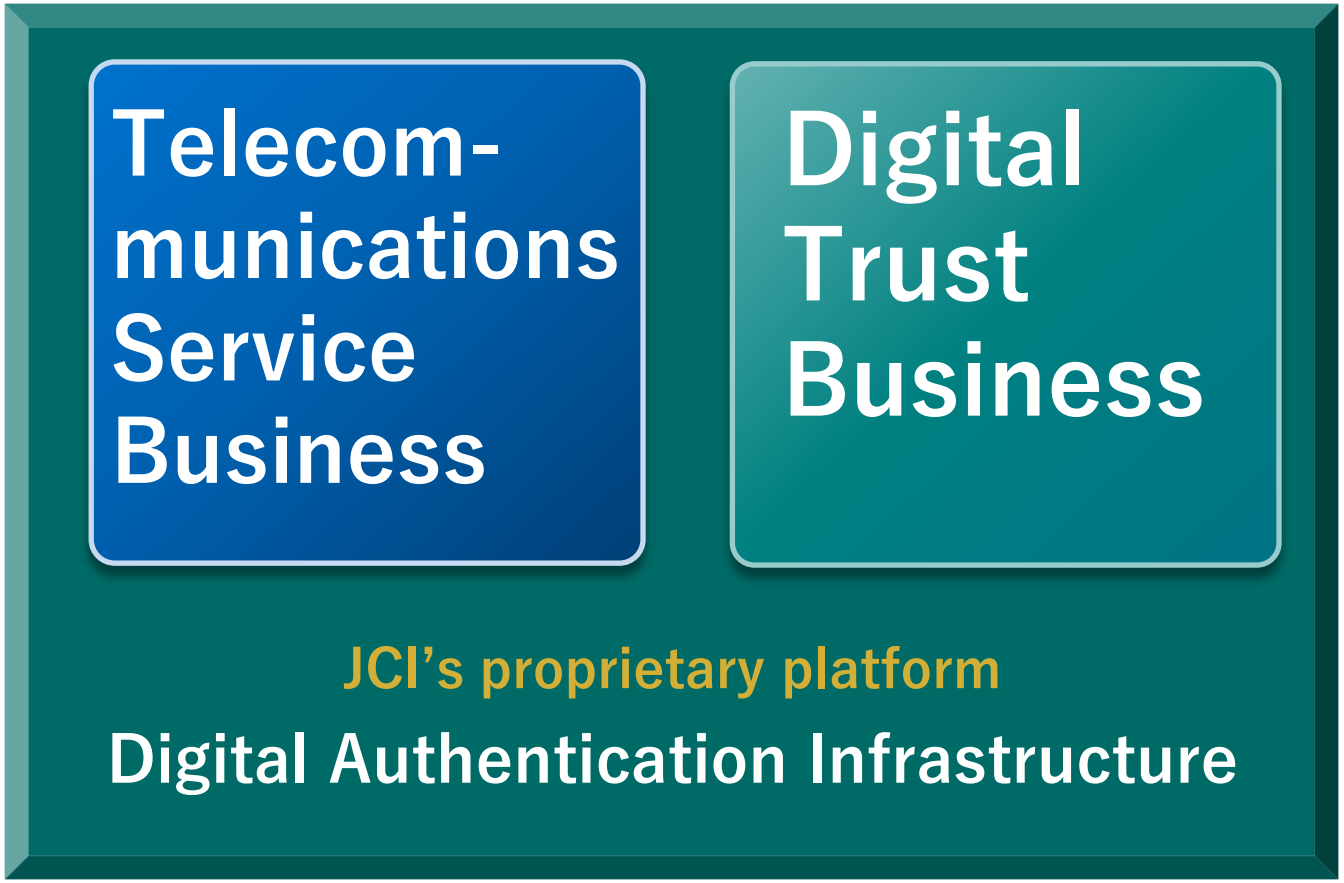
-President and CEO

Naohisa Fukuda

Announced on May 7, 2026

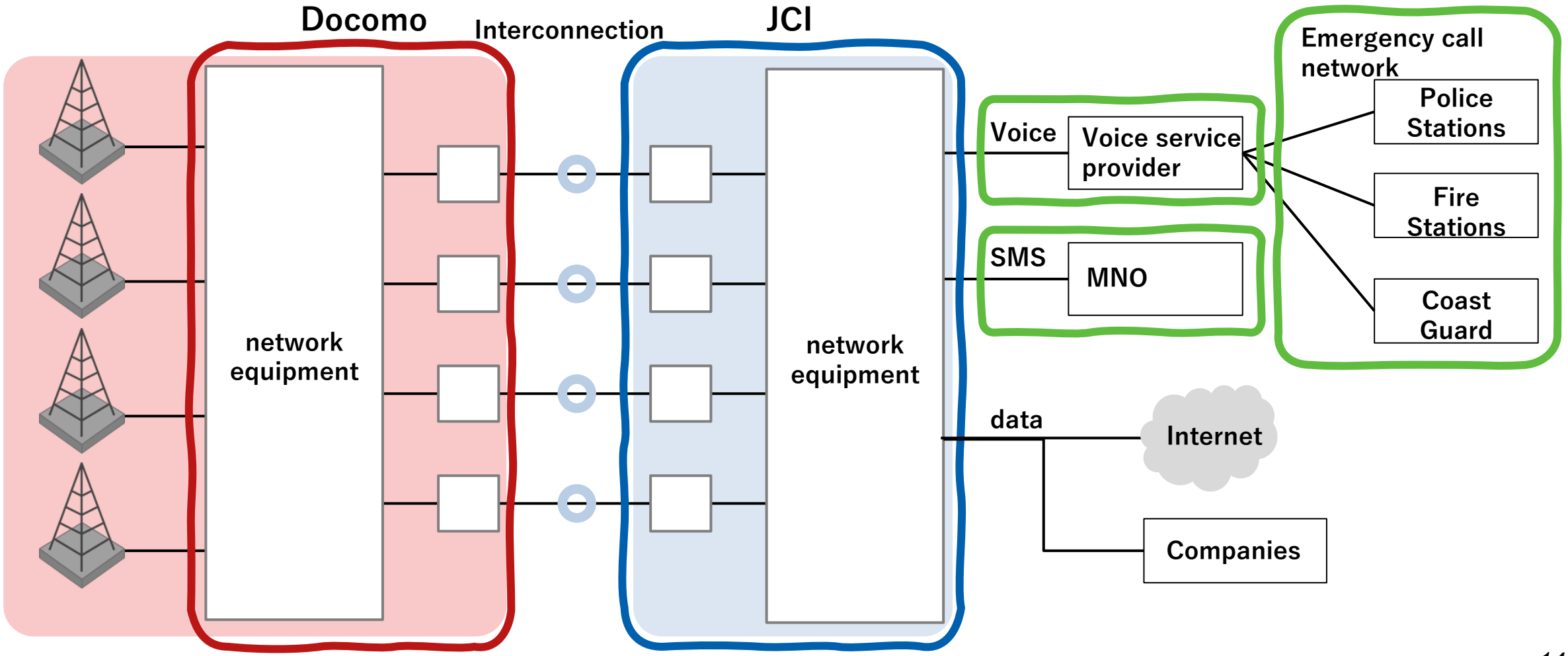
JCI Vision 2030

Safety, Security and Trust



Neo-Carrier Project Update

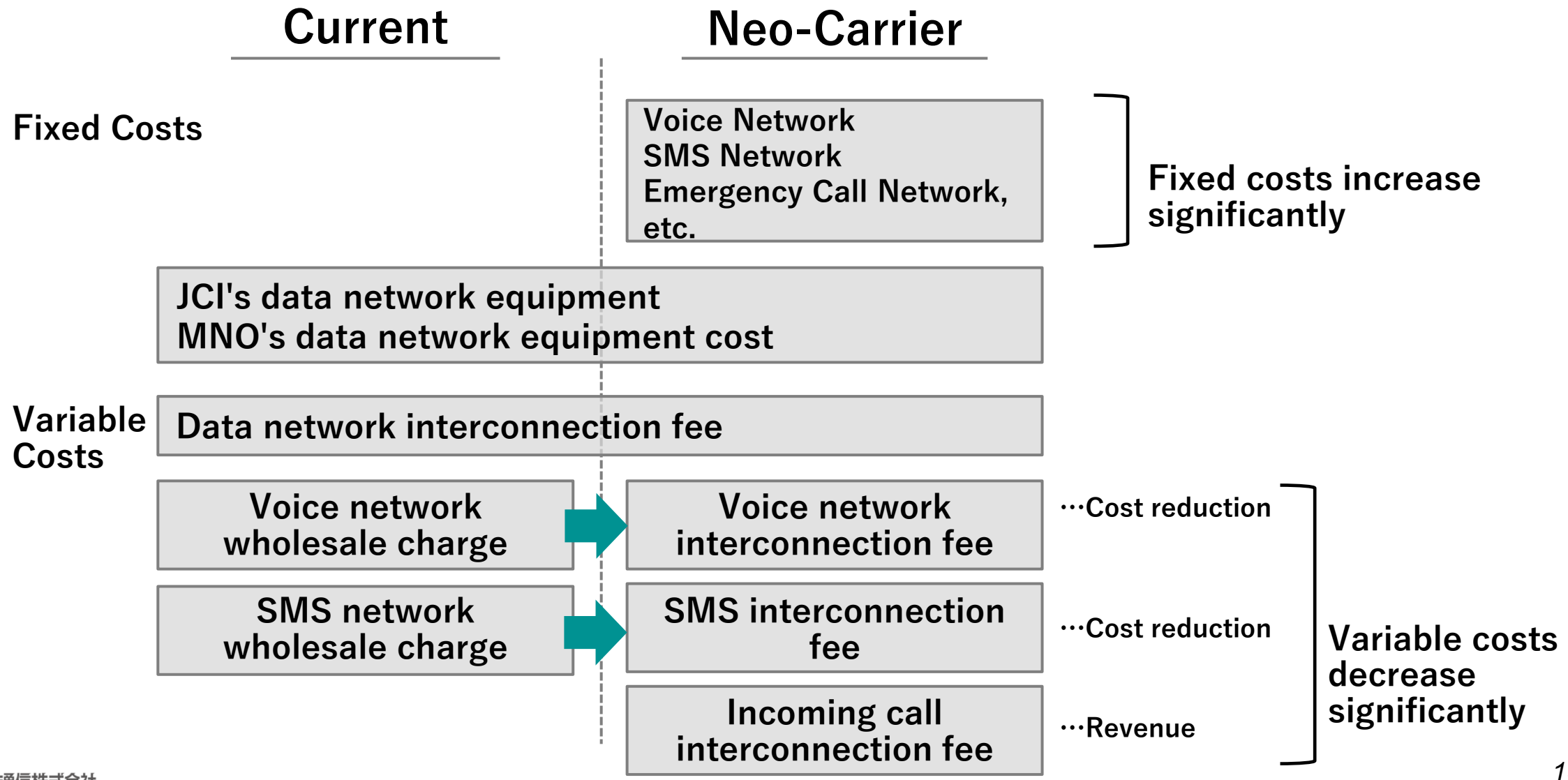
July 27, 2026　Signed the interconnection agreement with NTT Docomo



Renovation and additional development of network equipment

Development of voice and SMS network equipment (including interface for host MNOIF)

Neo-Carrier Revenue Structure



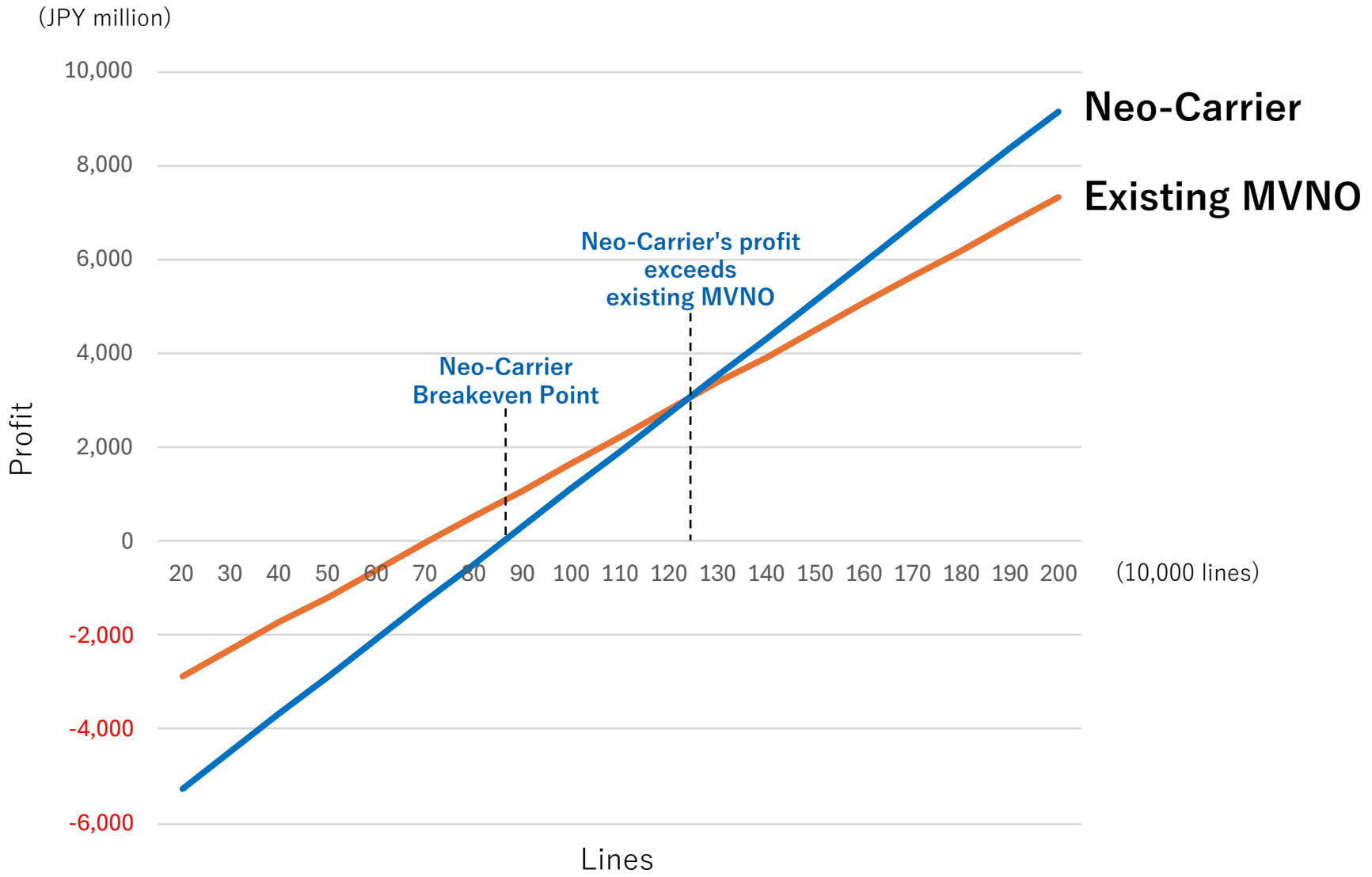
Neo-Carrier's Marginal Profit Margin

Current	Neo-Carrier
48.2% (Q1 Result)	63% (estimate)

$$\text{Marginal Profit Margin} = \frac{\text{Net Revenue} - (\text{Short-term variable costs} + \text{Long-term variable costs*})}{\text{Net Revenue}}$$

*Incremental increase in long-run incremental costs

Neo-Carrier Profit Crossover



Neo-Carrier Brand Announced

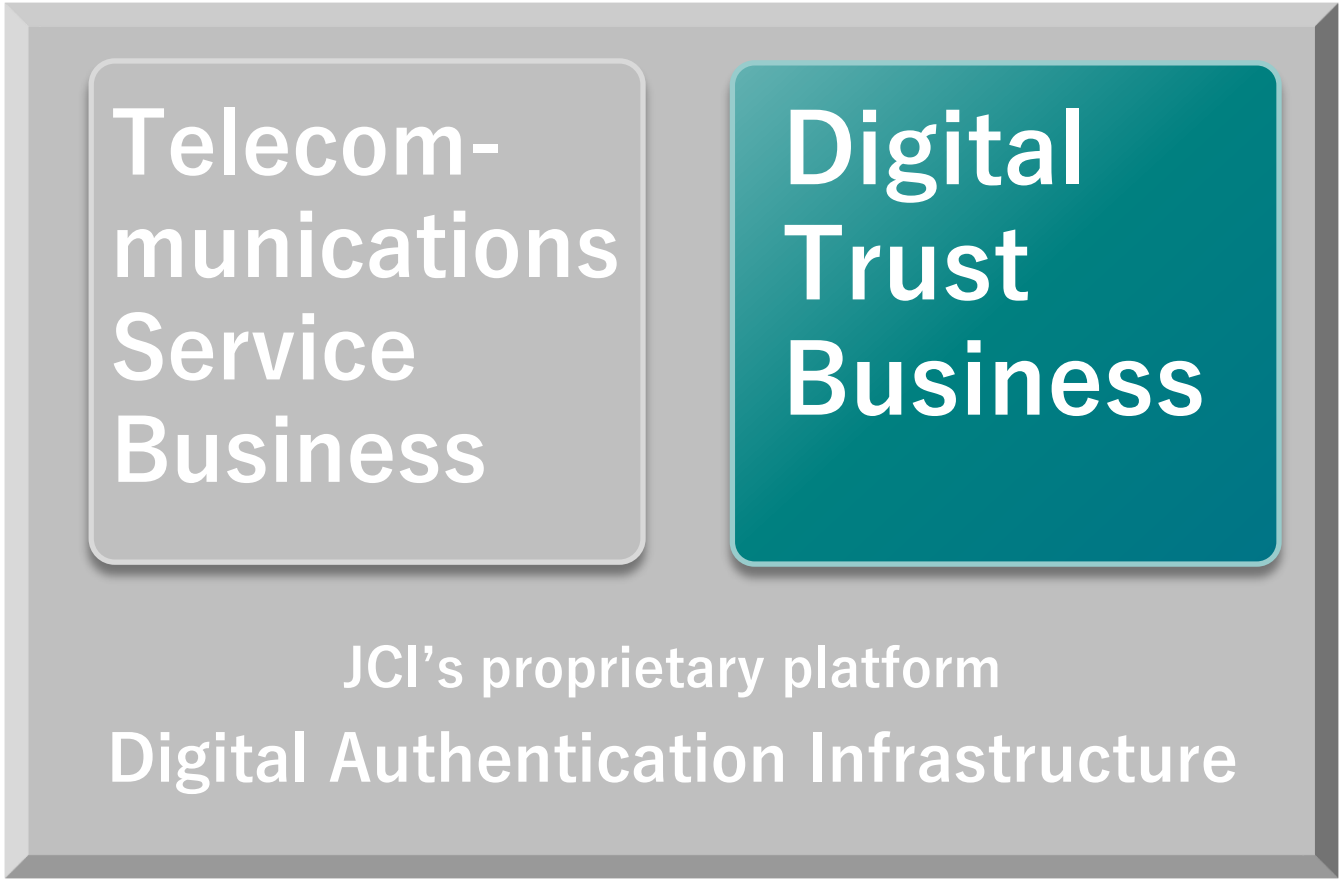
July 28, 2026　Announced Neo-Carrier brand and logo



Announced on May 7, 2026

JCI Vision 2030

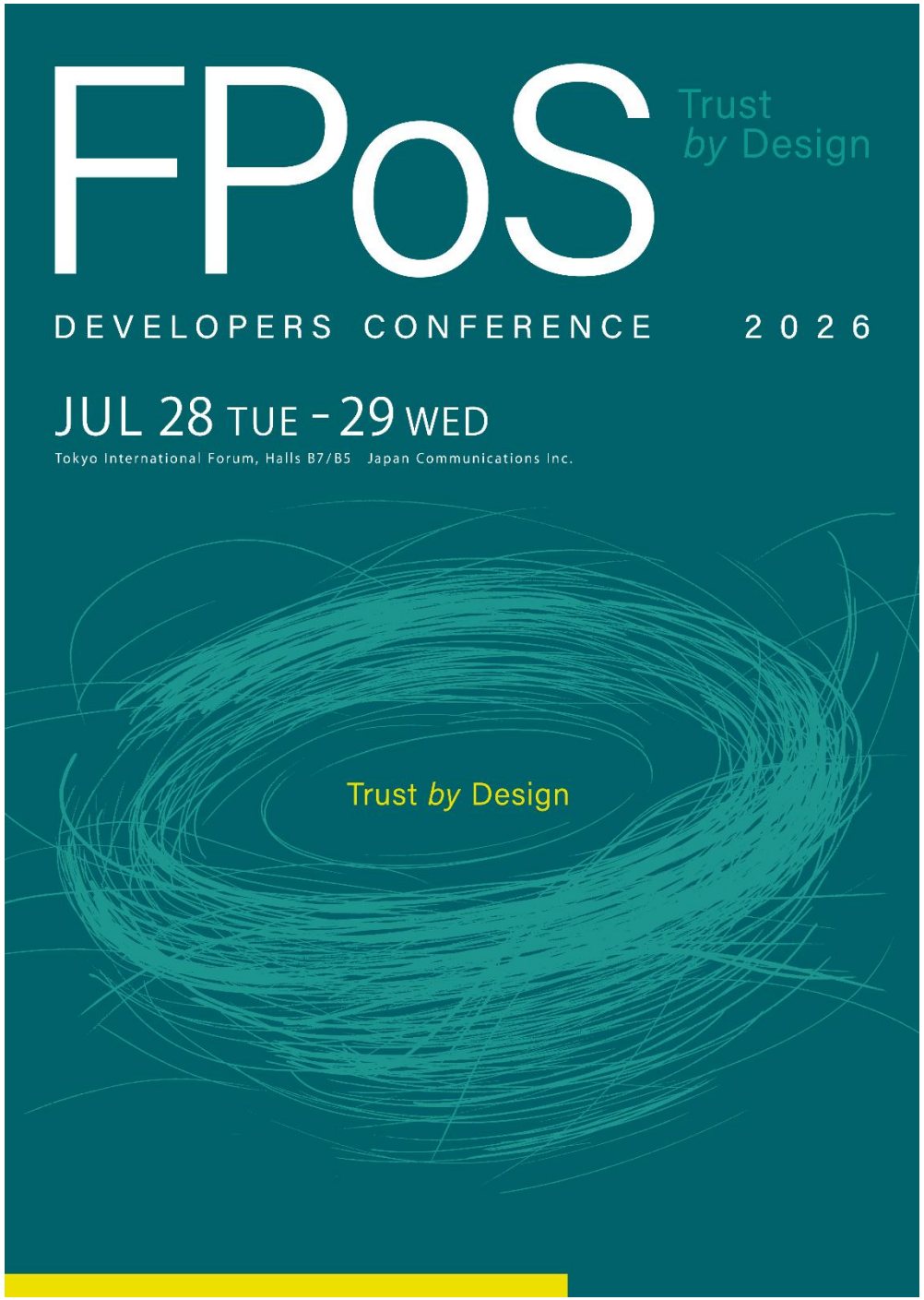
Safety, Security, and Trust



Trust by Design
Designing Trust

Safety and security by design for the AI era

Delivering services personalized for every individual



July 28: FDC2026 DAY1

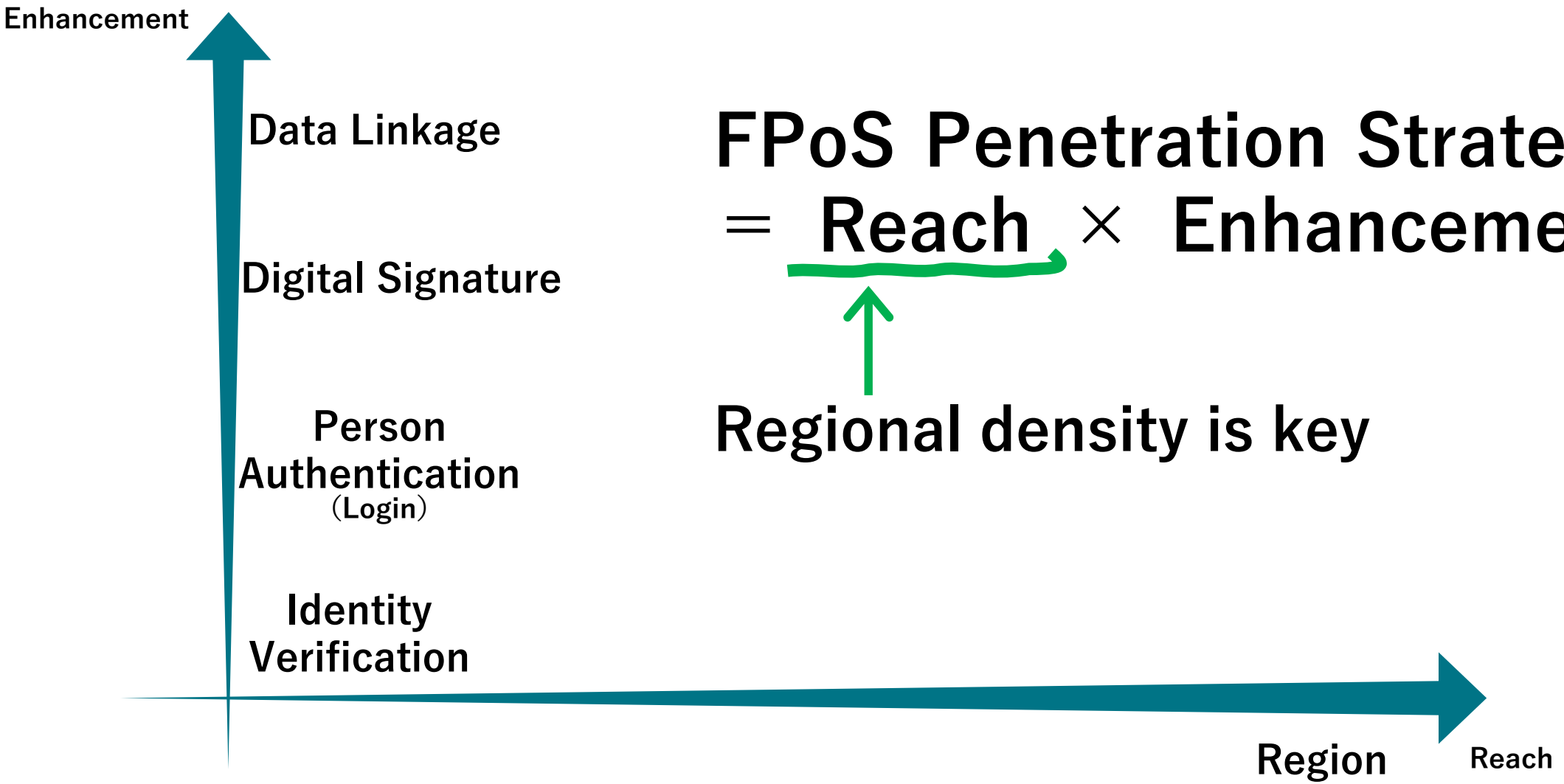
Sharing the vision and frontline implementation of how to redesign "trust" in the digital society

Speaker	Session Title
Naohisa Fukuda	Welcome Session Why Trust by Design — FPoS: A New Shape of Trust
Audrey Tang	Keynote Designing Trust — The Architecture of Trust in the Digital Society —
Satsuki Katayama, Jiro Kokuryo, Naohisa Fukuda Moderator：Kappei Isomata	Panel Discussion Data and AI Opening the Future of Finance — Building the Foundation of an Economy and Society That Implements "Trust"
Thomas Aidan Curran	Session Sovereign AI Blueprint — Protecting the Future of Enterprise AI —
Keisuke Murakami, Jiro Kokuryo, Naohisa Fukuda	Closing Panel From Design to Society — The Day Designed Trust Becomes the Premise of Society —

July 29: FDC2026 DAY2

Stage A	Trust Architecture Stage “Designing Trust.” FPoS technology, ID, AI, money, and contracts— a stage for understanding the structure that support trust	Stage B	Trust Life Stage “Trust Changes Daily Life.” FPoS in government, healthcare, disaster prevention, education, and other everyday settings — a stage for experience FPoS in real life
Masaki Kamizono	The Unhackable Key Anchors Trust. Digital Identity realized by FPoS, and its future	Tsuyoshi Kono	The Service Counter in the Palm of Your Hand. The current state of municipal DX and the Future of government services opened by resident
James Miller	AI Sovereignty, Never Relinquished. The trust foundation for the AI agent era: proving Who, When, and What was Authorized	Kenji Govaers	Supporting Newcomers' First Japan Experience Through Trust. Opening the door to social participation for everyone, beyond language and institutional barriers
Touru Yamauchi	That Trust Can Be Evaluated. The potential of digital trust and attribute certification supporting data utilization in the generative AI era	Tadashi Okamoto	Help, Delivered Reliably to You. Data linkage that bridges the gap between policy and and the field to deliver "voices" during disasters
Akira Miura Osamu Yachida Takumi Otabe	Trust Spreads Through Society. The current and future of My Number Card utilization	Yoshito Date	You Carry Your Own Medical Information. Restoring and rebuilding medical data sovereignty by the individual
Kazuhiro Miyazawa	Identity Verification for Money. A vision for next-generation payments, developing from with identity verification	Kazusa Kusaka	Certainty for the Will You Leave Behind. A form of digital end-of-life planning that certifies and reliably carries forward a person's wishes
Shinichi Miyajima	Money Flows to the People You Want to Reach. Authenticated local payment infrastructure opening benefits and circulation connecting people and communities	Akio Omori	Turn Your Learning Record into a Lifelong Asset. Attribute certification and data linkage turning academic records into lifelong career assets
Koichi Yokoyama	Your Registered Seal, Inside Your Smartphone. How digital contracts, adrift for a quarter century, finally reclaimed trust	Mizuho Maekawa	Trust Foundation Generates Credit. The essence of credit assessment, going forward, connected by trust

FPoS Penetration Strategy

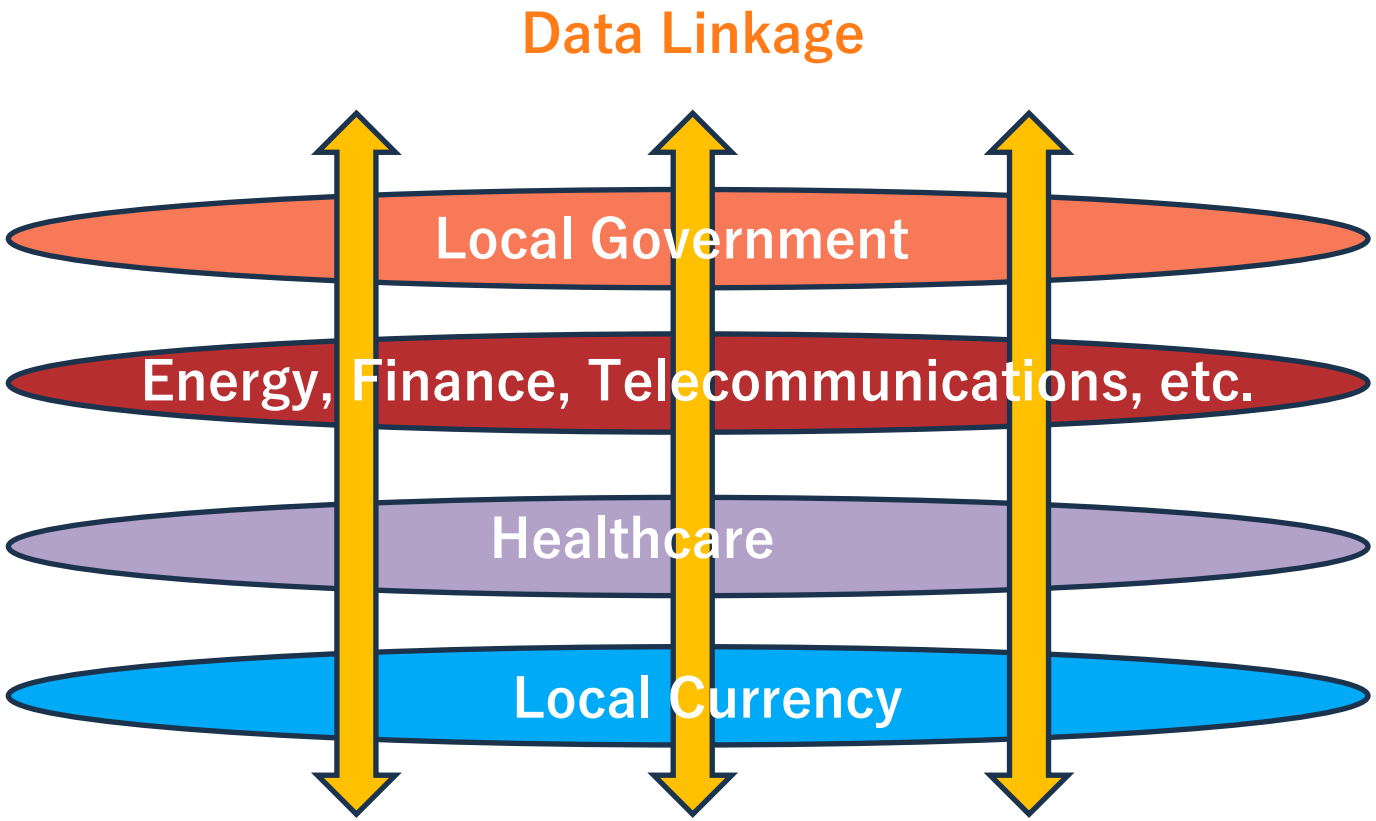


FPoS Penetration Strategy = Reach × Enhancement

Regional density is key

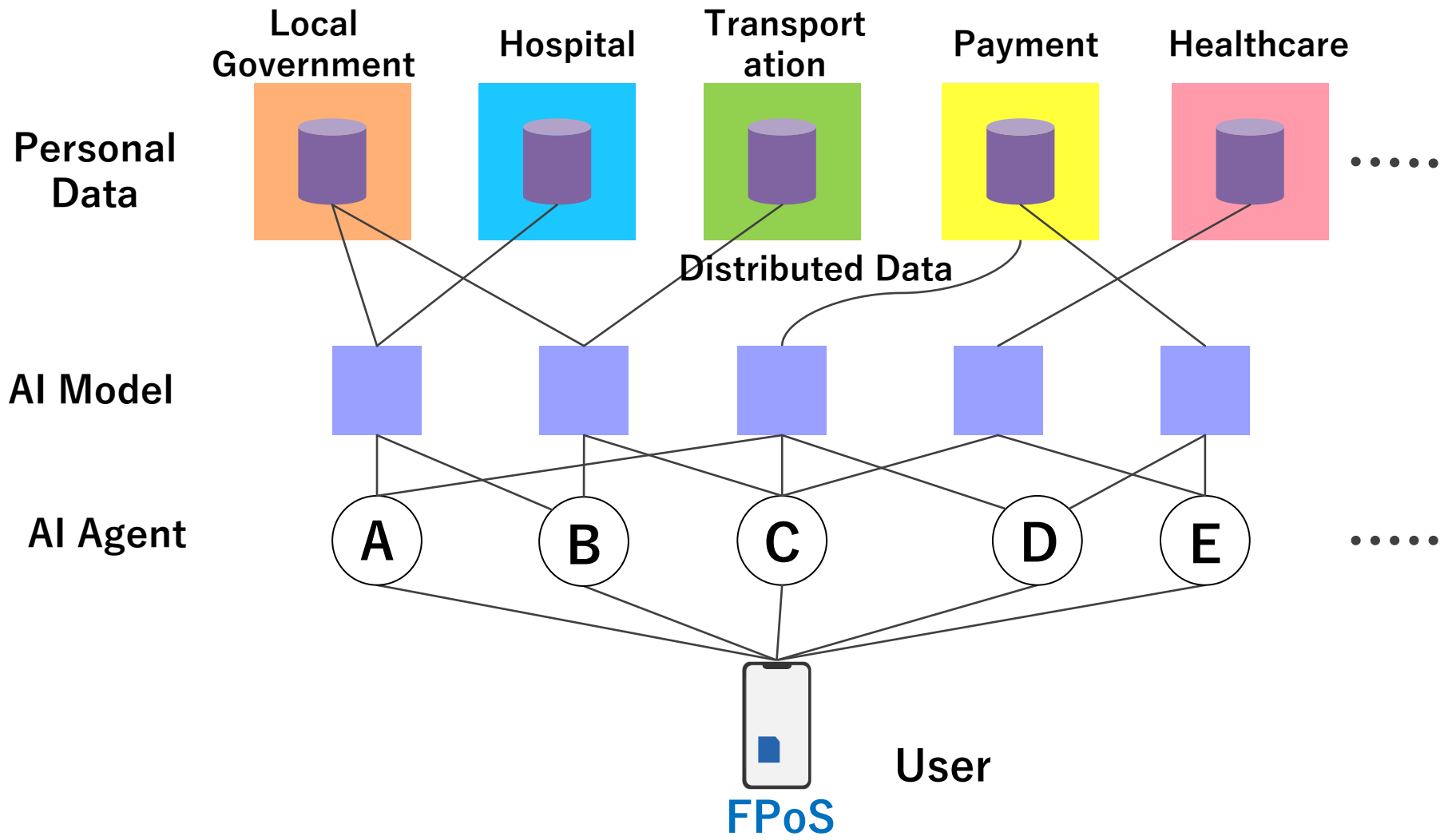
FPoS Depth Enhancement

Initiatives in a region



Personalized Services for Every Individual

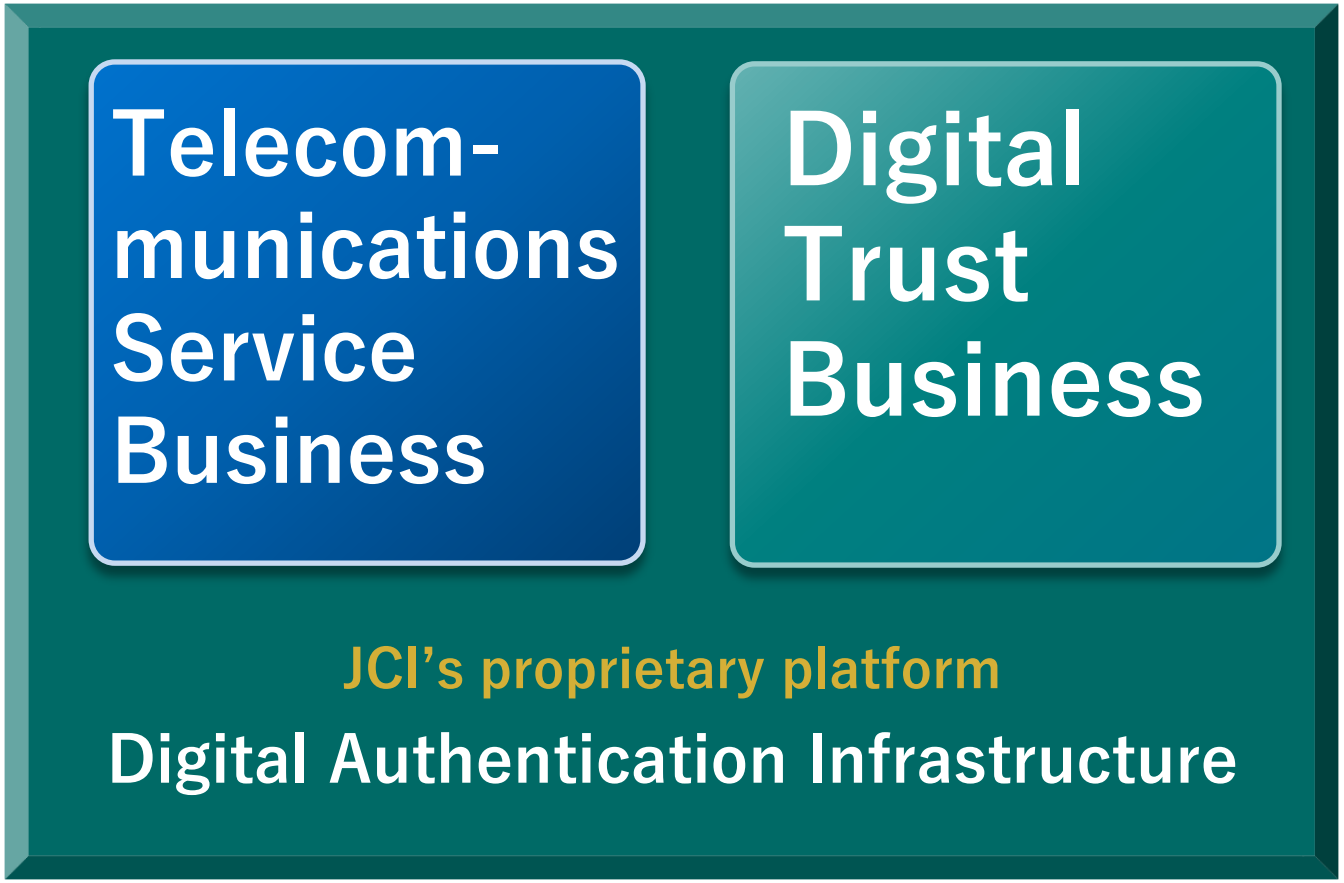
FPoS is the gateway to, and guardian of, AI sovereignty



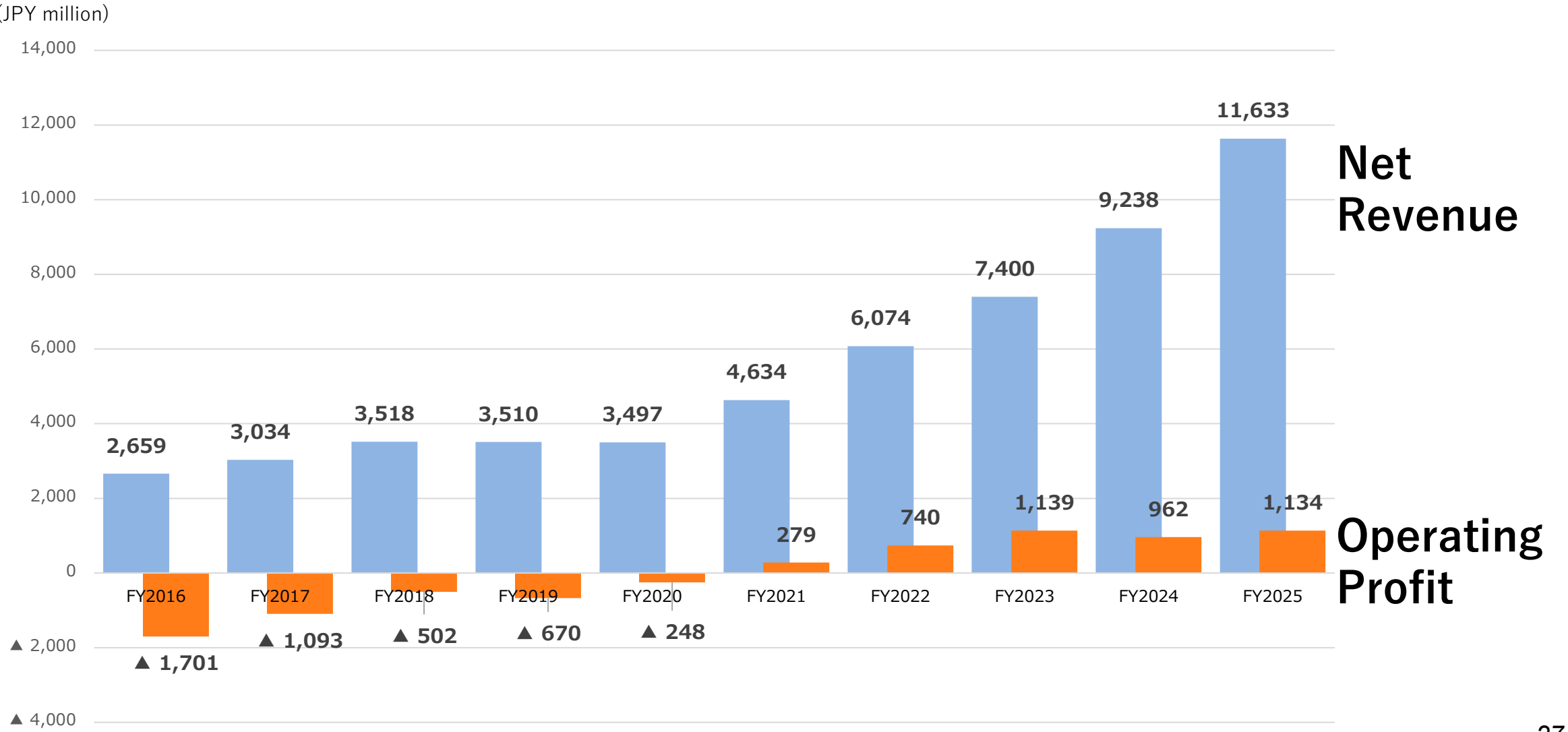
Announced on May 7, 2026

JCI Vision 2030

Safety, Security and Trust



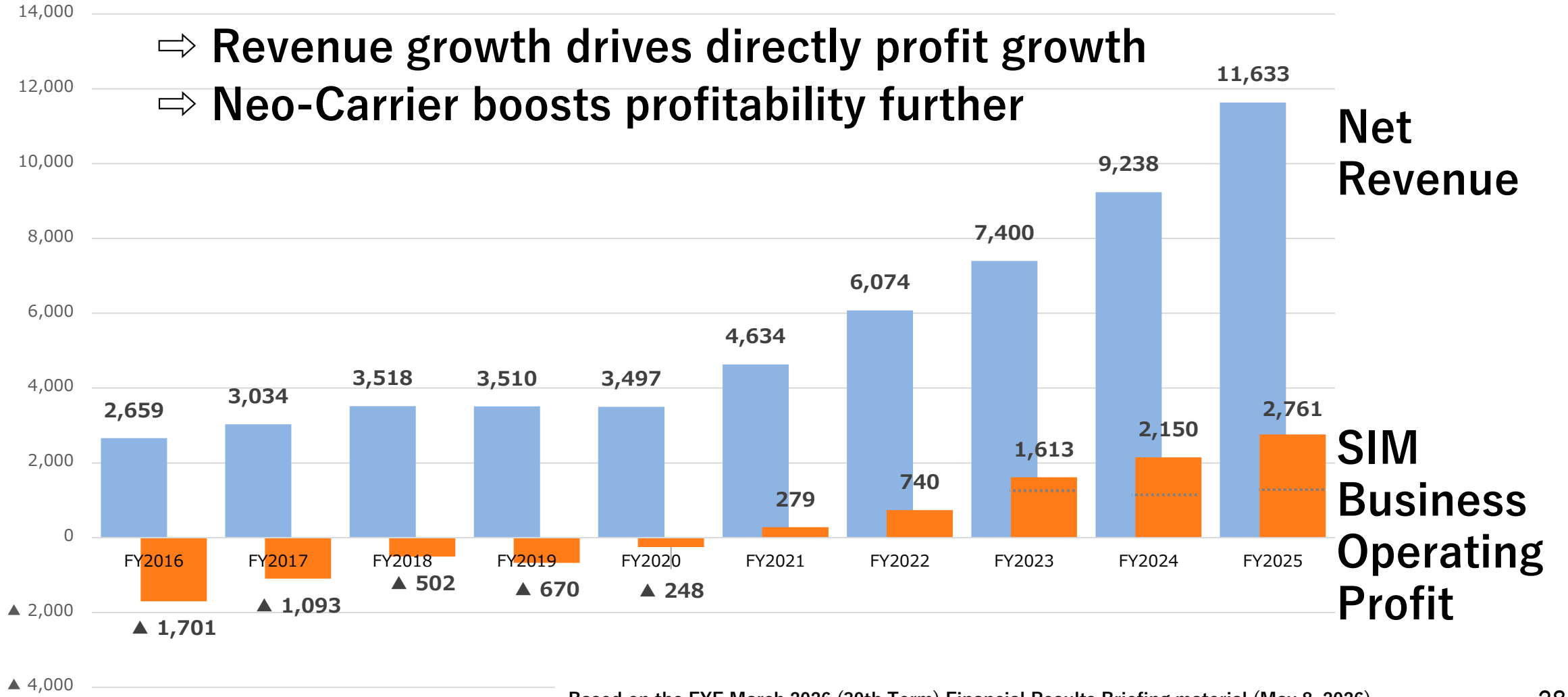
10 Year Trends in Net Revenue and Operating Profit



Developed the 45% Gross-Margin Business Model

⇨ Revenue growth drives directly profit growth

⇨ Neo-Carrier boosts profitability further



Based on the FYE March 2026 (30th Term) Financial Results Briefing material (May 8, 2026) and the FYE March 2025 (29th Term) Financial Results Briefing material (May 9, 2025)


blue
mobile

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.